

# Directors' report

## Nature of business

AngloGold Ashanti Limited conducts mining operations in Africa, North and South America and Australia and undertakes exploration activities worldwide. In addition, the company is involved in the manufacturing, marketing and selling of gold products, as well as the development of markets for gold.

## Major shareholder

Anglo South Africa Capital (Proprietary) Limited, a wholly owned subsidiary of Anglo American plc (incorporated in England and Wales) ceased to be AngloGold Ashanti's major shareholder in October 2007, following the sale of 69.1 million of the 115,102,929 ordinary shares it held in the company. The sale reduced the effective shareholding of Anglo American plc in the issued ordinary share capital of the company to 16.6%.

## Share capital

### Authorised

The authorised share capital of AngloGold Ashanti at 31 December 2007 is made up as follows:

■ 400,000,000 ordinary shares of 25 South African cents each	R100,000,000
■ 4,280,000 E ordinary shares of 25 South African cents each	R1,070,000
■ 2,000,000 A redeemable preference shares of 50 South African cents each	R1,000,000
■ 5,000,000 B redeemable preference shares of 1 South African cent each	R50,000

The following are the movements in the issued and unissued capital from the beginning of the accounting period to the date of this report:

### Issued

#### Ordinary shares

	Number of shares		Rand	
	2007		2006	
At 1 January	276,236,153	69,059,038	264,938,432	66,234,608
Issued during year				
– \$500 million equity raising (effective 20 April 2006)	–	–	9,970,732	2,492,683
– Bokamoso ESOP and BEE transaction (approved by shareholders on 11 December 2006)	31,410	7,852	928,590	232,147
– Bokamoso ESOP on conversion of E ordinary shares	8,026	2,007	–	–
– Exercise of options by participants in the AngloGold Share Incentive Scheme	1,181,882	295,471	398,399	99,600
At 31 December	277,457,471	69,364,368	276,236,153	69,059,038
Issued subsequent to year-end				
– Exercise of options by participants in the AngloGold Share Incentive Scheme	205,632	51,408		
At 31 January 2008	277,663,103	69,415,776		

## E ordinary shares

On 11 December 2006, shareholders in general meeting authorised the creation of a maximum 4,280,000 E ordinary shares to be issued pursuant to an Employee Share Ownership Plan and a Black Economic Empowerment transaction (“BEE transaction”).

	Number of shares		Rand	
	2007		2006	
At 1 January	4,185,770	1,046,443	–	–
Issued during year				
– The Bokamoso ESOP Trust	94,230	23,557	2,785,770	696,443
– Izingwe Holdings (Proprietary) Limited	–	–	1,400,000	350,000
Cancelled in exchange for ordinary shares in terms of the cancellation formula	139,770	34,943		
At 31 December	4,140,230	1,035,057	4,185,770	1,046,443
Issued/cancelled subsequent to year-end				
– Issued	–	–		
– Cancelled and exchanged for ordinary shares issued in terms of the cancellation formula	11,196	2,799		
At 31 January 2008	4,129,034	1,032,258		

In terms of the authority granted by shareholders, on vesting, E ordinary shares are cancelled in exchange for ordinary shares, in accordance with the cancellation formula. All E ordinary shares which are cancelled may not be re-issued and therefore, do not form part of the authorised but unissued share capital of the company.

E ordinary share capital amounting to R5,603,292 in respect of 44,190 unconverted but cancelled E ordinary shares was transferred to ordinary share premium. E ordinary shares do not convert to ordinary shares in the instance when the market price of an AngloGold Ashanti ordinary share is less than the value of the E ordinary share as calculated in accordance with the cancellation formula.

## Redeemable preference shares

The A and B redeemable preference shares, all of which are held by a wholly owned subsidiary Eastvaal Gold Holdings Limited, may not be transferred and are redeemable from the realisation of the assets relating to the Moab Lease area after cessation of mining operations in the area. The shares carry the right to receive dividends equivalent to the profits (net of royalty, ongoing capital expenditure and taxation) from operations in the area. No further A and B redeemable preference shares will be issued.

Further details of the authorised and issued shares, as well as the share premium, are given in Note 27 to the group's financial statements.

## Unissued

	Ordinary		E ordinary	
	Number of shares	Number of shares	Number of shares	Number of shares
	2007	2006	2007	2006
At 1 January	123,763,847	135,061,568	94,230	–
Authorised during the year	–	–	–	4,280,000
Issues during year	1,221,318	11,297,721	94,230	4,185,770
At 31 December	122,542,529	123,763,847	–	94,230
Issues subsequent to year-end	205,632			
At 31 January 2008	122,336,897			

## Directors' report continued

### Unissued ordinary shares under the control of directors

In terms of the authority granted by shareholders at the annual general meeting held on 4 May 2007, 10% of the authorised but unissued ordinary share capital remaining at that date, after setting aside so many ordinary shares as may be required to be allotted and issued pursuant to the Share Incentive Scheme; the Bokamoso Employee Share Ownership Plan, the black economic empowerment transaction and for the purposes of the conversion of the \$1 billion, 2.375% guaranteed convertible bonds, issued by AngloGold Ashanti Holdings plc, are placed under the control of the directors. This authority expires at the annual general meeting to be held on 2 May 2008.

The unissued ordinary shares under the control of the directors at 31 December 2007 were as follows:

	Shares	Rand
Authorised ordinary share capital	400,000,000	100,000,000
Ordinary shares in issue at 4 May 2007	276,827,589	69,206,897
Unissued ordinary shares at 4 May 2007	123,172,411	30,793,103
Less: Ordinary shares set aside in terms of:		
– Share Incentive Scheme	7,612,759	1,903,190
– ESOP and BEE transaction	6,071,410	1,517,852
– Guaranteed Convertible Bonds	15,384,615	3,846,154
Net unissued ordinary shares at 4 May 2007	94,103,627	23,525,907
Unissued ordinary shares under the control of the directors at 4 May 2007 (10% of net unissued ordinary shares)	9,410,362	2,352,590
Less: Ordinary shares issued at the discretion of the directors	–	–
At 31 December 2007	9,410,362	2,352,590

In terms of the Listings Requirements of the JSE, shareholders may, subject to certain conditions, authorise the directors to issue the ordinary shares held under their control for cash other than by means of a rights offer to shareholders. In order that the directors of the company may be placed in a position to take advantage of favourable circumstances which may arise for the issue of such ordinary shares for cash, without restriction, for the benefit of the company, shareholders will be asked to consider an ordinary resolution to this effect at the forthcoming annual general meeting.

The company has not exercised the general approval to buy back shares from its issued ordinary share capital, granted at the annual general meeting held on 4 May 2007. At the annual general meeting to be held on 2 May 2008, shareholders will be asked to renew the general authority for the acquisition by the company, or a subsidiary of the company, of its own shares.

### American Depositary Shares

At 31 December 2007, the company had in issue through The Bank of New York as Depositary, and listed on the New York Stock Exchange (NYSE), 82,550,854 (2006: 73,572,341) American Depositary Shares (ADSs). Each ADS is equal to one ordinary share. At 31 January 2008, there were 78,190,823 ADSs in issue and listed on the NYSE.

### Ghanaian Depositary Shares

At 31 December 2007, the company had in issue through NTHC Limited as Depositary, and listed on the Ghana Stock Exchange (GSE) 18,256,500, (2006: 18,256,500) Ghanaian Depositary Shares (GhDSs). Every 100 GhDSs has one underlying AngloGold Ashanti ordinary share and carries the right to one vote. At 31 January 2008, 18,475,000 GhDSs were listed on the Ghana Stock Exchange.

### AngloGold Share Incentive Scheme

AngloGold Ashanti operates a share incentive scheme for the purpose of providing an incentive to executive directors, executive officers and managers of the company and its subsidiaries to identify themselves more closely with the fortunes of the group and its continued growth, and to promote the retention of such employees by giving them an opportunity to acquire shares in the company.

Non-executive directors are not eligible for participation in the share incentive scheme.

The maximum number of ordinary shares that may be allocated for the purposes of the scheme is equivalent to 2.75% of the total number of ordinary shares in issue at any time. At 31 December 2007, 7,630,080 ordinary shares (2006: 7,596,494) were available for purposes of the scheme, while the maximum aggregate number of shares which may be acquired by any one participant in the scheme is 5% of the ordinary shares allocated for the purposes of the share incentive scheme (or 0.1375% of the total number of ordinary shares in issue) – at 31 December 2007 381,504 (2006: 379,824).

Employees participate in the share incentive scheme to the extent that they are granted options or rights to acquire shares, and accept them. All options or rights which have not been exercised within ten years from the date on which they were granted, automatically expire.

The incentives offered by AngloGold Ashanti are reviewed periodically to ensure that these incentives are globally competitive, so as to attract, reward and retain management of the highest calibre. As a result, several types of incentives, each with their own issue and vesting criteria have been granted to employees – collectively known as the “AngloGold Share Incentive Scheme or share incentive scheme”.

Although the Remuneration Committee has the discretion to incentivise employees through the issue of shares, only options or rights have so far been granted. The type and vesting criteria of the options or rights granted are:

#### **Time-related**

The granting of time-related options was approved by shareholders at the general meeting held on 4 June 1998 and amended by shareholders at the annual general meeting held on 30 April 2002, at which time it was agreed that no further time-related options will be granted and all options granted hereunder will terminate on 1 February 2012, being the date on which the last options granted under this criteria may be exercised or will expire.

Time-related options vest over a five-year period from date of grant and may be exercised in tranches of 20% each in years two, three and four and 40% in year five. As of the date of this report, all options granted and outstanding have vested in full.

#### **Performance-related**

The granting of performance-related options was approved by shareholders at the annual general meeting held on 30 April 2002 and amended at the annual general meeting held on 29 April 2005 at which time it was agreed that no further performance-related options will be granted and all options granted hereunder will terminate on 1 November 2014, being the date on which the last options granted under this criteria may be exercised or will expire.

Performance-related options granted vest in full, three years from date of grant, provided that the conditions under which the options were granted, are met. All options granted and outstanding vested in full on 1 November 2007.

#### **Bonus Share Plan (BSP)**

The granting of rights in terms of the BSP was approved by shareholders at the annual general meeting held on 29 April 2005. Executive directors, executive officers and other management groups are eligible for participation. Each award made in respect of the BSP entitles the holder to acquire one ordinary share at “nil” cost. Awards granted vest in full, three years from date of grant, provided that the participant is still in the employ of the company at the date of vesting unless an event, such as death, occurs which may result in an earlier vesting.

#### **Long-Term Incentive Plan (LTIP)**

The granting of rights in terms of the LTIP was approved by shareholders at the annual general meeting held on 29 April 2005. Executive directors, executive officers and selected senior management are eligible for participation. Each award made in respect of the LTIP entitles the holder to acquire one ordinary share at “nil” cost. Awards granted vest three years from date of grant, to the extent that the stretched company performance targets under which the rights were granted, are met and provided that the participant is still in the employ of the company, or unless an event, such as death, occurs which may result in an earlier vesting.

## Directors' report continued

### Options and rights

As is required to be disclosed in terms of the AngloGold Share Incentive Scheme and stock exchange regulations, the movement in respect of options and rights granted and the ordinary shares issued as a result of the exercise of options and rights during the year 1 January 2007 to 31 January 2008 is:

	Time-related	Performance related	Bonus Share Plan	Long-Term Incentive Plan	Total	Average exercise price per ordinary share	Ordinary shares issued
At 1 January 2007	473,260	2,585,800	480,585	660,175	4,199,820	166.64	3,114,077
Movement during year							
– Granted	–	*12,600	296,495	321,664	630,759	–	
– Exercised	266,300	874,874	40,708	–	1,181,882	210.31	1,181,882
– Lapsed – terminations	–	85,326	50,704	198,414	334,444	62.78	
At 31 December 2007	206,960	1,638,200	685,668	783,425	3,314,253	130.74	4,295,959
Average exercise/issue price per share – R	124.68	248.76	–	–	130.74		
Subsequent to year-end							
– Exercised	6,600	196,419	2,613	–	205,632	242.00	205,632
– Lapsed – terminations	–	–	–	–	–		
At 31 January 2008	200,360	1,441,781	683,055	783,425	3,108,621	123.38	4,501,591
Average exercise/issue price per share – R	124.50	248.77	–	–	123.38		

\* Correction of prior year lapsings in error.

### Analysis of options and rights outstanding at 31 December 2007

Holding	Holders	Number of options
1 to 100	185	13,518
101 to 500	643	137,261
501 to 1,000	119	82,710
1,001 to 5,000	302	798,881
5,001 to 10,000	94	693,451
10,000 to 100,000	68	1,588,432
Over 100,000	–	–
Total	1,411	3,314,253

## Financial results

The financial statements set out fully the financial position, results of operations and cash flows of the group and the company for the financial year ended 31 December 2007.

## Review of operations

The performance of the various operations are comprehensively reviewed on pages 54 to 98.

## Dividend policy

Dividends are proposed by, and approved by the board of directors of AngloGold Ashanti, based on the interim and year-end financial statements. Dividends are recognised when declared by the board of directors of AngloGold Ashanti. AngloGold Ashanti expects to continue to pay dividends, although there can be no assurance that dividends will be paid in the future or as to the particular amounts that will be paid from year to year. The payments of future dividends will depend upon the board's ongoing assessment of AngloGold Ashanti's earnings, after providing for long term growth, cash/debt resources, the amount of reserves available for dividend using the going concern assessment and restrictions placed by the conditions of the convertible bond and other factors.

Dividends declared since 1 January 2007:

	Final dividend number 101	Interim dividend number 102	Final dividend number 103
Declaration date	12 February 2007	30 July 2007	6 February 2008
Last date to trade ordinary shares cum dividend	2 March 2007	17 August 2007	22 February 2008
Record date	9 March 2007	24 August 2007	29 February 2008
Amount paid per ordinary share			
– South African currency (cents)	240	90	53
– United Kingdom currency (pence)	16.859	6.0721	3.484
– Ghanaian currency (cedis)	3,041.21	11.1	6.530
Amount per CDI* – Australian currency (cents)	8.4144	2.997	1.484
Payment date	16 March 2007	31 August 2007	7 March 2008
Amount per GhDS** – Ghanaian currency (cedis)	30.41	0.111	0.0653
Payment date	19 March 2007	3 September 2007	10 March 2008
Amount per ADS*** – United States currency (cents)	32.384	12.435	# 7.37
Payment date	26 March 2007	10 September 2007	17 March 2008
Amount per E ordinary share South African currency (cents)	120	45	26.50
Payment date	16 March 2007	31 August 2007	7 March 2008

\* Each CDI (Chess Depositary Interest) is equal to one-fifth of one ordinary share

\*\* Each GhDS (Ghanaian Depositary Share) is equal to one-hundredth of one ordinary share

\*\*\* Each ADS (American Depositary Share) is equal to one ordinary share

# Illustrative value assuming the following rates of exchange: {R14.068:£; R:¢1,289.29; R5.571:A\$; R7.19:\$}. The actual rate of payment will depend on the exchange rate on the currency conversion date and/or date of payment

Shareholders on the South African register who have dematerialised their ordinary shares receive payment of their dividends electronically, as provided for by STRATE. For those shareholders who have not yet dematerialised their shares, or who may intend retaining their shareholding in the company in certificated form, the company operates an electronic funds transmission service, whereby dividends may be electronically transferred to shareholders' bank accounts. These shareholders are encouraged to mandate this method of payment for all future dividends.

## Directors' report continued

### Borrowings

The company's borrowing powers are unlimited. As at 31 December 2007, the group's borrowings totalled \$1,872 million, R12,750 million (2006: \$1482 million, R10,376 million).

On 12 December 2007 AngloGold Ashanti announced the successful closing of a US\$1.15 billion syndicated revolving loan facility (RCF). The new 3-year facility will be used to refinance an existing US\$700 million RCF, an AUD200 million facility and for general corporate purposes.

### Significant announcements during the year under review and subsequent to year-end

On 5 February 2007, AngloGold Ashanti informed the market that a partial slope failure had occurred in an intermediate footwall of the Nyankanga pit at Geita Gold Mine on Saturday 3 February 2007. The pit had been monitored by slope stability radar and was safely evacuated in advance of the failure. No injury to employees or contractors occurred and there was no damage to equipment.

On 13 February 2007, the AngloGold Ashanti board approved a project to develop the Mponeng mine below the 120 level, adding some 2.5 million ounces of gold and 8 years to the mine's life, at a capital cost of \$252 million. Production is due to commence in 2013.

On 4 May 2007, AngloGold Ashanti announced that Messrs CB Brayshaw and AJ Trahar retired from the board effective 5 May 2007. AngloGold Ashanti further announced that Mrs C Carroll had been appointed as a non-executive director with effect from 5 May 2007.

On 1 June 2007, AngloGold Ashanti Australia Ltd announced the commencement of a pre-feasibility study at the Tropicana gold project in Western Australia. Tropicana, located 400 kilometres north-east of Kalgoorlie, is a joint venture between AngloGold Ashanti Australia (70%) and Independence Group NL (30% free carried to completion of the pre-feasibility study). The study is expected to be completed in mid-2008 and will focus on the Tropicana and Havana zones and will only consider open-cut resources.

On 8 June 2007, AngloGold Ashanti announced that it would sell, subject to certain conditions, to a consortium of Mintails South Africa (Pty) Limited / DRD South African Operations (Pty) Limited Joint Venture most of the remaining moveable and immovable assets of Ergo, the surface reclamation operation east of Johannesburg, discontinued in March 2005. The site is currently being rehabilitated by AngloGold Ashanti. The assets and associated liabilities will sell for R42.8 million (approximately \$6 million). The joint venture will operate, for its own account, under the AngloGold Ashanti authorisations until new order mining rights have been obtained and transferred to the joint venture. A specific exclusion from the sale to the joint venture is the Brakpan Tailings Storage Facility which will continue to be rehabilitated by AngloGold Ashanti.

On 11 July 2007, AngloGold Ashanti announced the resignation from the board of Mr AH Calver as Mr WA Nairn's alternate.

On 31 July 2007, the board of directors announced the retirement of Mr RM Godsell, (AngloGold Ashanti's Chief Executive Officer) and the resignation of Mr R Carvalho Silva (Chief Operating Officer – International) from the company effective 30 September 2007 and the appointments of Mr M Cutifani as Chief Executive Officer and Mr N Nicolau, (formerly Chief Operating Officer – Africa) as Chief Operating Officer for all operations as of 1 October 2007. Subsequently, on 12 November 2007, it was announced that due to further operational management restructure, Mr N Nicolau had resigned from the board to pursue other opportunities.

In August 2007, AngloGold Ashanti through the South African Chamber of Mines, signed a two-year wage agreement effective from 1 July 2007, with the three recognised mining unions. This agreement covers some 29,000 category 3 – 8 workers, miners, artisans and officials in the company's South African operations and was achieved through a mediated outcome without the unions resorting to any industrial action. In terms of the agreement: the first year increases from 1 July 2007 range from 10% for the lower categories of worker to 8% for officials or junior management and include a special dispensation for the benefit of artisans and some skilled occupations. Some improvements to leave conditions and housing allowances were also agreed. Second year increases from 1 July 2008 will be determined at South African CPIX plus 1% with a minimum of an 8% increase.

The company completed the acquisition of minority interests previously held by the Government of Ghana (5%) and the International Finance Corporation (10%) in the Iduapriem and Teberebie mine effective 1 September 2007 for a total cash consideration of \$25 million. Iduapriem and Teberebie are now wholly owned by AngloGold Ashanti.

On 18 September 2007, AngloGold Ashanti announced that Mr M Cutifani was appointed to the board effective 17 September 2007, as Chief Executive Officer designate. Mr M Cutifani succeeded Mr RM Godsell as Chief Executive Officer, on his retirement with effect from 1 October 2007.

On 1 October 2007, AngloGold Ashanti noted the announcement by Anglo American plc that it intended to offer for sale, 61 million ordinary shares of AngloGold Ashanti in the form of ordinary shares and American Depositary Shares pursuant to the registration of such securities under AngloGold Ashanti's automatic shelf registration statement. Goldman Sachs International acted as the global co-ordinator for the offering and Goldman Sachs International and UBS Investment Bank were joint book runners for the offering.

On 2 October 2007, AngloGold Ashanti noted the announcement by Anglo American plc that Anglo American had completed an offering of 67.1 million ordinary shares of AngloGold Ashanti in the form of ordinary shares and American Depositary Shares (ADS) priced at US\$44.00 per ADS (US\$44.11 inclusive of uncertificated securities tax payable by investors in ADSs) and R300.61 per ordinary share (exclusive of uncertificated securities tax). The offering which was launched on 1 October 2007 was increased from the earlier announced 61 million ordinary shares. The offering price represented discounts of 6.16% and 7.84% to the closing prices of the ADSs and ordinary shares in New York and Johannesburg respectively on Friday, 28 September 2007. The offering settled on 9 October 2007. On completion of the offering, Anglo American's holding in AngloGold Ashanti was 17.3%. An additional 2 million shares were sold by Anglo American in a private placement, further reducing its shareholding to 16.6%.

Following the settlement of the secondary offering and the consequent reduction in shareholding, all the directors representing Anglo American plc on the AngloGold Ashanti board, namely Mrs C Carroll and Mr R Médori, together with his alternate Mr PG Whitcutt resigned from the AngloGold Ashanti board, effective 9 October 2007.

On 12 December 2007, AngloGold Ashanti announced the successful closing of a \$1.15 billion syndicated revolving loan facility. The new three-year facility will be used to refinance an existing \$700 million revolving credit facility (due January 2008), an A\$200 million facility and for general corporate purposes.

On 14 January 2008, AngloGold Ashanti announced that it had agreed to acquire 100% of Golden Cycle Gold Corporation (GCGC) through a merger transaction in which GCGC's shareholders will receive 29 AngloGold Ashanti ADRs for every 100 shares of GCGC common stock held. GCGC currently hold a 33% shareholding in Cripple Creek & Victor while AngloGold Ashanti hold the remaining 67%. The merger transaction will result in Cripple Creek & Victor being wholly owned by AngloGold Ashanti. The transaction is subject to a number of regulatory and statutory approvals, including approval by GCGC shareholders. The transaction, at the date of announcement was valued at approximately \$149 million.

On 18 January 2008, AngloGold Ashanti provided operation guidance to its fourth quarter 2007 results, in which it was stated that the company's South African and Geita operations had experienced production difficulties resulting in the group's production for the quarter to be of the region of 1.4 million ounces.

On 25 January 2008, AngloGold Ashanti announced that following notification from Eskom regarding interruptions to power supplies, it had halted mining and gold recovery operations on all of its South African operations. Only underground emergency pumping work was being carried out.

On 27 January 2008, AngloGold Ashanti announced it had agreed a process with Eskom, whereby the supplier would give its normal guarantees for sufficient power for the company to undertake shifts from that day for the purpose of re-establishing safe workplaces at each of the deep level underground mines in South Africa. The company was anticipating a ramp up in additional power later in the week that should enable a phased return to normal mining operations. A protocol had also been agreed with the electricity supplier whereby Eskom will provide the company with four hours warning, prior to having to reduce power supply.

On 29 January 2008, AngloGold Ashanti announced that following a meeting between Eskom and industrial electricity consumers, the company had commenced the process of bringing back into production all of its underground mines and their associated gold treatment plants. On 7 February 2008, AngloGold Ashanti stated that following extensive discussions with Eskom and government, a power supply of 90% had been offered which has resulted in first quarter production from the South African operations being severely disrupted. Equally important is Eskom's ability to maintain a continuous power supply at a 90% level in order to return to normal production levels and milling rates.

On 14 February 2008, AngloGold Ashanti announced amendments to its agreement with B2Gold in respect of exploration activities in Colombia.

## Directors' report *continued*

### Investments

Particulars of the group's principal subsidiaries and joint venture interests are presented on page 304.

### Litigation

There are no legal or arbitration proceedings in which any member of the AngloGold Ashanti group is or has been engaged, including any such proceedings which are pending or threatened of which AngloGold Ashanti is aware, which may have, or have had during the 12 months preceding the date of this Annual Report 2007, a material effect on the group's financial position, other than those disclosed in group note 38 of the financial statements.

### Material change

There has been no material change in the financial or trading position of the AngloGold Ashanti group since the publication of its results for the quarter and year ended 31 December 2007.

### Material resolutions

Details of special resolutions and other resolutions of a significant nature passed by the company and its subsidiaries during the year under review, requiring disclosure in terms of the Listings Requirements of the JSE, are as follows:

	Nature of resolution	Effective date
AngloGold Ashanti Limited	Passed at the annual general meeting held on 4 May 2007: General approval for the acquisition by the company, or a subsidiary of the company, of its own shares.	6 July 2007

### Annual general meetings

At the 63rd annual general meeting held on 4 May 2007, shareholders passed ordinary resolutions relating to:

- the adoption of the financial statements for the year ended 31 December 2006;
- the re-election of Mr FB Arisman, Mr RE Bannerman, Mr WA Nairn, and Mr SR Thompson as directors of the company;
- the election of Mr JH Mensah; Prof WL Nkuhlu and Mr SM Pityana, who were appointed since the previous annual general meeting, as directors of the company;
- the renewal of a general authority placing 10% of the unissued ordinary shares of the company, after setting aside sufficient shares attributable to the Share Incentive Scheme and guaranteed convertible bonds, under the control of the directors;
- the granting of a general authority to issue ordinary shares in the capital of the company for cash, subject to certain limitations in terms of the Listings Requirements of the JSE; and
- the increase in directors' annual remuneration with effect from 1 June 2007, as follows:
  - R135,000 (previous: R110,000) per annum for each director, other than for the offices of the chairman, deputy chairman and those who are non-residents of South Africa.
  - \$150,000 per annum (previous: \$130,000) for the office of the chairman.
  - R360,000 (previous: R300,000) for the office of the deputy chairman.
  - \$25,000 (previous: \$16,000) per annum for directors who are non-residents of South Africa.
  - An additional \$5,000 (previous: \$4,000) per meeting for each director, including the chairman and deputy chairman, travelling internationally to attend board meetings.

Details concerning the special resolution passed by shareholders at this meeting are disclosed above.

Notice of the 64th annual general meeting, which is to be held in the Auditorium, 76 Jeppe Street, Newtown, Johannesburg at 11:00 (South African time) on Friday, 2 May 2008, is enclosed as a separate document with the Annual Report 2007. Additional copies of the notice of meeting may be obtained from the company's corporate contacts and the share registrars or may be accessed from the company's website.

#### **Directorate and secretary**

The following movements to the board of directors have taken place for the period from 1 January 2007 to 31 December 2007.

#### **Executive directors:**

Mr RM Godsell (CEO) retired from the board effective 30 September 2007.

Mr M Cutifani was appointed to the board on 17 September 2007 and as CEO effective 1 October 2007.

Mr R Carvalho Silva resigned from the board effective 30 September 2007.

Mr NF Nicolau resigned from the board effective 12 November 2007.

#### **Non-executive directors:**

Mr SM Pityana was appointed to the board effective 13 February 2007.

Dr SE Jonah resigned from the board effective 12 February 2007.

Mr CB Brayshaw retired from the board effective 5 May 2007.

Mr AJ Trahar retired from the board effective 5 May 2007.

Mrs C Carroll was appointed to the board effective 5 May 2007 and resigned from the board effective 9 October 2007.

Mr R Médori resigned from the board effective 9 October 2007.

#### **Alternate directors:**

Mr AH Calver (alternate to Mr WA Nairn) resigned as alternate effective 1 January 2007

Mr PG Whitcutt (alternate to Mr R Médori) resigned as alternate effective 9 October 2007 following Mr Médori's resignation from the board.

The directors retiring by rotation at the forthcoming annual general meeting in terms of the articles of association are Dr TJ Motlatsi, Mr WA Nairn and Mr SM Pityana who, being eligible, offer themselves for re-election.

Mrs E Bradley who retires by rotation has not made herself available for re-election.

In addition to the abovementioned directors, Mr M Cutifani, who was appointed as a director during the year, will retire at the annual general meeting and offer himself for re-election.

In terms of the company's memorandum and articles of association, there is no mandatory resignation age for directors.

Non-executive directors do not hold service contracts with the company.

The names and biographies of the directors of the company are listed on pages 16 and 17.

There has been no change in the offices of the vice president – compliance and corporate administration and the company secretary. The names, business and postal addresses of the vice president – compliance and corporate administration and the company secretary are set out on page 326 of this report.

## Directors' report continued

### Directors' interests in shares

The interests of the directors and alternate directors in the ordinary shares of the company at 31 December 2007, which did not individually exceed 1% of the company's issued ordinary share capital, were:

	Beneficial			Non-		
	Direct	Indirect	beneficial <sup>(1)</sup>	Direct	Indirect	beneficial <sup>(1)</sup>
	31 December 2007			31 December 2006		
<b>Executive directors</b>						
M Cutifani	-	-	-	-	-	-
R Carvalho Silva (resigned 30 September 2007)	-	-	-	-	-	-
RM Godsell (retired 30 September 2007)	-	-	-	13,010	-	-
NF Nicolau (resigned 12 November 2007)	-	-	-	3,000	-	-
S Venkatakrishnan	652	-	-	652	-	-
KH Williams (retired 6 May 2006)	-	-	-	-	-	-
<b>Total</b>	<b>652</b>	<b>-</b>	<b>-</b>	<b>16,662</b>	<b>-</b>	<b>-</b>
<b>Non-executive directors</b>						
FB Arisman	-	2,000	-	-	2,000	-
Mrs E le R Bradley	-	23,423	3,027	-	23,423	3,027
CB Brayshaw (retired 5 May 2007)	-	-	-	-	-	-
C Carroll (appointed 5 May 2007, resigned 9 October 2007)	-	-	-	-	-	-
RP Edey	-	1,000	-	-	1,000	-
Dr SE Jonah (resigned 12 February 2007)	-	-	-	-	18,469	-
R Médori (resigned 9 October 2007)	-	-	-	-	-	-
Dr TJ Motlatsi	-	-	-	-	-	-
WA Nairn	-	-	-	-	-	-
WL Nkuhlu	-	-	-	-	-	-
SM Pityana	-	-	-	-	-	-
SR Thompson	-	-	-	-	-	-
AJ Trahar (retired 5 May 2007)	-	-	-	-	-	-
PL Zim (retired 4 August 2006)	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>26,423</b>	<b>3,027</b>	<b>-</b>	<b>44,892</b>	<b>3,027</b>
<b>Alternate directors</b>						
DD Barber (resigned 4 August 2006)	-	-	-	-	-	-
AH Calver (resigned 11 July 2007)	-	-	-	-	-	-
PG Whitcutt (resigned 9 October 2007)	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand total</b>	<b>652</b>	<b>26,423</b>	<b>3,027</b>	<b>16,662</b>	<b>44,892</b>	<b>3,027</b>

<sup>(1)</sup> The director derives no personal benefit.

Except for Mr Arisman, who, after receiving permission to do so from the chairman of the company, acquired an additional 2,000 AngloGold Ashanti shares (in the form of ADSs) on 22 February 2008, there have been no other changes in the above interests since 31 December 2007.

A register detailing directors' and officers' interests in contracts is available for inspection at the company's registered and corporate office.

## Annual financial statements

The directors are required by the South African Companies Act to maintain adequate accounting records and are responsible for the preparation of the annual financial statements which fairly present the state of affairs of the company and the AngloGold Ashanti group at the end of the financial year, and the results of operations and cash flows for the year, in conformity with Generally Accepted Accounting Practice (GAAP) and in terms of the JSE Listings Requirements.

In preparing the annual financial statements reflected in dollars in the English language as issued by the International Accounting Standards Board (IASB) and South African rands on pages 170 to 303, the group has complied with International Financial Reporting Standards (IFRS) in the English language as issued by the IASB and has used appropriate accounting policies supported by reasonable and prudent judgements and estimates. The directors are of the opinion that these financial statements fairly present the financial position of the company and the group at 31 December 2007, and the results of their operations and cash flow information for the year then ended.

AngloGold Ashanti, through its Executive Committee and Treasury Committee, reviews its short-, medium- and long-term funding, treasury and liquidity requirements and positions monthly. The board of directors also reviews these on a quarterly basis at its meetings.

Cash and cash equivalents at 31 December 2007 amounted to \$496 million, R3,381 million, together with cash budgeted to be generated from operations in 2008 and the net incremental borrowing facilities available are, in management's view, adequate to fund operating, mine development and capital expenditure and financing obligations as they fall due for at least the next twelve months. Taking these factors into account, the directors of AngloGold Ashanti have formed the judgement that, at the time of approving the financial statements for the year ended 31 December 2007, it is appropriate to use the going concern basis in preparing these financial statements.

The external auditors, Ernst & Young Inc., are responsible for independently auditing and reporting on the financial statements in conformity with International Standards of Auditing and the Companies Act in South Africa. Their unqualified report on these financial statements appears on page 149.

To comply with requirements for reporting by non-US companies registered with the SEC, the company has prepared a set of financial statements in accordance with US Generally Accepted Accounting Principles (US GAAP) which will be available from The Bank of New York Mellon to holders of the company's securities listed in the form of American Depositary Shares on the NYSE. Copies of the annual report on Form 20-F, which must be filed with the SEC by no later than 30 June 2008, will be available to stakeholders and other interested parties upon request to the company's corporate office or its contacts as listed on page 326 of this report.

Under the Sarbanes-Oxley Act, the chief executive officer and chief financial officer are required to complete a group certificate stating that the financial statements and reports are not misleading and that they fairly present the financial condition, results of operations and cash flows in all material respects. The design and effectiveness of the internal controls, including disclosure controls, are also included in the declaration. As part of the process, a declaration is also made that all significant deficiencies and material weaknesses, fraud involving management or employees who play a significant role in internal control and significant changes that could impact on the internal control environment, are disclosed to the Audit and Corporate Governance Committee and the board.