

Global exploration

The replacement of production ounces through near-mine (brownfields) exploration continued to remain a high priority for AngloGold Ashanti in 2005. During the year, brownfields exploration activities continued around the group's main operations in Argentina, Australia, Brazil, Ghana, Guinea, Tanzania, Mali, Namibia, South Africa and the USA. Greenfields exploration activities in 2005 were primarily focused on the Democratic Republic of Congo (DRC), Colombia, Alaska, Laos, Philippines, Mongolia, China, and Russia, with exploration in the relatively mature terrains of Peru, Tanzania, Ghana, and Mali being curtailed. Whilst the principal objective of the greenfields exploration group is to discover new long-life, low-cost mines for AngloGold Ashanti, the company will seek to optimise value in exiting or selling those exploration assets that do not meet its internal growth criteria and also by opportunistically investing in prospective junior exploration companies.

During 2005, total exploration expenditure amounted to \$79 million, of which \$42 million was spent on brownfields exploration. The remainder, \$37 million, was spent on greenfields exploration in Colombia, Peru, Alaska, Mongolia, China, Russia, Ghana, South East Asia, Australia and the DRC. Exploration expenditure is expected to total \$91 million in 2006, \$55 million on brownfields and \$36 million on greenfields exploration.

Argentina

At Cerro Vanguardia, ongoing reconnaissance and resource definition drilling added a total of 0.14 million ounces to the Mineral Resource principally from the Loma Sur, Atila, Zorro and newly-discovered Serena veins.

Data derived from a detailed ground magnetic survey is currently being processed, to identify additional new blind mineralised veins.



Australia

Drilling at Sunrise Dam intersected numerous, narrow high-grade lodes beneath the current pit which have become accessible from the Daniel decline development to the south. Near-mine activities concentrated on testing underground strike extensions and the Carey Shear potential at depth.

Through the Tropicana Joint Venture with Independence Group NL, AngloGold Ashanti has earned a 70% interest in a 7,500 square kilometre tenement package that lies some 200 kilometres east-south-east of Sunrise Dam and within the Proterozoic-age Albany-Fraser Mobile Belt. No significant gold exploration has previously been undertaken in the Tropicana district. This belt lacks a history of exploration. In addition to the Tropicana, Rusty Nail and Kamikaze prospects, where initial drilling has been conducted, extensive anomalies have been identified by an ongoing soil sampling campaign, with data having been collected over approximately 60% of the ground holding.

Mineralisation at the Tropicana prospect has been identified over a strike length of greater than one kilometre by drilling and induced polarisation (IP) geophysical surveys. Significant intersections from wide-spaced diamond and reverse circulation drilling include 32 metres at 6.6g/t, 9 metres at 6.3g/t, 20 metres at 2.3g/t, 26 metres at 2.2g/t, as well as 10 metres at 4.1g/t and 38 metres at 3.0g/t and also 10 metres at 7.9g/t. An IP geophysical survey and limited drilling, completed late in the year, have identified a parallel zone of mineralisation. For a complete listing of results see Independence Group NL news releases on www.independencegroup.com.au

At Yarmana, drilling results were disappointing and the project, together with a number of projects in the Yilgarn and Tanami regions were divested, completing the rationalisation of the Australia region's greenfields exploration programme.

Brazil

Brownfields exploration continued on the company's leases in the Iron Quadrangle in Minas Gerais State, where the Cuiabá and Córrego do Sítio mines and the Lamego prospect are located, and also at Serra Grande near Crixás.

At Córrego do Sítio, exploratory underground development in the Cachorro Bravo orebody was ongoing and continued to confirm the lateral and down-dip continuity of the mineralisation at anticipated thicknesses and grades. Ongoing surface and underground drilling of the deeper oxide and sulphide mineralisation added 1.39 million Mineral Resource ounces during 2005, principally at the Laranjeiras orebody, bringing the total Mineral Resource to 2.50 million ounces at 7.09g/t. Underground development drilling is continuing and a pre-feasibility study is in progress.

At Lamego, late in 2005, exploratory underground development accessed the higher grade Carruagem orebody, and further evaluation of the mineralisation is planned.

At Crixás, the testing of targets in the mine area is ongoing but no significant Mineral Resources were added this year.

Canada

In 2005 the company decided to convert all of its remaining interests in the Red Lake Mining District in Ontario into a royalty position.

China

During 2005, project generation activities identified a number of exploration projects and discussions are in progress to proceed with these through co-operative joint ventures.

Colombia

During 2005, AngloGold Ashanti continued with early-stage exploration in Colombia and one target was drill-tested with negative results. Numerous targets will be followed up and drill-tested in 2006.

Democratic Republic of Congo (DRC)

Drilling commenced at Mongbwalu in 2005 and the results support historical tonnage and grade estimates of 1.2 million ounces at 9.9g/t. A 3 million ounce inferred Mineral Resource is being targeted at Addidi/Kanga D7 in 2006 and definition drilling will commence in the 10-kilometre by 15-kilometre Mongbwalu Ridge region. This is in addition to drill-testing of both high-grade, underground vein and lower-grade,

open-pit targets. An evaluation of the regional upside will also commence given that the current concession covers virtually the entire Kilo Greenstone Belt.

Ghana

All satellite exploration activities were stopped, with the properties either being disposed of or ceded back to the licence holders.

At Obuasi, a target generation exercise has identified several surface targets that require follow-up in 2006. Progress on the two surface holes, which are anticipated to intersect the Obuasi Fissure at 3,400 metres below the surface, has been slow due to technical drilling problems.

Guinea

The oxide exploration programme at Siguiri has delineated a total of 0.67 million ounces of new Mineral Resources, of which 0.57 million ounces were delineated at Kintinian, which is situated 5 kilometres to the north of the current operations.

Laos

A desktop review in conjunction with geochemical sampling and regional reconnaissance mapping was undertaken to assess prospective areas under the joint venture with Oxiana Limited and has defined three priority areas.

Mali

AngloGold Ashanti terminated greenfields exploration in the south of Mali in 2005 and has divested the exploration properties.

At Sadiola, three oxide targets will require follow up drilling in 2006.

At Morila, exploration drilling focused mainly on the Samacline target approximately 800 metres to the north-west of the main orebody. A broad envelope of lower grade mineralisation (1g/t – 4g/t) which at times hosts discrete lenses of higher grades (+5g/t), has formed the basis of conceptual modelling to test the viability of a small-scale underground operation. A regional drilling programme commenced in late 2005.

Mongolia

Drilling at the Altun Uul project, in the south-west Gobi, has revealed a mid-size, low-gold tenor shear-related system, with limited upside and AngloGold Ashanti has withdrawn from the area. Two epithermal projects, Elgen Uul and Bayan Adraga will require follow-up work in 2006.

Namibia

At Navachab, exploration focused on the Grid A West and East areas, located 5 kilometres from the Navachab mine.

Peru

All exploration activities were terminated and the tenements and data packages are either being sold or farmed out to third parties.

Philippines

Reconnaissance investigations have commenced in one of the areas defined in the strategic alliance with Red 5 Limited, which is located approximately 20 kilometres north of the Siana Gold Project.

Russia

AngloGold Ashanti continues to explore a number of avenues to build an exploration portfolio, including an association with strategic local partners and various properties were investigated in 2005. Through its technical consultancy agreement and board representation, AngloGold Ashanti continues to support Trans-Siberian Gold in the proposed development of its Asacha and Veduga projects. An increased involvement in the management of Trans-Siberian Gold has been implemented to facilitate decisions on the future of the Asacha and Veduga projects in the medium term.

South Africa

Three surface boreholes were completed in the Vaal River area during 2005. Borehole JAL1, drilled to the south-west of Kopanang, returned an average value of 11.11g/t over 32.9 centimetres (yielding 365 cm g/t), resulting in a modified gold value and tonnage for the nearby Edom property. Drilling of two boreholes is in progress in the Moab Khotsonq “Lower Mine” project area, to test the grade and structure.

Tanzania

Detailed soil geochemistry, geological mapping and sampling in the Kigosi North properties focused on targets generated from an airborne geophysical survey. The exploration of these properties takes place under an option agreement with Tan Range Exploration Corporation.

At Mkurumu, a joint venture with Anglo Tanzania Gold Limited, a wholly owned subsidiary of Draig Mineral Developments Limited, was signed and they are the operators of the project. Detailed mapping and systematic soil sampling was started in 2005.

At Geita, exploration activities focused on orebody extension and regional exploration at Nyamulilima Hill, and in the gaps between the existing orebodies within the three main mineralised trends at Nyamulilima, Kukuluma-Matandani and Geita-Nyankanga.

United States

At Cripple Creek & Victor, drilling at a 120 metre spacing delineated four new, open-ended, mineralised zones with potential upside, which will be followed up in 2006.

In 2005, AngloGold Ashanti focused its North American greenfields exploration in Alaska with the drilling of three projects and regional target generation activities. Two of the three projects drilled, Lost Mine South (LMS) and Terra, returned positive results and identified open-ended ore zones with potential upside. The LMS discovery is a low-angle, high-grade vein system, located 40 kilometres south-west of the Pogo mine and within 15 kilometres of existing infrastructure. The Terra discovery consists of a series of low-sulphidation, high-grade veins within a new epithermal district in the western Alaska Range. The development of both of these new discoveries was from the follow-up of the 2004 target generation programme. In 2005, the regional target generation programme defined five new projects, which will be explored in 2006.

The ER and Eagle projects, near Pogo, were divested. In addition, AngloGold Ashanti vended its Nevada database into an exploration alliance with Canadian junior, Redstar Gold Corporation. The alliance provides AngloGold Ashanti with a claw-back right on any new project developed during the vesting period.