ANGLOGOLD ASHANTI LTD
Form 20-F
May 05, 2009
As filed with the Securities and Exchange Commission on May 5, 2009
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF
1934 OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2008
Commission file number: 1-14846
AngloGold Ashanti Limited
(Exact Name of Registrant as Specified in its Charter)
Republic of South Africa
(Jurisdiction of Incorporation or Organization)
76 Jeppe Street, Newtown, Johannesburg, 2001
(P.O. Box 62117, Marshalltown, 2107)
South Africa
(Address of Principal Executive Offices)
Lynda Eatwell, Company Secretary, Telephone: +27 11 6376128, Facsimile: +27 11 6376677
E-mail: leatwell@anglogoldashanti.com, 76 Jeppe Street, Newtown, Johannesburg, 2001, South Africa
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)
Securities registered pursuant to Section 12(b) of the Act:
Title of each class
Name of each exchange on which registered
American Depositary Shares
New York Stock Exchange
Ordinary Shares
New York Stock Exchange*
* Not for trading, but only in connection with the registration of American Depositary Shares pursuant to the requirements of
the Securities and Exchange Commission
Securities registered pursuant to Section 12(g) of the Act:
None
Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:
None
Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the
period covered by the annual report:
Ordinary Shares of 25 ZAR cents each
353,483,410

E Ordinary Shares of 25 ZAR cents each
3,966,941
A Redeemable Preference Shares of 50 ZAR cents each
2,000,000
B Redeemable Preference Shares of 1 ZAR cent each
778,896

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.Yes

No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.
See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act.

(Check one): Large Accelerated Filer Accelerated Filer Non-Accelerated Filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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Exhibits

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PRESENTATION OF INFORMATION

AngloGold Ashanti Limited

In this annual report on Form 20-F, unless the context otherwise requires, references to AngloGold or AngloGold Ashanti, the Company, the company and the group, are references to AngloGold Ashanti Limited or, as appropriate, subsidiaries and associate companies of AngloGold Ashanti.

US GAAP financial statements

The audited consolidated financial statements contained in this annual report on Form 20-F for the years ended December 31, 2008, 2007 and 2006 and as at December 31, 2008 and 2007 have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP).

IFRS financial statements

As a company incorporated in the Republic of South Africa, AngloGold Ashanti also prepares annual audited consolidated financial statements and unaudited consolidated quarterly financial statements in accordance with International Financial Reporting Standards (IFRS). These financial statements (referred to as IFRS statements) are distributed to shareholders and are submitted to the JSE Limited (JSE), as well as the London, New York, Australian and Ghana stock exchanges and Paris and Brussels bourses and are submitted to the US Securities and Exchange Commission (SEC) on Form 6-K.

Currency

AngloGold Ashanti presents its consolidated financial statements in United States dollars.

In this annual report, references to rands, ZAR and R are to the lawful currency of the Republic of South Africa, references to US dollars, dollar or $ are to the lawful currency of the United States, references to € are to the lawful currency of the European Union, references to C$ are to the lawful currency of Canada, references to ARS and peso are to the lawful currency of Argentina, references to AUD and A$ are to the lawful currency of Australia, references to BRL are to the lawful currency of Brazil and references to GHC, cedi or ¢ are to the lawful currency of Ghana.

See “Item 3A.: Selected financial data – Exchange rate information” for historical information regarding the US dollar/South African rand exchange rate. On April 29, 2009 the interbank US dollar/South African rand exchange rate as reported by OANDA Corporation was R8.8039/$1.00.

Non-GAAP financial measures

In this annual report on Form 20-F, AngloGold Ashanti presents the financial items “total cash costs”, “total cash costs per ounce”, “total production costs” and “total production costs per ounce” which have been determined using industry guidelines and practices promulgated by the Gold Institute and are not US GAAP measures. An investor should not consider these items in isolation or as alternatives to production costs, net income/(loss) applicable to common shareholders, income/(loss) before income tax provision, net cash provided by operating activities or any other measure of financial performance presented in accordance with US GAAP. While the Gold Institute has provided definitions for the calculation of total cash costs and total production costs, the calculation of total cash costs, total cash costs per ounce, total production costs and total production costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. See “Glossary of selected terms – Financial terms – Total cash costs” and – “Total production costs” and “Item 5A.: Operating results – Total cash costs and total production costs”.

Shares and shareholders

In this annual report on Form 20-F, references to ordinary shares, ordinary shareholders and shareholders/members, should be read as common stock, common stockholders and stockholders, respectively, and vice versa.

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CERTAIN FORWARD-LOOKING STATEMENTS

Certain statements contained in this document, other than statements of historical fact, contain forward-looking statements regarding AngloGold Ashanti's operations, economic performance or financial condition, including, without limitation, those concerning: AngloGold Ashanti’s strategy to reduce its gold hedging position including the extent and effect of the hedge reduction, the economic outlook for the gold mining industry, expectations regarding spot and received gold prices, production, cash costs and other operating results, growth prospects and outlook of AngloGold Ashanti’s operations individually or in the aggregate, including the completion and commencement of commercial operations of certain of AngloGold Ashanti’s exploration and production projects and the completion of acquisitions and dispositions, including the disposition of AngloGold Ashanti’s interest in the Boddington project, AngloGold Ashanti's liquidity and capital resources and expenditure, and the outcome and consequences of any pending litigation proceedings.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause AngloGold Ashanti’s actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Although AngloGold Ashanti believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in gold prices and exchange rates, business and operational risk management and other factors as determined in “Item 3D.: Risk factors” and elsewhere in this annual report. These factors are not necessarily all of the important factors that could cause AngloGold Ashanti’s actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results.

AngloGold Ashanti undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of the annual report or to reflect the occurrence of unanticipated events. All subsequent written or oral forward-looking statements attributable to AngloGold Ashanti or any person acting on its behalf are qualified by the cautionary statements herein.

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GLOSSARY OF SELECTED TERMS

The following explanations are not intended as technical definitions but should assist the reader in understanding terminology used in this annual report. Unless expressly stated otherwise, all explanations are applicable to both underground and surface mining operations.

Mining terms

BIF

Banded Ironstone Formation. A chemically formed iron-rich sedimentary rock.

By-products

Any products that emanate from the core process of producing gold, including silver, uranium and sulfuric acid.

Calc-silicate rock

A metamorphic rock consisting mainly of calcium-bearing silicates such as diopside and wollastonite, and formed by metamorphism of impure limestone or dolomite.

Carbon-in-leach (CIL)

Gold is leached from a slurry of gold ore with cyanide in agitated tanks and adsorbed on to carbon granules in the same circuit.

The carbon granules are separated from the slurry and treated in an elution circuit to remove the gold.

Carbon-in-pulp (CIP)

Gold is leached conventionally from a slurry of gold ore with cyanide in agitated tanks. The leached slurry then passes into the CIP circuit where carbon granules are mixed with the slurry and gold is adsorbed on to the carbon. The granules are separated from the slurry and treated in an elution circuit to remove the gold.

Comminution

Comminution is the crushing and grinding of ore to make gold available for treatment. (See also ‘Milling’).

Contained gold

The total gold content (tons multiplied by grade) of the material being described.

Cut-off Grade (Surface Mines)

The minimum grade at which a unit of ore will be mined and treated to achieve a desired economic outcome.

Depletion

The decrease in quantity of ore in a deposit or property resulting from extraction or production.

Development

The process of accessing an orebody through shafts and/or tunneling in underground mining operations.

Diorite

An igneous rock formed by the solidification of molten material (magma).

Doré

Impure alloy of gold and silver produced at a mine to be refined to a higher purity, usually consisting of 85 percent gold on average.

Electro-winning

A process of recovering gold from solution by means of electrolytic chemical reaction into a form that can be smelted easily into gold bars.

Elution

Recovery of the gold from the activated carbon into solution before zinc precipitation or electro-winning.

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Grade
The quantity of gold contained within a unit weight of gold-bearing material generally expressed in ounces per short ton of ore
(oz/t), or grams per metric tonne (g/t).

Greenschist
A schistose metamorphic rock whose green color is due to the presence of chlorite, epidote or actinolite.

Leaching
Dissolution of gold from crushed or milled material, including reclaimed slime, prior to adsorption on to activated carbon.

Life-of-mine (LOM)
Number of years that the operation is planning to mine and treat ore, and is taken from the current mine plan.

Metallurgical plant
A processing plant erected to treat ore and extract gold.

Milling
A process of reducing broken ore to a size at which concentrating can be undertaken. (See also ‘Comminution’).

Mine call factor
The ratio, expressed as a percentage, of the total quantity of recovered and unrecovered mineral product after processing with
the amount estimated in the ore based on sampling. The ratio of contained gold delivered to the metallurgical plant divided by
the estimated contained gold of ore mined based on sampling.

Mineral deposit
A mineral deposit is a concentration (or occurrence) of material of possible economic interest in or on the Earth’s crust.

Ore Reserve
That part of a mineral deposit which could be economically and legally extracted or produced at the time of the Ore Reserve
determination.

Ounce (oz) (troy)
Used in imperial statistics. A kilogram is equal to 32.1507 ounces. A troy ounce is equal to 31.1035 grams.

Pay limit
The grade of a unit of ore at which the revenue from the recovered mineral content of the ore is equal to the total cash cost, as
well as Ore Reserve development and stay-in-business capital. This grade is expressed as an in-situ value in grams per tonne
or ounces per short ton (before dilution and mineral losses).

Precipitate
The solid product of chemical reaction by fluids such as the zinc precipitation referred to below.

Probable Reserve
Ore Reserves for which quantity and grade are computed from information similar to that used for Proven Reserves, but the
sites for inspection, sampling, and measurement are further apart or are otherwise less adequately spaced. The degree of
assurance, although lower than that for Proven Reserves, is high enough to assume continuity between points of observation.

Productivity
An expression of labor productivity based on the ratio of grams of gold produced per month to the total number of employees
in underground mining operations.

Proven Reserve
Ore Reserves for which the (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes;
grade is computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are
spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of the Ore Reserves are well established.

Project capital
Capital expenditure to either bring a new operation into production; to materially increase production capacity; or to materially
extend the productive life of an asset.

Reclamation
In the South African context, reclamation describes the process of reclaiming slimes (tailings) dumps using high-pressure
water cannons to form slurry which is pumped back to the metallurgical plants for processing.

Recovered grade
The recovered mineral content per unit of ore treated.

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Reef
A gold-bearing sedimentary horizon, normally a conglomerate band that may contain economic levels of gold.

Refining
The final purification process of a metal or mineral.

Rehabilitation
The process of reclaiming land disturbed by mining to allow an appropriate post-mining use. Rehabilitation standards are defined by country-specific laws including, but not limited to the South African Department of Minerals and Energy, the US Bureau of Land Management, the US Forest Service, and the relevant Australian mining authorities, and address among other issues, ground and surface water, topsoil, final slope gradient, waste handling and re-vegetation issues.

Seismic event
A sudden inelastic deformation within a given volume of rock that radiates detectable seismic waves (energy) which results from mining activities.

Shaft
A vertical or sub-vertical excavation used for accessing an underground mine; for transporting personnel, equipment and supplies; for hoisting ore and waste; for ventilation and utilities; and/or as an auxiliary exit.

Skarn
A rock of complex mineralogical composition, formed by contact metamorphism and metasomatism of carbonate rocks.

Smelting
A pyro-metallurgical operation in which gold is further separated from impurities.

Stope
Underground excavation where the orebody is extracted.

Stoping
The process of excavating ore underground.

Stripping ratio
The ratio of waste tonnes to ore tonnes mined calculated as total tonnes mined less ore tonnes mined divided by ore tonnes mined.

Syngenetic
Formed contemporaneously with the deposition of the sediment.

Tailings
Finely ground rock of low residual value from which valuable minerals have been extracted.

Tailings dam (slimes dam)
Dam facilities designed to store discarded tailings.

Tonne
Used in metric statistics. Equal to 1,000 kilograms.

Ton
Used in imperial statistics. Equal to 2,000 pounds. Referred to as a short ton.

Tonnage
Quantity of material measured in tons or tonnes.

Waste
Material that contains insufficient mineralization for consideration for future treatment and, as such, is discarded.

Yield
The amount of valuable mineral or metal recovered from each unit mass of ore expressed as ounces per short ton or grams

per metric tonne.

Zinc precipitation

Zinc precipitation is the chemical reaction using zinc dust that converts gold in solution to a solid form for smelting into
unrefined gold bars.

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Financial terms

Average number of employees
The monthly average number of production and non-production employees and contractors employed during the year, where
contractors are defined as individuals who have entered into a fixed-term contract of employment with a group company or
subsidiary.

Capital expenditure
Total capital expenditure on tangible assets.

Discontinued operations
An operation that, pursuant to single plan, has been disposed of or abandoned or is classified as held-for-sale until conditions
precedent to the sale have been fulfilled.

Effective tax rate
Current and deferred taxation as a percentage of profit before taxation.

Monetary asset
An asset which will be settled in a fixed or easily determinable amount of money.

Region
Defines the operational management divisions within AngloGold Ashanti and these are South Africa, Argentina, Australia,
Brazil, Ghana, Guinea, Mali, Namibia, Tanzania and United States of America.

Related party
Parties are considered related if one party has the ability to control the other party or exercise significant influence over the
other party in making financial and operating decisions.

Significant influence
The ability, directly or indirectly, to participate in, but not exercise control over, the financial and operating policy decision of an
entity so as to obtain economic benefit from its activities.

Total cash costs
Total cash costs include site costs for all mining, processing and onsite administration, reduced by contributions from by-
products and are inclusive of royalties and production taxes. Depreciation, depletion and amortization, rehabilitation, corporate
administration, employee severance costs, capital and exploration costs are excluded. Total cash costs per ounce are the
attributable total cash costs divided by the attributable ounces of gold produced.

Total production costs
Total cash costs plus depreciation, depletion and amortization, employee severance costs, rehabilitation and other non-cash
costs. Corporate administration and exploration costs are excluded. Total production costs per ounce are the attributable total
production costs divided by the attributable ounces of gold produced.

Weighted average number of ordinary shares
The number of ordinary shares in issue at the beginning of the year, increased by shares issued during the year,

weighted on
a time basis for the period during which they have participated in the income of the group and increased by share options that
are virtually certain to be exercised.

Currencies

$, US$ or dollar United States dollars	
ARS	Argentinean peso
A$ or AUD Australian dollars	
BRL	Brazilian real
€ or Euro European Euro	
C$	Canadian dollars
CHF	Swiss francs
GHC, cedi or ¢ Ghanaian cedi	
HKD Hong Kong dollar	
N$ or NAD Namibian dollars	
Tsh	Tanzanian Shillings
ZAR, R or rand South African rands	

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Abbreviations

ADS	American Depositary Share
ADR	American Depositary Receipt
ASX	Australian Stock Exchange
bn	Billion
capex	Capital expenditure
CDI	Chess Depositary Interests
CLR	Carbon Leader Reef
FCFA	Francs Communauté Financiére Africaine
FIFR	Fatal injury frequency rate per million hours worked
g	Grams
g/t	Grams per tonne
g/TEC	Grams per total employee costed
GhDS	Ghanaian Depositary Share
GhSE	Ghana Stock Exchange
JORC	Australasian Code for Reporting Exploration results, Mineral Resources and Ore Reserves
JIBAR	Johannesburg interbank agreed rate
JSE	JSE Limited (the stock exchange in Johannesburg, South Africa)
King Code	the Code of Corporate Practices and Conduct representing the principles of good governance as laid out in the King Report on Corporate Governance for South Africa 2002
kg	Kilograms
LSE	London Stock Exchange
LIBOR	London interbank offer rate
LOM	Life-of-mine
LTIFR	Lost-time injury frequency rate per million hours worked
(1)	
m²/TEC	Square meters per total employee costed
M or m	Meter or million, depending on the context
Moz	Million ounces
Mt	Million tonnes or tons
Mtpa	

Million tonnes/tons per annum
NOSA
National Occupational Safety Association
NPSE
Normal Purchase Normal Sales Exemption
NYSE
New York Stock Exchange
oz Ounces (troy)
oz/t
Ounces per ton
RIFR
Reportable injury frequency rate per million hours worked
SAMREC
South African Code for the Reporting of Mineral Resources and Mineral Reserves
SEC
United States Securities and Exchange Commission
SRP
South African Securities Regulation Panel
SOX
Sarbanes-Oxley Act of 2002
t
Tons (short) or tonnes (metric)
tpm
Tonnes/tons per month
tpa
Tonnes/tons per annum
tpd
Tonnes/tons per day
VCR
Ventersdorp Contact Reef
VCT
Voluntary counseling and testing

*(1) **Note** that AngloGold Ashanti utilizes the strictest definition in reporting Lost-Time Injuries in that it includes all Disabling Injuries*
(where an individual is unable to return to his place of regular work the next calendar day after the injury) and Restricted Work
Cases (where the individual may be at work, but unable to perform full or regular duties on the next calendar day after the injury)
within this definition.

Rounding of figures in this report may result in computational discrepancies.

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PART I

ITEM 1: IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable.

ITEM 2: OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3: KEY INFORMATION

3A.
SELECTED FINANCIAL DATA

The selected financial information set forth below for the years ended December 31, 2006, 2007 and 2008 has been derived
from, and should be read in conjunction with, the US GAAP financial statements included under Item 18 of this annual report.
The selected financial information for the years ended December 31, 2004 and 2005 and as at December 31, 2004 and 2005
has been derived from the US GAAP financial statements not included in this annual report.

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Year ended December 31,					
2004 (1)(2)	**2005**	**2006**	**2007 (3)**	**2008 (4)**	
$	**$**	**$**	**$**	**$**	**(in millions, except share and per share amounts)**
					Consolidated statement of income
					Sales and other income
2,151	2,485	2,715	3,095	3,730	
					Product sales (5)
2,096	2,453	2,683	3,048	3,655	
					Interest, dividends and other
55	32	32	47	75	
					Costs and expenses
2,176	2,848	2,811	3,806	4,103	
					Operating costs (6)
1,517	1,842	1,785	2,167	2,452	
					Royalties
27	39				

59
70
78
Depreciation, depletion and amortization
445
593
699
655
615
Impairment of assets
3
141
6
1
670
Interest expense
67
80
77
75
72
Accretion expense
8
5
13
20
22
(Profit)/loss on sale of assets, realization of loans, indirect taxes and other
(14)
(3)
(36)
10
(64)
Mining contractor termination costs
–
9
–
–
–
Non-hedge derivative loss
123
142
208
808
258
Loss from continuing operations before income tax equity income, minority interests and cumulative effect of accounting change
(25)
(363)

(96)
(711)
(373)
Taxation benefit/(expense)
132
121
(122)
(118)
(22)
Minority interest
(22)
(23) (29) (28) (42)
Equity income/(loss) in affiliates
23
39
99
41
(149)
Income/(loss) from continuing operations before cumulative effect of accounting change
108
(226)
(148)
(816)
(586)
Discontinued operations
(11)
(44)
6
2
23
Income/(loss) before cumulative effect of accounting change
97
(270)
(142)
(814)
(563)
Cumulative effect of accounting change
–
(22)
–
–
–
Net income/(loss) – applicable to common stockholders 97
(292)
(142)
(814)
(563)
Basic earnings/(loss) per common share (in $)
(7)
From continuing operations

0.43 (0.85)
(0.54)
(2.93)
(1.86)
Discontinued operations
(0.04)
(0.17)
0.02
0.01
0.07
Before cumulative effect of accounting change 0.39
(1.02)
(0.52)
(2.92)
(1.79)
Cumulative effect of accounting change
–
(0.08)
–
–
–
Net income/(loss) – applicable to common stockholders 0.39
(1.10)
(0.52)
(2.92)
(1.79)
Diluted earnings/(loss) per common share (in $)
(7)
From continuing operations
0.42 (0.85)
(0.54)
(2.93)
(1.86)
Discontinued operations
(0.04)
(0.17)
0.02
0.01
0.07
Before cumulative effect of accounting change 0.38
(1.02)
(0.52)
(2.92)
(1.79)
Cumulative effect of accounting change
–
(0.08)
–
–
–
Net income/(loss) – applicable to common stockholders 0.38

(1.10)
(0.52)
(2.92)
(1.79)
Dividend per common share (cents)
76
56
39
44
13

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As at December 31,					
2004 (1)(2)	**2005**	**2006**	**2007 (3)**	**2008 (4)**	
$	**$**	**$**	**$**	**$**	
(in millions, except share and per share amounts)					
Consolidated balance sheet data (as at period end)					
Cash and cash equivalents and restricted cash	302	204	482	514	619
Other current assets	1,115	1,197	1,394	1,599	2,328
Property, plants and equipment, deferred stripping, and acquired properties, net	6,654	6,439	6,266	6,807	5,579
Goodwill and other intangibles, net	591	550	566	591	152
Materials on the leach pad (long-term)	22	116	149	190	261

Other long-term assets, derivatives, deferred taxation assets and other long-term inventory
712
607
656
680
512
Total assets
9,396
9,113
9,513
10,381
9,451
Current liabilities
1,469
1,874
2,467
3,795
3,445
Provision for environmental rehabilitation
209
325
310
394
302
Deferred taxation liabilities
1,518
1,152
1,275
1,345
1,008
Other long-term liabilities, and derivatives
2,295
2,539
2,092
2,232
1,290
Minority interest
59
60
61
63
84
Stockholders' equity
3,846
3,163
3,308
2,552
3,322
Total liabilities and stockholders' equity

9,396
9,113
9,513
10,381
9,451
Capital stock (exclusive of long-term debt
and redeemable preferred stock)
10
10
10
10
12
Number of common shares as adjusted to
reflect changes in capital stock
264,462,894
264,938,432 276,236,153
277,457,471 353,483,410
Net assets
3,905
3,223
3,369
2,615
3,406

(1) ncludes the results of operations and financial condition of Ashanti as of April 26, 2004. See "Item 4A.: History and development of the company".

(2) *Excludes the results of operations and financial condition of the Freda-Rebecca mine sold with effect from September 1, 2004. See "Item 4A.: History and development of the company".*

(3) *Includes the acquisition of 15 percent minority interest acquired in the Iduapriem and Teberebie mine with effect from September 1, 2007. See "Item 4A.: History and development of the company".*

(4) 2008 results include the acquisition of the remaining 33 percent shareholding in the Cripple Creek and Victor Gold Mining Company with effect from July 1, 2008. In prior years, the investment was consolidated as a subsidiary. The 2008 treatment is therefore consistent with that of prior years. See "Item 4A: History and development of the company".

(5) Product sales represent revenue from the sale of gold.

(6) Operating costs include production costs, exploration costs, related party transactions, general and administrative, market development costs, research and development, employment severance costs and other.

(7) The calculations of basic and diluted earnings/(loss) per common share are described in note 9 to the consolidated financial statements "(Loss)/earnings per common share". Amounts reflected exclude E Ordinary shares.

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Annual dividends

The table below sets forth the amounts of interim, final and total dividends paid in respect of the past five years in cents per ordinary share. In respect of 2008, AngloGold Ashanti's board of directors declared an interim dividend of 50 South African cents per ordinary share on July 30, 2008, with a record date of August 22, 2008, and a payment date of August 29, 2008, and a final dividend of 50 South African cents per ordinary share on February 6, 2009, with a record date of March 6, 2009 and a payment date of March 13, 2009.

Interim	**Final**	**Total**	**Interim**	**Final**	**Total**
Year ended December 31					
(South African cents per ordinary share)			**(US cents per ordinary share (1))**		
2004	170	180	350	25.62	30.37	55.99
2005	170	62	232	26.09	9.86	35.95
2006	210	240	450	29.40	32.38	61.78
2007	90	53	143	12.44	6.60	19.04
2008	50	50	100	6.449	4.999	11.448

(1) Dividends for these periods were declared in South African cents. US dollar cents per share figures have been calculated based on exchange rates prevailing on each of the respective payment dates.

Future dividends will be dependent on AngloGold Ashanti's cash flow, earnings, planned capital expenditures, financial condition and other factors. AngloGold Ashanti will continue to manage capital expenditure in line with profitability and cash flow, and its approach to the dividend on the basis of prudent financial management. Under South African law, AngloGold Ashanti may declare and pay dividends from any capital and reserves included in total shareholders' equity calculated in accordance with IFRS, subject to its solvency and liquidity. Dividends are payable to shareholders registered at a record date that is after the date of declaration.

Dividends may be declared in any currency at the discretion of the AngloGold Ashanti board or AngloGold Ashanti shareholders at a general meeting. Currently, dividends are declared in South African rands and paid in Australian dollars,
South African rands, British pounds and Ghanaian cedis. Dividends paid to registered holders of AngloGold Ashanti ADSs are
paid in US dollars converted from South African rands by The Bank of New York, as depositary, in accordance with the deposit
agreement. Exchange rate fluctuations may therefore affect the value of the dividends received by registered shareholders and
distributions paid by the relevant depositary to investors holding AngloGold Ashanti securities.

Moreover, fluctuations in the exchange rates of the British pound and the US dollar may have affected and are likely to affect
the US dollar price of the ADSs on the NYSE and the US dollar equivalents of the United Kingdom pound price of the ordinary
shares on the London Stock Exchange (LSE). For details on taxation and exchange controls applicable to holders of ordinary
shares or ADSs, see “Item 10D.: Exchange controls” and “Item 10E.: Taxation – Taxation of dividends”.

Exchange rate information

The following table sets forth, for the periods and dates indicated, certain information concerning US dollar/South African rand
exchange rates expressed in rands per $1.00. On April 29, 2009, the interbank rate between South African rands and US dollars as reported by OANDA Corporation was R8.8039/$1.00.

Year ended December 31	**High**	**Low**	**Year end**	**Average** **(1)**
2004				
(2)	7.31	5.62	5.65	6.39
2005				
(2)	6.92	5.64	6.33	6.35
2006				
(2)	7.94	5.99	7.04	

6.81
2007
(2)
7.49
6.45
6.81
7.03
2008
(2)
11.27
6.74
9.30
8.26
2009
(3)
10.70
8.58
—
9.74
(1)
The average rate of exchange on the last business day of each month during the year.
(2) Based on the noon buying rate in New York City for cable transfers as certified for customs purposes by the Federal Reserve
Bank of New York.
(3)
Through April 29, 2009 based on the interbank rate as reported by OANDA Corporation.

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Exchange rate information for the months of	High	Low
October 2008 (1)	11.27	8.27
November 2008 (1)	10.64	9.63
December 2008 (1)	10.47	9.30
January 2009 (2)	10.26	9.35
February 2009 (2)	10.23	9.58
March 2009 (2)	10.54	9.45
April 2009 (2)(3)	9.67	8.58

(1) Based on the noon buying rate in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York.

(2) Based on the interbank rate as reported by OANDA Corporation.

(3) Through April 29, 2009.

3B.
CAPITALIZATION AND INDEBTEDNESS

Not applicable.

3C.
REASONS FOR THE OFFER AND USE OF PROCEEDS

Not applicable.

3D.

RISK FACTORS

The following sections describe many of the risk factors that could affect AngloGold Ashanti. There however may be additional
risks unknown to AngloGold Ashanti and other risks, currently believed to be immaterial that could turn out to be material.
These risks, either individually or simultaneously, could significantly affect the group's business and financial results.

The risk factors highlight the group's exposure to risk without explaining how these exposures are managed and mitigated or
how some of the risks are also potential opportunities. The risk factors set out in this document have been organized into three
categories:

- risks related to the gold mining industry generally;
- risks related to AngloGold Ashanti’s operations; and
- risks related to AngloGold Ashanti’s ordinary shares and American Depositary Shares (ADSs).

Risks related to the gold mining industry generally

Global economic conditions could adversely affect the profitability of AngloGold Ashanti's operations.

AngloGold Ashanti's operations and performance depend significantly on worldwide economic conditions. The current turmoil
affecting the banking system and financial markets has resulted in major financial institutions consolidating or going out of
business, the tightening of credit markets, significantly lower liquidity in most financial markets, and extreme volatility in fixed
income, credit, currency and equity markets. In addition, general economic indicators have deteriorated, including declining
consumer sentiment, increased unemployment and declining economic growth and uncertainty regarding corporate earnings.

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These disruptions in the financial markets and the global economic downturn may have follow-on effects on AngloGold Ashanti's business. For example:

- The insolvency of key suppliers could result in a supply chain break-down;
- The failure of hedging and derivative counterparts and other financial institutions may negatively impact AngloGoldAshanti's operations and financial condition;
- Other income and expense could vary materially from expectations depending on gains or losses realized on the sale or exchange of financial instruments and impairment charges may be incurred with respect to AngloGold Ashanti's investments;
- Other amounts realized in the future on AngloGold Ashanti's financial instruments could differ significantly from the fair values currently assigned to them;
- AngloGold Ashanti's defined benefit pension fund may not achieve expected returns on its investments, which could require AngloGold Ashanti to make substantial cash payments to fund any resulting deficits;
- The absence of available credit may make it more difficult for AngloGold Ashanti to obtain, or may increase the cost of obtaining finance for AngloGold Ashanti's operations; and
- A credit downgrading of companies, including AngloGold Ashanti, could adversely affect the ability of AngloGold Ashanti to raise new financing and could also impact the market value of AngloGold Ashanti securities.

Uncertainty regarding current global economic conditions may also increase the volatility of the market value of the AngloGold Ashanti's securities.

Commodity market price fluctuations could adversely affect the profitability of AngloGold Ashanti's operations.

AngloGold Ashanti predominately sells gold as its main product, but also some silver and uranium. The market prices for these commodities fluctuate widely. These fluctuations are caused by numerous factors beyond AngloGold Ashanti's control. Causes of gold price fluctuations include the following:

- speculative positions taken by investors or traders in gold;
- changes in the demand for gold as an investment;
- changes in the demand for gold used in jewellery and for other industrial uses;
- changes in the supply of gold from production, disinvestment, scrap and hedging;
- financial market expectations regarding the rate of inflation;
- the strength of the dollar (the currency in which the gold price trades internationally) relative to other currencies;
- changes in interest rates;
- actual or expected gold sales by central banks and the International Monetary Fund;
- gold hedging and de-hedging by gold producers;
- global or regional political or economic events; and
- the cost of gold production in major gold-producing nations in which AngloGold Ashanti has operations, such as South

Africa, the United States and Australia.

The price of gold is often subject to sharp, short-term changes resulting from speculative activities. While the overall supply of and demand for gold can affect its market price, because of the considerable size of aboveground stocks of the metal in comparison to other commodities, these factors typically do not affect the gold price in the same manner or degree that the supply of and demand for other commodities tends to affect their market price. In addition, the current significant instability in the financial markets may heighten these fluctuations. The adjacent graph presents the annual high, low and average afternoon fixing prices over the past decade, expressed in dollars, for gold per ounce on the London Bullion Market.

The market price of gold has experienced significant volatility in recent months. During the fourth quarter of 2008, the gold price traded from a high of $918 per ounce to a low of $693 per ounce. On April 29, 2009, the afternoon fixing price of gold on the London Bullion Market was $898.25 per ounce. A sustained period of significant gold price volatility may adversely affect AngloGold Ashanti's ability to evaluate the feasibility of undertaking new capital projects or continuing existing operations or to make other long-term strategic decisions.

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Source of data: Metals Week, Reuters and London Bullion Market Association

In addition to the spot price of gold, a portion of AngloGold Ashanti's gold sales is determined at prices in accordance with the
various hedging contracts that it has entered into, or may enter into, with various gold hedging counterparts.

If revenue from gold sales falls below the cost of production for an extended period, AngloGold Ashanti may experience losses
and be forced to curtail or suspend some or all of its capital projects or existing operations, particularly those operations having
operating costs that are flexible to such short- to medium-term curtailment or closure, or change its dividend payment policies.
In addition, it would have to assess the economic impact of low gold prices on its ability to recover any losses that may be
incurred during that period and on its ability to maintain adequate cash reserves.

The profitability of AngloGold Ashanti's operations, and the cash flows generated by these operations, are significantly affected by the fluctuations in input production prices, many of which are linked to the prices of

oil and
steel.

Fuel, energy and consumables, including diesel, heavy fuel oil, chemical reagents, explosives and tires, which are used in
mining operations form a relatively large part of the operating costs of any mining company. The cost of these consumables is
linked to some degree to the price of oil. The price of oil has been extremely volatile in recent months, reaching a high of
$147 per barrel and a low of $44 per barrel in 2008.

AngloGold Ashanti has estimated that for each $1 per barrel rise in the oil price, the average cash costs of all its operations
increases by about $0.50 per ounce with the cash costs of certain of its mines, which are more dependent on fuel, being more
sensitive to changes in the price of oil.

Furthermore, the cost of steel, which is used in the manufacture of most forms of fixed and mobile mining equipment, is also a
relatively large contributor to the operating costs and capital expenditure of a mining company.

1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
HIGH PRICE
340
317
298
347
417
456
538
725
845
1011
LOW PRICE
252
262
253
278
320
371
412
525
602

713
AVERAGE PRICE
278
279
271
310
364
410
445
604
697
872
0
200
400
600
800
1000
1200
GOLDP RICE
(US$perounce)
YEAR:
GOLD PRICE MOVEMENTS

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Fluctuations in the price of oil and steel have a significant impact upon operating cost and capital expenditure estimates and, in
the absence of other economic fluctuations, could result in significant changes in the total expenditure estimates for new mining
projects or render certain projects non-viable. AngloGold Ashanti has no influence over the price of fuel, chemical reagents,
explosives, steel and other commodities used in its mining activities.

**AngloGold Ashanti's operations and development projects could be adversely affected by shortages of, as well as the
lead times to deliver, strategic spares, critical consumables, heavy mining equipment and metallurgical plant.**

Due to the significant increase in the world's demand for commodities in recent years, the global mining industry has experienced an increase in production capacity both in terms of expansions at existing, as well as the development of new,
production facilities. There are recent indications however that this trend has now changed with a sharp decline in demand for
most commodities.

This increase in production capacity expansion has taken place, in certain instances, without a concomitant increase in the
capacity for production of certain strategic spares, critical consumables and mining and processing equipment used to operate
and construct mining operations, resulting in shortages of, and an increase in the lead times to deliver, these items.

In particular, AngloGold Ashanti and other gold mining companies have experienced shortages in critical consumables like tires
for mobile mining equipment, underground support, as well as certain critical spares for both mining equipment and processing
plants including, for example, gears for the ball-mills. In addition, AngloGold Ashanti has experienced an increase in delivery
times for these and other items. These shortages have also resulted in unanticipated increases in the price of certain of these
and other items. Shortages of critical spares, consumables and equipment result in production delays and production shortfalls.
Increases in prices result in an increase in both operating costs and the capital expenditure to maintain and develop mining
operations.

While the recent decline in demand for most commodities may alleviate shortages of, and delivery times for strategic spares,
critical consumables, heavy mining equipment and metallurgical plant, AngloGold Ashanti and other gold mining companies,
individually, have limited influence over manufacturers and suppliers of these items. In addition, the supply chain for these
items could be disrupted by global economic conditions. If AngloGold Ashanti experiences shortages, or increased lead times
in delivery of strategic spares, critical consumables, heavy mining and certain processing equipment, its results of operations

and its financial condition could be adversely affected.

Mining companies face many risks related to their operations (including their exploration and development activities)
that may adversely affect their cash flows and overall profitability.

Uncertainty and cost of mineral exploration and acquisitions

Exploration activities are speculative and are often unproductive. These activities also often require substantial expenditure to:

- establish the presence, and to quantify the extent and grades (metal content), of mineralized material through exploration
  drilling;
- determine appropriate metallurgical recovery processes to extract gold from the ore;
- estimate Ore Reserves;
- undertake feasibility studies and to estimate the technical and economic viability of the project; and
- construct, renovate or expand mining and processing facilities.

Once gold mineralization is discovered it can take several years to determine whether Ore Reserves exist. During this time the economic feasibility of production may change owing to fluctuations in factors that affect revenue, as well as cash and other operating costs.

From time-to-time, AngloGold Ashanti evaluates the acquisition of Ore Reserves, development properties and operating mines, either as stand-alone assets or as part of companies. Its decisions to acquire these properties have historically been based on a variety of factors including historical operating results, estimates of and assumptions regarding the extent of Ore Reserves, cash and other operating costs, gold prices and projected economic returns and evaluations of existing or potential liabilities associated with the property and its operations and how these may change in the future. Other than historical operating results, all of these parameters are uncertain and have an impact upon revenue, cash and other operating issues, as well as the uncertainties related to the process used to estimate Ore Reserves. In addition, there is intense competition for the acquisition of attractive mining properties.

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As a result of these uncertainties, the exploration programs and acquisitions engaged in by AngloGold Ashanti may not result in the expansion or replacement of the current production with new Ore Reserves or operations. This could adversely affect its results of operations and its financial condition.

Development risks

AngloGold Ashanti's profitability depends, in part, on the actual economic returns and the actual costs of developing mines, which may differ significantly from its current estimates. The development of its mining projects may be subject to unexpected problems and delays.

AngloGold Ashanti's decision to develop a mineral property is typically based, in the case of an extension or, in the case of a new development, on the results of a feasibility study. Feasibility studies estimate the expected or anticipated project economic returns.

These estimates are based on assumptions regarding:

- future gold, uranium and other metal prices;
- anticipated tonnage, grades and metallurgical characteristics of ore to be mined and processed;
- anticipated recovery rates of gold, uranium and other metals from the ore;
- anticipated capital expenditure and cash operating costs; and
- the required return on investment.

Actual cash operating costs, production and economic returns may differ significantly from those anticipated by such studies and estimates. Operating costs and capital expenditure are determined particularly by the costs of the commodity inputs, including the cost of fuel, chemical reagents, explosives, tires and steel consumed in mining activities and credits from by-products. There are a number of uncertainties inherent in the development and construction of an extension to an existing mine, or in the development and construction of any new mine. In addition to those discussed above these uncertainties include the:

- timing and cost, which can be considerable, of the construction of mining and processing facilities;
- availability and cost of skilled labor, power, water and transportation facilities;
- availability and cost of appropriate smelting and refining arrangements;
- need to obtain necessary environmental and other governmental permits and the timing of those permits; and
- the availability of funds to finance construction and development activities.

The costs, timing and complexities of mine development and construction can increase because of the remote location of many mining properties. New mining operations could experience unexpected problems and delays during development,

construction
and mine start-up. In addition, delays in the commencement of mineral production could occur. Finally, operating cost and
capital expenditure estimates could fluctuate considerably as a result of changes in the prices of commodities consumed in the
construction and operation of mining projects. Accordingly, AngloGold Ashanti's future development activities may not result in
the expansion or replacement of current production with new production, or one or more of these new production sites or
facilities may be less profitable than currently anticipated or may not be profitable at all.

Ore reserve estimation risks

There are numerous uncertainties inherent in Ore Reserve estimation and assumptions that are valid at the time of estimation
but may change significantly with new information. Changes in the forecast prices of commodities, exchange rates, production
costs or recovery rates may change the economic status of reserves and may result in the reserves being restated. Those
changes could impact depreciation and amortization rates, asset-carrying values, and provisions for closedown, restoration and
environmental clean-up costs.

AngloGold Ashanti undertakes annual revisions to its Mineral Resource and Ore Reserve estimates based upon actual exploration and production results, depletion, new information on geology and fluctuations in production, operating and other
costs and economic parameters such as prevailing exchange rates. Mineral Resource and Ore Reserve estimates are not
precise calculations and are dependent on the interpretation of limited information on the location, shape and continuity of the
occurrence and on the available sampling results. These factors may result in reductions in its Ore Reserve estimates, which
could adversely affect the life-of-mine plans and consequently the total value of AngloGold Ashanti's mining asset base and, as
a result, have an adverse effect upon the market price of AngloGold Ashanti's ordinary shares and ADSs.

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Production or mining industry risks

Gold mining is susceptible to numerous events that may have an adverse impact on a gold mining business, its ability to produce gold and meet its production targets. These events include, but are not limited to:

- environmental hazards, including discharge of metals, pollutants or hazardous chemicals;
- industrial accidents;
- underground fires;
- labor disputes;
- activities of illegal or artisanal miners;
- electrical power interruptions;
- encountering unexpected geological formations;
- unanticipated ground and water conditions;
- unanticipated increases in gold lock-up and inventory levels at the company's heap-leach operations;
- fall-of-ground accidents in underground operations;
- failure of mining pit slopes and tailings dam walls;
- legal and regulatory restrictions and changes to such restrictions;
- seismic activity; and
- other natural phenomena, such as floods or inclement weather conditions.

Seismic activity is of particular concern to the gold mining industry in South Africa mainly because of the extent and depth of mining. Despite the implementation of technology and modifications to mine layouts and support technology with a view to minimizing the incidence and impact of seismic activity, seismic events have and could cause the death of, or personal injury to, miners and other employees. Seismic activity may also cause the loss of mining equipment, damage to, or destruction of, mineral properties or production facilities, monetary losses, environmental damage and potential legal liabilities both within South Africa and elsewhere where seismic activity may be a factor. As a result, these events may have a material adverse effect on AngloGold Ashanti's operational results and its financial condition.

Mining companies are increasingly required to consider and ensure the sustainable development of, and provide benefits to, the communities and countries in which they operate.

As a consequence of public concern about the perceived ill effects of economic globalization, business generally and in particular large multinational corporations, such as AngloGold Ashanti, face increasing public scrutiny of their activities.

These businesses are under pressure to demonstrate that, as they seek to generate satisfactory returns on investment to shareholders, other stakeholders – including employees, communities surrounding operations and the countries in which they operate – benefit, and will continue to benefit from these commercial activities, which are also expected to minimize or eliminate any damage to the interests of those stakeholders. Such pressures tend to be applied most strongly against companies whose activities are perceived to have a high impact on their social and physical environment. The

potential
consequences of these pressures include reputational damage, legal suits and social spending obligations. All of these factors
could have a material adverse effect on AngloGold Ashanti's results of operations and its financial condition.

Mining companies are subject to extensive health, safety and environmental laws and regulations.

Gold mining operations are subject to a variety of industry-specific health and safety laws and regulations depending upon the
jurisdiction in which they are located. These laws and regulations are formulated to improve and to protect the safety and
health of employees.

In South Africa in particular, recent fatalities in the mining industry have caused the government to introduce compulsory
shutdown of operations to enable investigations into the cause of the accident. Should compliance with new standards require
a material increase in expenditure, AngloGold Ashanti's results of operations and its financial condition could be adversely
affected.

The South African Department of Minerals and Energy has embarked on an audit strategy with the primary aim of helping
mines to develop programs to improve health and safety. Audits have been conducted and a number of working places
compliance stoppages have occurred. These instances have had a short-term adverse impact on gold production. Future
stoppages could have a similar negative impact on production.

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Mining companies are also subject to extensive environmental laws and regulations in the various jurisdictions in which they operate. These regulations establish limits and conditions on producers' ability to conduct their operations. The cost of AngloGold Ashanti's compliance with environmental laws and regulations has been, and is expected to continue to be, significant.

Environmental laws and regulations are continually changing and are generally becoming more restrictive. If AngloGold Ashanti's environmental compliance obligations alter as a result of changes in laws and regulations, or in certain assumptions it makes to estimate liabilities, or if unanticipated conditions arise at its operations, its expenses and provisions would increase. If material, these expenses and provisions could adversely affect AngloGold Ashanti's results and financial condition.

Mining companies are required to close their operations and rehabilitate the lands that they mine in accordance with environmental laws and regulations. Estimates of the total ultimate closure and rehabilitation costs for gold mining operations are significant and based principally on current legal and regulatory requirements that may change materially. Environmental liabilities are accrued when they become known, probable and can be reasonably estimated. Increasingly, regulators are seeking security in the form of cash collateral or bank guarantees in respect of environmental obligations, which could have an adverse effect on AngloGold Ashanti's financial condition.

Costs associated with rehabilitating land disturbed by the mining processes and addressing the environmental, health and community issues are estimated and financial provision made based upon information available currently. Estimates may however be insufficient and further environmental issues may be identified at any stage. Any underestimated or unidentified rehabilitation costs would reduce earnings and could materially and adversely affect AngloGold Ashanti's asset values, earnings and cash flows.

AngloGold Ashanti’s operations result in the emission of greenhouse gases such as carbon dioxide and methane. Currently a number of legislative and regulatory measures to address greenhouse gas emissions, including the Kyoto Protocol, are in various phases of discussion or implementation. Such measures could result in increased costs for AngloGold Ashanti to: (i) operate and maintain its mines, (ii) install new emission controls, and (iii) administer and manage any greenhouse gas emissions program.

Risks related to AngloGold Ashanti’s operations.

AngloGold Ashanti faces many risks related to its operations that may affect its cash flows and overall profitability.

AngloGold Ashanti's level of indebtedness could adversely affect its business.

As at December 31, 2008, AngloGold Ashanti had gross borrowings of approximately $1.9 billion. This level of indebtedness could have adverse effects on its flexibility to do business. For example, AngloGold Ashanti may be required to utilize a large portion of its cash flow to pay the principal and interest on its debt which will reduce the amount of funds available to finance existing operations, the development of new organic growth opportunities and further acquisitions. In addition, under the terms of its borrowing facilities from its banks AngloGold Ashanti is obliged to meet certain financial and other covenants. AngloGold Ashanti's ability to continue to meet these covenants will depend upon its future financial performance which will be affected by its operating performance as well as by financial and other factors, certain of which are beyond its control.

AngloGold Ashanti's level of indebtedness may make it vulnerable to economic cycle downturns, which are beyond its control, because during such downturns AngloGold Ashanti cannot be certain that its future cash flows will be sufficient to allow it to pay principal and interest on its debt and also to meet its other obligations.

Should the cash flow from operations be insufficient, AngloGold Ashanti could breach its financial and other covenants and may be required to refinance all or part of its existing debt, use existing cash balances, issue additional equity or sell assets. AngloGold Ashanti cannot be sure that it will be able to do so on commercially reasonable terms, if at all.

On November 20, 2008, AngloGold Ashanti Limited entered into a $1 billion term facility agreement with Standard Chartered Bank to refinance its convertible bond. The term facility is for an initial one-year period from the date of the first drawdown in February 2009 and the term facility is extendable, if required, at the option of AngloGold Ashanti until November 30, 2010. Amounts drawn under the term facility currently bear an interest margin of 4.25 percent. See “Item 5.: Operating and Financial Review and Prospects – Liquidity” for additional information regarding the $1 billion term facility agreement.
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AngloGold Ashanti's interest expense will increase substantially as a result of the higher interest rates and fees associated with the term facility. Based on an assumed cost of funds of 100 basis points and assuming that the term facility is fully drawn, the effective borrowing cost (including fees and applicable margin) on the term facility is estimated at approximately 10 percent per annum. The actual interest expense in 2009 will depend upon the lenders' actual costs of funds and prevailing LIBOR rates and will be partially mitigated by the application of the proceeds from the sale of AngloGold Ashanti’s interest in the Boddington project to repay a portion of the term facility.

Amounts outstanding under the term facility may be prepaid at any time prior to the maturity date. AngloGold Ashanti intends to refinance the term facility through one or more of the following: the proceeds from the sale of AngloGold Ashanti's interest in the Boddington project and other asset sales, long-term debt financing and/ or the issuance of an equity-linked instrument. The nature and timing of the refinancing of the term facility will depend upon market conditions. AngloGold Ashanti cannot be sure that it will be able to refinance the term facility on commercially reasonable terms if at all.

If AngloGold Ashanti does not complete the sale of its interest in the Boddington Gold Mine then it may have less cash available, including to repay amounts outstanding under the $1 billion term facility.

The sale of AngloGold Ashanti's interest in the Boddington Gold Mine is subject to the fulfilment of all conditions precedent on or prior to June 30, 2009 or such later date as the parties may mutually agree. At the date of this document all but one of the conditions precedent to the transaction have been fulfilled. If the last condition precedent is not fulfilled to the satisfaction of AngloGold Ashanti, and AngloGold Ashanti and Newmont Mining Corporation are unable to agree on an acceptable resolution, the transaction may not complete. In that event, AngloGold Ashanti will not receive the approximately $1.1 billion transaction consideration and will remain responsible for its share of the Boddington project's capital expenditures. This will reduce the cash available to AngloGold Ashanti in the near-term, including to repay amounts outstanding under the $1 billion term facility.

AngloGold Ashanti uses gold hedging instruments and has entered into long-term sales contracts, which may prevent the company from realizing potential gains resulting from subsequent commodity price increases in the future. AngloGold Ashanti's reported financial condition could be adversely affected as a result of the need to fair value all of its hedge contracts.

AngloGold Ashanti has used gold hedging instruments to protect and fix the selling price of some of its anticipated production. The use of such instruments prevents full participation in subsequent increases in the market price for the commodity with respect to covered production. Since 2001, AngloGold Ashanti has been reducing its hedge commitments through hedge buy-backs (limited to non-hedge derivatives), deliveries into contracts and restructuring in order to provide greater participation in a rising gold price environment. As a result of these measures, AngloGold Ashanti has, and expects to continue to have, substantially less protection against declines in the market price of gold as compared with previous years.

AngloGold Ashanti continues to use gold hedging instruments to fix the selling price of a portion of its anticipated gold production and to protect revenues against unfavorable gold price and exchange rate movements. While the use of

these
instruments may protect against a drop in gold prices and exchange rate movements, it will do so for only a limited period of
time and only to the extent that the hedge remains in place. The use of these instruments may also prevent AngloGold Ashanti
from fully realizing the positive impact on income from any subsequent favorable increase in the price of gold on the portion of
production covered by the hedge and of any subsequent favorable exchange rate movements.

In 2008, AngloGold Ashanti used part of the proceeds from its $1.7 billion rights offer to undertake a major restructuring of the
hedge book. This hedge restructuring resulted in hedge commitments reducing by 5.29 million ounces (or 47 percent) from
11.28 million ounces as at December 31, 2007 to 5.99 million ounces as at December 31, 2008. Although this hedge
restructuring has significantly reduced the exposure to the hedge book, a rising gold price may result in a gap between the spot
price and AngloGold Ashanti's received price of gold for ounces still hedged, and this may continue as AngloGold Ashanti
closes out its existing hedge positions by delivering into contracts.

A significant number of AngloGold Ashanti's forward sales contracts are not treated as derivatives and fair valued on the
financial statements as they fall under the normal purchase sales exemption. Should AngloGold Ashanti fail to settle these
contracts by physical delivery, then it may be required to account for the fair value of a portion, or potentially all of, the existing
contracts in the financial statements. This could adversely affect AngloGold Ashanti's reported financial condition.

As the global financial crisis continues, some of AngloGold Ashanti's hedge counterparts may either be unable to perform their
obligations under the applicable derivative instrument or in certain cases elect to terminate their contracts early in 2010, which
may result in the company being called upon to immediately meet any obligation under the hedge contracts with such hedge
counterparts. If exercised, the early termination options under certain of the company’s hedging contracts could adversely
affect AngloGold Ashanti’s financial position through an acceleration of potentially material cash outflows associated with the
early closure of these hedging contracts and the accounting for these settlements in the income statement.

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Power stoppages, fluctuations and energy cost increases could adversely affect AngloGold Ashanti's results of operations and its financial condition.

In South Africa, AngloGold Ashanti's mining operations are dependent upon electrical power generated by the state utility,
Eskom. As a result of an increase in demand exceeding available generating capacity, Eskom warned that South Africa could
face disruptions in electrical power supply. At the start of 2008, as a result of substantial unplanned maintenance at Eskom's
power stations, as well as higher than usual seasonal rainfall adversely impacting upon Eskom's coal stockpiles, Eskom's
generating capacity was severely impaired. As a result, the incidence of power outages increased substantially to the point
that, in January 2008, Eskom warned that it could no longer guarantee the availability of its supply of electrical power to the
South African mining industry. Consequently, AngloGold Ashanti, along with other mining companies with South African
operations, was forced temporarily to suspend mining operations at its South African mines. Following meetings between
industry-wide representatives, including AngloGold Ashanti, and Eskom, agreement was reached whereby mines were able to
resume their power consumption to 90 percent of average capacity in return for Eskom guaranteeing a more normal power
supply, including undertakings to more reliably warn companies when power outages may occur. Mining operations resumed
later in January 2008 at AngloGold Ashanti's mines, and since then, power supply to the South African operations has been at
90 percent of average capacity.

AngloGold Ashanti cannot give assurance that power supply to its South African operations will not experience future interruptions as the national grid system in South Africa continues to face emergency failure conditions. In the third quarter of
2008, Eskom applied for a tariff review and the National Energy Regulator of South Africa (NERSA) granted an additional
20 percent increase for the nine remaining months of the Eskom financial year (July 2008 to March 2009). In addition, it was
indicated that the increase of electricity rates for the next three years could be in the order of 20-25 percent per annum. The
company understands that Eskom is compiling an application for tariff increases to NERSA for the 2009 increase. Should the
power outages continue to increase, or should AngloGold Ashanti be unable to achieve its production or cost targets due to the
current constraint, any additional power outages or any power tariff increases, then its future profitability and financial condition
may be adversely affected.

All of AngloGold Ashanti's mining operations in Ghana are dependant for their electricity supply on hydro-electric power
supplied by the Volta River Authority (VRA) an entity controlled by the government of Ghana. Most of this electrical power is

hydro-generated electricity, although AngloGold Ashanti also has access to VRA electricity supply from a recently constructed smaller thermal plant. The VRA's principal electricity generating facility is the Akosombo Dam and during periods of below average inflows from the Volta reservoir, electricity supplies from the Akosombo Dam may be curtailed, as occurred in 1998, 2006 and the first half of 2007. In addition, during periods of limited electricity availability, the national power system is subject to system disturbances and voltage fluctuations, which can damage the group's equipment. The VRA also obtains power from neighboring Côte d'Ivoire, which has intermittently experienced some political instability and civil unrest. These factors, including increased power demand from other users in Ghana, may cause interruptions in AngloGold Ashanti's power supply to its operations in Ghana or result in increases in the cost of power even if they do not interrupt supply. Consequently, these factors may adversely affect AngloGold Ashanti's results of operations and its financial condition. In order to address this problem and to supplement the power generated by the VRA, AngloGold Ashanti has, together with the other three principal gold producers in Ghana, acquired (and equally funded) an 85 megawatt, diesel-fired, power plant that could be converted to gas supply once the anticipated West African gas pipeline is developed. To further reduce the dependence on hydro-electric power, which may be impacted by low rainfall, the VRA is increasing its thermal power generation capacity by constructing a 126 megawatt thermal plant at Tema. In July 2008, the government of Ghana informed mining companies operating in the country that they would now pay an increased rate per kilowatt hour of power resulting in an increase at Obuasi from 9.2 to 15.45 US cents per kilowatt hour and for Iduapriem from 9.2 to 17.81 US cents per kilowatt hour. The mining companies in Ghana, including AngloGold Ashanti are in negotiation with the government to seek a reduction in power rates. AngloGold Ashanti cannot give assurance that these negotiations will result in a reduction in power rates.

AngloGold Ashanti's mining operations in Guinea, Tanzania and Mali are dependent on power supplied by outside contractors and supplies of fuel being delivered by road. AngloGold Ashanti's power supply has been disrupted in the past and it has suffered resulting production losses as a result of equipment failure.

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Contracts for sale of uranium at fixed prices could affect AngloGold Ashanti's operational results and financial condition.

AngloGold Ashanti has entered into contracts for the sale of uranium produced by some of its South African operations and may therefore be prevented from realizing all potential gains from an increase in uranium prices to the extent that the group's future production is covered by such contracts. Should AngloGold Ashanti not produce sufficient quantities of uranium to cover such contracts, it may need to procure or borrow uranium in the market to meet any shortfall which could adversely affect AngloGold Ashanti's results of operations and its financial condition.

Foreign exchange fluctuations could have a material adverse effect on AngloGold Ashanti's operational results and financial condition.

Gold is principally a dollar-priced commodity, and most of AngloGold Ashanti's revenues are realized in, or linked to, dollars while production costs are largely incurred in the applicable local currency where the relevant operation is located. The weakening of the dollar, without a corresponding increase in the dollar price of gold against these local currencies, results in lower revenues and higher production costs in dollar terms. Conversely, the strengthening of the dollar, without a corresponding decrease in the dollar price of gold against these local currencies yields significantly higher revenues and lower production costs in dollar terms. Exchange rate movements may have a material effect on AngloGold Ashanti's operational results. For example, a 1 percent strengthening of the South African rand, Brazilian real, the Argentinean peso and the Australian dollar against the US dollar will result in an increase in total cash costs incurred of nearly $3 per ounce, or 1 percent.

A small proportion of AngloGold Ashanti's hedges are denominated in South African rands and Australian dollars, which may partially offset the effect of the US dollar's strength or weakness on AngloGold Ashanti's profitability. In addition, due to its global operations and local foreign exchange regulations, some of AngloGold Ashanti's funds are held in local currencies, such as the South African rand and the Australian dollar.

Inflation may have a material adverse effect on AngloGold Ashanti's operational results.

The majority of AngloGold Ashanti's operations are located in countries that have experienced high rates of inflation during certain periods.

Since AngloGold Ashanti is unable to influence the market price at which it sells gold (except to the extent that it enters into

forward sales and other derivative contracts), it is possible that significantly higher future inflation in the countries in which AngloGold Ashanti operates may result in an increase in future operational costs in local currencies (without a concurrent devaluation of the local currency of operations against the dollar or an increase in the dollar price of gold). This could have a material adverse effect upon AngloGold Ashanti's results of operations and its financial condition.

While none of AngloGold Ashanti's specific operations is currently materially adversely affected by inflation, significantly higher and sustained inflation in the future, with a consequent increase in operational costs, could result in operations being discontinued or reduced or rationalized at higher cost mines.

AngloGold Ashanti's new order mining rights in South Africa could be suspended or cancelled should the company breach, and fail to remedy such breach of, its obligations in respect of the acquisition of these rights.

AngloGold Ashanti's rights to own and exploit Mineral Reserves and deposits are governed by the laws and regulations of the jurisdictions in which the mineral properties are located. Currently, a significant portion of its Mineral Reserves and deposits are located in South Africa, where new order mining rights could be suspended or cancelled should AngloGold Ashanti breach, and fail to remedy such breach of, its obligations in respect of the acquisition of these rights.

Custodianship and the issuance of South Africa's mineral and prospecting rights vest in the state pursuant to the Mineral and Petroleum Resources Development Act (MPRDA). Such rights, formerly regulated under the Minerals Act 50 of 1991 and common law, are now known as old order mining rights and the transitional arrangements provided in Schedule II to the MPRDA give holders of old order mining rights the opportunity to convert their old order mining rights into new order mining rights within specified timeframes.

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The Department of Minerals and Energy (DME) has published, pursuant to the MPRDA, the Broad-Based Socio Economic Empowerment Charter for the South African Mining Industry (the Mining Charter). Compliance with the Mining Charter, measured using a designated scorecard, requires that every mining company achieve 15 percent ownership by historically disadvantaged South Africans (HDSAs) of its South African mining assets by May 1, 2009, and 26 percent ownership by May 1, 2014, and achieve participation by HDSAs in various other aspects of management referred to below. AngloGold Ashanti has submitted two social and labor plans – one for each of its main mining regions – detailing its specific goals in these areas to the DME. The scorecard allows for a portion of 'offset' against the HDSAs equity participation requirements insofar as companies have facilitated downstream, value-adding activities in respect of the products they mine. AngloGold Ashanti carries out such downstream activities and believes these will be recognized in terms of a framework currently being devised by the South African Government.

AngloGold Ashanti believes that it has made significant progress towards meeting the requirements of the Mining Charter, the Scorecard and its own undertakings in terms of human resource development, employment equity, mine community and rural development, housing and living conditions, procurement and beneficiation, including the implementation of programs to help achieve the requirement of having 40 percent of management roles being held by HDSAs by 2010, as well as the Employee Share Ownership Plan (ESOP) as implemented at the end of 2006. AngloGold Ashanti will incur expenses in giving further effect to the Mining Charter and the Scorecard and the implementation of the ESOP will affect the group's results of operations.

The Mining Charter itself provides that it should be reviewed five years after becoming law. The review process, being conducted in consultation between the government and mining companies, is scheduled to take place during 2009. The outcome might impose new conditions on mining companies operating in South Africa.

AngloGold Ashanti was informed on August 1, 2005, by the Director General of Minerals and Energy that its applications to convert its old order rights to new order mining rights for its West Wits and Vaal River operations, as well as its applications for new mining rights to extend its mining areas at its TauTona and Kopanang mines, had been successful. These applications relate to all of its existing operations in South Africa. The notarial agreements for the converted West Wits mining right and Block 1C11 new mining right have been executed and registered. AngloGold Ashanti will also be applying for conversion of an old order mining right for a borrow pit at West Wits before the closing date, which is expected to occur at the end of April 2009.

The notarial agreements for the bulk of the Vaal River Operations and the adjacent areas of Jonkerskraal, Weltevreden, Moab Extension Area and the new right for Edom have been executed and registered. The sole remaining notarial agreement for the Vaal River operations, Grootdraai is pending. AngloGold Ashanti has also applied for the conversion of the Ergo old order right in order to cede the converted right to the purchaser of Ergo.

Even where new order mining rights are obtained under the MPRDA, these rights may not be equivalent to the old order mining rights. The AngloGold Ashanti rights that have been converted and registered do not differ significantly from the relevant old order rights. The duration of the new rights will no longer be perpetual as was the case under old order mining rights but rather will be granted for a maximum period of 30 years, with renewals of up to 30 years each and, in the case of prospecting rights, a maximum period of five years with one renewal of up to three years. Furthermore, the MPRDA provides for a retention period after prospecting of up to three years with one renewal of up to two years, subject to certain conditions, such as non-concentration of resources, fair competition and non-exclusion of others. In addition, the new order rights will only be transferable subject to the consent of the Minister of Minerals and Energy.

The new order mining rights can be suspended or cancelled by the Minister of Minerals and Energy if, upon notice of a breach from the Minister, the entity breaching its obligations to comply with the MPRDA or the conditions of the notarial agreement fails to remedy such breach. The MPRDA also imposes additional responsibilities on mining companies relating to environmental management and to environmental damage, degradation or pollution resulting from their prospecting or mining activities. AngloGold Ashanti has a policy of evaluating, minimizing and addressing the environmental consequences of its activities and, consistent with this policy and the MPRDA, conducts an annual review of the environmental costs and liabilities associated with the group's South African operations in light of the new, as well as existing, environmental requirements.

The introduction of South African State royalties where a significant portion of AngloGold Ashanti's Mineral Reserves and operations are located will have an adverse effect on its results of operations and its financial condition.

The Mineral and Petroleum Resources Royalty Act was promulgated by the South African Minister of Finance on November 24, 2008 and provides for the payment of a royalty according to a formula based on taxable earnings before interest and tax. It has a minimum rate of 0.5 percent and a maximum rate of 5 percent and is a tax deductible expense. It is estimated that the formula will translate to a royalty rate of between 2.5 percent and 4 percent of gross sales in terms of current pricing assumptions. The payment of royalties was scheduled to begin on May 1, 2009 but has been postponed to March 1, 2010 as announced in the minister of finance’s budget speech on February 11, 2009.

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Certain factors may affect AngloGold Ashanti's ability to support the carrying value of its property, plants and equipment, acquired properties, investments and goodwill on its balance sheet.

AngloGold Ashanti reviews and tests the carrying value of its assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. AngloGold Ashanti values individual mining assets at the lowest level for which cash flows are identifiable as independent of cash flows of other mining assets and liabilities.

If there are indications that impairment may have occurred, AngloGold Ashanti prepares estimates of expected future cash flows for each group of assets. Expected future cash flows are inherently uncertain, and could materially change over time. They are significantly affected by reserve and production estimates, together with economic factors such as spot and forward gold prices, discount rates, currency exchange rates, estimates of costs to produce reserves and future capital expenditure.

If any of these uncertainties occur either alone or in combination, it could require management to recognize an impairment, which could adversely affect AngloGold Ashanti's financial condition. For example, in the fourth quarter of 2008, AngloGold Ashanti recorded asset impairment charges on tangible assets and goodwill of $522 million (net of tax) in relation to certain former assets of Ashanti (comprising Obuasi, Geita and Iduapriem).

Diversity in interpretation and application of accounting literature in the mining industry may impact AngloGold Ashanti's reported financial results.

The mining industry has limited industry specific accounting literature. As a result, diversity exists in the interpretation and application of accounting literature to mining specific issues. For example, AngloGold Ashanti capitalizes the drilling and related costs incurred to define and delineate a residual mineral deposit that has not been classified as proved and probable reserves at a development stage or production stage mine, whereas some companies expense such costs. As and when diversity in interpretation and application is addressed, it may impact AngloGold Ashanti's reported results should the adopted interpretation differ from the position followed by AngloGold Ashanti.

AngloGold Ashanti's Mineral Reserves, deposits and mining operations are located in countries that face political, economic and/or security risks.

Some of AngloGold Ashanti's mineral deposits and mining and exploration operations are located in countries that have experienced political instability and economic uncertainty. In all of the countries where AngloGold Ashanti operates,

the
formulation or implementation of government policies may be unpredictable on certain issues including regulations which
impact on its operations and changes in laws relating to issues such as mineral rights and asset ownership, taxation, royalties,
import and export duties, currency transfers, restrictions on foreign currency holdings and repatriation of earnings.

Any existing and new mining and exploration operations and projects AngloGold Ashanti carries out in these countries are, and
will be subject to, various national and local laws, policies and regulations governing the ownership, prospecting, development
and mining of Mineral Reserves, taxation and royalties, exchange controls, import and export duties and restrictions,
investment approvals, employee and social/community relations and other matters.

If, in one or more of these countries, AngloGold Ashanti was not able to obtain or maintain necessary permits, authorizations or
agreements to implement planned projects or continue its operations under conditions or within time frames that make such
plans and operations economic, or if legal, ownership, fiscal (including all royalties and duties), exchange control, employment,
environmental and social laws and regimes, or the governing political authorities change materially, which could result in
changes to such laws and regimes, its results of operations and its financial condition could be adversely affected.

Certain of the countries in which AngloGold Ashanti has mineral deposits or mining or exploration operations, including the
Democratic Republic of Congo and Colombia, have in the past experienced and in certain cases continue to experience, a
difficult security environment as well as political instability. In particular, various illegal groups active in regions in which the
group is present may pose a credible threat of terrorism, extortion and kidnapping, which could have an adverse effect on the
group's operations in such regions. In the event that continued operations in these countries compromise AngloGold Ashanti's
security or business principles, it may withdraw from these countries on a temporary or permanent basis, which in turn, could
have an adverse impact on its results of operations and its financial condition.

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In 2007, the government of the Democratic Republic of Congo (DRC) announced an industry-wide review of all mining concessions and related agreements, including the agreements related to the ownership and operation of the Company's concessions in the DRC. As a result of this review, which has now been completed, the area of the Company's project in north-eastern DRC has been reduced from over 9,000 square kilometers to 6,100 square kilometers, (and will be further reduced over a period of three years by 10 percent per annum for a maximum further reviewed to 4,270 aquare kilometers) and certain of the permit and surface right payments payable by the project have been increased.

In addition, in December 2008, the National Council for Democracy and Development (CNDD) seized power in Guinea after the death of the country's long-standing president, Lasana Conte. Moussa Dadis Camara, president of the CNDD, announced on December 27, 2008 the creation of a committee to examine and revise all existing mining agreements in Guinea. The committee's review process has not yet commenced and AngloGold Ashanti is currently unable to predict the outcome of the committee's examination. Pursuant to the direction of president Moussa Dadis Camasa, AngloGold Ashanti stopped production at its Siguri mine in Guinea on March 20, 2009. After discussions with the president, AngloGold Ashanti resumed production at its Siguiri mine in Guinea on March 24, 2009. AngloGold Ashanti cannot give any assurance that future stoppages of this nature may not occur. Such stoppages, if prolonged, could have a material adverse effect on the Siguiri mine.

In Mali and Tanzania, AngloGold Ashanti is due refunds of input tax which remain outstanding for periods longer than those provided for in the respective statutes. In addition, AngloGold Ashanti has outstanding assessments and unresolved tax disputes in a number of countries. If the outstanding input taxes are not received, the tax disputes are not resolved and assessments are not made in a manner favorable to AngloGold Ashanti, it could have an adverse effect upon its results of operations and its financial condition.

In Argentina, the government has applied export taxes of 5 percent to mining companies that were exempt therefrom. AngloGold Ashanti has filed a claim with the courts to recover the export tax.

Labor disruptions and/or increased labor costs could have an adverse effect on AngloGold Ashanti's operating results and financial condition.

As at December 31, 2008, approximately 67 percent (2007: 77 percent) of AngloGold Ashanti's workforce excluding contractors or 63 percent of total workforce was located in South Africa. Approximately 98 percent of the workforce on its South African operations is unionized, with the National Union of Mineworkers (NUM) representing the majority of unionized workers.

AngloGold Ashanti's employees in some South American countries and Ghana are also highly unionized. Trade unions have a

significant impact on AngloGold Ashanti's labor relations climate, as well as on social and political reforms, most notably in South Africa.

It has become established practice to negotiate wages and conditions of employment with the unions every two years through the Chamber of Mines of South Africa. An agreement was signed with the unions in August 2007, following negotiations between NUM, United Associations of South Africa (UASA) on behalf of some clerical and junior management staff and Solidarity (on behalf of a small number of miners) and the Chamber of Mines. A two-year deal was reached without resort to any industrial action. The next round of negotiations will take place in 2009. AngloGold Ashanti cannot give assurance that it will be able to renegotiate this agreement on satisfactory terms when it expires in 2009.

Labor costs represent a substantial proportion of AngloGold Ashanti's total operating costs, and in many operations, including South African operations, is AngloGold Ashanti's single largest operating cost category. The two-year wage agreement will be reviewed in June 2009 in negotiation with NUM, UASA, Solidarity and the Chamber of Mines and any increases in labor costs have to be off-set by greater productivity efforts by all operations and employees.

There is a risk that strikes or other types of conflict with unions or employees may occur at any one of AngloGold Ashanti's operations. It is uncertain whether labor disruptions will be used to advocate labor, political or social goals in the future. Material labor disruptions could have an adverse effect on AngloGold Ashanti's results of operations and its financial condition.

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The use of mining contractors at certain of AngloGold Ashanti's operations may expose it to delays or suspensions in mining activities and increases in mining costs.

Mining contractors are used at certain of AngloGold Ashanti's mines, including Sadiola, Morila and Yatela in Mali, Siguiri in Guinea, Iduapriem in Ghana and Sunrise Dam in Australia, to mine and deliver ore to processing plants. Consequently, at these mines, AngloGold Ashanti does not own all of the mining equipment and may face disruption of operations and incur costs and liabilities in the event that any of the mining contractors at these mines has financial difficulties, or should there be a dispute in renegotiating a mining contract, or a delay in replacing an existing contractor. Furthermore, increases in contract mining rates, in the absence of associated productivity increases, will have an adverse impact on AngloGold Ashanti's results of operations and financial condition.

AngloGold Ashanti competes with mining and other companies for key human resources.

AngloGold Ashanti competes with mining and other companies on a global basis to attract and retain key human resources at all levels with appropriate technical skills and operating and managerial experience necessary to continue to operate its business. This is further exacerbated in the current environment of increased mining activity across the globe combined with the global shortage of key mining industry human resource skills, including geologists, mining engineers, metallurgists and skilled artisans.

The retention of staff is particularly challenging in South Africa, where, in addition to the impacts of the global industry wide shortages, AngloGold Ashanti is also required to achieve employment equity targets of participation by historically disadvantaged South Africans (HDSAs) in management and other positions.

AngloGold Ashanti competes with all companies in South Africa to attract and retain a small but growing pool of HDSAs with the necessary skills and experience. For further details, see the risk factor “AngloGold Ashanti's new order mineral rights in South Africa could be suspended or cancelled should the group breach, and fail to remedy such breach of, its obligations in respect of the acquisition of these rights”.

There can be no assurance that AngloGold Ashanti will attract and retain skilled and experienced employees and, should it fail to do so or lose any of its key personnel, its business and growth prospects may be harmed and its results of operations and its financial condition could be adversely affected.

AngloGold Ashanti faces certain risks in dealing with HIV/AIDS that may adversely affect the results of its operations and the company's financial condition.

AIDS and associated diseases remain the major health care challenge faced by AngloGold Ashanti's South African operations. Accurate prevalence data for AIDS is not available owing to doctor-patient confidentiality. The South African workforce prevalence studies indicate that the percentage of AngloGold Ashanti's South African workforce that may be infected by HIV may be as high as 30 percent. AngloGold Ashanti is continuing to develop and implement various programs aimed at helping those who have been infected with HIV and preventing new infections. Since 2001, AngloGold Ashanti has offered a voluntary counseling and HIV testing program for employees in South Africa. In 2002, AngloGold Ashanti began to offer anti-retroviral therapy (ART) to HIV positive employees who met the current medical criteria for the initiation of ART. From April 2003, AngloGold Ashanti commenced a roll-out of the treatment to all eligible employees desiring it. Approximately 5,400 employees have been registered on the wellness program over the last three years and of these around 4,000 employees have attended the clinic in the last six months. As of December 2008, approximately 1,900 employees were receiving treatment using anti-retroviral drugs.

The cost of providing rigorous outcome-focused disease management of employees with AIDS, including the provision of an anti-retroviral therapy, is on average R1,300 ($130) per employee on treatment per month. It is not yet possible to develop an accurate cost estimate of the program in its entirety, given uncertainties such as drug prices and the ultimate rate of employee participation.

AngloGold Ashanti does not expect the cost that it will incur related to the prevention of HIV infection and the treatment of AIDS to materially and adversely affect its results of operations. Nevertheless, it is not possible to determine with certainty the costs that AngloGold Ashanti may incur in the future in addressing this issue, and consequently its results of operations and its financial condition could be adversely affected.

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AngloGold Ashanti faces certain risks in dealing with malaria and other tropical disease outbreaks, particularly at its operations located in Africa, which may have an adverse effect on operational results.

Malaria and other tropical diseases pose significant health risks at all of AngloGold Ashanti's operations in Central, West and East Africa where such diseases may assume epidemic proportions because of ineffective national control programs. Malaria is a major cause of death in young children and pregnant women but also gives rise to fatalities and absenteeism in adult men. Consequently, if uncontrolled, the disease could have an adverse effect upon productivity and profitability levels of AngloGold Ashanti's operations located in these regions.

The treatment of occupational health diseases and the potential liabilities related to occupational health diseases may have an adverse effect upon the results of AngloGold Ashanti's operations and its financial condition.

The primary areas of focus in respect of occupational health within AngloGold Ashanti's operations are noise induced hearing loss (NIHL), occupational lung diseases (OLD), which includes pulmonary tuberculosis (TB) in silica dust exposed individuals. AngloGold Ashanti provides occupational health services to its employees at its occupational health centers and it continues to improve preventative occupational hygiene initiatives. If the costs associated with providing such occupational health services increase, the increase could have an adverse effect on AngloGold Ashanti's results of operations and its financial condition.

Furthermore, the South African government, by way of a cabinet resolution in 1999, proposed a possible combination and alignment of benefits of the Occupational Diseases in Mines and Works Act (ODMWA) that provides for compensation to miners who have OLD, TB and combinations thereof, and the Compensation for Occupational Injuries and Diseases Act (COIDA) that provides for compensation to non-miners who have OLD. COIDA provides for compensation payments to workers suffering permanent disabilities from OLD, which are classified as pension liabilities if the permanent disability is above a certain threshold, or a lump sum compensation payment if the permanent disability is below a certain threshold. ODMWA only provides for a lump sum compensation payment to workers suffering from OLD. The capitalized value of a pension liability (in accordance with COIDA) is usually greater than that of a lump sum compensation payment (under ODMWA). In addition, under COIDA compensation becomes payable at a lower threshold of permanent disability than under ODMWA. It is estimated that under COIDA about two to three times more of AngloGold Ashanti's employees would be compensated as compared with

those eligible for compensation under ODMWA.

If the proposed combination of COIDA and ODMWA were to occur, this could further increase the level of compensation claims
AngloGold Ashanti could be subject to and consequently could have an adverse effect on its financial condition.

Mr Thembekile Mankayi instituted a legal action against AngloGold Ashanti in October 2006 in the High Court, Witwatersrand
Local Division. Mr Mankayi claimed approximately R2.6 million (approximately $0.27 million) for damages allegedly suffered by
him as a result of silicosis allegedly contracted whilst working on mines now owned by AngloGold Ashanti. The case was heard
and a judgment in the exception action was rendered on June 26, 2008 in favor of AngloGold Ashanti on the basis that mine
employers are insured under ODMWA and COIDA against compensable diseases, which precludes common law delictual
claims by employees against employers. The plaintiff has been granted leave to appeal the judgment. If AngloGold Ashanti is
unsuccessful in defending this suit, it could be subject to numerous similar claims which could have an adverse effect on its
financial condition.

In response to the effects of silicosis in labor sending communities, a number of mining companies (under the auspices of the
Chamber of Mines), together with the National Union of Mineworkers (NUM) which is the largest union in the mining sector and
the national and regional departments of health have embarked on a project to assist in the delivery of compensation and relief
by mining companies under the ODMWA to communities that have been affected.

The costs associated with the pumping of water inflows from closed mines adjacent to AngloGold Ashanti's operations could have an adverse effect upon operational results.

Certain of AngloGold Ashanti's mining operations are located adjacent to the mining operations of other mining companies.
The closure of a mining operation may have an impact upon continued operations at the adjacent mine if appropriate preventative steps are not taken. In particular, this can include the ingress of underground water where pumping operations at
the adjacent closed mine are suspended. Such ingress could have an adverse effect upon any one of AngloGold Ashanti's
mining operations as a result of property damage, disruption to operations and additional pumping costs.

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AngloGold Ashanti has embarked on legal action in South Africa after the owner of an adjacent mine put the company owning
the adjacent mining operation into liquidation, raising questions about its and other companies' willingness to meet their water
pumping obligations.

The relevant mining companies have entered into a settlement agreement. As part of the settlement arrangement the mining
companies have formed and registered a not-for-profit company, known as the Margaret Water Company, to conduct water
pumping activities from the highest lying shaft which is currently owned by Stilfontein Gold Mining Company (in liquidation).
The three mining companies will contribute equally to the cost of establishing and initially running the Margaret Water
Company.

**The occurrence of events for which AngloGold Ashanti is not insured or for which its insurance is inadequate may
adversely affect its cash flows and overall profitability.**

AngloGold Ashanti maintains insurance to protect only against catastrophic events which could have a significant adverse
effect on its operations and profitability. This insurance is maintained in amounts that AngloGold Ashanti believes to be
reasonable depending upon the circumstances surrounding each identified risk. However, AngloGold Ashanti's insurance does
not cover all potential risks associated with its business. In addition, AngloGold Ashanti may elect not to insure certain risks,
due to the high premiums associated with insuring those risks or for various other reasons, including an assessment that the
risks are remote.

Furthermore, AngloGold Ashanti may not be able to obtain insurance coverage at acceptable premiums. AngloGold Ashanti
has a captive insurance company, namely AGRe Insurance Company Limited, which participates at various levels in certain of
the insurances maintained by AngloGold Ashanti. The occurrence of events for which it is not insured may adversely affect
AngloGold Ashanti's cash flows and overall profitability and its financial condition.

**AngloGold Ashanti does not have management control over two significant joint venture projects. If these projects
are not managed effectively, AngloGold Ashanti's investment could be adversely affected or its reputation could be
harmed.**

AngloGold Ashanti's joint ventures at Morila in Mali and Boddington in Western Australia are managed by its joint venture
partners. While AngloGold Ashanti may provide operational advice to its joint venture partners, it cannot ensure that

these
projects are operated in compliance with the standards that it applies in its other operations. If these joint ventures are not
managed effectively, including as a result of weaknesses in the policies, procedures and controls implemented by the joint
venture partners, AngloGold Ashanti's investment in the relevant project could be adversely affected. In addition, negative
publicity associated with ineffective management, particularly relating to any resulting accidents or environmental incidents
could harm AngloGold Ashanti's reputation. AngloGold Ashanti expects to complete the sale of its interest in the Boddington
project to its joint venture partner in the second quarter of 2009 but currently has no plans to dispose of its interest in the Morila
mine.

**AngloGold Ashanti may experience unforeseen difficulties, delays or costs in successfully implementing its business
strategy, and its strategy may not result in the anticipated benefits.**

The successful implementation of AngloGold Ashanti's business strategy depends upon a number of factors, including factors
that are outside its control. For example, the successful management of costs will depend upon prevailing market prices for
input costs and the ability to grow the business will depend upon the availability of attractive merger and acquisition opportunities
as well as the successful implementation of AngloGold Ashanti's existing and proposed project development initiatives and
continued exploration success, all of which are subject to the relevant mining and company specific risks as outlined in this risk
section. AngloGold Ashanti cannot give assurance that unforeseen difficulties, delays or costs will not adversely affect the
successful implementation of its business strategy, or that it its strategy will result in the anticipated benefits.

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Risks related to AngloGold Ashanti's ordinary shares and American Depositary Shares (ADSs)

Sales of large quantities of AngloGold Ashanti's ordinary shares and ADSs, or the perception that these sales may occur, could adversely affect the prevailing market price of such securities.

The market price of AngloGold Ashanti's ordinary shares or ADSs could fall if large quantities of ordinary shares or ADSs are sold in the public market, or there is the perception in the marketplace that such sales could occur. Subject to applicable securities laws, holders of AngloGold Ashanti's ordinary shares or ADSs may decide to sell them at any time. The market price of AngloGold Ashanti's ordinary shares or ADS could also fall as a result of any future offerings it makes of ordinary shares, ADSs, or securities exchangeable or exercisable for its ordinary shares or ADSs, or the perception in the marketplace that these sales might occur. AngloGold Ashanti may make such offerings of additional ADS rights, letters of allocation or similar securities at any time or from time to time in the future.

Fluctuations in the exchange rate of currencies may reduce the market value of AngloGold Ashanti's securities, as well as the market value of any dividends or distributions paid by AngloGold Ashanti.

AngloGold Ashanti has historically declared all dividends in South African rands. As a result, exchange rate movements may have affected and may continue to affect the Australian dollar, the British pound, the Ghanaian cedi and the US dollar value of these dividends, as well as of any other distributions paid by the relevant depositary to investors that hold AngloGold Ashanti's securities. This may reduce the value of these securities to investors.

AngloGold Ashanti's Memorandum and Articles of Association allows for dividends and distributions to be declared in any currency at the discretion of AngloGold Ashanti's board of directors, or its shareholders at a general meeting. If and to the extent that AngloGold Ashanti opts to declare dividends and distributions in dollars, exchange rate movements will not affect the dollar value of any dividends or distributions, nevertheless, the value of any dividend or distribution in Australian dollars, British pounds, Ghanaian cedis or South African rands will continue to be affected. If and to the extent that dividends and distributions are declared in South African rands, exchange rate movements will continue to affect the Australian dollar, British pound, Ghanaian cedi and US dollar value of these dividends and distributions. Furthermore, the market value of AngloGold Ashanti's securities as expressed in Australian dollars, British pounds, Ghanaian cedis, US dollars and South African rands will continue to fluctuate in part as a result of foreign exchange fluctuations.

The recently announced proposal by the South African Government to replace the Secondary Tax on Companies with a withholding tax on dividends and other distributions may impact the amount of dividends or other distributions received by the company's shareholders.

On February 21, 2007, the South African Government announced a proposal to replace Secondary Tax on Companies with a 10 percent withholding tax on dividends and other distributions payable to shareholders. This proposal is expected to be implemented in 2010. Although this may reduce the tax payable by the South African operations of the group thereby increasing distributable earnings, the withholding tax will generally reduce the amount of dividends or other distributions received by AngloGold Ashanti shareholders.

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ITEM 4: INFORMATION ON THE COMPANY

GROUP INFORMATION

AngloGold Limited was founded in June 1998 through the consolidation of the gold mining interests of Anglo American. The company, AngloGold Ashanti as it is now, was formed on April 26, 2004 following the business combination between AngloGold and Ashanti Goldfields Company Limited. AngloGold Ashanti is currently the third largest gold producing mining company in the world by ounces sold.

On March 17, 2009, Anglo American announced that it had sold its remaining interest in AngloGold Ashanti.

Current profile

AngloGold Ashanti Limited, headquartered in Johannesburg, South Africa, is a global gold company with a portfolio of long-life, relatively low-cost assets and differing orebody types in key gold producing regions. The company's 21 operations are located in 10 countries (Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, South Africa, Tanzania and the United States of America) and are supported by extensive exploration activities. The combined Proved and Probable Ore Reserves of the group amounted to 73.5 million ounces as at December 31, 2008.

The primary listing of the company's ordinary shares is on the JSE Limited (JSE) in South Africa. Its ordinary shares are also listed on stock exchanges in London, Paris and Ghana, as well as being quoted in Brussels in the form of International Depositary Receipts (IDRs), in New York in the form of American Depositary Shares (ADSs), in Australia, in the form of Clearing House Electronic Subregister System Depositary Interests (CDIs) and in Ghana, in the form of Ghanaian Depositary Shares (GhDSs).

AngloGold Ashanti Limited (Registration number 1944/017354/06) was incorporated in the Republic of South Africa in 1944 under the name of Vaal Reefs Exploration and Mining Company Limited and operates under the South African Companies Act 61 of 1973, as amended. Its registered office is at 76, Jeppe Street, Newtown, Johannesburg, South Africa, 2001.

4A. HISTORY AND DEVELOPMENT OF THE COMPANY

HISTORY AND SIGNIFICANT DEVELOPMENTS OF THE COMPANY

Below are highlights of key corporate activities of the company from its formation in 1998:

1998

- Formation of AngloGold Limited in June 1998 through the consolidation of East Rand Gold and Uranium Company
  Limited; Eastvaal Gold Holdings Limited; Southvaal Holdings Limited; Free State Consolidated Gold Mines Limited;
  Elandsrand Gold Mining Company Limited; H.J. Joel Gold Mining Company Limited and Western Deep Levels Limited into
  a single, focused, independent, gold mining company. Vaal Reefs Exploration and Mining Company Limited (Vaal Reefs),
  the vehicle for the consolidation, changed its name to AngloGold Limited and increased its authorized share capital,
  effective March 30, 1998

1999

- Acquired minority shareholders interest in Driefontein Consolidated Limited (17 percent); Anmercosa Mining (West Africa)
  Limited (100 percent); Western Ultra Deep Levels Limited (89 percent); Eastern Gold Holdings Limited (52 percent);
  Erongo Mining and Exploration Company Limited (70 percent)
- Purchased Minorco's gold interests in North and South America
- Acquired Acacia Resources in Australia

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2000

Acquired:

- a 40 percent interest in the Morila mine in Mali from Randgold Resources Limited
- a 50 percent interest in the Geita mine in Tanzania from Ashanti Goldfields Company Limited (Ashanti)
- a 25 percent interest in OroAfrica, South Africa's largest manufacturer of gold jewellery

2001

- Sold the Elandsrand and Deelkraal mines to Harmony Gold Mining Company Limited (Harmony); disposed of its interests in No. 2 Shaft Vaal River Operations to African Rainbow Minerals (ARM) and made an unsuccessful take-over bid for Normandy Mining Limited

2002

- Sold the Free State assets to ARM and Harmony
- Acquired an additional 46.25 percent of the equity, as well as the total loan assignment, of Cerro Vanguardia SA from Pérez Companc International SA, thereby increasing its interest in Cerro Vanguardia to 92.5 percent

2003

- Disposed of its wholly-owned Amapari project to Mineração Pedra Branca do Amapari
- Sold its 49 percent stake in the Gawler Craton Joint Venture, including the Tunkillia project located in South Australia to Helix Resources Limited
- Sold its interest in the Jerritt Canyon Joint Venture to Queenstake Resources USA Inc
- Disposed of its entire investments in East African Gold Mines Limited and in Randgold Resources Limited
- Purchased a portion of the Driefontein mining area in South Africa from Gold Fields Limited

2004

- Sold its Western Tanami project to Tanami Gold NL in Australia
- Concluded the business combination with Ashanti Goldfields Company Limited, at which time the company changed its name to AngloGold Ashanti Limited
- Acquired the remaining 50 percent interest in Geita as a result of the business combination
- AngloGold Holdings plc, a subsidiary of AngloGold, completed an offering of $1 billion principal amount 2.375 percent convertible bonds, due 2009 and guaranteed by AngloGold Ashanti
- Acquired a 29.8 percent stake in Trans-Siberian Gold plc
- Sold its Union Reefs assets to the Burnside Joint Venture, comprising subsidiaries of Northern Gold NL (50 percent) and Harmony (50 percent)
- Sold its entire interest in Ashanti Goldfields Zimbabwe Limited to Mwana Africa Holdings (Proprietary) Limited
- Sold its 40 percent equity interest in Tameng Mining and Exploration (Pty) Limited of South Africa (Tameng) to Mahube

Mining (Pty) Limited

- Subscribed for a 12.3 percent stake in the expanded issued capital of Philippines explorer Red 5 Limited

2005

- Substantially restructured its hedge book in January 2005
- Signed a three-year $700 million revolving credit facility
- Disposed of exploration assets in the Laverton area in Australia
- Disposed of its La Rescatada project to ARUNANI SAC, a local Peruvian corporation
- Acquired an effective 8.7 percent stake in China explorer, Dynasty Gold Corporation
- The Director-General of Minerals and Energy notified AngloGold Ashanti in August 2005 that its application for the new

order mining rights in terms of the South African Mineral and Petroleum Resources Development Act had been granted

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2006

- Raised approximately $500 million in an equity offering
- Acquired two exploration companies, Amikan and AS APK, from TSG as part of the company's initial contribution towards its strategic alliance with Polymetal
- Formed a new company with B2Gold (formerly Bema Gold) to jointly explore a select group of mineral opportunities located in northern Colombia, South America
- AngloGold Ashanti (U.S.A.) Exploration Inc, International Tower Hill Mines Ltd (ITH) and Talon Gold Alaska, Inc. (Talon), a wholly-owned subsidiary of ITH, entered into an Asset Purchase and Sale and Indemnity Agreement whereby AngloGold Ashanti sold to Talon a 100 percent interest in six Alaskan mineral exploration properties and associated databases in return for an approximate 20 percent interest in ITH. AngloGold Ashanti has the option to increase or dilute its stake in these projects, subject to certain conditions
- Disposed of its entire business undertaking related to the Bibiani mine and Bibiani North prospecting permit to Central African Gold plc
- Entered into a 50:50 strategic alliance with Russian gold and silver producer, OAO Inter-Regional Research and Production Association Polymetal (Polymetal), in terms of which Polymetal and AngloGold Ashanti would co-operate in exploration and the acquisition and development of gold mining opportunities within the Russian Federation
- Implemented an empowerment transaction with two components: the development of an employee share ownership plan (ESOP) and the acquisition by Izingwe Holdings (Proprietary) Limited (an empowerment company) of an equity interest in AngloGold Ashanti

2007

- Acquired the minority interests previously held by the Government of Ghana (5 percent) and the International Finance Corporation (10 percent) in the Iduapriem and Teberebie mines
- Anglo American plc sold 69.1 million ordinary shares of AngloGold Ashanti, thereby reducing Anglo American's shareholding in AngloGold Ashanti from 41.7 percent to 16.6 percent
- the successful closing of a $1.15 billion syndicated revolving credit facility

2008

- Issued 69,470,442 ordinary shares in a fully subscribed rights offer and raised approximately $1.7 billion
- Acquired Golden Cycle Gold Corporation through the issue of 3,181,198 ordinary shares, resulting in Cripple Creek &Victor becoming a wholly-owned subsidiary
- Sold entire holding in Nufcor International Limited to Constellation Energy Commodities Group Limited
- Acquired São Bento Gold Company Limited through the issue of 2,701,660 ordinary shares with the ultimate intention of doubling production from the Córrego do Sítio project

- Entered into a $1 billion term facility agreement to be used to redeem the $1 billion convertible bonds due February 2009

The following announcements regarding significant developments were made by AngloGold Ashanti during 2008 and subsequent to year-end:

On January 14, 2008, AngloGold Ashanti announced that it had agreed to acquire 100 percent of Golden Cycle Gold Corporation (GCGC) through a transaction in which GCGC's shareholders would receive 29 AngloGold Ashanti ADRs for every
100 shares of GCGC common stock held. GCGC held a 33 percent shareholding in Cripple Creek & Victor while AngloGold
Ashanti holds the remaining 67 percent. The transaction will result in Cripple Creek & Victor being wholly-owned by AngloGold
Ashanti.

On January 18, 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 in the region of 1.4 million ounces.

On January 25, 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.

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On January 27, 2008, AngloGold Ashanti announced that it had agreed to 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. Eskom 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 to with the electricity supplier whereby Eskom will provide AngloGold Ashanti with four hours warning, prior to having to
reduce power supply.

On January 29, 2008, AngloGold Ashanti announced that following a meeting between Eskom and industrial electricity
consumers, AngloGold Ashanti had commenced the process of bringing back into production all of its underground mines and
their associated gold treatment plants. On February 7, 2008, AngloGold Ashanti stated that following extensive discussions
with Eskom and the government, a power supply of 90 percent 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 percent level in order to return to normal production levels and milling rates.

On February 14, 2008, AngloGold Ashanti announced that it had entered into a binding memorandum of agreement (MOA)
with B2Gold Corp. (B2Gold). The MOA provides for the existing Colombian joint venture agreements between AngloGold
Ashanti and B2Gold to be amended. B2Gold would also acquire from AngloGold Ashanti additional interests in certain mineral
properties in Colombia. In exchange, B2Gold would issue to AngloGold Ashanti 25 million common shares and 21.4 million
common share purchase warrants in B2Gold. On May 16, 2008, AngloGold Ashanti announced that it had completed the
transaction to acquire a 15.9 percent direct interest in B2Gold and increase B2Gold's interest in certain Colombian properties,
as stated.

On May 6, 2008, AngloGold Ashanti announced the retirement of Mrs E Le R Bradley from the board effective May 6, 2008.

On May 6, 2008, AngloGold Ashanti announced the completion of the initial JORC-compliant resource estimate for the La
Colosa deposit, the second significant greenfields discovery (Gramalote being the first) in Colombia, which was discovered by
AngloGold Ashanti's Colombian greenfields exploration team during 2006. The project, which is 100 percent owned by
AngloGold Ashanti, is located 150km west of Colombia's capital city, Bogota, in the district of Tolima.

On May 29, 2008, AngloGold Ashanti announced its amendment to the transaction agreement to acquire 100 percent of

Golden Cycle Gold Corporation (GCGC) to adjust the consideration that GCGC shareholders receive from 0.29 AngloGold Ashanti ADRs to 0.3123 AngloGold Ashanti ADRs to account for the effects of the AngloGold Ashanti rights offer announced on May 23, 2008. GCGC shareholders approved the transaction on June 30, 2008 at a general meeting and the transaction became effective on July 1, 2008, at which time AngloGold Ashanti acquired the remaining 33 percent shareholding in CC&V. A total of 3,181,198 AngloGold Ashanti ADRs were issued pursuant to this transaction.

On June 26, 2008, AngloGold Ashanti announced that the Johannesburg High Court ruled that the exception lodged by AngloGold Ashanti in respect of Mr Thembekile Mankayi's claim for damages against the company had been upheld. Mr Mankayi had lodged a R2.6 million claim in respect of occupational lung disease allegedly sustained during his employment at AngloGold Ashanti's then Vaal Reefs mine in the 1990s. The finding confirms that employees who qualify for benefits in respect of the Occupational Diseases in Mines and Works Act (ODMWA) may not, in addition, lodge civil claims against their employers in respect of their relevant conditions.

Shareholders at a general meeting held on May 22, 2008 approved the issue of new ordinary shares to AngloGold Ashanti ordinary and E ordinary shareholders by way of a rights offer at a ratio of 24.6403 rights offer shares for every 100 AngloGold Ashanti shares held on the record date of June 6, 2008. The final terms of the rights offer were announced on May 23, 2008, resulting in a total of 69,470,442 new rights offer shares being offered to shareholders at a subscription price of R194.00 per share. On July 7, 2008, AngloGold Ashanti announced that the rights offer closed on July 4, 2008 and that 68,105,143 shares had been subscribed for (98 percent of rights offered) which shares were issued on July 7, 2008. Applications to acquire additional shares amounting to 400,468,713 shares (or 576.5 percent) had been received, and the remaining 1,365,299 shares were issued on July 11, 2008. A total of R13.477 billion (approximately $1.7 billion) was raised.

On July 29, 2008, AngloGold Ashanti announced the resignation of Simon Thompson from the board, effective July 28, 2008.

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On September 30, 2008, AngloGold Ashanti announced that following the publication of the unaudited results under IFRS for the quarter and six months ended June 30, 2008, it reassessed the accounting estimate for income taxes, for the effects and impact of the accelerated non-hedge derivative settlements in accordance with IAS34 – Interim Financial Reporting. Following this reassessment, the income tax expense was reduced by R641 million (US$81m) for the period. This was as a result of IAS34 requiring that the income tax expense for interim reporting purposes to be calculated by applying to an interim period's pre-tax income, the estimated average annual effective income tax rate that would be applicable to the expected total annual earnings. It should be noted that the overprovision would have been reversed by financial year-end and therefore would not have had any effect on the full year's income tax expense and earnings. Nevertheless, in compliance with IAS34, AngloGold Ashanti decided to revise its results for the quarter and six months ended June 30, 2008, thereby resolving this matter.

On November 21, 2008, AngloGold Ashanti Limited announced that its wholly-owned subsidiary, AngloGold Ashanti Holdings plc, had entered into a $1 billion term facility agreement with Standard Chartered Bank to refinance its convertible bond. The term facility would be drawn during February 2009 for the purpose of repaying the $1 billion convertible bond due on February 27, 2009 issued by AngloGold Ashanti Holdings plc and guaranteed by AngloGold Ashanti Limited. The term facility is for an initial one year period from the date of the first drawdown in February 2009 and the term facility is extendable, if required, at the option of AngloGold Ashanti until November 30, 2010. The covenant terms of the term facility are similar to those of AngloGold Ashanti's existing $1.15 billion Revolving Credit Facility and amounts drawn under the term facility will bear an interest margin of 4.25 percent for the first six months after the first drawdown and 5.25 percent thereafter.

The $1 billion convertible bond matured on February 27, 2009 and was redeemed by the company using the proceeds from the Standard Chartered term facility that had been arranged for this purpose. Subsequent to the year end, the company has signed an agreement with Standard Chartered amending the terms of the term facility signed in November 2008. The amendment will become effective upon prepayment of between $500 million and $750 million, at the option of AngloGold Ashanti Holdings plc, of the amount outstanding under the term facility and the satisfaction of certain other conditions, in each case, prior to August 26, 2009. Upon the prepayment:

- of $750 million, $250 million (being the remaining amount outstanding after the prepayment) will be converted into a new term loan due one year from the date of first drawdown under the term facility (which occurred on February 26, 2009), subject to AngloGold Ashanti Holdings plc's option to extend that maturity date for one additional year; or
- of between $500 million and $750 million, with respect to the amount outstanding after the prepayment, up to (i) $250 million will be converted into a new term loan with the same maturity as described above and (ii) the amount

equal to the difference between the prepayment and $750 million will be converted into a new revolving facility loan of
up to $250 million.
Upon effectiveness of the amendment to the term facility, the new term loan and any amounts outstanding under the new
revolving credit facility (if any) will bear an interest margin of 4.25 per cent per annum over the higher of (i) the applicable
LIBOR and (ii) the lender's cost of funds (subject to a cap of LIBOR plus 1.25 per cent per annum).
On December 15, 2008, AngloGold Ashanti announced that it had completed the purchase of São Bento Gold Company
Limited (SBG) and its wholly-owned subsidiary, São Bento Mineração S.A. (SBMSA) from Eldorado Gold Corporation
(Eldorado) for a consideration of $70 million through the issuance of 2,701,660 AngloGold Ashanti shares. This follows an
announcement made on July 31, 2008, when AngloGold Ashanti announced it had entered into a letter agreement with
Eldorado to acquire 100 percent of Eldorado's wholly-owned subsidiary, SBG, which company in turn wholly owns SBMSA.
The purchase of SBG and SBMSA gives AngloGold Ashanti access to the São Bento mine, a gold operation situated in the
immediate vicinity of AngloGold Ashanti's Córrego do Sítio mine, located in the municipality of Santa Bárbara, Iron Quadrangle
region of Minas Gerais State, Brazil, and provides AngloGold Ashanti with the potential to double the scale of the Córrego do
Sítio mine, which once developed will significantly enhance AngloGold Ashanti's Brazilian asset base. São Bento started its
operations in 1986 and operated until January 2007, at which time São Bento's process plant and facilities were placed on care
and maintenance.
On January 23, 2009, AngloGold Ashanti Australia Ltd announced that Mineral Resource increased for the Tropicana Gold
Project in Western Australia. The Tropicana Gold Project, located 330 kilometers east north-east of Kalgoorlie, is part of the
Tropicana Joint Venture, which is 70 percent owned by AngloGold Ashanti Australia (the manager) and 30 percent by
Independence Group NL.
On January 28, 2009, AngloGold Ashanti Limited announced that it had agreed to sell its indirect 33.33 percent joint venture
interest in the Boddington Gold Mine in Western Australia to Newmont Mining Corporation for an aggregate consideration of up
to approximately $1.1 billion. The transaction is consistent with AngloGold Ashanti's strategy of focusing on its core, controlled
asset portfolio and realizing value from any minority, non-managed interests as and when appropriate. It will also immediately
strengthen the company's balance sheet, result in lower financing costs due to early repayment of the recently announced
$1.0 billion syndicated term facility and create additional flexibility to participate in further investment and growth opportunities.

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On February 17, 2009, AngloGold Ashanti announced that it had agreed to sell, with effect from January 1, 2010 (or after), the Tau Lekoa mine together with the adjacent Weltevreden and Goedgenoeg project areas to Simmer & Jack Mines Limited (Simmers) for an aggregate consideration of:

- R600 million less an offset up to a maximum of R150 million for unhedged free cash flow (net cash inflow from operating activities less stay-in-business capital expenditure) generated by the Tau Lekoa mine in the period between January 1, 2009 and December 31, 2009 as well as an offset for unhedged free cash flow generated by the Tau Lekoa mine in the period between January 1, 2010 and the effective date of the transaction. Consequently, AngloGold Ashanti will retain all unhedged free cash flow generated from the Tau Lekoa mine for the year ending December 31, 2009 greater than R150 million. Simmers will endeavour to settle the transaction entirely in cash; however, Simmers may issue to AngloGold Ashanti ordinary shares in Simmers up to a maximum value of R150 million, with the remainder payable in cash; and
- a royalty, determined at 3 percent of the net revenue (being gross revenue less state royalties) generated by the Tau Lekoa mine and any operations as developed at Weltevreden and Goedgenoeg. The royalty will be payable quarterly for each quarter commencing from January 1, 2010 until the total production from the assets upon which the royalty is paid is equal to 1.5 million ounces and provided that the average quarterly rand price of gold is equal to or exceeds R180,000 per kilogram (in January 1, 2010 terms).

The effective date of the transaction will occur on the later of January 1, 2010 or the first day in the calendar month following the fulfilment of all conditions precedent to the transaction. AngloGold Ashanti will continue to operate Tau Lekoa with appropriate joint management arrangements with Simmers until the effective date. In addition, following the effective date, Simmers will treat all ores produced from the assets at its own processing facilities. As a result, AngloGold Ashanti will have increased processing capacity available, allowing for the processing of additional material sooner from its other Vaal River mines and surface sources, thereby further accelerating cash flow.

On April 9, 2009, AngloGold Ashanti announced that Mr J H Mensah and Mr R E Bannerman had given notice of their intention to retire from the board at the close of the annual general meeting to be held on May 15, 2009 .. In addition, Prof Nkuhlu advised of his impending resignation from the board, given his standing for political office in the 2009 general elections in South Africa.
Prof Nkuhlu resigned from the board at the conclusion of the meeting held on May 5, 2009 to approve the filing with the SEC of this annual report on Form 20-F.

4B. BUSINESS OVERVIEW

PRODUCTS

AngloGold Ashanti’s main product is gold. Revenue is also derived from the sales of silver, uranium oxide and sulfuric acid.
AngloGold Ashanti sells its products on world markets.

THE GOLD AND URANIUM MARKETS

GOLD

Product and marketing channels

Gold accounts for approximately 98 percent of AngloGold Ashanti's revenue from product sales. The balance of product sales
is derived from sales of silver, uranium oxide and sulfuric acid. AngloGold Ashanti sells its products on international markets.
Gold produced by AngloGold Ashanti's mining operations is processed to a saleable form at various precious metals refineries.
Once refined to a saleable product – generally large bars weighing approximately 12.5 kilograms and containing 99.5 percent
gold, or smaller bars weighing 1.0 kilogram or less with a gold content of 99.5 percent and above – the metal is sold either
through the refineries' channels or directly to bullion banks and the proceeds paid to the company.

Bullion banks are registered commercial banks that deal in gold. They participate in the gold market by buying and selling gold
and distribute physical gold bullion bought from mining companies and refineries to physical offtake markets worldwide. Bullion
banks hold consignment stocks in all major physical markets and finance these consignment stocks from the margins charged
by them to physical buyers, over and above the amounts paid by such banks to mining companies for the gold.

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Where forward sales contracts exist against which AngloGold Ashanti delivers physical product, the same channel of the
refinery is used. In this case, the refinery does not sell the metal on the company's behalf, but instead delivers the finished gold
bars to the bullion bank with which the group's forward contract is held. The physical delivery to the counterpart bank of the
appropriate amount of gold fulfils AngloGold Ashanti's obligations under the forward contract, and AngloGold Ashanti is paid for
this gold by the relevant bullion bank, at the price fixed under the forward contract, rather than at the spot price of the day.

Gold market characteristics

Gold price movements are largely driven by macro-economic factors such as expectations of inflation, currency fluctuations,
interest rate changes or global or regional political events that are anticipated to impact on the world economy. Gold has played
a role historically as a store of value in times of price inflation and economic uncertainty. This factor, together with the presence
of significant gold holdings above ground, tends to dampen the impact of supply/demand fundamentals on the market. Trade in
physical gold is, however, still important in determining a price floor, and physical gold, either in the form of bars or high-
caratage jewellery, is still a major investment vehicle in the emerging markets of India, China and the Middle East. Gold is
relatively liquid compared to other commodity markets and significant depth exists in futures and forward gold sales on the
various exchanges, as well as in the over-the-counter market.

Trends in physical gold demand

Physical gold demand is dominated by the jewellery industry and the investment sector, which together account for almost
90 percent of total demand. The balance of gold supply is used in dentistry, electronics and medals. While the quantity of gold
used in jewellery consumption has decreased over the last decade, the investment market has largely taken up available
supply. Investments in physical gold includes bar hoarding, coins, medals and other retail investment instruments as well as
exchange traded funds (ETFs), which have, since their inception in 2002, become well established as a vehicle for both retail
and institutional investors and are now the sixth largest holder of gold, after the major central banks and the International
Monetary Fund (IMF).

Newly-mined gold is not the only source of physical gold onto the market and, in fact, accounts for just over 60 percent of
supply. Due to its high value, gold is rarely destroyed and some 161,000 tonnes of gold (approximately 65 years of new mine
supply at current levels) is estimated to exist in the form of jewellery, official sector gold holdings (central bank

reserves) and
private investment. In 2008, gold was supplied onto the market from newly-mined production (2,385 tonnes), sales of gold by
central banks (485 tonnes) as well as from sales of scrap gold (977 tonnes), largely from the jewellery trade.

Gold demand by sector

Jewellery demand

Geographically, just less than 80 percent of gold jewellery demand now originates in emerging markets, in comparison to
approximately 64 percent a decade ago. The major markets for gold jewellery are India, China, the Middle East and the United
States. The Russian market has also seen recent strong growth, and was the sixth largest single market for gold jewellery in
2008, with demand at just under 100 tonnes. In the economies of India and the sub-continent, gold jewellery is purchased as a
quasi-investment product. High-caratage jewellery is sold at a relatively small margin to the spot gold price, which is generally
transparent to the consumer, and is therefore easily re-sold to jewellers or bullion traders when cash is required or when the
jewellery is out of date and needs to be refashioned.

India accounts for more than 20 percent of global gold jewellery demand and is by far the largest market for gold in jewellery. It
also accounted for more than 20 percent of identifiable investment demand in the sector in 2008. Total bullion imports to India,
though they may fluctuate significantly according to price movements during the year, have risen steadily over the last decade.

The characteristics of the gold market in the Middle East are similar, although an important difference is the exceptionally high
per capita ownership of gold in some of the countries of that region. In the United Arab Emirates, for example, consumption per
capita is some 30 times that in the US or the UK and some 50 times higher than in India. The Middle Eastern market
accounted for over 300 tonnes of gold demand in 2008 or approximately 15 percent of the global total. Turkey, Saudi Arabia
and the United Arab Emirates are the largest consumers within this market.

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In China, approximately 80 percent of gold is sold in the form of high caratage jewellery which is easily traded, similarly to the
Indian and Middle Eastern markets. The balance of gold in China is sold in the form of 18 carat jewellery. Although introduced
to the market only in 2002, sales in this category of jewellery have grown quickly due to its appeal to a rapidly-growing market
segment of young, independent urban women. An important feature of the Chinese market in recent years has been the relatively stable nature of gold demand, particularly in comparison to the Indian and Middle Eastern markets, where volatility
typically causes price-sensitive consumers to hold back on jewellery purchases.

The US market accounted for approximately 180 tonnes of jewellery demand in 2008, just over 8 percent of the global total.
Gold in the USA is purchased largely as an adornment product and purchase decisions are dictated by fashion rather than the
desire to buy gold as an investment. The intrinsic value of gold as a store of value does still, however, play a role in the
purchase decision process.

Investment demand

As well as holdings in ETFs, which have become a well-recognized investment vehicle for gold, primarily in the US and
European markets, physical gold investment takes the form of bar hoarding (primarily in India and in China) and official coins
(for which the largest market is Turkey). Physical investment demand has grown significantly since 2003, when it stood at just
less than 300 tonnes, to levels of approximately 770 tonnes in 2008. Over the course of 2008, demand increased in all of the
various retail investment categories, and particularly in ETFs. Holdings in the latter increased from 28 million ounces (approximately 870 tonnes) to 38 million ounces (approximately 1,180 tonnes), an increase of 36 percent over the year. This
significant increase in ETF holdings, which has continued post year-end, reflects growing concern over the global financial
system and a flight to gold as a ‘safe-haven’ asset.

Industrial and other sectors

The largest industrial use of gold is in electronics, as plating or bonding wire. In line with the growth in the use of personal
computers and other electronic instruments globally, the use of gold in this sector has also increased, averaging a growth rate
of over 9 percent in the five-year period from 2002 to 2007. The overall quantity of gold used in this sector, however, remains
small, at only 11 percent of total demand. Demand for gold for dentistry purposes continues to decline, however this constitutes only a small portion of total demand, less than 2 percent of the global total.

Central bank holdings, sales and purchases

Gold held by the official sector, essentially central banks and the IMF, stood at approximately 29,000 tonnes in 2008.

Periodically, central banks buy and sell gold as market participants. Most central bank sales take place under the Central Bank Gold Agreements (CBGA) and therefore without any significant impact on the market. The second of these agreements is currently in its fifth and final year (which ends at the end of September 2009). Central bank sales in the fourth year of the agreement, which ended on September 27, 2008, reached only 343 tonnes, against the quota of 500 tonnes available under the agreement. Sales in the first quarter of the current year of the agreement reached only 50 tonnes, and it therefore seems likely, under current circumstances, that the annual CBGA quota will not be reached.

It seems likely that the current CBGA will be renewed and, should the IMF undertake any gold sales, (as recommended by the IMF's Eminent Persons' Committee to support the bank's financial position), these gold sales will also take place within the framework of the agreement. The process of finalizing IMF sales does, however, require US Congressional approval and could therefore be likely to be lengthy, given the priorities facing the new US administration.

Breakdown of gold consumption 2008

%
Jewellery consumption
64
Investment
23
Industrial / electronics
11
Dentistry
2

Data Source: GFMS, World Gold Council

40

Top six jewellery markets in 2008

Country		
	%	***Tons***
India	22	470
China	15	327
United States	8	179
Turkey	7	153
Saudi Arabia	5	109
Russia	4	96
Other	39	804
Global total	100	2,138

Data Source: GFMS

ANGLOGOLD ASHANTI'S MARKETING SPEND

AngloGold Ashanti has since its inception been committed to growing the market for its product. The company's marketing programs aim to increase the desirability of gold to sustain and grow demand. AngloGold Ashanti is an active member of the World Gold Council, and AngloGold Ashanti's subscription to the World Gold Council accounts for the bulk of the company's marketing spend. The company remains involved in independent projects to grow jewellery demand, in partnership with companies such as Tanishq (a subsidiary of the Tata Group) in India. It has also supported the development of gold concept stores in China, under the 'Just Gold' brand. AuDITIONS, the company's own global gold jewellery design competition brand, continues to grow and has become a well-recognized corporate marketing tool.

THE URANIUM MARKET IN 2008

AngloGold Ashanti's uranium production is sold via a combination of spot sales and long-term agreements.

The spot price for uranium (U_3O_8) was volatile during 2008. The year opened with a spot price of some $90 per pound, declining to an annual low of $44 per pound in mid-October and recovering to $53 per pound by the end of the year. The long-term U_3O_8 price began the year at $95 per pound and remained stable until the end of April 2008 when it began to decline

reaching the year-end price of $70 per pound. Long-term prices have not shown the same level of volatility as spot prices.

The significant volatility and overall decline in the spot price were driven by low levels of demand in the early part of the year, followed by the impact of the financial crisis in latter months that caused financial players to sell off their uranium inventories with some urgency to improve liquidity. The year-end recovery in prices was most likely caused by unanticipated additional spot demand from China, and may continue on the back of potential demand from India.

The declining spot price has had significant implications on near-term primary supply for uranium producers, and in several cases has made it uneconomical for these producers to continue production. Notably, several projects in the United States and South Africa have been curtailed or postponed, and some in Canada and Kazakhstan are experiencing technical or production difficulties. This may result in a tightening of supply in the short- to medium-term. However, the medium-to long-term indicators show that there is potential for increases in supply through expansion plans, new discoveries of mineralization zones and more amenable regulatory environments, particularly in Australia, Russia and Namibia.

Details on secondary supplies from the US also became clearer in 2008 with the Domenici Amendment becoming law in late September 2008. This places limits on imports of low enriched uranium from Russia to about 20 percent of annual US nuclear reactor requirements between 2014 and 2020. The US also published its uranium inventory disposal plan and capped disposals at 10 percent of annual US reactor requirements, and will make available up to an additional 20 million pounds of uranium for supplying into initial core programs of new reactors from 2010 onwards.

On the demand side, there continue to be calls from several countries to increase the proportion of nuclear power supply in their fuel mix to reduce dependence on expensive coal and oil imports and to reduce emissions. According to the International Atomic Energy agency (IAEA), more than 50 countries are considering nuclear power. However, the financial crisis may temper this demand and cause delays to new projects due to lack of available finance.

The long-term outlook for uranium prices remains positive due to continuing forecasts of strong demand and the expectation of continued challenges on the primary supply side. In particular, following the signing of the ‘123 Nuclear co-operation agreement’ between India and the US, demand from India is likely to appear on the spot market.

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GOLD PRODUCTION

AngloGold Ashanti's core business is the production of gold by exploring for, and mining and processing gold orebodies.

The process of producing gold

The process of producing gold can be divided into six main activities:

1. Finding the orebody;
2. Creating access to the orebody;
3. Mining (breaking) the orebody;
4. Transporting the broken material from the mining face to the plants for processing;
5. Processing ; and
6. Refining.

The process applies to both underground and surface operations.

1. ***Finding the orebody***

AngloGold Ashanti's greenfields exploration group identifies prospective gold deposit targets and undertakes exploration on its own or in conjunction with joint venture partners. Worthwhile discoveries undergo a well structured and intensive evaluation process before a decision is made to proceed with developing the mine.

2.

Creating access to the orebody

There are two types of mining which take place to access the orebody:

- Underground mining: a vertical or decline shaft is sunk deep into the ground to transport people and mining materials to underground levels from which the orebody is accessed through horizontal tunnels known as haulages and cross-cuts. Further on-reef development is then undertaken to open up the orebody so that mining can take place.
- Open-pit mining: in this situation the ore lies close to surface and can be exposed for mining by "stripping" the overlying barren material.

3.

Removing the ore by mining the orebody

- In underground mining, holes are drilled into the orebody, filled with explosives and then blasted. The blasted 'stopes' or 'faces' are then cleaned and the ore released is then ready to be transported to surface.
- In open-pit mining, drilling and blasting may also be necessary to break the ore; excavators then load the material onto the ore transport system which is predominantly haul trucks.

4.

Transporting the broken material from the mining face to the plants for treatment

- Underground ore is brought to the surface by a combination of horizontal and vertical transport systems. Once on surface, the ore is usually transported to the processing facilities by surface rail or overland conveyors.
- In open pit operations, the haul trucks deliver the ore directly to the processing facilities.

5.

Processing

Comminution is the first step in processing and involves the breaking up the ore, which is delivered as large rocks, into
small particles so that the contained gold minerals are exposed and available for recovery. This is usually undertaken by
a combination of multi-stage crushing and milling circuits with associated screening and classification processes to ensure that material at the correct size is removed promptly from the comminution circuit.

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Recovery of gold can then commence, depending on the nature of the gold contained in the ore. There are two basic classes of ore:

- free-milling, where the gold is readily available for recovery by the cyanide leaching process.
- refractory ores, where the gold is not readily available for leaching because it is locked within a sulfide mineral matrix (eg pyrite), extremely finely dispersed within the host rock (and hence not yet exposed) or alloyed with other elements which retard or prevent leaching (e.g. tellurides).

Free milling and oxidised refractory ores are processed for gold recovery by leaching the ore in agitated (stirred) tanks in an alkaline cyanide leach solution. This is generally followed by adsorption of the gold cyanide complex onto activated carbon-in-pulp (CIP).

Refractory ores undergo pre-treatment to make them more amenable to cyanide leaching. This commonly takes the form of separating the gold bearing sulfide materials from the barren gangue material by using flotation to produce a high-grade sulfide concentrate. The sulfide concentrate is then oxidised by either roasting as at AngloGold Ashanti Brasil Mineração or bacterial oxidation (BIOX) as at Obuasi. This oxidation destroys the sulfide matrix and exposes the gold particles thereby making them amenable to recovery by the cyanidation process.

An alternative process is the heap-leach process. This process is generally considered applicable to high-tonnage, low-grade ore deposits, but it can be successfully applied to medium-grade deposits where smaller ore deposit tonnages cannot economically justify constructing a capital intensive process plant. In this process, ore is crushed and heaped on an impervious or lined leach pad. Low strength alkaline cyanide solution is applied, generally as a drip, to the top of the heap for periods of up to three months. The dissolved gold bearing solution is collected from the base of the heap and transferred to carbon-in-solution (CIS) columns where the gold cyanide complex is adsorbed onto activated carbon. The barren solution is refreshed and recycled to the top of the heaps.

Gold which has loaded (adsorbed) onto activated carbon is recovered by a process of re-dissolving the gold from the activated carbon (elution), followed by precipitation in electrowinning cells and subsequent smelting of the precipitate into doré bars that are then shipped to gold refineries for further processing.

At some AngloGold Ashanti operations, valuable by-products are generated at the same time as the gold recovery process. These by products are:

- silver, which is associated with the gold at some of our operations;
- sulfuric acid which is produced from the gases generated by the sulfide roasting acid plants; and
- uranium which is recovered in a process which involves sulfuric acid leaching followed by recovery of the leached uranium onto resin and subsequent stripping of the resin by ammonium hydroxide and precipitation of uranium oxide as “yellow cake”.

The residue from the process operations are stored in designated tailings storage facilities.

6.
Refining
The doré bars are transported to a precious metal refinery for further processing. In this process gold is upgraded to a purity of 99.5 percent or greater for sale to a range of final users. High purity gold is referred to as “good delivery” which
means that it meets the quality standards set by the London Bullion Markets Association and gives the final buyer assurance that the bar contains the quantity and purity of gold as stamped on the bar.

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MINE SITE REHABILITATION AND CLOSURE

As mining is a finite operation, a mining enterprise must develop acceptable plans to be adopted when the mineralized material is exhausted. For AngloGold Ashanti, an integral aspect of operating its mines is ongoing mine closure planning, together with the associated estimates of liability costs and the assurance of adequate financial provisions to cover these costs.

In terms of its Environmental Policy, the company is committed to ensuring that financial resources are available to meet its reclamation and environmental obligations. One of the company's values is that “the communities and societies in which we operate will be better off for AngloGold Ashanti having been there”. Through its membership of the International Council on Mining and Metals (ICMM), the company is committed to seeking continual improvement of its environmental performance, in particular, by doing the following:

- Rehabilitating land disturbed or occupied by operations in accordance with appropriate post-mining land uses;
- Providing for the safe storage and disposal of residual waste and process residues; and
- Designing and planning all operations so that adequate resources are available to meet their closure requirements.

The evaluation of new projects considers closure planning and the associated costs in determining the economic feasibility of the project.

For many of the older mines, closure planning and the evaluation of environmental liabilities is a more complex process. This is particularly the case in Brazil, Ghana and South Africa, where many of the long-life operations present environmental legacies that may have developed over a century or more.

Closure plans are typically reviewed and updated annually and take into account operational conditions, planning and legislative requirements, international protocols, technological developments and advances in good practice. ICMM published an integrated closure planning toolkit during 2008, and the company prepared a draft internal standard to incorporate this good practice approach.

A particular challenge is concurrent rehabilitation, which is carried out while a mine is still operating. This practice serves to reduce the current liability and reduces the final rehabilitation and closure work that must be undertaken, but has the potential to sterilize reserves, which the company might wish to exploit should conditions, such as the gold price, change.

While actual closure costs may only be fully determined at the time of closure, as at December 31, 2008 the total estimated
liability, on an undiscounted basis, amounted to $1,049 million (2007: $1,188 million). The decrease was largely owing to
exchange rate fluctuations.

An assessment of closure liabilities is undertaken on an annual basis.

THE REGULATORY ENVIRONMENT ENABLING ANGLOGOLD ASHANTI TO MINE

AngloGold Ashanti's rights to own and exploit Mineral Reserves and deposits are governed by the laws and regulations of the jurisdictions in which the mineral properties on which these reserves and deposits are situated.

In several of the countries in which AngloGold Ashanti operates there are, in some cases, certain restrictions on the group's ability to independently move assets out of these countries and/or transfer assets within the group, without the prior consent of the local government or minority shareholders involved.

ARGENTINA

According to Argentinean mining legislation, mines are the private property of the nation or a province, depending on where they are located. Individuals are empowered to explore for and to exploit and dispose of mines as owners by means of a legal license granted by a competent authority under the provisions of the Argentine Mining Code. The legal licenses granted for the exploitation of mines are valid for an undetermined period, provided that the mining title holder complies with the obligations settled in the Argentine Mining Code. In Argentina, the usual ways of transferring a right over a mining license are: to sell the license; to lease such a license; or to assign the right under such a license by a beneficial interest or Usufruct Agreement. In the case of Cerro Vanguardia – AngloGold Ashanti's operation in Argentina – the mining title holder is its partner, Fomicruz, and in terms of the Usufruct Agreement signed between them and Cerro Vanguardia SA on December 27, 1996, the latter has the irrevocable right to the exploitation of the deposit for a period of 40 years. This agreement expires on December 27, 2036.

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AUSTRALIA

In Australia, with few exceptions, all onshore mineral rights are reserved by the government of the relevant state or territory.
Exploration for and mining of minerals is regulated by general mining legislation and controlled by the mining ministry of each
respective state or territory.

Where native title has not been extinguished, native title legislation may apply to the grant of tenure and some subsequent
administrative processes. Federal and state Aboriginal heritage legislation also operates to protect special sites and areas from
disturbance although to date there has not been any adverse impact on any of AngloGold Ashanti's operating properties.

AngloGold Ashanti's operating properties are located in the state of Western Australia. The most common forms of tenure are
exploration and prospecting licenses, mining leases, miscellaneous licenses and general purpose leases. In most Australian
states, if the holder of an exploration license establishes indications of an economic mineral deposit and complies with the
conditions of the grant, the holder of the exploration license has a priority right against all others to apply for a mining lease
which gives the holder exclusive mining rights with respect to minerals on the property.

It is possible for an individual or entity to own the surface of the property and for another individual or entity to own the mineral
rights. Typically, the maximum initial term of a mining lease is 21 years, and the holder has the right to renew the lease for an
additional 21 years. Subsequent renewals are granted at the discretion of the respective state or territory's minister responsible
for mining rights. Mining leases can only be assigned with the consent of the relevant minister.

Government royalties are payable as specified in the relevant legislation in each state or territory. A general purpose lease may
also be granted for one or more of a number of permitted purposes. These purposes include erecting, placing and operating
machinery and plant in connection with mining operations, depositing or treating minerals or tailings and using the land for any
other specified purpose directly connected with mining operations.

AngloGold Ashanti owns the mineral rights and has 21-year term mining leases with rights of renewal to all of its mining areas
in Australia, including its proportionate share of unincorporated joint venture operations. Both the group and its joint venture
partners are fully authorized to conduct operations in accordance with relevant laws and regulations. The mining leases and
rights of renewal cover the current life-of-mine at AngloGold Ashanti's operations in Australia.

BRAZIL

In Brazil, there are two basic mining rights:

- a license for the exploration stage, valid for a period of up to three years, renewable once; and
- a mining concession or mine manifest, valid for the life of the deposit.

In general, exploration licenses are granted on a first-come, first-served basis. Mining concessions are granted to the holders of exploration licenses that manage to prove the existence of a Mineral Resource and have been licensed by the environmental competent authority.

Mine manifests (mining titles granted in 1936) and mining concessions (mining titles presently granted through an order signed by the Secretary of Mines of the Ministry of Mines and Energy) are valid for an undetermined period until depletion of reserves, provided that the mining title holder complies with current Brazilian mining and environmental legislation, as well as with those requirements set out by the National Department of Mineral Production (DNPM) which acts as the inspecting entity for mining activities. Obligations of the titleholder include:

- the start of construction, as per an approved development plan, within six months of the issuance of the concession;
- extracting solely the substances indicated in the concession;
- communicating to the DNPM the discovery of a mineral substance not included in the concession title;
- with environmental requirements;
- restoring the areas degraded by mining; refrain from interrupting exploitation for more than six months; and
- annually on operations.

The difference between a mine manifest and a mining concession lies in the legal nature of these two mining titles, since it is much more difficult and complicated for the public administration to withdraw a mine manifest than a mining concession although, in practice, it is possible for a manifest to be cancelled or to become extinct if the abandonment of the mining operation is formally proven. All of AngloGold Ashanti's operations in Brazil have indefinite mining licenses.

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COLOMBIA

The underlying principle of Colombian mining legislation is: first in time, first in right.

The process starts with a proposal, the presentation of which gives a right of preference, if the area is free, to obtain the area.
The maximum extent of an area covered by such a proposal is 10,000 hectares. Once a proposal has been received, the relevant government agency undertakes an investigation to determine whether another proposal has been received regarding
the area concerned or whether an existing contract for the area is already in place. The government agency grants a "free
zone" when the proposal made has a right of preference.

The concession contract

The government agency grants an exclusive concession contract for exploration and exploitation. Such a concession allows
the concessionaire to conduct the studies, works and installations necessary for establishing the existence of minerals and
their exploitation. The total term of such a concession is 30 years. This period can be renewed for another 30 years. The period
allowed for exploration is three years, with a potential extension of two years. The period for construction and development is
two years with an option to extend by one year.

Once the concessionaire has completed its exploration program, a proposed plan of works and installations of exploitation and
a study of the environmental impact must be completed in order to receive an environmental license, without which it is not
possible to start the development program necessary to begin mining. The terms of the concession start from the date of
registration of the contract at the National Mining Register; similarly, all obligations begin at that date. Once a mining concession has been awarded, the operating entity must take out an insurance policy to cover any possible environmental
damage and its mining obligations.

Economic and tax aspects

Surface fee

During exploration: For areas not exceeding 2,000 hectares, approximately $1 per hectare. For areas between 2,000 and
5,000 hectares, approximately $2 per hectare. For areas between 5,000 and 10,000 hectares, approximately $3 per hectare.

Royalty

The royalty paid to the Colombian government is calculated at 4 percent on production yield, valued at 80 percent of the

average international per ounce price of the previous month as determined from the afternoon fixing price on the London
Bullion Market.

The system of royalty payments and adjustments to such payments apply from the date the concession contract comes into
force and for the entire period of its validity. Any official changes to the laws governing the payment of royalties will only apply
to contracts granted and completed after these laws have been promulgated.

GHANA

The Constitution of Ghana as well as the Minerals and Mining Act, 2006 (Act 703) (the Act) provide that all minerals in Ghana
in their natural state are the property of the State and title to them is vested in the President on behalf of and in trust for the
people of Ghana, with rights of prospecting, recovery and associated land usage being granted under license or lease.

The grant of a mining lease by the Minister of Mines is normally subject to parliamentary ratification unless the mining lease
falls into a class of transactions exempted by Parliament.

Control of mining companies

The Minister of Mines has the power to object to a person becoming or remaining a "shareholder controller", a "majority
shareholder controller" or an "indirect controller" of a company which has been granted a mining lease if he considers that the
public interest would be prejudiced by the person concerned becoming or remaining such a controller.

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The Act provides for stability agreements as a mechanism to ensure that the incentives and protection afforded by laws in force at the time of the stability agreement are guaranteed for 15 years. A stability agreement is subject to ratification by Parliament.

Prior to the business combination between AngloGold and Ashanti in April 2004, AngloGold and the government of Ghana agreed the terms of a stability agreement to govern certain aspects of the fiscal and regulatory framework under which AngloGold Ashanti would operate in Ghana following the implementation of the business combination. The stability agreement necessitated the amendment of the Obuasi Mining Lease which has been ratified by Parliament.

Under the stability agreement, the government of Ghana agreed:

- to extend the term of the mining lease relating to the Obuasi mine until 2054 on terms existing prior to the business combination;
- to maintain for a period of 15 years, the royalties payable by AngloGold Ashanti with respect to its mining operations in Ghana at a rate of 3 percent per annum of the total revenue from minerals obtained by AngloGold Ashanti from such mining operations;
- to ensure that the income tax rate would be 30 percent for a period of fifteen years. The agreement was amended in December 2006 to make the tax rate equal to the prevailing corporate rate for listed companies;
- that a sale of AngloGold Ashanti's or any of its subsidiaries' assets located in Ghana remains subject to the government's approval;
- to permit AngloGold Ashanti and any or all of its subsidiaries in Ghana to retain up to 80 percent of their exportation proceeds in foreign currencies offshore, or if such foreign currency is held in Ghana, to guarantee the availability of such foreign currency; and
- to retain its special rights (Golden Share) under the provisions of the Mining Act pertaining to the control of a mining company, in respect of its assets and operations in Ghana.

Further, the Government of Ghana agreed that AngloGold Ashanti's Ghanaian operations will not be adversely affected by any new enactments or orders, or by changes to the level of payments of any customs or other duties relating to mining operations, taxes, fees and other fiscal imports or laws relating to exchange control, transfer of capital and dividend remittance for a period of 15 years after the completion of the business combination.

Retention of foreign earnings

AngloGold Ashanti's operations in Ghana are permitted to retain 80 percent of their foreign exchange earnings in such an account. In addition, the company has permission from the Bank of Ghana to retain and use, outside of Ghana, dollars required to meet payments to the company's hedge counterparts which cannot be met from the cash resources of its treasury company.

Localization policy

A detailed program must be submitted for the recruitment and training of Ghanaians with a view to achieving 'localization', which is the replacement of expatriate personnel by Ghanaian personnel. In addition, the holder must give preference

to
Ghanaian products and personnel, to the maximum extent possible, consistent with safety, efficiency and economies.
Except as otherwise provided in a specific mining lease, all immovable assets of the holder under the mining lease vest in the
State on termination, as does all moveable property that is fully depreciated for tax purposes. Moveable property that is not
fully depreciated is to be offered to the State at the depreciated cost. The holder must exercise his rights subject to such
limitations relating to surface rights as the Minister of Mines may prescribe.

Mining properties

Obuasi

The current mining lease for the Obuasi area was granted by the government of Ghana on March 5, 1994. It grants mining
rights to land with an area of approximately 334 square kilometers in the Amansie East and Adansi West districts of the Ashanti
region for a term of 30 years from the date of the agreement. In addition, the application for a mining lease over the adjacent
140 square kilometers has also been granted resulting in the total area under mining lease conditions increasing to 474 square
kilometers, (the Lease Area). The company is required to pay rent to the government of Ghana (subject to review every five
years, when the rent may be increased by up to 20 percent) at a rate of approximately $5 per square kilometer and such
royalties as are prescribed by legislation, including royalties on timber felled within the Lease Area. The government of Ghana
agreed to extend the term of the mining lease relating to the Obuasi mine until 2054 and this extension was formally ratified by
Parliament on October 23, 2008.

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Iduapriem and Teberebie

Iduapriem has title to a 33 square kilometer mining lease granted on April 19, 1989, for a period of 30 years. The terms and conditions of the lease are consistent with similar leases granted in respect of the Obuasi mining lease. Teberebie has two leases, one granted in February 1998 for a term of 30 years, and another granted in June 1992 for a term of 26 years. The terms and conditions of these leases are consistent with similar leases granted in respect of the Obuasi mining lease.

GUINEA

In Guinea, all mineral substances are the property of the State. Mining activities are primarily regulated by the Mining Code, 1995. The right to undertake mining operations can only be acquired by virtue of one of the following mining titles: surveying permit, small-scale mining license, mining prospecting license, mining license or mining concession.

The holders of mining titles are guaranteed the right to dispose freely of their assets and to organize their enterprises as they wish, the freedom to engage and discharge staff in accordance with the regulations in force, free movement of their staff and their products throughout Guinea and freedom to dispose of their products in international markets.

The group's Guinea subsidiary, Société Ashanti Goldfields de Guinée SA (SAG), has title to the Siguiri mining concession area which was granted on November 11, 1993, for a period of 25 years. The agreement provides for an eventual extension/renegotiation after 23 years for such periods as may be required to exhaust economic Ore Reserves.

At Siguiri the original area granted of 8,384 square kilometers was reduced to a concession area of four blocks totalling 1,495 square kilometers.

SAG has the exclusive right to explore and mine in the remaining Siguiri concession area for an additional 22-year period from November 11, 1996, under conditions detailed in a Convention de Base which predates the new Guinea Mining Code.

Key elements of the Convention de Base are that:

- the government of Guinea holds a 15 percent free-carried or non-contributory interest; a royalty of 3 percent based on a spot gold price of less than $475 per ounce, and 5 percent based on a spot gold price above $475 per ounce, as fixed on the London Gold Bullion Market, is payable on the value of gold exported; a local development tax of 0.4 percent is payable on gross sales revenue; salaries of expatriate employees are subject to a 10 percent income tax; mining goods imported into Guinea are exempt from all import taxes and duties for the first two years of commercial production; and

- SAG is committed to adopt and progressively implement a plan for the effective rehabilitation of the mining areas disturbed or affected by operations.

The Convention de Base is subject to early termination if both parties formally and expressly agree to do so, if all project activities are voluntarily suspended for a continuous period of eight months or are permanently abandoned by our subsidiary or if SAG goes into voluntary liquidation or is placed into liquidation by a court of competent jurisdiction.

In addition to the export tax payable to the government of Guinea, a royalty on production may be payable to the International Finance Corporation (IFC) and to Umicore SA, formerly Union Miniere (UM). Pursuant to the option agreement between UM and Golden Shamrock Mines Limited (GSM), a royalty on production may be payable to UM by Chevaning Mining Company Limited (CMC) or GSM, which payment obligation has been assigned to AngloGold Ashanti (Ghana) Limited, on a sliding scale of between 2.5 percent and 7.5 percent, based on the spot gold price per ounce of between $350 and $475 per ounce, subject to indexing from January 1, 1995, to a cumulative maximum of $60 million. In addition, under the terms of the restructuring agreement with the IFC, a sliding scale royalty on production may be payable to the IFC calculated on the same basis but at half the rate payable to UM, to a maximum of $7.8 million. The royalty payable to the IFC was fully discharged in January 2008.

MALI

Mineral rights in Mali are governed by Ordinance No. 99-32/P-RM of August 19, 1999 enacting the mining code, as amended by 013/2000/P-RM of February 10, 2000, and ratified by Law No. 00-011 of May 30, 2000 (the Mining Code), and Decree No. 99-255/P-RM of September 15, 1999, implementing the Mining Code.

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Prospecting activities may be carried out under prospecting authorizations (autorisation de prospection) which is an exclusive
right for an individual or corporate entity to carry out prospecting activities over a given area for a period of three years
renewable without a reduction in the area of the authorization. Research activities may be carried out under research permits
(permis de recherché). The latter are granted to corporate entities only by order of the Minister in charge of Mines. Research
permits are granted for a period of three years, renewable twice for additional three-year periods. Each renewal of the research
permit requires a relinquishment of 50 percent of the area covered by such permit. The entity applying for such a permit must
provide proof of technical and financial capabilities.

An exploitation permit (permis d'exploitation) is required to mine a deposit located within the area of a prospecting authorization
or a research permit. The exploitation permit grants exclusive title to prospect, research and exploit the named substances for
a maximum period of 30 years, renewable three times for an additional 10 years. The exploitation permit is granted only to the
holder of an exploration permit or of a prospecting authorization and covers only the area covered by the exploration permit or
the prospecting authorization. An application must be submitted to the Minister in charge of Mines and to the National Director
of Mines.

As soon as the exploitation permit is granted, the holder of the exploitation permit must incorporate a company under the law of
Mali. The holder of the permit will assign the permit for free to this company. The State will have a 10 percent free carry
interest. This interest will be converted into priority shares and the State's participation will not be diluted in the case of
increasing the capital.

Applications for exploitation permits must contain various documents attesting to the financial and technical capacity of the
applicant, a detailed environmental study in respect of the impact of the project on the environment, a feasibility study, and a
bank deposit. The permit is granted by decree of the Head of Government. A refusal to grant a permit may only be based on
two grounds: insufficient evidence to support the exploitation of the deposit and/ or a failure of the environmental study.

Applications for prospecting authorizations and research permits must contain various documents attesting to the financial and
technical capacity of the applicant, a detailed works and cost program, a map defining the area which is being requested and
the geographical co-ordinates thereof, the exact details relating to the identity of the applicant and evidence of the authority of
the signatory of the application. Such titles are granted by Ministerial Order. Any refusal to grant such titles shall be

notified by
letter from the Minister in charge of Mines to the applicant.

The mining titles mentioned above all require an establishment convention (convention d'établissement) to be signed by the
State and the titleholder defining their rights and obligations. A standard form of such establishment convention has been
approved by decree of the Head of Government.

AngloGold Ashanti has interests at Morila, Sadiola and Yatela, all of which are governed by establishment conventions
covering exploration, mining, treatment and marketing in a comprehensive document. These documents include the general
conditions with regard to exploration (work program, fiscal and customs regime) and exploitation (formation of a local limited
liability company and mining company, state shareholdings, the fiscal and customs regime during construction and exploitation
phases, exchange controls, marketing of the product, accounting regime, training programs for local labor, protection of the
environment, reclamation, safety, hygiene and settlement of disputes).

As the establishment conventions contain stabilization clauses, the mining operations carried out by the AngloGold Ashanti
entities in Mali are subjected to the provisions of the previous mining codes of 1970 and 1991 but also, for residual matters, to
the provisions of the Mining Code of 1999.

AngloGold Ashanti has complied with all applicable requirements and the relevant permits have been issued. Morila, Sadiola
and Yatela have 30-year permits which expire in 2029, 2024 and 2030, respectively.

NAMIBIA

Mineral rights in Namibia vest in the State. In order to prospect or mine, the Ministry of Mines and Energy initially grants an
exclusive prospecting license and, on presentation of a feasibility study, a mining license is then granted taking into account the
ability of the company, including its mining, financial and technical capabilities, rehabilitation programs and payment of
royalties. The relevant license has been granted to AngloGold Namibia (Pty) Ltd in respect of its mining and prospecting
activities in Namibia. The current 15-year mining license expires in October 2018.

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SOUTH AFRICA

In October 2002, the President of South Africa assented to the Mineral and Petroleum Resources Development Act (MPRDA), which had been passed by the Parliament of South Africa in June 2002 and came into effect on May 1, 2004. The objects of the Act are, among other things, to allow for state sovereignty over all mineral and petroleum resources in the country, to promote economic growth and the development of these resources and to expand opportunities for the historically disadvantaged. The object is also to ensure security of tenure concerning prospecting, exploration, mining and production operations. The state ensures that holders of mining and prospecting rights contribute to the socio-economic development of the areas in which they are operating.

The Broad-Based Socio-Economic Charter for the South African Mining Industry (the Mining Charter) developed out of the MPRDA. The Mining Charter committed all stakeholders in the mining industry to transfer ownership of 26 percent of their assets to black or historically disadvantaged South Africans (HDSAs) within 10 years. In addition, the government indicated that it would issue a Scorecard against which companies could gauge their empowerment credentials as well as engineering innovative ways of assisting business to meet the empowerment criteria. The fact that the Mining Charter enjoyed the full support from the mining houses, South African government and the unions, gives it great credibility and improves the chances for success in the long run.

The objectives of the Mining Charter are to:

- promote equitable access to the nation's Mineral Resources by all the people of South Africa;
- substantially and meaningfully expand opportunities for HDSAs including women, to enter the mining and minerals industry and to benefit from the exploitation of the nation's Mineral Resources;
- use the existing skills base for the empowerment of HDSAs;
- expand the skills base of HDSAs in order to serve the community;
- promote employment and advance the social and economic welfare of mining communities and the major labor-sending areas; and
- promote beneficiation of South Africa's mineral commodities.

The Scorecard was envisaged to function as an administrative tool only and not as a legislative one. The objective of the Scorecard was to find a practical framework for the Minister to assess whether a company actually measures up to what was intended by the MPRDA and the Mining Charter.

AngloGold Ashanti currently holds ten mining rights in South Africa, seven of which have been successfully converted,

executed and registered at the Mineral and Petroleum Titles Office. Two mining rights are still awaiting conversion by the
Department of Minerals and Energy (DME), and AngloGold Ashanti has successfully applied for one mining right to be
converted before the closing date. The deadline for the conversion process is end April 2009. AngloGold Ashanti also holds
one prospecting right and two pending prospecting right applications which have been submitted to the DME.

A prospecting right will be granted to a successful application for a period not exceeding five years. Prospecting rights may be
renewed once for a period not exceeding three years. Furthermore, the MPRDA provides for a retention period after prospecting of up to three years with one renewal up to two years, subject to certain conditions.

A mining right will be granted to a successful application for a period which may not exceed 30 years. Mining rights may be
renewed for additional periods, each of which may not exceed 30 years at a time.

TANZANIA

Mineral rights in the United Republic of Tanzania are governed by the Mining Act of 1998 (the Act), and property and control
over minerals are vested in the United Republic of Tanzania. Prospecting for the mining of minerals, except petroleum, may
only be conducted under authority of a mineral right granted by the Ministry of Energy and Minerals under this Act.

The three types of mineral rights most often encountered, which are also those applicable to AngloGold Ashanti, are:

- prospecting licenses;
- retention licenses; and
- mining licenses.

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A prospecting license grants the holder thereof the exclusive right to prospect in the area covered by the license for all minerals, other than building materials and gemstones, for a period of three years. Thereafter, the license is renewable for two
further periods of renewal of two years each. On each renewal of a prospecting license, 50 percent of the area covered by the
license must be relinquished. Before application is made for a prospecting license with an initial prospecting period (a prospecting license), a prospecting license with a reconnaissance period (a prospecting reconnaissance) may be applied for a
maximum area of 5,000 square kilometers. This is issued for a period of two years, after which a three-year prospecting license
is applied for. A company applying for a prospecting license must, inter alia, state the financial and technical resources
available to it. A retention license can also be requested from the Minister, after the expiry of a prospecting license period, for
reasons ranging from funds to technical considerations.

Mining is carried out through either a mining license or a special mining license, both of which confer on the holder thereof the
exclusive right to conduct mining operations in or on the area covered by the license. A mining license is granted for a period of
10 years and is renewable for a further period of 10 years. A special mining license is granted for a period of 25 years or for the
estimated life of the orebody, whichever is shorter, and is renewable for a further period of 25 years. If the holder of a prospecting license has identified a mineral deposit within the prospecting area which is potentially of commercial significance,
but it cannot be developed immediately by reason of technical constraints, adverse market conditions or other economic factors
of a temporary character, it can apply for a retention license which will entitle the holder thereof to apply for a special mining
license when it sees fit to proceed with mining operations.

A retention license is valid for a period of five years and is thereafter renewable for a single period of five years. A mineral right
may be freely assigned by the holder thereof to another person or entity by notifying the Commissioner for Minerals, except for
a mining license, which must have the approval of the Ministry to be assigned.

However, this approval requirement for the assignment of a mining license will not apply if the mining license is assigned to an
affiliate company of the holder or to a financial institution or bank as security for any loan or guarantee in respect of mining
operations.

A holder of a mineral right may enter into a development agreement with the Ministry to guarantee the fiscal stability of a long-
term mining project and make special provision for the payment of royalties, taxes, fees and other fiscal imposts.

AngloGold Ashanti has complied with all applicable requirements and the relevant licenses have been issued for 25 years and
expire in 2024.

UNITED STATES OF AMERICA

Mineral rights, as well as surface rights, in the United States are owned by private parties, state governments and the federal
government. Most land prospective for precious metals exploration, development and mining is owned by the federal government and is obtained through a system of self-initiated mining claim location pursuant to the General Mining Law of
1872, as amended. Individual states typically follow a lease system for state-owned minerals. Private parties have the right to
sell, lease or enter into other agreements, such as joint ventures, with respect to minerals that they own or control. All mining
activities, regardless of whether they are situated on privately- or publicly-owned lands, are regulated by a myriad of federal,
state and local laws, regulations, rules and ordinances that address various matters including environmental protection, mitigation and rehabilitation.

Authorizations and permits setting forth the activities and restrictions pertaining thereto are issued by the responsible governmental agencies for all phases of mining activities.

The Cripple Creek & Victor Gold mine consists almost entirely of owned, patented mining claims from public lands, with a small
percentage of private and state lands being leased. The total area of control is approximately 7,100 acres. Patented claims
vest ownership in the holder, including the right to mine for an indefinite tenure. All life-of-mine reserves are within these
property controls. The mining and rehabilitation permits issued by the State of Colorado are life-of-mine permits.

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OPERATING PERFORMANCE

In 2008, gold production totaled 4.98 million ounces compared to 5.5 million ounces in 2007. This decline in production was as
a result of lower grades, safety related stoppages, the interruption to the power supply in South Africa and reduced production,
as anticipated, at Sunrise Dam in Australia and Cerro Vanguardia in Argentina as a result of a decline in feed grades associated with agitator problems in the leach tanks, and at Geita as a result of critical plant maintenance.

AngloGold Ashanti has 21 operations in 10 countries around the world. While these operations are managed on a regional
basis, they are reported on country-by-country basis.

The operations and geographical areas in which AngloGold Ashanti currently operates are shown below.

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REVIEW OF OPERATIONS

AngloGold Ashanti is a global leader within the gold mining business with 21 operations on four continents and a focused, worldwide exploration program. In the process of mining for gold, by-products of silver, uranium oxide and sulfuric acid are produced.

Safety

For AngloGold Ashanti, people come first and consequently the company places the highest priority on safe and healthy practices and systems of work. AngloGold Ashanti will continue to strive to improve its safety performance across its global asset base. The ‘Safety is our first value’ campaign initiated in November 2007 resulted in significant improvements to safety statistics throughout 2008.

In terms of lost-time injuries, the lost-time injury frequency rate (LTIFR) per million hours worked for the year was 7.32 as compared to 8.24 in 2007, an improvement of 11 percent. Regrettably in 2008, 14 AngloGold Ashanti employees lost their lives (2007: 34 fatalities) which translates into a fatal injury frequency rate (FIFR) for the group of 0.09 per million hours worked for the year (2007: 0.21 per million hours worked).

Operational review

Total capital expenditure amounted to $1,239 million (including São Bento) (2007: $1,059 million).

Total project capital included above was just over $650 million, of which $419 million was at Boddington. The other main areas of project spend were the Mponeng VCR project ($45 million), Iduapriem $43 million (mainly the plant expansion), AngloGold Ashanti Brasil Mineração ($24 million), TauTona $21 million (mainly the below 120 level project) and Serra Grande $20 million (the main project being the plant expansion).

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OPERATIONS AT A GLANCE for the year ended December 31, 2008

Attributable tonnes treated/milled (Mt)			**Average grade recovered (g/t)**			**Attributable gold production (000oz)**			**Total cash costs ($/oz)**		
2008	2007	2006	2008	2007	2006	2008	2007	2006	2008	2007	2006
SOUTH AFRICA											
2,099	*2,328*	*2,554*									
Vaal River											
Great Noligwa											
1.4											
2.0											
2.4											
7.33	7.54	8.08	330	483	615	458	404	260			
Kopanang											
1.6											
1.8											
2.0											
6.82	7.24	7.01	362	418	446	348	306	291			
Moab Khotsong											
0.6											
0.3											
0.2											
9.31											
7.94											
6.35	192	67	44	375	672	659					
Tau Lekoa											
1.2											
1.4											
1.5											
3.58	3.62	3.76	143	165	176	524	473	438			
Surface operations											
7.9											
8.0											
7.2	0.36	0.49	0.49	92	125	113	446	304	283		
West Wits											
Mponeng											
1.9	1.9	1.9									
10.02											
9.50											
9.93	600	587	596	248	264	238					
Savuka											
0.3	0.3	0.4									
6.28											
6.69											
7.68	66	73	89	424	397	337					

TauTona
(1)
1.6
1.8
2.0
8.66
9.67
10.18 314 409 474 373 318 270
ARGENTINA
Cerro Vanguardia
(92.5 percent)
0.9 0.9 0.9
5.44
6.88
7.29 154 204 215 617 260 223
AUSTRALIA
Sunrise Dam
(2)
3.8
3.8
4.0
3.46
4.86
3.39 433 600 465 559 262 333
BRAZIL
407 408 339
Brasil Mineraçáo
(1)
1.4
1.4
1.1
7.62
7.48
7.60 320 317 242 322 246 207
Serra Grande
(50 percent)
(1)
0.4 0.4 0.4
7.58
7.21
7.51 87 91 97 299 264 196
GHANA
557 527 592
Bibiani
(4)
– –
2.1 – –
0.55 – – 37 – –
432
Iduapriem
(2)(3)

3.5
2.8
3.0
1.76
1.85
1.74 200 167 167 625 497 413
Obuasi
(1)
5.6 6.0 6.2
4.37
4.43
4.39 357 360 387 636 464 397
GUINEA
Siguiri (85 percent)
(2)
8.6
8.3
7.0
1.20
1.05
1.08 333 280 256 468 471 398
MALI
409 441 537
Morila (40 percent)
1.7
1.7
1.7
3.08 3.36 3.88 170 180 207 424 333 266
Sadiola (38 percent)
1.6
1.6
1.8 3.42 2.76 3.22 172 140 190 401 414 268
Yatela (40 percent)
(5)
1.1
1.2
1.3
2.66
3.46
4.12 66 120 141 621 300 241
NAMIBIA
Navachab
1.5
1.6
1.5
1.43
1.56
1.81 68 80 86 559 475 349
TANZANIA
Geita
4.3

5.1
5.7
1.92
2.01 1.68 264 327 308 814 627 630
UNITED STATES OF AMERICA
Cripple Creek & Victor
(5)
22.1 20.9 21.8 0.49 0.53 0.54 258 282 283 310 269 248
ANGLOGOLD ASHANTI
4,982 5,477 5,635 465 367 321

(1) The yield of TauTona, Brasil Mineraçáo, Serra Grande and Obuasi represents underground operations.

(2) The yield of Sunrise Dam, Iduapriem and Siguiri represents open-pit operations.

(3) The minority shareholdings of the International Finance Corporation (10 percent) and Government of Ghana (5 percent) were acquired effective September 1, 2007, and Iduapriem is now wholly-owned by AngloGold Ashanti.

(4) The yield of Bibiani represents surface and dump reclamation in 2006. Bibiani was sold effective December 28, 2006.

(5) The yield of Yatela and Cripple Creek & Victor Joint Venture reflects recoverable gold placed/tonnes placed. The remaining 33 percent interest in Cripple Creek & Victor was acquired effective July 1, 2008.

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SOUTH AFRICA

Location: AngloGold Ashanti's South Africa region includes seven underground operations located in two geographic areas on
the Witwatersrand Basin. These are:

- the **Vaal River area**, near Klerksdorp and Orkney, in the North West Province and Free State, where the Great Noligwa,
  Kopanang, Tau Lekoa and Moab Khotsong mines are located; and
- the **West Wits area**, near Carletonville, straddling the North West Province and Gauteng, where the Mponeng, TauTona
  and Savuka mines are located.

Geology: The Witwatersrand Basin comprises a six-kilometer thick sequence of interbedded argillaceous and arenaceous
sediments that extend laterally for some 300 kilometers north-east/south-west and 100 kilometers north-west/south-east on the
Kaapvaal Craton. The upper portion of the basin, which contains the orebodies, crops out at its northern extent near Johannesburg. Further west, south and east the basin is overlain by up to four kilometers of Archaean, Proterozoic and Mesozoic volcanic and sedimentary rocks. The Witwatersrand Basin is late Archaean in age and is considered to be in the

order of 2.7 to 2.8 billion years old.

Gold occurs in laterally extensive quartz pebble conglomerate horizons or reefs, generally less than two meters thick, and are widely considered to represent laterally extensive braided fluvial deposits. Separate fan systems were developed at different entry points and these are preserved as distinct goldfields. There is still much debate about the origin of the gold mineralization in the Witwatersrand Basin. Gold was generally considered to have been deposited syngenetically with the conglomerates, but increasingly an epigenetic origin theory is being supported. Nonetheless, the most fundamental control to the gold distribution in the Basin remains the sedimentary features, such as facies variations and channel directions. Gold generally occurs in native form often associated with pyrite and carbon, with quartz being the main gangue mineral.

Safety: At the South African operations, the incidence of white flag days (a day on which no injuries occur) improved from two white flag days in 2007 to 40 white flag days for 2008. There were most regrettably 11 fatalities during 2008, 16 fewer than in 2007, which represent a 59 percent improvement. This resulted in a FIFR of 0.12 per million hours worked for the year, as opposed to 0.29 in 2007, which is equivalent to the Gold Mining Industry 2013 FIFR benchmark.

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The LTIFR for the South African operations as a whole was 11.24 per million hours worked (2007: 12.72), indicating a
significant improvement in safety performance. Other significant achievements included the first ever fatality free quarter
(second quarter 2008), the longest fatality free period in history (110 days), the first time ever that four operations achieved
1,000,000 fatality free shifts within one calendar year and a period of eight consecutive fatality free months for the Vaal River
operations.

The safety of AngloGold Ashanti's workforce is a priority and the roll-out of the 'Safety is our first value' continued at the South
African operations. A framework on the management of safety, based on OSHAS 18001 was developed. Safety campaigns at
these operations are run in collaboration with the trade unions and government representatives. Simultaneously, various safety
interventions were implemented to re-emphasize the company's principles and standards regarding safety. The focus is on
leadership, behavior and on improving compliance with operating standards at all levels. Key to this is ensuring that employees
are competent to both perform their duties and responsibilities safely and to identify and manage hazards encountered in the
workplace

Operating review

Gold production from the South African operations totaled 65,283 kilograms (2,099,000 ounces) in 2008, down 10 percent from
the 72,429 kilograms (2,328,000 ounces) produced in 2007. The cause of this decline was mainly as a result of lower grades,
the Eskom power outages early in the year and several safety-related stoppages during the course of the year.

Total cash costs at most of the South African operations increased from 2007, driven largely by lower production, annual wage
increases and higher power tariffs.

Total uranium production for the year was 4 percent higher than the prior year at 1.3 million pounds, despite the power-related
production stoppages earlier in 2008.

Capital expenditure in South Africa totaled $347 million (2007: $411 million).

- **West Wits operations**

Description: The Mponeng, Savuka and TauTona mines are situated on the West Wits Line near the town of Carletonville,
straddling the border of Gauteng and North West Province. Mponeng has its own gold processing plant while the Savuka and
TauTona operations share a plant.

Together, the West Wits operations collectively produced 30,498 kilograms (980,000 ounces) of gold, equivalent to 20 percent
of group production compared with 33,258 kilograms (1,069,000 ounces) of gold produced in 2007.

Mponeng

Description: Mponeng is situated close to the town of Carletonville in North West Province, south-west of Johannesburg,
straddling the border with the province of Gauteng, and currently mines the Ventersdorp Contact Reef (VCR) with stoping
taking place at an average depth of 3,054 meters. The deepest operating stope is at a depth of 3,370 meters below surface.
Given the high degree of variability in the grade of the VCR at Mponeng, a sequential grid mining method is used which allows
for selective mining and increased flexibility in dealing with changes in grade ahead of the stope.

Mponeng comprises a twin-shaft system housing two vertical shafts and two service shafts. Ore mined is treated and smelted
at Mponeng's gold plant. The ore is initially ground down by means of semi-autogenous milling after which a conventional gold
leach process incorporating liquid oxygen injection is applied. The gold is then extracted by means of carbon-in-pulp
technology. The Mponeng gold plant conducts electro-winning and smelting (induction furnaces) on products from Savuka and
TauTona as well.

Geology: Two reef horizons are exploited at the West Wits operations, the Ventersdorp Contact Reef (VCR) located at the top
of the Central Rand Group and the Carbon Leader Reef (CLR) near the base. The separation between the two reefs increases
from east to west from 400 to 900 meters, owing to unconformity in the VCR. TauTona and Savuka exploit both reefs whereas
Mponeng only mines the VCR. The structure is relatively simple; faults of greater than 70 meters are rare. The CLR consists of
one or more conglomerate units and varies from several centimeters to more than three meters in thickness. Regionally, the
VCR dips at approximately 21 degrees but may vary between 5 and 50 degrees, accompanied by changes in thickness of the

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conglomerate units. Where the conglomerate has the attitude of the regional dip, it tends to be thick, well-developed and
accompanied by higher gold accumulations. Where the attitude departs significantly from the regional dip, the reef is thin,
varying from several centimeters to more than three meters in thickness.

Safety: The mine was awarded OHSAS 18001 certification during the year and achieved its second one million fatality-free
shifts award on June 18, 2008. Safety at Mponeng improved during the year, with the LTIFR decreasing from 13.08 per million
hours worked in 2007 to 11.44 in 2008. There were two fatalities during the year (2007: six) resulting in a decrease in FIFR to
0.14 per million hours worked (2007: 0.42).

Operating review: Production rose 2 percent to 18,672 kilograms (600,000 ounces) in 2008 (2007: 18,260 kilograms – 587,000 ounces) and the area mined increased marginally, largely owing to an increase in face length. Total cash costs were
6 percent lower in dollar terms at $248 per ounce compared with cash costs of $264 per ounce in 2007, a consequence of a
weakening local currency.

Capital expenditure for the year totaled R707 million ($86 million) (2007: R604 million; $86 million).

Growth prospects: There are currently two growth projects under way at Mponeng.

VCR below 120 project: The project scope is to develop four declines from 120 level to the 126/127 levels to access the
Ventersdorp Contact Reef. It includes the installation of the supporting infrastructure (refrigeration, backfill, equipping of the
decline, etc) required to service a planned 10,000 square meters per month production plan. Development is ahead of schedule and in line with budget, and in January 2009, became the deepest mine in the world. The project is anticipated to
recover 2.7 million ounces of gold at a cost of R2.03 billion ($0.2 billion). Construction began in 2007 with on reef development
and the start of production scheduled for 2013 and full production due in 2015.

CLR below 120 project: Feasibility work on this project which involves accessing the Carbon Leader Reef, about 900 meters
below the VCR, is in progress. Initial estimates are that it has the potential to produce 10.6 million ounces at a cost of R12.7 billion ($1.5 billion). The project is to be presented to the board for formal approval in July 2009 and, if approved,
development will begin in August 2009 with production scheduled to start in 2022.

Savuka

Description Savuka is situated on the West Wits line in the province of Gauteng, approximately 70 kilometers south-west of
Johannesburg. Savuka is close to the town of Carletonville in North West Province. Savuka currently mines both the CLR and
the VCR.

This mining operation comprises sub- and tertiary-shaft systems with the latter reaching a depth of 3,777 meters.

Ore mined at Savuka is processed firstly at the Savuka plant. The plant uses conventional milling to crush the ore and a carbon-in-pulp circuit to treat the ore further, after which it is sent to the Mponeng gold plant where the gold is extracted by means of electro-winning and smelting.

Safety: Savuka achieved OHSAS 18001 certification during the year. There was an improvement in safety during the year with an overall LTIFR for the year of 15.20 per million hours worked compared to 25.99 in 2007. Regrettably there was one fatality at the operation in 2008.

Operating review: Production was down to 2,057 kilograms (66,000 ounces) in 2008 from 2,284 kilograms (73,000 ounces) in 2007. Volumes mined were 11 percent down on 2007 with tonnes milled down 4 percent. The effects on production of safety and power-related stoppages countered the positive effect of improved drilling, blasting and mining mix towards year-end.

Increases in total cash costs which rose by 7 percent in 2008 to $424 per ounce from $397 per ounce in 2007, were mainly due to increases in major input costs of labor, power and consumables.

Growth prospects: Exploration and drilling programs are being undertaken to determine the extent and accessibility of the extensive resource to the west of current mining activities and to identify potential mining prospects. The restructuring program instituted at Savuka over the last two years has made the mine more cost effective, thereby increasing its life of mine.

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TauTona

Description: TauTona lies on the West Wits Line, just south of Carletonville in North West Province and about 70 kilometers south-west of Johannesburg. Mining at TauTona takes place at depths ranging from 2,000 meters to 3,640 meters. The mine has a three-shaft system and is in the process of converting from longwall mining to scattered grid mining.

The mine consists of a main shaft system supported by secondary and tertiary shafts. TauTona shares a processing plant with Savuka. The plant uses conventional milling to crush the ore and a carbon-in-pulp plant to treat the ore further. Once the carbon has been added to the ore, it is transported to the gold plant at Mponeng for electro-winning, smelting and the final recovery of the gold.

Safety: Safety improved overall and the LTIFR for the year was 13.46 per million hours worked (2007: 18.14) and there were four fatalities (2007: five), the major causes of which were seismicity-related rockfalls.

Operating review: Gold production declined by 23 percent to 9,769 kilograms (314,000 ounces) (2007: 12,714 kilograms; 409,000 ounces). There was a greater-than-scheduled decline in the volume of ore mined, a result of continued seismic activity in the vicinity of the CLR shaft pillar, which is being mined, and at several high-grade production panels, where production was temporarily halted during the course of the year. These seismic activities affected both face length and face advance. The increased geological risk from this seismic activity necessitated replanning regarding mine layout and mining methods. The power crisis at the beginning of the year also had negative consequences for production.

The decline in production, together with increased input and labor costs, the escalating cost of power and work stoppages contributed to a 17 percent increase in total cash costs to $373 per ounce compared with cash costs in 2007 of $318 per ounce.

Capital expenditure during 2008 amounted to R491 million ($60 million) ; (2007: $71 million).

Growth prospects: The three growth projects at TauTona are:

CLR below 120 level project is accessed via a twin-decline system down to 128 level. Production was scheduled to begin in 2009. Current estimations are that the project will produce 2.5 million ounces of gold. The project scope has been revised and limited to the development of a rock decline to 123 level. A study will be done to investigate whether the project should be resumed after a year’s delay, and whether it should be operated with an owner mine team or together with a contractor. The

project has total budgeted capital expenditure of R1.2 billion ($146 million) of which R620 million ($76 million) has been spent
to date.

CLR shaft pillar extraction project enables stoping operations to be conducted up to a recently revised infrastructural zone of
influence. Production from this project, which began in 2004 and will continue until 2009, is estimated to total more than
415,000 ounces at an average cash cost of $102 per ounce (nominal terms) during this period. Capital expenditure for this
project is R281 million ($34 million) at current exchange rates, most of which has been committed.

VCR pillar project, which accesses the VCR pillar area located outside the zone of influence, began production in 2005.
Development is scheduled to be completed in 2010. Total production is estimated at almost 218,000 ounces at a capital cost of
R123 million ($15 million), of which R118 million ($14 million) has been spent to date.

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Operating and production data for West Wits operations

Mponeng	**TauTona**	**Savuka**
2008		
Pay limit (oz/t)		
0.22		
0.44		
0.43		
Pay limit (g/t)		
7.61		
15.05		
14.91		
Recovered grade (oz/t)		
0.292	0.253	0.183
Recovered grade (g/t)		
10.02		
8.66		
6.28		
Gold production (000 oz)		
600		
314		
66		
Total cash costs ($/oz) (1)		
248		
373		
424		
Total production costs ($/oz) (1)		
327		
519		
515		
Capital expenditure ($ million)		
86		
60		
11		
Employees (2)		
5,482	3,849	1,179
Outside contractors (2)		
203		
774		
45		
2007		
Pay limit (oz/t)		
0.23		
0.40		
0.40		

Pay limit (g/t)		
7.83		
16.11		
13.72		
Recovered grade (oz/t)		
0.277	0.282	0.195
Recovered grade (g/t)		
9.50		
9.67		
6.69		
Gold production (000 oz)		
587		
409		
73		
Total cash costs ($/oz) (1)		
264		
318		
397		
Total production costs ($/oz) (1)		
356		
474		
466		
Capital expenditure ($ million)		
86		
71		
9		
Employees (2)		
5,126	4,160	1,063
Outside contractors (2)		
435		
832		
80		
2006		
Pay limit (oz/t)		
0.23		
0.53		
0.31		
Pay limit (g/t)		
7.74		
18.25		
10.75		
Recovered grade (oz/t)		
0.290	0.297	0.224

Recovered grade (g/t)
9.93
10.18
7.68
Gold production (000 oz)
596
474
89
Total cash costs ($/oz)
(1)
238
270
337
Total production costs ($/oz)
(1)
374
411
359
Capital expenditure ($ million)
48
70
2
Employees
(2)
4,760
4,164
975
Outside contractors
(2)
524
1,002
65

(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".

(2) Average for the year.

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Vaal River operations

Description: The Great Noligwa, Kopanang, Moab Khotsong and Tau Lekoa mines are situated near the towns of Klerksdorp and Orkney on the border of North West Province and the Free State. The AngloGold Ashanti Vaal River operations have among them four gold plants, one uranium plant and one sulfuric acid plant. Combined, the Vaal River operations (including surface operations) produced 34,785 kilograms (1,119,000 ounces) of gold, equivalent to 22 percent of group production compared with 2007 production of 39,171 kilograms (1,258,000 ounces).

Great Noligwa

Description: Great Noligwa adjoins Kopanang and Moab Khotsong and is located close to the town of Orkney on the Free State side of the Vaal River. The Vaal Reef, the primary reef, and the Crystalkop Reef, a secondary reef, are mined here. This mining operation consists of a twin-shaft system and operates over eight main levels at an average depth of 2,400 meters. As from the end of June 2008, the SV4 section was transferred from Great Noligwa to Moab Khotsong.

Owing to the geological complexity of the orebody, a scattered mining method is employed. Great Noligwa has its own dedicated milling and treatment plant which applies conventional crushing, screening semi-autogenous grinding and carbon-in-leach processes to treat the ore and extract the gold.

Geology: In order of importance, the reefs mined at the Vaal River operations are the Vaal Reef, the VCR and the “C” Reef:

- The Vaal Reef contains approximately 85 percent of the reserve tonnage with mining grades between 10 and 20g/t and comprises a series of oligomictic conglomerates and quartzite packages developed on successive unconformities. Several distinct facies have been identified, each with its unique gold distribution and grade characteristic.
- The VCR has a lower grade than the Vaal Reef, and contains approximately 15 percent of the estimated reserves. The economic portion is mainly concentrated in the western part of the lease area and can take the form of a massive conglomerate, a pyritic sand unit with intermittent pebble layers or a thin conglomerate horizon. The reef is located at the contact between the overlying Klipriviersberg Lavas of the Ventersdorp SuperGroup and the underlying sediments of the Witwatersrand SuperGroup which creates a distinctive seismic reflector. The VCR is located up to one kilometer above the Vaal Reef.
- The “C” Reef is a thin, small pebble conglomerate with a carbon-rich basal contact, located approximately 270 meters

above the Vaal Reef. It has less than 1 percent of the estimated reserves with grades similar to the Vaal Reef, but more

erratic. The most significant structural features are the north-east striking normal faults which dip to the north-west and

south-east, resulting in zones of fault loss.

Vaal River – Summary of metallurgical operations

	West Gold Plant	**East Gold Acid and Float Plant**	**Noligwa Gold Plant**	**Mispah Gold Plant**	**Kopanang Gold Plant**
Gold plants					
Capacity (000 tonnes/month)	180	309	263	140	420
Uranium plants					
Capacity (000 tonnes/month)	–	–	263	–	–
Pyrite flotation plants					
Capacity (000 tonnes/month)	–	250	145	–	–
Sulfuric acid plants					
Production (tonnes/month)	–	7,500	–	–	–

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Operating and production data for Vaal River operations

	Great Noligwa	**Kopanang**	**Tau Lekoa**	**Moab Khotsong**
(3)				
2008				
Pay limit (oz/t)				
0.29	0.32	0.17	0.69	
Pay limit (g/t)				
10.07				
11.07				
5.70				
23.51				
Recovered grade (oz/t)				
0.214				
0.199				
0.104				
0.271				
Recovered grade (g/t)				
7.33				
6.82				
3.58				
9.31				
Gold production (000 oz)				
330				
362				
143				
192				
Total cash costs ($/oz)				
(1)				
458	348	524	375	
Total production costs ($/oz)				
(1)				
564	500	720	641	
Capital expenditure ($ million)				
26				
47				
18				
89				
Employees				
(2)				
5,472				
5,620				
2,650				
2,914				
Outside contractors				
(2)				
271	411	384		

1,823
2007
Pay limit (oz/t)
0.34 0.36 0.16 1.52
Pay limit (g/t)
11.69
12.18
5.39
52.12
Recovered grade (oz/t)
0.220
0.211
0.106
0.232
Recovered grade (g/t)
7.54
7.24
3.62
7.94
Gold production (000 oz)
483
418
165
67
Total cash costs ($/oz)
(1)
404 306 473 672
Total production costs ($/oz)
(1)
513 400 752
1,254
Capital expenditure ($ million)
37
52
16
89
Employees
(2)
5,908
5,470
2,506
1,986
Outside contractors
(2)
726 465 345
1,548
2006
Pay limit (oz/t)
0.28 0.32 0.14 1.50
Pay limit (g/t)
9.57

10.92
4.85
51.44
Recovered grade (oz/t)
0.236
0.204
0.110
0.185
Recovered grade (g/t)
8.08
7.01
3.76
6.35
Gold production (000 oz)
615
446
176
44
Total cash costs ($/oz)
(1)
260 291 438 659
Total production costs ($/oz)
(1)
374 377 693
1,136
Capital expenditure ($ million)
49
41
11
83
Employees
(2)
5,883
5,360
2,514
1,539
Outside contractors
(2)
696 455 379
1,365

(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures,
see "Item 5A.: Operating results – Total cash costs and total production costs".
(2) Average for the year.
(3) Commercial production commenced on January 1, 2006.

Safety: Great Noligwa achieved OHSAS 18001 certification during the year and received its tenth one million fatality-free
shifts award on September 25, 2008. Safety as measured by the LTIFR deteriorated slightly. The LTIFR for the year was
14.66 per million hours worked (2007: 14.46). There was regrettably one fatality in 2008, caused by a mud-rush (2007: two),

which is a 50 percent improvement year-on-year to give an FIFR of 0.07, as compared to 0.11 in 2007.
Operating review: Production declined by 32 percent to 10,268 kilograms (330,000 ounces) in 2008 from 15,036 kilograms
(483,000 ounces) in 2007 while tonnes mined decreased by 34 percent. The fall in production was largely attributable to the
transfer of the high-grade SV4 section to Moab Khotsong from where it can be more easily accessed. Power savings initiatives
during the first quarter of the year and safety stoppages further contributed to the decline in production.
The overall unit cash cost for the year rose by 13 percent to $458 per ounce (2007: $404 per ounce). This increase in costs
was the result of lower production volumes and inflationary pressures on the major input costs of power, labor, support and
stores. This was offset by an increase in uranium by-product credits as a result of improved production and the cancellation of
loss-making uranium contracts.

Capital expenditure totaled R213 million ($26 million) compared to R261 million ($37 million) in 2007.

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Growth prospects: As the operation ages, Great Noligwa is in the process of converting from conventional scattered mining to pillar or remnant mining for the remainder of its operational life. Up until now the Vaal Reef has been the most economically viable reef to mine, but as this reef is being mined out, the less economical Crystalkop Reef is being exploited increasingly as are the economically viable support pillars containing the Vaal Reef within the mine's boundaries.

Kopanang

Description: Kopanang adjoins Great Noligwa and is located close to the town of Orkney on the Free State side of the Vaal River. The major reef mined at Kopanang is the Vaal Reef, while a secondary reef, the Crystalkop Reef, is mined on a smaller scale. Mining operations are conducted at depths ranging from 1,350 meters to 2,240 meters.

The Kopanang operation comprises a single shaft system. Given the geologically complex orebody occurring at Kopanang, a scattered mining method is used with the orebody being accessed mainly via footwall tunneling, raised on the dip of the reef and stoped on strike. Kopanang has a gold processing plant that uses both conventional semi-autogenous grinding and carbon-in-pulp technology. There are two streams of ore into the plant, one of which is fed mainly by Vaal Reef ore while the other is fed exclusively by Ventersdorp Contact Reef ore from Tau Lekoa.

Safety: The mine retained its OHSAS 18001 certification during the year. There was an improvement in safety performance during 2008 with a reported LTIFR for the year of 12.86 per million hours worked (2007: 13.10) and FIFR of 0.14 (2007: 0.22). There were two fatalities, one caused by a tramming accident and the other a fall of ground. Kopanang also received its eighth one million fatality-free shifts award on November 11, 2008. Seven one million fatality-free shifts have been achieved in the past eight years.

Operating review: Gold production in 2008 decreased to 11,244 kilograms (362,000 ounces), 14 percent less than in 2007 13,013 kilograms (418,000 ounces). Lower volumes mined (11 percent down) coupled with a 6 percent fall in grade to 6.8g/t were the major contributions to the production decline. Power outages during the first quarter coupled with related work stoppages contributed to the decline in volumes mined.

Total cash cost increased on 2007 from $306 per ounce by 14 percent to $348 per ounce as a result of the reduced production and increases in the prices of major input costs at rates higher than the CPI.

Growth prospects: A new waste washing plant is planned for 2009. The plant will upgrade the quality of the fines to be added to the Kopanang stream as well as that of the tonnes to be sent to the plant at Great Noligwa for uranium extraction.

The orebody to the west of Kopanang's current mining area is being drilled which, if it proves viable, will extend the life of mine.

Tau Lekoa

Description: Tau Lekoa is one of four mining operations in the Vaal River area. It is close to the town of Orkney on the North
West Province side of the Vaal River. Unlike the other Vaal River operations, the major reef mined at Tau Lekoa is the
Ventersdorp Contact Reef. Mining operations are conducted at depths ranging from 800 meters to 1,743 meters, making this
one of the shallower AngloGold Ashanti mines in South Africa.

The Tau Lekoa operation comprises a twin-shaft system. Because of the geologically complex orebody occurring at Tau Lekoa,
a scattered mining method is used with the orebody being accessed via footwall tunneling while stoping takes place on strike.
There are currently seven shaft levels with an average of 70 panels in operation. Tau Lekoa employs hydro-electric power as
its primary source of energy.

Ore mined by Tau Lekoa is processed and treated in preparation for gold extraction at the Kopanang gold plant.

Safety: The mine achieved OHSAS 18001 certification during the year. Safety as measured by the rate of lost time injuries
improved to 16.57 per million hours worked compared to 19.07 in 2007. There were no fatalities at Tau Lekoa in 2008.

Operating review: Production declined as planned by 13 percent to 4,444 kilograms (143,000 ounces) in 2008 from 5,137 kilograms (165,000 ounces) in 2007. This is largely attributable to a 12 percent decline in volumes mined which were
affected by the power outages during the first quarter of 2008 and by safety related stoppages throughout the year.

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Total cash costs rose 11 percent to $524 per ounce in 2008 compared with $473 per ounce the previous year, largely owing to
reduced production and inflationary pressures on input costs.

Capital expenditure for the year totaled R146 million ($18 million) (2007: R113 million; $16 million).

Growth prospects: On February 17, 2009, AngloGold Ashanti announced that it had agreed to sell, with effect from January 1, 2010 (or after), the Tau Lekoa mine to Simmer & Jack Mines Limited.

Moab Khotsong

Description: Moab Khotsong, the newest of AngloGold Ashanti's South African operations, began commercial production in
January 2006. Located south and south-east of Great Noligwa and Kopanang in the Free State province, Moab Khotsong was
developed to exploit the Vaal Reef. The first phase of this operation included the development of a main shaft system, a
subsidiary ventilation shaft and three main production levels to between 2,600 meters and 3,054 meters below surface.

Given the known geological complexity of the Vaal Reef, a scattered mining method has been employed with haulages, cross
cuts and raises pre-developed in a grid system.

Safety: Moab Khotsong achieved OHSAS 18001 certification during the year and received a one million fatality-free shifts
award on July 21, 2008. Safety performance improved overall at Moab Khotsong which had an LTIFR for the year of 11.98 per million hours worked (2007: 13.48). There was one fatality in 2008 compared with five in 2007.

Operating review: Production continued to ramp-up with 5,965 kilograms (192,000 ounces) being produced in 2008 (2007: 2,081 kilograms; 67,000 ounces). Of this, 2,194 kilograms (71,000 ounces) were produced in the fourth quarter alone.
Great Noligwa’s SV4 section was transferred to Moab Khotsong at the end of June 2008, contributing 2,433 kilograms (77,000 ounces) for the six-month period July to December 2008. Moab Khotsong is scheduled to reach full annual production
of 13,575 kilograms (436,000 ounces) in 2011. Development of Moab Khotsong was completed by December 2007 at a total
cost of R4,193 million ($599 million at an average exchange rate of R7/$).

The values mined and volumes treated increased by 29 percent and 145 percent respectively. This was mainly due to the ramp
up and transfer of Great Noligwa’s SV4 section to Moab Khotsong.

Total cash cost reduced by 44 percent to $375 per ounce compared to $672 per ounce the previous year. Unit costs were
positively affected by the higher level of production, which helped to offset higher labor and power costs.

Capital expenditure for the year totaled R736 million ($89 million) (2007: R628 million; $89 million).

Growth prospects: A study is underway on the optimal extraction of the orebody within the lower mine area of Moab

Khotsong
focusing on the main, higher-value portion. The aim is to create as continuous a mine as possible, understanding that the
window of opportunity for seamless integration has largely passed.

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ARGENTINA

AngloGold Ashanti has one gold mine in Argentina, Cerro Vanguardia. The company owns the right to exploit the deposit up to 2036 based on the Usufruct Agreement signed in December 1996.

Description: AngloGold Ashanti has a 92.5 percent interest in Cerro Vanguardia with Formicruz (the province of Santa Cruz) owning the remaining 7.5 percent. Located to the north-west of Puerto San Julian in the province of Santa Cruz, Cerro Vanguardia consists of multiple small open pits with high stripping ratios. The orebodies comprise a series of hydrothermal vein deposits containing gold and large quantities of silver, which is produced as a by-product.

Ore is processed at the metallurgical plant which has a capacity of 2,800 tonnes per day and includes a cyanide recovery plant. Technology at the plant is based on conventional leaching process in tanks and carbon-in-leach with a tailings dam incorporated in a closed circuit. The final recovery of gold and silver is achieved through a Merryl Crowe Method with metallic zinc.

Geology: The oldest rocks in this part of Patagonia are metamorphics of the Precambrian-Cambrian age. These are overlain by Permian and Triassic continental clastic rocks which have been faulted into a series of horsts and grabens and are associated with both limited basaltic sills and dykes and with calc-alkaline granite and granodiorite intrusions. Thick andesite flows of Lower Jurassic age occur above these sedimentary units. A large volume of rhyolitic ignimbrites was emplaced during the Middle and Upper Jurassic age over an area of approximately 100,000 square kilometers. These volcanic rocks include the Chon Aike formation ignimbrite units that host the gold bearing veins at Cerro Vanguardia. Post-mineral units include Cretaceous and Tertiary rocks of both marine and continental origin, the Quaternary La Avenida formation, the Patagonia gravel and the overlying La Angelita basalt flows. These flows do not cover the area of the Cerro Vanguardia veins.

Gold and silver mineralization at Cerro Vanguardia occurs within a vertical range of about 150 to 200 meters in a series of narrow, banded quartz veins that occupy structures within the Chon Aike ignimbrites. These veins form a typical structural pattern related to major north-south (Concepcion) and east-west (Vanguardia) shears. Two sets of veins have formed in response to this shearing - one set strikes about N40W and generally dips 65 to 90 degrees to the east; while the other set

strikes about N75W and the veins dip 60 to 80 degrees to the south.

The veins are typical of epithermal, low-temperature, adularia-sericite character and consist primarily of quartz in several forms:
as massive quartz, banded chalcedonic quartz, and quartz-cemented breccias. Dark bands in the quartz are due to finely
disseminated pyrite, now oxidized to limonite. The veins show sharp contacts with the surrounding ignimbrite which hosts
narrow stockwork zones that are weakly mineralized and appear to have been cut by a sequence of north-east-trending faults
that have southerly movement with no appreciable lateral displacement.

Safety: Safety at Cerro Vanguardia deteriorated during the year. The LTIFR for 2008 was 3.98 per million hours worked
compared to 3.34 in 2007. As in 2007, there were no fatalities. Corrective action was taken during 2008 to improve safety
performance that included conducting safety awareness workshops for the managers responsible for operational safety, and
for supervisors and contractors.

Operating review: Attributable gold production decreased by 25 percent to 154,000 ounces in 2008 from 204,000 ounces for
2007. This decline was mostly as a result of intermittent plant breakdowns that resulted in reduced tonnage throughput and
poor grade recovery due to unexpected changes in soil composition. Management changes were implemented resulting in
improved plant availability and recovered grade in the latter part of the year.

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In 2008, total cash costs rose to $617 per ounce from $260 per ounce in 2007, reflecting chiefly reduced volumes mined and
lower grades as well as lower gold and silver production due to periodic plant breakdowns. Additional factors affecting costs
were increases in the cost of mining supplies, a function of the inflationary impact of higher commodity prices and higher
maintenance costs (due to an extension on the useful life of some mine equipment), as well as an increase in workforce/contractor costs and a decrease in by-product credits resulting from lower silver sales.

Capital expenditure for the year amounted to $16 million (2007: $20 million).

Growth prospects: The four-year brownfields exploration program entered its third year in 2008. The focus of the program is
to extend the life of mine and to delineate the shallow, high-grade Mineral Resource.

During 2009, Cerro Vanguardia will start the study on underground mining of the current high-grade and highstripping ratio
open-pit reserves. This project will allow Cerro Vanguardia to reduce the stripping ratio from 25:1 to around 15:1, improve the
capital efficiency of the current operation and optimize the feed grade. Development is estimated to start during 2009 with
production scheduled to begin in 2010. This mining method at Cerro Vanguardia is estimated to produce approximately
560,000 ounces of gold and 6.3 million ounces of silver.

During 2009, the heap-leach study, investigating the treatment of the low-grade resources at Cerro Vanguardia by a small,
heap-leaching operation, will be reviewed and updated. This update will also consider synergies with the new underground
mining project. The heap-leach project will increase Cerro Vanguardia's gold production by around 25,000 ounces of gold
annually, if approved.

Operating and production data for Cerro Vanguardia

2008	**2007**	**2006**
Pay limit (oz/t)		
0.19	0.18	0.13
Pay limit (g/t)		
6.39		
3.48		
4.56		
Recovered grade (oz/t)		
0.159		
0.201		
0.213		
Recovered grade (g/t)		
5.44		
6.88		
7.29		
Gold production (000 oz) 100 percent		

166
220
232
Gold production (000 oz) 92.50 percent
154
204
215
Total cash costs ($/oz)
(1)
617
260
223
Total production costs ($/oz)
(1)
747
358
372
Capital expenditure ($ million) 100 percent
16
20
19
Capital expenditure ($ million) 92.50 percent
15
18
18
Employees
(2)
756
708
623
Outside contractors
(2)
316
309
283

(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures,
see "Item 5A.: Operating results – Total cash costs and total production costs".
(2) Average for the year.

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AUSTRALIA

AngloGold Ashanti's three assets in Australia are the Sunrise Dam gold mine, and the Boddington and Tropicana joint venture projects. In 2008, production from Sunrise Dam was 433,000 ounces, a decline of 28 percent from 2007 and equivalent to 9 percent of group production for the year.

At year-end ownership of these assets, all in the state of Western Australia was as follows:

The **Sunrise Dam** gold mine which is 100 percent owned by AngloGold Ashanti and currently the only producing AngloGold Ashanti operation in Australia.

The **Boddington** project, a joint venture between AngloGold Ashanti (33.33 percent) and Newmont Mining Corporation (66.67 percent).

The **Tropicana** project, a joint venture between AngloGold Ashanti (70 percent) and Independence Group NL (30 percent).

Sunrise Dam

Description: The Sunrise Dam gold mine is located in the northern goldfields of Western Australia, 220 kilometers north-east of Kalgoorlie and 55 kilometers south of Laverton. The mine consists of a large open pit, which is now in its twelfth year of operation, and an underground mine, which began producing in 2003. Mining at both operations is conducted by contractors and the ore mined is treated in a conventional gravity and carbon-in-leach processing plant which is owner-managed.

Geology: Gold ore at Sunrise Dam is structurally and lithologically controlled within gently dipping high strain shear zones (for example, Sunrise Shear) and steeply dipping brittleductile low strain shear zones (for example, Western Shear). Host rocks include andesitic volcanic rocks, volcanogenic sediments and magnetic shales.

Safety: While no fatalities were recorded, there was a slight deterioration in the rate of lost-time injuries. The LTIFR for the year was 1.83 (2007: 2.63).

Operating review: Production decreased by 28 percent to 433,000 ounces (2007: 600,000 ounces) in line with

expectations
as mining of the high-grade ore in the base of the Mega Pit was completed. Mill feed comprised stockpiled ore and approximately 73,000 ounces of gold production was sourced from the underground mine where 2,107 meters of underground
capital development and 6,661 meters of operational development were completed. A total of 41,417 meters of diamond drilling
was also completed. Processing plant throughput in 2008 was 3.8 million tonnes, equal to throughput in 2007.

The conversion of the mine's diesel power station to liquefied natural gas (LNG) was delayed by an explosion at the Varanus
Island gas production installation and the LNG facility will begin operation in the first quarter of 2009.

Total cash costs increased by 113 percent in US dollar terms to $559 per ounce from $262 per ounce in 2007. Cash costs
were impacted by significantly higher input costs, specifically for fuel and labor, during the year and by lower production.

Capital expenditure for the year amounted to A$23 million ($19 million) (2007: A$35 million ($30 million)).

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Growth prospects: The main open pit (the Mega Pit), with a final depth of 440 meters was completed during 2008. A cutback of the north wall of the open pit is underway and is scheduled for completion in mid-2010. Ore from the cutback will be blended with stockpiled ore and ore from the underground mine.

Successful exploration and advances in geological understanding have resulted in further growth in underground reserves which increased to 1.01 million ounces (after depletion). Total reserves (after depletion) at the mine at year-end were 1.9 million ounces.

Operating and production data for Sunrise Dam

2008	**2007**	**2006**
Pay limit (oz/t)		
0.09	0.06	0.05
Pay limit (g/t)		
2.79		
1.76		
1.64		
Recovered grade (oz/t)		
(2)		
0.101		
0.142		
0.099		
Recovered grade (g/t)		
(2)		
3.46		
4.86		
3.39		
Gold production (000 oz)		
433		
600		
465		
Total cash costs ($/oz)		
(1)		
559		
262		
333		
Total production costs ($/oz)		
(1)		
665		
345		
406		
Capital expenditure ($ million)		
19		
30		
24		
Employees		
(3)		
77		

102
99
Outside contractors
(3)
333
255
283

(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".
(2) Open-pit operations.
(3) Average for the year.

Boddington **(attributable 33.33 percent)**

Description: Boddington is located 130 kilometers south-east of Perth in Western Australia. The original, predominantly oxide open-pit operation was closed at the end of 2001. Construction of the Boddington Expansion Project, which will mine the extensive basement reserves beneath the oxide pits, was approved in March 2006 and was well advanced by year-end.

Geology*:* Boddington is located in the Saddleback Greenstone Belt, a northwest-trending fault-bounded silver of greenstones about 50 kilometers long and eight kilometers wide within the Archaean Yilgarn Craton. The Boddington resource is located within a six kilometer strike length and consists of felsic to intermediate volcanics and related intrusives. The resource is subdivided into Wandoo South and Wandoo North. Wandoo South is centered on a composite diorite stock with five recognizable intrusions. Wandoo North is dominated by diorites with lesser fragmental volcanic rocks.

Operating review and growth prospects: Development of the expansion project was approximately 88 percent complete at year-end, with AngloGold Ashanti contributing $419 million towards capital costs in 2008. Subsequent to the financial year-end, AngloGold Ashanti announced the sale of its 33.33 percent stake in Boddington to the Newmont Mining Corporation.

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Operating and production data for Boddington

2008	2007	2006
Pay limit (oz/t)		
–	–	–
Pay limit (g/t)		
–		
–		
–		
Recovered grade (oz/t)		
–		
–		
–		
Recovered grade (g/t)		
–		
–		
–		
Gold production (000 oz) 100 percent		
–		
–		
–		
Gold production (000 oz) 33.33 percent		
–		
–		
–		
Total cash costs ($/oz)		
(1)		
–		
–		
–		
Total production costs ($/oz)		
(1)		
–		
–		
–		
Capital expenditure ($ million) 100 percent		
1,257		
747		
180		
Capital expenditure ($ million) 33.33 percent		
419		
249		
60		
Employees		
(2)		
92		
37		
12		
Outside contractors		
(2)		
696		

387
85
(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures,
see "Item 5A.: Operating results – Total cash costs and total production costs".
(2) Average for the year.

Tropicana

Description: The Tropicana Joint Venture comprises more than 13,000 square kilometers of tenements stretched along more than 300 kilometers of the ancient collision zone between the Yilgarn Craton and the Albany Fraser Province in Western Australia. The Tropicana Gold Project is located 330 kilometers east-north-east of Kalgoorlie within the northern part of the joint venture area. AngloGold Ashanti holds a 70 percent interest in the Tropicana JV and Independence Group NL holds a 30 percent interest.

Geology: The Tropicana deposit comprises two known mineralized zones, the Tropicana zone to the north and Havana zone to the south. Together the known mineralized zones define a system that extends over a 4 kilometer strike length. The lenses have been tested to a vertical depth of 350 meters to 400 meters, and are open down dip. The Tropicana and Havana zones are grossly "stratiform" within the preferred gneissic host sequence. Havana zone consists of multiple stacked lenses, whereas Tropicana comprises one main mineralized lens.

Operating review and growth prospects: The pre-feasibility study on the Tropicana Gold Project began in June 2007. The study, which focuses on the Tropicana and Havana zones, is scheduled for completion in the second quarter of 2009.

The emphasis of drilling at the Tropicana Gold Project has been to increase the confidence of the resource estimate, which has increased by almost 1 million ounces.

Metallurgical testwork and engineering studies have determined that the preferred plant configuration is a conventional carbon-in-leach circuit. Energy efficiency is an important consideration for the project with studies focused on assessment of the optimal crushing and grinding circuit, which will include energy-efficient high-pressure grinding rolls. A wide range of processing rates of up to 7.5 million tonnes per annum have been evaluated. Further pre-feasibility study level work is being undertaken to optimize mine planning and scheduling as a result of the increase in resources. A comprehensive review of electrical power options is in progress with the objective of achieving low operating costs. Diesel, gas, electrical grid reticulation and solar thermal power are being evaluated.

Extensive baseline environmental studies for the project have been substantially completed with formal submission of major
Environmental Impact Assessment documents scheduled for early 2009. It is anticipated full environmental permitting of the
project will take approximately 12 months to complete. Regional exploration continues on the greater tenement package.

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BRAZIL

The two AngloGold Ashanti assets in Brazil are AngloGold Ashanti Brasil Mineração and Serra Grande. In 2008, these operations together produced an attributable 407,000 ounces of gold, equivalent to 8 percent of group production. (2007: an attributable 408,000 ounces of gold, equivalent to 7 percent of group production).

AngloGold Ashanti Brasil Mineração

Description: The wholly-owned AngloGold Ashanti Brasil Mineração (Brasil Mineração) complex is located in south-eastern Brazil in the state of Minas Gerais, close to the city of Belo Horizonte, in the municipalities of Nova Lima, Sabará and Santa Bárbara. Ore is sourced from the Cuiabá underground mine, and then processed at the Cuiabá and Queiroz plants, and from the Córrego do Sítio heap-leach operation.

Geology: The area in which Brasil Mineração is located is known as the Iron Quadrangle and is host to historic and current gold mining operations, as well as a number of open-pit limestone and iron ore operations. The geology of the Iron Quadrangle is composed of Proterozoic and Archaean volcano-sedimentary sequences and Pre-Cambrian granitic complexes. The host to the gold mineralization is the volcano-sedimentary Nova Lima Group (NLG) that occurs at the base of the Rio das Velhas SuperGroup (RDVS). The upper sequence of the RDVS is the meta-sedimentary Maquiné Group. Cuiabá mine, located at Sabara Municipality, has gold mineralization associated with sulfides and quartz veins in Banded Ironstone Formation (BIF) and volcanic sequences. At this mine, structural control and fluids flow ascension are the most important factors for gold mineralization with a common association between large-scale shear zones and their associated structures. Where BIF is mineralized the ore appears strongly stratiform due to the selective sulfidation of the iron rich layers. Steeply plunging shear zones tend to control the ore shoots, which commonly plunge parallel to intersections between the shears and other structures.

The controlling mineralization structures are the apparent intersection of thrust faults with tight isoclinal folds in a ductile environment. The host rocks at Brasil Mineração are BIF, Lapa Seca and mafic volcanics (principally basaltic). Mineralization is due to the interaction of low salinity carbon dioxide rich fluids with the high-iron BIF, basalts and carbonaceous graphitic schists. Sulfide mineralization consists of pyrrhotite and pyrite with subordinate pyrite and chalcopyrite; the latter tends to occur

as a late-stage fracture fill and is not associated with gold mineralization. Wallrock alteration is typically carbonate, potassic
and silicic.

Brazil – Summary of metallurgical operations

AngloGold Ashanti	**Mineração**	**Serra Grande**	**Cuiabá**	**Raposos**
Gold plants				
Capacity (000 tonnes/month)	135	26	66	
Current throughput	112			
Shut down				

Safety: Safety levels deteriorated during the course of the year with the LTIFR at 3.06 per million hours worked in 2008 as
opposed to 2.30 in 2007. A safety program to restore former levels of safety performance and renew awareness of the importance of working safely among employees has been put in place. There were no fatalities in 2008.

Operating review: Gold production for 2008, supported mainly by the Cuiabá mine, where the expansion project has been
completed, and the Córrego do Sítio mine, was almost unchanged in line with expectations at 320,000 ounces (2007: 317,000 ounces).

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From an operating perspective, the development rate at Cuiabá improved as planned with a focus on greater mine flexibility.
Strategic action was taken to enhance long-term performance at Cuiabá and extend its life of mine. This included increasing
the backfill rate to the mine, re-structuring the maintenance program and reviewing maintenance contracts, as well as implementing a management strategy focusing on cost optimization in 2009. Also introduced were new preventive controls and
the monitoring of geotechnical conditions and the stability of the hanging-wall in particular. All of these actions are aimed at
consolidating a sustainable long-term rate of production.

Total cash costs rose by 31 percent from $246 per ounce in 2007 to $322 per ounce in 2008. Higher costs were largely a result
of the appreciation of the local Brazilian currency (the real) against the US dollar and higher inflation on materials, services and
maintenance costs, partially offset by the better price received for sulfuric acid by-product.

Capital expenditure for the year totaled $69 million, significantly lower than the $117 million spent in 2007 given the completion
of the Cuiabá Expansion Project.

Growth prospects: The Córrego do Sítio Underground Sulfide Project continues and will exploit the sulfide resources of the
Córrego do Sítio underground orebodies, namely Cachorro Bravo, Laranjeiras and Carvoaria Velha. The project estimates
production of 90,000 ounces of gold annually from a total of 5.4 million tonnes of ore milled. Full production is scheduled to
begin in 2012.

The development of a ramp and exposure of the Cachorro Bravo and Laranjeiras orebodies continues as does the access
drives to the Carvoaria Velha orebody. Exposure of the Laranjeira orebody, to increase the extent of the mineable resources,
has commenced. Trial mining on the Cachorro Bravo orebody is in progress and operational mining parameters for the feasibility study are being confirmed. Two mine methods are being tested: sub-level stoping and cut-and-fill mining. The
metallurgical process is being confirmed and indications are that pressure oxidation via autoclaves will be the best option given
the characteristics of the ore.

In December 2008, AngloGold Ashanti acquired the São Bento mine, a Brazilian gold mining operation that was wholly-owned
by Eldorado Gold Corporation and held in São Bento Mineração S.A., an indirect, wholly-owned subsidiary of Eldorado. The
São Bento mine is situated in the vicinity of the Córrego do Sítio mine, in the municipality of Santa Bárbara in the Iron
Quadrangle region of Minas Gerais State. This acquisition will double the scale and enhance the feasibility of the Córrego do
Sítio Project, thus enhancing the dominant position of AngloGold Ashanti as a gold producer in Brazil's Iron Quadrangle.

During 2008, development at the Lamego Project which explores the orebodies on the Lamego property close to the Cuiabá
mine, totaled 4,063 meters. Lamego is expected to produce approximately 345,000 ounces of gold over nine years from
2.14 million tonnes of milled ore. Production is scheduled to start in mid-2009. Given the same elliptical structure and the
project's proximity to Cuiabá, ore mined here will be treated at the Cuiabá plant – this was factored into the recently completed
expansion project at Cuiabá.

The Raposos Project explores the re-opening of the Raposos mine that was suspended in 1998 when the gold price was less
than $300 per ounce. The existing underground and surface infrastructure at Raposos Mine was reviewed and new technical
recommendations made on adapting the existing facilities to the new requirements. The project is based on the ore resources
defined in the mine evaluation block between mine levels 34 and 44, totalling 2 million tonnes at 7g/t Au with 530,000 ounces
of gold content. The ore mined here will be processed using idle capacity at the Queiroz plant. A feasibility study is being
prepared for submission to the board for approval during 2009. Production is expected to begin in 2011 with development
activities progressing from 2009 and 2010.

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Operating and production data for Brasil Mineração

2008	2007	2006
Pay limit (oz/t)		
0.15	0.13	0.09
Pay limit (g/t)		
5.16		
3.50		
3.10		
Recovered grade (oz/t)		
(1)		
0.222		
0.218		
0.222		
Recovered grade (g/t)		
(1)		
7.62		
7.48		
7.60		
Gold production (000 oz)		
320		
317		
242		
Total cash costs ($/oz)		
(2)		
322		
246		
207		
Total production costs ($/oz)		
(2)		
450		
360		
301		
Capital expenditure ($ million)		
69		
117		
168		
Employees		
(3)		
1,954		
1,814		
1,546		
Outside contractors		
(3)		
1,033		
1,620		
2,065		

(1) Recovered grade represents underground operations.

(2) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".

(3) Average for the year.

Serra Grande **(attributable 50 percent)**

Description: Serra Grande is located in central Brazil, in the state of Goiás, five kilometers from the city of Crixás. AngloGold
Ashanti and the Kinross Gold Corporation are joint partners in this operation. In terms of the shareholders' agreement, AngloGold Ashanti manages the operation and has the right to access a maximum of 50 percent of the earnings accrued and
dividends paid by Serra Grande.

Serra Grande comprises two underground mines, Mina III and Mina Nova, an open pit at Mina III, and a new mine named
Palmeiras where the main ramp development began in May 2008 and production is anticipated during 2009. Annual capacity of
the processing circuit, which has grinding, leaching, filtration, precipitation and smelting facilities, is being expanded from about
818,000 tonnes annually to 1.150 million tonnes annually. This expansion is expected to be completed by mid-2009.

Geology: The deposits occur in the Rio Vermelho and Ribeirão das Antes Formations of the Archaean Pilar de Goia's Group
which together account for a large proportion of the Crixás Greenstone Belt in central Brazil.

The stratigraphy of the belt is dominated by basics and ultrabasics in the lower sequences with volcano sedimentary units
forming the upper successions.

The gold deposits are hosted in a sequence of schists, volcanics and carbonates occurring in a typical greenstone belt structural setting. The host rocks are of the Pilar de Goiás Group of the Upper Archaean. Gold mineralization is associated
with massive sulfides and vein quartz material associated with graphitic and sericitic schists and dolomites. The oreshoots
plunge to the north-west with dips of between 6 and 35 degrees. The stratigraphy is overturned and thrusts towards the east.

The greenstone belt lithologies are surrounded by Archaean tonalitic gneiss and granodiorite. The metamorphosed sediments
are primarily composed of quartz, chlorite, sericite, graphitic and garnetiferous schists. The carbonates have been metamorphosed to ferroan dolomite marble with development of siderite and ankerite veining in the surrounding wallrock,
usually associated with quartz veining. The basalts are relatively unaltered but do show pronounced stretching with elongation
of pillow structures evident.

The Crixás greenstone belt comprises a series of Archaean to Palaeoproterozoic metavulcanics, metasediments and basement granitoids stacked within a series of north to north-east transported thrust sheet. Thrusting (D1) was accompanied
by significant F1 folding/foliation development and progressive alteration in a brittle-ductile regime. D1 thrusting developed with
irregular thrust ramp geometry, in part controlled by concealed early basin faults. The main Crixás orebodies are

adjacent to a
major north-north-west structural corridor, and up the main fault ramp/corner, to become dispersed to the east and north in
zones of foreland thrust flats. Fluid alteration also diminished to the west away from the main fault corner. A series of concealed east-west to north-west-south-east basement block faults may have provided secondary fluid migration, and development of early anti-formal warps in the thrust sheets; these structures probably define the quasi-regular spacing of
significant mineralization within the belt. The D1 thrust stack was gently folded by non-cylindrical folds. Gold mineralizing fluids

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probably migrated during this event, with similar south-south-west to north-north-east migration, and focusing on bedding slip
during folding. Gold mineralization became minor and dispersed to the north and east along the formal thrust flat zone.
Concentrations of gold along the case of quartz vein may be due to the damming of fluids migrating upward along layering.

Safety: There was an improvement in safety regarding lost-time injuries during the course of the year with an LTIFR of
1.72 per million hours worked compared with 2.47 in 2007. Unfortunately, there was one fatality in the first quarter of the year
(2007: one), a result of an incident involving a truck, which gives a FIFR of 0.43 per million.

Operating review: Attributable production of 87,000 ounces in 2008 represents a decrease of 5 percent from the 91,000 ounces produced in 2007. This was chiefly due to the lower tonnage of ore treated at the underground operation.
Palmeiras Mine has a resource of 207,000 ounces and is expected to start operating in 2009 with average annual production of
16,000 ounces from 2010.

Total cash costs increased by 13 percent to $299 per ounce (2007: $264 per ounce), again largely due to reduced production,
the appreciation of the Brazilian real and inflation, which affected the cost of power, labor, fuel and maintenance services.

Capital expenditure amounted to $41 million, (attributable: $20 million) from $24 million spent in 2007 (attributable : $12 million).

Growth prospects: An aggressive brownfields exploration campaign at Serra Grande aims to increase reserves and resources in and around Mina III and Mina Nova. In 2008, there was an increase in resources and reserves at Serra Grande
with the discovery last year of the Pequizão orebody that is located between Mina Nova and Mina III. In 2008, exploration
activities focused on evaluating the Pequizão strike and down-plunge extension as well as on investigating the continuity of
Palmeiras, Orebody V and Mina Nova.

Operating and production data for Serra Grande

2008	**2007**	**2006**
Pay limit (oz/t)		
0.16	0.14	0.09
Pay limit (g/t)		
5.61	3.90	3.24
Recovered grade (oz/t)		
0.221		
0.210		
0.219		
Recovered grade (g/t)		
7.58		
7.21		

7.51
Gold production (000 oz) 100 percent
174
182
194
Gold production (000 oz) 50 percent
87
91
97
Total cash costs ($/oz)
(1)
299 264 196
Total production costs ($/oz)
(1)
402 374 278
Capital expenditure ($ million) 100 percent
41
24
17
Capital expenditure ($ million) 50 percent
20
12
8
Employees
(2)
725 654 609
Outside contractors
(2)
383 264 208

(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".

(2) Average for the year.

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GHANA

The two AngloGold Ashanti operations in Ghana, Obuasi and Iduapriem, had combined total attributable production of
557,000 ounces, equivalent to approximately 11 percent of group production, for the 2008, compared with an attributable
production of 527,000 ounces, equivalent to approximately 10 percent of group production in 2007.

Obuasi

Description: Obuasi, which is wholly-owned by AngloGold Ashanti, is located in the Ashanti region of southern

Ghana,
approximately 80 kilometers from Kumasi. It is primarily an underground mine operating at depths of 1,500 meters, although
some surface mining does occur. Three treatment plants process the ore: a sulfide plant treats the ore from underground, a
tailings plant undertakes tailings reclamation and an oxide plant is used to batch treat remnant open-pit ore and stockpiles.

Geology: The gold deposits at Obuasi are part of a prominent gold belt of Proterozoic (Birimian) volcano-sedimentary and
igneous formations which extend for a distance of approximately 300 kilometers in a north-east/south-west trend in south-western Ghana. Obuasi mineralization is shear-zone related and there are three main structural trends hosting gold
mineralization: the Obuasi trend, the Gyabunsu trend and the Binsere trend.

Two main ore types are mined:

- quartz veins which consist mainly of quartz with free gold in association with lesser amounts of various metal sulfides such as iron, zinc, lead and copper. The gold particles are generally fine-grained and occasionally are visible to the naked eye. This ore type is generally non-refractory; and
- sulfide ore which is characterized by the inclusion of gold in the crystal structure of a sulfide material. The gold in these ores is fine-grained and often locked in arsenopyrite. Higher gold grades tend to be associated with finer grained arsenopyrite crystals. Other prominent minerals include quartz, chlorite and sericite. Sulfide ore is generally refractory.

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Ghana – Summary of metallurgical operations

	Obuasi	**Bibiani**	**Iduapriem**	**Sulfide Treatment Plant**	**Tailings Treatment Plant**	**Oxide Treatment Plant**
Gold plants						
Capacity (000 tonnes/month)	200	200	150	225		375

Safety: Regrettably there were two fatalities during the year (2007: four), one caused by an accident involving a fall of ground and one by an accident involving machinery. The LTIFR for the year improved to 2.10 per million hours worked, from 2.72 in 2007. The FIFR also improved to 0.10 in 2008 from the previous 0.19 per million hours worked in 2007.

The process to obtain OHSAS 18001 accreditation for Obuasi was completed in December 2008 after a successful certification audit.

Operating review: The marginal decline of less than 1 percent in annual production from 360,000 ounces in 2007 to 357,000 ounces in 2008 was a result of a decrease in underground volumes and the grade mined, as well as unscheduled work stoppages at the plant for repairs and maintenance to the ball mill during the year. Water quality issues affected mill tonnages twice during the year and were exacerbated by the delay in the commissioning of the tailings sulfide plant to mid-2009. However production did improve as the year progressed, particularly in the second half of the year as the results of the short-term turnaround project at Obuasi became apparent. Development meters increased, contributing to greater mining flexibility which delivered a greater throughput of tonnes and improved grades in the second half of the year. Following plant maintenance around mid-year and the commissioning of a larger regrind mill, metallurgical recoveries did improve in the second half of the year – although overall these too were marginally down on the year.

The 37 percent increase in total cash costs from $464 per ounce in 2007 to $636 per ounce in 2008 was due primarily to inflationary pressures resulting in substantial increases in power tariffs, contractor costs and the price of fuel and reagents over

the year, as well as higher royalty payments.

Capital expenditure totaled $112 million in 2008 (2007: $94 million).

Growth prospects: While Obuasi is currently a focus of the short-term business turnaround plan, it is also an initial target of the group's longer-term business improvement plan, the aim of which is sustained improvements to operational performance and efficiencies. At Obuasi in particular, this strategy aims to increase development meters, which are essential to mining flexibility, to improve the volumes processed and recovered by the sulfide plant by enhancing the grinding and flotation functions, to increase productivity and to improve maintenance. The aim is to increase monthly ore production by 35 percent, grade to 7g/t by the end of 2009 and metallurgical recoveries at the sulfide plant to approximately 83 percent by mid-2009. The number of areas being mined will be consolidated to 10 (from 14) and development meters increased so as to ensure 18 months of reserves. In addition, high speed development crews will be used to target selected areas. Changes to the mining method include a preference for longitudinal mining and increasing the stope length to a maximum of 70 meters.

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Operating and production data for Obuasi

2008	**2007**	**2006**
Pay limit (oz/t) (1)		
0.29	0.28	0.229
Pay limit (g/t)		
9.35		
8.49		
7.13		
Recovered grade (oz/t) (1)		
0.127	0.129	0.128
Recovered grade (g/t)		
4.37		
4.43		
4.39		
Gold production (000 oz)		
357		
360		
387		
Total cash costs ($/oz) (2)		
636		
464		
397		
Total production costs ($/oz) (2)		
863		
739		
638		
Capital expenditure ($ million)		
112		
94		
91		
Employees (3)		
4,259	4,672	5,629
Outside contractors (3)		
1,463	1,554	2,210

(1) Pay limits and recovered grade refer to underground ore resources.

(2) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".

(3) Average for the period.

Iduapriem

Description: Iduapriem comprises two properties, Iduapriem and Teberebie. The Iduapriem mine is situated in the western

region of Ghana, some 70 kilometers north of the coastal city of Takoradi and 10 kilometers south-west of Tarkwa. Iduapriem is
an open-pit mine and its processing facilities include a carbon-in-pulp (CIP) plant.

Geology: The Iduapriem and Teberebie gold mines are located along the southern end of the Tarkwa basin. The mineralization is contained in the Banket Series of rocks within the Tarkwaian System of Proterozoic age. The outcropping
Banket Series of rocks in the mine area form prominent, arcuate ridges extending southwards from Tarkwa, westwards through
Iduapriem and northwards towards Teberebie.

Safety: Despite the heightened focus on training and education, safety performance deteriorated during the year. The LTIFR
was 1.63 per million hours worked (2007: 0.46). There were no fatalities. Iduapriem achieved OHSAS 18001 certification in
January 2008 after a successful certification audit.

Operating review: Despite the decline in grade mined, attributable production increased from 167,000 ounces in 2007 to
200,000 ounces in 2008. Crushed tonnage improved significantly by 26 percent mainly due to commissioning of the Scats
crusher in the first quarter of 2008 and a marked improvement in blast fragmentation, assisting throughput in the second half of
the year, despite problems experienced in the first and third quarter with mill gearbox and crusher component failures. Recovered grade declined by 5 percent mainly due to a reduced head grade and lower recoveries during the first half of the
year. Mechanical upgrading of the hydraulic flow path in the leach section improved residence time and recoveries during the
fourth quarter.

Total cash costs at $625 per ounce increased by 26 percent from 2007 total cash costs of $497 per ounce as a result of substantial increases in power tariffs during the second half of the year, higher royalty payments and contractor costs, and a
surge in the price of fuel and consumables.

Capital expenditure for the year amounted to $54 million (attributable 2007: $23 million), spent primarily on the advancement of
the plant expansion project. Due to delays experienced in the delivery of long-lead critical items, project commissioning,
originally scheduled for the fourth quarter of 2008, has been postponed to the first quarter of 2009.

Growth prospects: While the mine has limited growth prospects on surface, the recent surge in the gold price has led to
renewed interest in evaluating the considerable low-grade Mineral Resources of other properties lying in the Tarkwaian
conglomerates that extend below the economic limits of the existing pits. Additional drilling to give more confidence to existing
data has been scheduled for 2009 and the scoping study will subsequently be progressed to the pre-feasibility stage.

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Operating and production data for Iduapriem

2008	**2007**	**2006**
(4)		
Pay limit (oz/t)		
0.04	0.06	0.05
Pay limit (g/t)		
1.43		
1.66		
1.60		
Recovered grade (oz/t)		
(1)		
0.051	0.054	0.051
Recovered grade (g/t)		
(1)		
1.76	1.85	1.74
Gold production (000 oz) 100 percent		
200		
185		
196		
Gold production (000 oz) 100 percent		
(4)		
200		
167		
167		
Total cash costs ($/oz)		
(2)		
625		
497		
413		
Total production costs ($/oz)		
(2)		
740		
653		
544		
Capital expenditure ($ million) 100 percent		
54		
24		
6		
Capital expenditure ($ million) 100 percent		
(4)		
54		
23		
5		
Employees		
(3)		
732		
721		
668		
Outside contractors		

(3)
1,048
602
583
(1)
Recovered grade represents open pit operations.
(2)
Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures,
see "Item 5A.: Operating results – Total cash costs and total production costs".
(3)
Average for the period.
(4)
100 percent owned effective September 1, 2007. Prior to this date, the effective holding was 85 percent.

Bibiani

Bibiani in Ghana was sold to Central African Gold plc effective December 28, 2006

Operating and production data for Bibiani
2008 **2007**
2006
(4)
Pay limit (oz/t)
- -
0.030
Pay limit (g/t)
-
-
0.83
Recovered grade (oz/t)
(1)
-
-
0.016
Recovered grade (g/t)
(1)
-
-
0.55
Gold production (000 oz)
-
-
37
Total cash costs ($/oz)
(2)
-
-
432
Total production costs ($/oz)

(2)
-
-
594
Capital expenditure ($ million)
-
-
-
Employees
(3)
-
-
211
Outside contractors
(3)
-
-
142
(1)
Recovered grade represents surface and dump reclamation in 2006.
(2)
Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures,
see "Item 5A.: Operating results – Total cash costs and total production costs".
(3)
Average for the period.
(4)
For the eleven months from January 2006 to November 2006.

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GUINEA

AngloGold Ashanti has one gold mining operation, Siguiri, in the Republic of Guinea. Siguiri produced 333,000 attributable ounces of gold in 2008, equivalent to 7 percent of group production and 280,000 attributable ounces of gold in 2007, or 5 percent of group production.

Description: AngloGold Ashanti has an 85 percent interest in Siguiri and the government of Guinea has a 15 percent stake. The Siguiri mine is a conventional open-pit operation situated in the Siguiri district in the north-east of the Republic of Guinea, West Africa, about 850 kilometers from the capital city of Conakry. All ore and waste is mined by a mining contractor and the ore is processed using a carbon-in-pulp (CIP) process. Siguiri mines two types of gold deposits, laterite and in situ quartz-vein related mineralization that have been deeply weathered to form saprolite mineralization.

Geology: This concession is dominated by Proterozoic Birimian rocks which consist of turbidite facies sedimentary sequences. The two main types of gold deposits which occur in the Siguiri basin and are mined are:

- laterite or CAP mineralization which occurs as aprons of colluvial or as palaeo-channels of alluvial lateritic gravel adjacent to, and immediately above; and
- in situ quartz-vein related mineralization hosted in meta-sediments with the better mineralization associated with vein stockworks that occurs preferentially in the coarser, brittle siltstones and sandstones.

The mineralized rocks have been deeply weathered to below 100 meters in places to form saprolite or SAP mineralization.
The practice at Siguiri has been to blend the CAP and SAP ore types and to process these using the heap-leach method. With the percentage of available CAP ore decreasing, however, a new carbon-in-pulp (CIP) plant was brought on stream during 2005 to treat predominantly SAP ore.

Safety: Overall safety standards were maintained at Siguiri with an LTIFR for the year of 0.42 per million hours worked (2007: 0.41). There were no fatalities. Following a successful certification audit, the process to obtain OHSAS 18001 accreditation was completed in December 2008.

Operating review: Attributable production increased by 19 percent to a record of 333,000 ounces in 2008 from 280,000 ounces produced in 2007. This increase was a function of improved throughput – the CIP plant performed consistently well throughout the year, with availability of 93 percent, the processing of 10 million tonnes aided by increased throughput during the wet season and a metallurgical recovery rate of 95.8 percent for the year – and the mining of higher grade pits early in the year which led to improved yields.

Total cash costs were fractionally lower at $468 per ounce (2007: $471 per ounce).

Attributable capital expenditure for the year was $18 million (2007: $18 million).

Growth prospects: It is expected, with the exploration at Kintinian and Sintroko nearing completion, that additional ounces will be converted to reserves in early 2009. Regarding the CIP plant, the designs of a second gravity concentrator and de-gritting facilities are being finalised and these will be installed during 2009; they are expected to improve plant recovery and increase throughput. Studies are underway to increase plant throughput from 2010 onwards.

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Operating and production data for Siguiri

2008	2007	2006
Pay limit (oz/t)		
0.03	0.03	0.03
Pay limit (g/t)		
0.93		
0.95		
0.94		
Recovered grade (oz/t)		
(1)		
0.035	0.031	0.032
Recovered grade (g/t)		
(1)		
1.20	1.05	1.08
Gold production (000 oz) – 100 percent		
392		
330		
301		
Gold production (000 oz) – 85 percent		
333		
280		
256		
Total cash costs ($/oz)		
(2)		
468		
471		
398		
Total production costs ($/oz)		
(2)		
565		
629		
593		
Capital expenditure ($ million) – 100 percent		
22		
21		
19		
Capital expenditure ($ million) – 85 percent		
18		
18		
14		
Employees		
(3)		
1,489	1,537	1,541
Outside contractors		
(3)		
1,444	1,380	1,167

(1) Recovered grade represents open pit operations.

(2) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".

(3) Average for the period.

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MALI

AngloGold Ashanti has interests in three gold mining operations in Mali, namely, Sadiola, Yatela and Morila. It manages two of these operations, Sadiola and Yatela. Together these three operations had combined attributable production of 409,000 ounces, 8 percent of group production (2007: 441,000 attributable ounces of gold, equivalent to 8 percent of group production).

Ownership of these three operations is as follows:

- Sadiola: AngloGold Ashanti and IAMGOLD each have an interest of 38 percent in the joint venture while the government of Mali has an interest of 18 percent and the International Finance Corporation, 6 percent.

- Yatela: this operation is 80 percent owned by the Sadiola Exploration Company Limited, a joint venture in which AngloGold Ashanti and IAMGOLD each have an effective holding of 50 percent. The government of Mali owns the remaining 20 percent.

- Morila: this operation is 80 percent owned by Morila Limited, a joint venture in which AngloGold Ashanti and Randgold Resources Limited each have an effective holding of 50 percent. The government of Mali owns the remaining 20 percent.
  Randgold Resources Limited took over the management of this operation during 2008.

Total attributable production from the Mali operations was 7 percent down from that of 2007.

Sadiola **(attributable 38 percent)**

Description: Sadiola is situated in the far south-west of the country, 77 kilometers to the south of the regional capital of Kayes.
Mining takes place in five open pits and the ore mined is treated and processed in a 435,000 tonnes per month (5.2 million
tonnes per annum) CIP gold plant.

Geology: The Sadiola deposit occurs within an inlier of greenschist facies metamorphosed Birimian rocks known as the
Kenieba Window. The specific rocks which host the mineralization are marbles and greywackes which have been intensely
weathered to a maximum depth of 200 meters. A series of north-south trending faults occur that are the feeders to the

Sadiola
mineralization. As a result of an east-west regional compression event, deformation occurs along a north-south striking marble-
greywacke contact, increasing the porosity of this zone. North-east striking structures which intersect the north-south contact
have introduced mineralization, mainly with the marble where the porosity was greatest. The Sadiola Hill deposit generally
consists of two zones, an upper oxidized cap and an underlying sulfide zone. From 1996 until 2002, shallow saprolite oxide ore
from the Sadiola Hill pit was the primary ore source. Since 2002, the deeper saprolitic sulfide ore has been mined and in future
will progressively replace the depleting oxide reserves.

Safety: Overall safety performance improved at Sadiola with an LTIFR for the year of 0.87 per million hours worked (2007: 1.11). There were no fatalities during the year. Sadiola achieved OHSAS 18001:1999 certification in March 2008 after a
successful certification audit.

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Operating review: Attributable production rose by 23 percent in the year to 172,000 ounces (2007: 140,000 ounces). The major contributor was the improved recovery rates achieved after commissioning of the gravity circuit in December 2007. The new circuit configuration had a major impact on both sulfide and oxide ore recoveries during 2008. Major mechanical breakdowns in the milling section during the second and third quarters were offset by changing the feed blend to the plant to include more high grade sulfide material.

Total cash costs declined by 3 percent to $401 per ounce (2007: $414 per ounce), largely owing to the increased level of production with the resultant economies of scale and a decrease in the consumption of reagents given the change in the ore blending process. The inflationary pressures of higher fuel, reagents and mining contract costs were mitigated by increased production.

Total capital expenditure of $8 million – attributable $3 million compared to 2007 capital expenditure of $16 million or an attributable $6 million.

Growth prospects: The review of various options to improve current assumptions in the Deep Sulfide Project continues. The review is focused on the mining method to be implemented, scale, energy consumption, and metallurgical recovery so as to convert the vast indicated resource below the main pit into a reserve. A significant improvement was made in the understanding of sulfide ore recovery in 2008, and the commissioning of the new gravity circuit at the concentrator at the end of 2007.

Operating and production data for Sadiola

2008	**2007**	**2006**
Pay limit (oz/t)		
0.07	0.08	0.06
Pay limit (g/t)		
2.18		
2.46		
1.98		
Recovered grade (oz/t)		
0.100		
0.081		
0.094		
Recovered grade (g/t)		
3.42		
2.76		
3.22		
Gold production (000 oz) 100 percent		
453		
369		
500		

Gold production (000 oz) 38 percent
172
140
190
Total cash costs ($/oz)
(1)
401
414
268
Total production costs ($/oz)
(1)
587
479
363
Capital expenditure ($ million) 100 percent
8
16
11
Capital expenditure ($ million) 38 percent
3
6
4
Employees
(2)
634
618
589
Outside contractors
(2)
876
911
705

(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures,
see "Item 5A.: Operating results – Total cash costs and total production costs".
(2) Average for the year.

Yatela **(attributable 40 percent)**

Description: Yatela is situated some 25 kilometers north of Sadiola and approximately 50 kilometers south-south-west of
Kayes. This is a single pit operation. The ore mined is treated at a heap-leach pad together with carbon-loading. The carbon is
then eluted and the gold smelted at nearby Sadiola.

Geology: Yatela mineralization occurs as a keel-shaped body in Birimian metacarbonates. The 'keel' is centered on a fault
which was the feeder for the original mesothermal mineralization, with an associated weakly mineralized diorite intrusion.
Mineralization occurs as a layer along the sides and in the bottom of the 'keel'. The ore dips almost vertically on the

west limb
and more gently towards the west on the east limb, with tight closure to the south.

Safety: Overall safety performance regressed considerably at Yatela with an LTIFR for the year of 1.15 per million hours
worked (2007: 0.39). There were no fatalities during the year. Yatela achieved OHSAS 18001 certification in March 2008 after
a successful certification audit.

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Operating review: Attributable gold production at Yatela declined by 45 percent to 66,000 ounces for the year (2007: 120,000 ounces). The main reason for this decline in production was a marked decrease in head grade owing to underperformance of Pushback 5, which led to lower grade ore being supplied for stacking at the heap-leach pads. Yatela
successfully changed the mining contractor employed at the mine during the year.

Total cash costs rose from $300 per ounce in 2007 to $621 per ounce in 2008, a result of the significantly reduced levels of
production, weaker dollar against the euro and higher fuel and reagent prices.

Capital expenditure of $8 million (attributable $3 million) in 2008 was spent mostly on the construction of additional leach pads
(2007: $5 million - attributable $2 million).

Operating and production data for Yatela

2008	**2007**	**2006**
Pay limit (oz/t)		
0.04	0.04	0.06
Pay limit (g/t)		
1.34		
1.37		
1.79		
Recovered grade (oz/t)		
0.078		
0.101		
0.120		
Recovered grade (g/t)		
2.66		
3.46		
4.12		
Gold production (000 oz) 100 percent		
165		
301		
352		
Gold production (000 oz) 40 percent		
66		
120		
141		
Total cash costs ($/oz)		
(1)		
621		
300		
241		
Total production costs ($/oz)		
(1)		
636		
342		
326		
Capital expenditure ($ million) 100 percent		
8		

5
3
Capital expenditure ($ million) 40 percent
3
2
1
Employees
(2)
305
265
203
Outside contractors
(2)
583
638
675
(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures,
see "Item 5A.: Operating results – Total cash costs and total production costs".
(2) Average for the year.

Morila **(attributable 40 percent)**

Description: The Morila mine is situated some 180 kilometers by road south-east of Bamako, the capital of Mali. Open-pit mining takes place at five pushbacks within one pit. On completion, the Morila pit will be approximately 1.4 kilometers by 1 kilometer and up to 240 meters deep. The plant, which is based on a conventional carbon-in-leach (CIL) process with an upfront gravity section to extract the free gold, has throughput capacity of 4.2 million tonnes per annum. The Morila mine is managed by AngloGold Ashanti's joint venture partner, Randgold Resources Limited.

Geology: Morila is a mesothermal flat lying shear-zone hosted deposit which, apart from rising to the surface in the west against steep faulting, lies flat. The deposit occurs within a sequence Birimian metal-arkoses of amphibolite metamorphic grade. Mineralization is characterized by silica-feldspar alteration and sulfide mineralization consists of arsenopyrite, pyrrhotite, pyrite and chalcopyrite.

Safety: Safety is under the control and management of Randgold Resources Limited.

Operating review: Attributable gold production at Morila decreased 6 percent to 170,000 ounces (2007: 180,000 ounces), as a result of changes in the geological model. Closely drilled grade control holes did not confirm the high grades scheduled from the resource, and as a result, lower grades than planned were fed to the processing plant. Volumes mined were 20 percent lower in 2008 as compared to 2007, due to the mining of the relatively narrower areas at the final limits of the pit.

Total cash costs increased by 27 percent from $333 per ounce in 2007 to $424 per ounce in 2008, a result of the reduced
levels of production, a weakening in the dollar against the euro, and significant increases in fuel, mining contractor and certain
reagent costs.

Capital expenditure was $3 million (attributable $1 million) in 2008 compared to $1.3 million or $0.5 million attributable in 2007.

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Operating and production data for Morila

2008	2007	2006
Pay limit (oz/t)		
0.06	0.08	0.08
Pay limit (g/t)		
2.17		
2.46		
2.41		
Recovered grade (oz/t)		
0.090		
0.098		
0.113		
Recovered grade (g/t)		
3.08		
3.36		
3.88		
Gold production (000 oz) 100 percent		
425		
450		
517		
Gold production (000 oz) 40 percent		
170		
180		
207		
Total cash costs ($/oz)		
(1)		
424		
333		
266		
Total production costs ($/oz)		
(1)		
500		
406		
367		
Capital expenditure ($ million) 100 percent		
3		
1.3		
3		
Capital expenditure ($ million) 40 percent		
1		
0.5		
1		
Employees		
(2)		
605		
498		
500		
Outside contractors		
(2)		
1,098	1,188	1,075

(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures,
see "Item 5A.: Operating results – Total cash costs and total production costs".
(2) Average for the year.

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NAMIBIA

AngloGold Ashanti has one wholly-owned gold mining operation in Namibia, Navachab. In 2008, Navachab produced 68,000 ounces of gold, equivalent to 1 percent of group production compared to 80,000 ounces of gold, equivalent to 1 percent of group production in 2007.

Description: The Navachab mine is situated near Karibib and 170 kilometers north-west of Windhoek in Namibia, on the south western coast of Africa. Navachab is an open-pit mine and its processing plant, with a production capacity of 120,000 tonnes per month, includes mills, carbon-in-pulp (CIP) and electrowinning facilities. The Navachab gold plant has a capacity of 110,000 tonnes per month.

Geology: The Navachab deposit is hosted by Damaran greenschistam-phibolite facies, calc-silicates, marbles and volcanoclastics. The rocks have been intruded by granites, pegmatites and (quartz-porphyry dykes) aplite and have also been deformed into a series of alternating dome and basin structures. The mineralized zone forms a sheet-like body which plunges at an angle of approximately 20 degrees to the north-west. The mineralization is predominantly hosted in a sheeted vein set (±60 percent) and a replacement skarn body (±40 percent). The gold is very fine-grained and associated with pyrrhotite, and minor to trace amounts of pyrite, chalcopyrite, maldonite and bismuthinite. Approximately 80 percent of the gold is free milling.

Safety: Safety, health and the environment are matters of key importance at Navachab. In 2008 the mine was both fatality and lost-time injury free. The improvement in safety performance was a highlight of 2008, and maintaining this track record is an aim of management.

Operating review: Gold production at Navachab declined by 15 percent to 68,000 ounces in 2008 from 80,000 ounces in 2007, largely a result of the significant production challenges encountered. This included the substantially reduced availability of drilling machines, with respect to both performance and capacity which affected mining throughput, as well as the shortage of skills which contributed to a decrease in tonnes broken for the year. In addition, underperformance at the North Pit 2 satellite pit, which had a budgeted contribution of 31 percent to plant feed, affected overall mine production negatively. The decrease in tonnes mined affected stockpile volumes and values, resulting in decreased mine flexibility and a decline in grades.

Unit cash costs increased significantly, up 18 percent to $559 per ounce, as compared to $475 per ounce achieved in

2007,
the result of increases in the cost of labor, diesel and explosives, and compounded by the decline in gold production.

Capital expenditure for the dense media separation (DMS) plant was approved in 2008. Construction and commissioning of the
DMS plant will begin in 2009, and the benefits resulting from its use will be realized from 2010 onwards.

Growth prospects: Expansion work on the eastern pushback continues and the additional work on the superpit, which involves the expansion of the hanging-wall of the main orebody, is a key aspect of the plan. The dense media separation
(DMS) plant is to be incorporated into the mine's processing facilities at a cost of $4.5 million ($17 million was spent on this
plant in 2008), and it is expected that this will improve production levels.

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Operating and production data for Navachab

2008	2007	2006
Pay limit (oz/t)		
0.04	0.04	0.04
Pay limit (g/t)		
1.29		
1.22		
1.29		
Recovered grade (oz/t)		
0.042		
0.046		
0.053		
Recovered grade (g/t)		
1.43		
1.56		
1.81		
Gold production (000 oz) 100 percent		
68		
80		
86		
Total cash costs ($/oz)		
(1)		
559		
475		
349		
Total production costs ($/oz)		
(1)		
632		
525		
407		
Capital expenditure ($ million) 100 percent		
12		
6		
5		
Employees		
(2)		
482		
409		
313		
Outside contractors		
(2)		
–		
–	–	

(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures,
see "Item 5A.: Operating results – Total cash costs and total production costs".
(2) Average for the year.

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TANZANIA

AngloGold Ashanti has one gold mining operation in Tanzania, Geita, which produced 264,000 ounces of gold in 2008, equivalent to 6 percent of group production and 327,000 ounces of gold, equivalent to 6 percent of group production in 2007.

Geita

Description: The Geita gold mine is situated 80 kilometers south-west of the town of Mwanza in the north-west of Tanzania. The Geita gold deposit is an Archaean mesothermal orebody, largely hosted in a banded ironstone formation. It is a multiple open-pit operation with further underground potential which is currently serviced by a 5.2 million tonnes per annum carbon-in-leach (CIL) processing plant.

Geology: Geita is an Archaean mesothermal mainly BIF-hosted deposit. Mineralization is located where auriferous fluids, which are interpreted to have moved along shears often on BIF-diorite contacts, reacted with the BIF. Some lower-grade mineralization can occur in the diorite as well (usually in association with BIF-hosted mineralization), and approximately 20 percent of the gold is hosted in the diorite.

Safety: Geita Gold Mine is OHSAS 18001 certified. The lost-time injury frequency rate for 2008 was 0.86 per million hours worked (2007: 0.68). No fatalities were recorded during the year.

Operating review: Production at Geita declined by 19 percent from 327,000 ounces in 2007 to 264,000 ounces in 2008. Lack of access to higher-grade orebodies following the collapse of the Nyankanga Pit in the first quarter of 2007 continued to have an effect on recovered grades which declined to 1.92g/t. Process plant throughput was seriously affected by a 30-day shutdown of the SAG mill during part of September and October resulting in a halving of production for that period.

Global inflation impacted the entire business. Major contributors to the 30 percent increase in total cash costs of $814 per ounce (2007: $627 per ounce) included lower production, the price of oil, which affected on-site power generation and the running costs of heavy earth-moving equipment, as well as that of spares and reagents. Although a substantial increase in basic salaries was enforced, the total number of employees was reduced through natural attrition by 9 percent for the year with further consolidation of functions envisaged in the future. In addition, a fourth shift was introduced in the production arena, which had the effect of reducing overtime requirements by some 90 percent.

Capital expenditure was $53 million (2007: $27 million).

Growth prospects: ***Exploration*** **-** Exploration activities during 2008 focused on strike additions at the Area 3, Star & Comet,
Kalondwa Hill and Lone Cone deposits, together with the detection of regolith gold anomalies below laterite cover via air core
drilling at Matandani NW. Results suggest the potential for a 1.7 kilometer zone of gold mineralization on-strike at Area 3, and
infill drilling to prove up the resource continues. To assist future exploration, an airborne geophysics survey of the areas
covered by Geita's licenses and adjacent prospecting licenses started in the third quarter. Early interpretation of transient
electromagnetic data defined several targets which will be followed up in 2009. During the third quarter of 2008, an intense
program of advanced grade control was completed at Nyankanga cut 5 to increase confidence in the production forecast for
2009.

Growth prospects: ***New pits*** **-** While the Star & Comet pit was commissioned during 2008, the Lone Cone pit was depleted.
Pushback 5 in the Nyankanga pit will start yielding ore during the first quarter of 2009, together with the Star & Comet; these
two pits will be the main sources of ore in 2009. The Geita Hill pit will provide the background tonnes, albeit at a much lower
grade.

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Growth prospects: ***Metallurgy -*** Test work continues to identify processing options regarding the refractory ore from Matandani and Kukuluma.

Operating and production data for Geita

2008	**2007**	**2006**
Pay limit (oz/t)		
0.10	0.09	0.13
Pay limit (g/t)		
3.10	3.04	4.16
Recovered grade (oz/t)		
0.056	0.059	0.049
Recovered grade (g/t)		
1.92	2.01	1.68
Gold production (000 oz)		
264		
327		
308		
Total cash costs ($/oz) (1)		
814	627	630
Total production costs ($/oz) (1)		
1,004	817	766
Capital expenditure ($ million)		
53		
27		
67		
Employees (2)		
2,130	2,304	2,043
Outside contractors (2)		
986		
922		
1,177		

(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures, see "Item 5A.: Operating results – Total cash costs and total production costs".

(2) Average for the year.

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UNITED STATES OF AMERICA

Cripple Creek & Victor Gold Mining Company (CC&V) is AngloGold Ashanti's sole active operation in the United States. In 2008, Cripple Creek & Victor produced 258,000 ounces of gold, or 5 percent of group production compared to 282,000 ounces of gold, or 5 percent of group production in 2007.

Cripple Creek & Victor

Description: Located in the State of Colorado in the United States, CC&V's Cresson mine is a low-cost, open-pit mining operation which treats the ore mined by means of a heap-leach pad, which is one of the largest in the world. Production began in 1994.

CC&V is a joint venture in which two AngloGold Ashanti entities now collectively own 100 percent after the successful acquisition, effective July 1, 2008, of Golden Cycle Gold Corporation, which previously held a 33 percent interest in CC&V. On January 14, 2008, AngloGold Ashanti announced the execution of an agreement to acquire 100 percent of Golden Cycle Gold Corporation, thus consolidating 100 percent ownership of CC&V. The closing of that transaction was completed with effect July 1, 2008, after approval by Golden Cycle Gold Corporation's shareholders, the satisfaction of certain closing conditions, and the receipt of all necessary regulatory approvals.

Geology: The district of Cripple Creek is centered on an intensely altered alkaline, Tertiary-aged, diatreme-volcanic, intrusive complex, approximately circular in shape covering 18.4 square kilometers and surrounded by Precambrian rocks. The Precambrian rocks consist of biotite gneiss, granodiorite and quartz monzonite and granite.

The intersection of these four units and regional tectonic events formed an area of regional dilation which subsequently facilitated the formation of the volcanic complex. The majority of the complex then in-filled with the eruptive phase Cripple Creek Breccia host rock. This complex was subsequently intruded by a series of intrusive dykes and sills that include syenites, phonolites, phonotephrites and lamprophyres. These intrusives occupy all of the dominant district structural orientations. District structures are generally near vertical and strike north-north-west to north-east. These structures acted as primary conduits for the late-stage gold mineralizing solutions. Higher grade pods of mineralization occur at structural intersections

and/or as sheeted veins along zones of strike deflection. High-grade gold mineralization is associated with K-feldspar + pyrite
+/- carbonate alteration and occurs adjacent to the major structural and intrusive dyke zones. The broader zones of disseminated mineralization occur primarily as micro-fracture halos around the stronger alteration zones in the more permeable
Cripple Creek Breccia wall rocks.

The average depth of oxidation is 120 meters and is also developed along major structural zones to even greater depths.
Individual orebodies can be tabular, pipe-like, irregular or massive. Individual gold particles are generally less than 20 microns
in size and occur as native gold with pyrite or native gold after gold-silver tellurides. Gold occurs within hydrous iron and
manganese oxides and as gold-silver tellurides. Silver is present but is economically unimportant. Gold mineralization can be
encapsulated by iron and manganese oxides, pyrite, K-feldspar alteration and quartz.

Safety: The LTIFR for 2008 was 4.83 per million hours worked (2007: 2.53) and there were no fatalities during the year.

Various safety programs (e.g. DuPont Safety Training (STOP) program in 2003, risk-based safety management system in
2005, and extension of the STOP program, called Train the Trainers, in 2007) have been implemented to continue to enhance
safety performance at CC&V. A cultural assessment of the workforce by SAFEmap was initiated in 2008 with risk identification
classes beginning in the latter part of 2008 and continuing into early 2009. The SAFEmap system will be adapted for use as the
safety program at CC&V.

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Operating review: In 2008, production at CC&V fell 9 percent to 258,000 ounces from 282,000 ounces in 2007. A total of 24.4 million tonnes were placed on the heap-leach pad. The decline in production was principally a result of the slow percolation in the gold-bearing leach in the leach pad as a result of the greater distance over which the gold-bearing-leach solution had to be transported from the higher stacked ore to the leach-pad liner. This decline was compounded by a lack of alkalinity at depth that was identified from the 2008 pad drilling program. This deficiency caused solubilized gold to precipitate at depth. An initiative to increase alkalinity by increasing caustic and lime addition over the pad began in the second half of 2008 and will continue into 2009. Given the size of the pad, recovery of precipitated gold is expected to continue for the next two years.

Overall, there was an increase in total cash costs of 15 percent to $310 per ounce (2007: $269 per ounce), mainly as a result of rising commodity costs, and of diesel fuel in particular. A decrease in costs due to lower contractor costs was diminished by increases in fuel costs as oil prices hit record levels on global markets.

Capital expenditure for the year amounted to $27 million (2007: $23 million).

Growth prospects: CC&V was successful in being granted the required permits from the State of Colorado and Teller County for a mine-life extension that includes the development of new sources of ore and an extension to the heap-leach facility. The approvals extend the operation of the expanded valley leach facility and the chemical closure activities.

Development drilling has further defined areas of interest for which engineering analysis and permitting requirements will be evaluated in a pre-feasibility study to be commissioned in 2009.

Cripple Creek & Victor – Summary of metallurgical operations

Gold plants

Capacity (000 tonnes/month)

- crushed ore production

1,739

- total ore production

1,796

- solution processed

2,371

Operating and production data for Cripple Creek & Victor operations

2008

(3)

2007	**2006**	
Pay limit (oz/t)		
0.01	0.01	0.01
Pay limit (g/t)		
0.34		
0.34		
0.34		
Recovered grade (oz/t)		
0.014		
0.016		
0.016		
Recovered grade (g/t)		
0.49		
0.53		
0.54		
Gold production (000 oz)		
258		
282		
283		
Total cash costs ($/oz)		
(1)		
310		
269		
248		
Total production costs ($/oz)		
(1)		
643		
521		
498		
Capital expenditure ($ million)		
27		
23		
13		
Employees		
(2)		
350		
338		
325		
Outside contractors		
(2)		
71		
67		
44		

(1) Total cash costs and total production costs are non-GAAP measures. For further information on these non-GAAP measures,
see "Item 5A.: Operating results – Total cash costs and total production costs".
(2) Average for the year.
(3) Remaining 33 percent shareholding acquired effective July 1, 2008.

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GLOBAL EXPLORATION

Total exploration expenditure in 2008 amounted to $183 million (including equity accounted joint ventures). The main aim of both the greenfield and brownfield exploration programs is to identify new attributable mineralized material.

Greenfields exploration

Greenfield exploration activities were undertaken in six countries – Australia, China, Colombia, the Democratic Republic of Congo (DRC), the Philippines and Russia – during 2008. A total of 304,371 meters of diamond, reverse circulation, and aircore drilling was completed in testing existing priority targets and in the delineation of new targets in Australia, Colombia, Russia, the DRC and China (refer to figure below).

Greenfield activities in Russia, China and the Philippines were undertaken predominantly through joint ventures and strategic alliances. While the discovery of new long-life, low-cost mines remains the principal aim of the greenfield exploration program, AngloGold Ashanti is also committed to maximizing shareholder value by divesting those exploration assets that do not meet its internal growth criteria and by opportunistically investing in prospective junior exploration companies.

Colombia

Drilling and modeling at La Colosa has rapidly defined a gold porphyry system with a grade of more than 0.3 g/t Au extending over a strike length in excess of 1,500 meters and a width of 600 meters.

Based on present drilling and geochemical observations, the La Colosa mineralization systems, including the La Belgica sector, remain open to the north, south and east. Various additional targets immediately surround the known La Colosa mineralization. This is the first significant gold porphyry discovery in the Colombian Andes, where AngloGold Ashanti has first mover advantage with granted and application tenements covering an area of some 61,700 square kilometers.

The La Colosa drill program was suspended in late February 2008 in order to comply with unexpected environmental requirements. All of the necessary documentation has been submitted to the relevant authorities for approval.

AngloGold Ashanti and its partners actively explored for precious and base metal deposits. In all, 294 targets were generated
by systematic exploration in an area covering 4.2 million hectares, on 408 mineral tenement contracts, joint venture partner
B2Gold Corp. continued delineation drilling at Gramalote, first phase drilling at Quebradona and continued reconnaissance and
drill target definition work in three departments in Colombia. Mineros S.A. drilled one target in Antioquia and conducted
reconnaissance and drill target definition work at two other targets within the Segovia joint venture in the Antioquia department.
Significant results were released from the Quebradona gold-copper porphyry project.

On receipt of all assay and geological data for the AngloGold Ashanti/B2Gold JV Quebradona drilling program, AngloGold
Ashanti has a period of 30 days in which to decide on its level of future participation in the project (49 percent, 51 percent or
65 percent interest). Glencore International remained focused on early stage exploration and conducted airborne geophysical
surveys within joint venture areas.

AngloGold Ashanti activities during the year also included flying in-house airborne magnetometry and radiometric surveys for a
total of 11,463 line kilometers.

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Democratic Republic of Congo

Exploration activities undertaken on the 10,000 square kilometer Concession 40 (AngloGold Ashanti 86.22 percent and OKIMO 13.78 percent) mineral claim that encompasses most of the Kilo greenstone belt and which remains largely unexplored by modern methods, included both regional work and additional drilling at and around the Mongbwalu area. Around Mongbwalu, detailed surface mapping and data integration are enhancing understanding of the immediate area's potential. At the Issuru prospect, located approximately 4 kilometers north of Mongbwalu, drilling defined potential economic mineralization over a strike length of approximately 800 meters and a width of up to 450 meters.

Regional exploration activities focused around four main areas including Lodjo, Bunia West, Mount Tsi and Petsi, all of which are all located within 50 kilometers of the Mongbwalu area. Field work concentrated on detailed mapping, soil sampling and trenching. Encouraging results were obtained from trench sampling at Lodjo. At the Petsi prospect, a 30 meters wide potentially gold mineralized shear zone has been identified by trenching over a distance of 1.8 kilometers. Results from infill soil sampling define an anomaly approximately 450 meters wide and 300 meters long. Regional aeromagnetic (5,550 square kilometers) and aerial EM surveys (1,224 square kilometers) were completed. Results of these surveys, combined with those from the regional geochemistry programs, will provide the platform from which to fast-track regional exploration over the concession. The findings of the DRC Minerals Review Commission have resulted in AngloGold Ashanti and the AGK joint venture engaging the DRC government to seek resolution and secure the rights to Concession 40. Exploration activities over the Concession 40 license were suspended in November 2008 following the deteriorating security situation which led to the precautionary withdrawal of most non-essential staff from the concession.

Russia

The formation of Zoloto Taigi, the AngloGold Ashanti/Polymetal strategic alliance vehicle was completed. It is anticipated that this strategic alliance will enable AngloGold Ashanti to increase its presence in Russia by pursuing new opportunities by participating in license auctions, acquiring equity in prospective projects and by project generation in new or less intensely explored areas. Exploration work to increase and upgrade the resource economics at Veduga was undertaken.

Trenching and
drilling at this advanced project have demonstrated strike continuation of mineralization from the south-eastern ore zone for a
further 500 meters along strike. At the recently acquired Penchenga property, regional soil geochemistry has begun. The
Bogunay project (42 square kilometers) was sold while negotiations on the sale of Anenskoye (11.8 square square kilometers)
and Aprelkovskoye (161 square kilometers) continue.

Africa

During 2008, greenfield activities in Africa concentrated on project reviews and regional target generation work in west, central
and east Africa.

Philippines

Final approval of the Mapawa Mineral Production Sharing Agreement (MPSA) is awaited from the Department of Environment
and Natural Resources (DENR) in Manila. Elsewhere in south-east Asia specific project reviews and project generation work
continue.

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China

In China, AngloGold Ashanti operates three co-operative joint ventures (CJVs) with local partners at Yili-Yunlong (Xinjiang Province), Jinchanggou (Gansu Province) and Pingwu (Sichuan Province). During 2008, AngloGold Ashanti withdrew from the Pingwu CJV at the time of the devastating Sichuan earthquake.

At the Jinchanggou CJV Project (Gansu Province), soil sampling on the eastern and western tenements indicated significant extensions to known mineralization with anomalous gold-in-soils over more than a 16 kilometer strike length. Final approval for the Jinchanggou CJV was received from the Gansu government in late June 2008. A subsequent program of diamond drilling and trenching designed to test the 16 kilometer long gold-in-soil anomaly was completed at the Jinchanggou project in December. Despite intersecting significant intervals of intense alteration and shearing in drilling, analytical results were disappointing.

Results from the diamond drilling program completed in 2007 to test a conceptual porphyry target on the tenements held by the Yili-Yunlong CJV (Xinjiang Province) returned low gold and copper results. Results of follow up work on other targets defined by soil sampling and geological mapping, and the investigation of geochemical anomalies coincident with silica-clay alteration, has led to the prospectivity of the area being downgraded.

An intense phase of project generation undertaken in China in 2008 resulted in tenement applications being lodged in three provinces of China; Xinjiang, Inner Mongolia and Heilongjiang.

Australia

In mid 2008, exploration at the Tropicana joint venture (AngloGold Ashanti 70 percent, Independence Group 30 percent) moved from a focus on mineralized identification drilling of the Tropicana-Havana deposit within the Tropicana Gold Project, to initial testing of targets within potential trucking distance of the planned operation. A large number of discrete targets have been identified within a 50-60 kilometer radius of the proposed plant site (see map).

Field mapping and rock chip sampling at the Black Dragon and Voodoo

Child prospects identified outcropping gold mineralization. Analysis of rock chip sampling from Black Dragon returned high-grade gold and silver results. Subsequent reverse circulation drilling has not explained these surface results.

A large geochemical gold anomaly (3 kilometers by 1 kilometer) has been defined at the Kamikaze prospect with encouraging results at the Tumbleweed prospect situated to the north of the area. Reverse circulation drilling returned significant results from several other prospects including Rusty Nail and Screaming Lizard.

Initial diamond drilling at Beachcomber, approximately 200 kilometers to the south and within the Tropicana joint venture area, intersected quartz veining with visible gold.

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In addition to the Tropicana joint venture area, which totals approximately 12,500 square kilometers, AngloGold Ashanti holds
100 percent of a substantial land package (approximately 6,764 square kilometers) in the Viking area. Most of the tenements in
the Viking project are recent applications, with some tenements having been granted in late 2008. Field activities will begin in
2009.

The recently acquired Bronco Plains joint venture (AngloGold Ashanti earning 50.4 percent) hosts an approximately 10 kilometer-long gold-in-soil anomaly peaking at 86 parts per billion gold. In terms of the joint venture agreement with Image
Resources, AngloGold Ashanti and Independence Group can earn a combined 72 percent interest in the project by spending
$2 million.

The Tropicana joint venture, Bronco Plains joint venture and the Viking project cover a total distance of 600 kilometers along
the margin of the Yilgarn Craton. The substantial Tropicana discovery, numerous prospects identified by AngloGold Ashanti
and promising results reported by other explorers give credence to the Tropicana belt being a strike-extensive new gold
province.

Brownfields exploration

Brownfields exploration, aimed at identifying replacement ounces for production, was undertaken around the globe at most
current operations- with the most success being in South Africa, Australia, Ghana and Guinea.

The brownfields exploration program for 2008 was aimed at replacing ounces at current operations.

Argentina

At Cerro Vanguardia, reconnaissance drilling continued with 45 kilometers of ve