

## Directors' report

### Nature of business

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

### Holding company

The company's holding and ultimate holding companies are respectively:

- Anglo South Africa Capital (Proprietary) Limited
- Anglo American plc (incorporated in England and Wales)

The effective shareholding of Anglo American plc in the issued share capital of the company at the undermentioned dates was as follows:

	31 January 2006	31 December 2005	31 December 2004
<b>Ordinary shares held</b>			
Number	134,788,099	<b>134,788,099</b>	134,788,099
Percentage	50.85	<b>50.88</b>	50.97

On 26 October 2005 Anglo American plc announced that it intended to provide the company with greater flexibility to pursue its strategy and that it intended to reduce its shareholding in the company, while still intending to remain a significant shareholder in the medium term. In a responding announcement the company welcomed this decision. On 22 February 2006, Anglo American plc announced that it would reduce its percentage ownership in AngloGold Ashanti through a proposed public secondary offering. The effect of the offering may result in a reduction in the number of members affiliated with Anglo American plc on the board of AngloGold Ashanti.

### Share capital

There was no change to the authorised share capital of the company during 2005. The authorised ordinary share capital of AngloGold Ashanti is R100m in 400m shares of 25 South African cents each.

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

### Issued shares

	2005		2004	
	Number of shares	Rand	Number of shares	Rand
At 1 January	264,462,894	66,115,724	223,136,342	55,784,086
<b>Issues during year</b>				
Issued in terms of business combination with Ashanti Goldfields Company Limited	–	–	41,133,752	10,283,438
Exercise of options by participants in the AngloGold Share Incentive Scheme	475,538	118,884	192,800	48,200
At 31 December	264,938,432	66,234,608	264,462,894	66,115,724
<b>Issued subsequent to year-end</b>				
Exercise of options by participants in the AngloGold Share Incentive Scheme	110,100			
At 31 January 2006	265,048,532			

The A and B redeemable preference shares, all of which are held by a wholly-owned subsidiary Eastvaal Gold Holdings Limited, and which may not be transferred and are redeemable from the realisation of the assets relating to the Moab Lease area after cessation of mining operations in the area. The shares carry the right to receive dividends equivalent to the profits (net of royalty, ongoing capital expenditure and taxation) from operations in the area.

Further details of the authorised and issued shares, as well as the share premium, are given in Note 28 to the group's financial statements.

### Unissued shares

	2005 Number of shares	2004 Number of shares
At 1 January	135,537,106	176,863,658
Issues during year	475,538	41,326,552
Gross unissued shares at 31 December	135,061,568	135,537,106
Issues subsequent to year-end	110,100	
Gross unissued shares at 31 January 2006	134,951,468	
Maximum number of shares set aside in terms of specific authorities granted by shareholders for purposes of:		
– the Share Incentive Scheme	7,288,834	
– the 2.375% guaranteed convertible bonds	15,384,615	
Net unissued shares at 31 January 2006	112,278,019	

### Unissued shares under the control of directors

In terms of the authority granted by shareholders at the annual general meeting held on 29 April 2005, 10% of the authorised but unissued ordinary share capital remaining at that date, after setting aside so many ordinary shares as may be required to be allotted and issued pursuant to the Share Incentive Scheme and for the purposes of the conversion of the \$1 billion, 2.375% guaranteed convertible bonds, issued by AngloGold Ashanti Holdings plc, are placed under the control of the directors. This authority expires at the next annual general meeting.

The unissued shares under the control of the directors at 31 December 2005 were as follows:

	Shares	Rand
Authorised share capital	400,000,000	100,000,000
Shares in issue at 29 April 2005	264,527,894	66,131,974
Unissued shares at 29 April 2005	135,472,106	33,868,026
Less: Shares set aside in terms of:		
– Share Incentive Scheme	7,274,517	1,818,629
– Guaranteed Convertible Bonds	15,384,615	3,846,154
Net unissued shares at 29 April 2005	112,812,974	28,203,243
Unissued shares under the control of the directors at 29 April 2005 (10% of net unissued shares)	11,281,297	2,820,324
Less: Shares issued at the discretion of the directors	–	–
At 31 December 2005	11,281,297	2,820,324

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

The company has not exercised the general approval to buy back shares from its issued ordinary share capital, granted at the annual general meeting held on 29 April 2005. At the next annual general meeting shareholders will be asked to renew the general authority for the acquisition by the company, or a subsidiary of the company, of its own shares.

### American Depositary Shares

At 31 December 2005, the company had in issue through The Bank of New York as Depositary, and listed on the New York Stock Exchange (NYSE), 48,702,313 (2004: 45,217,297) American Depositary Shares (ADSs). Each ADS is equal to one ordinary share.

At 31 January 2006, there were 48,093,545 ADSs in issue and listed on the NYSE.

### Ghanaian Depositary Shares

At 31 December 2005, the company had in issue through NTHC Limited as Depositary, and listed on the Ghana Stock Exchange (GSE), 21,848,600 (2004: 22,246,200) Ghanaian Depositary Shares (GhDSs). Every 100 GhDSs has one underlying AngloGold Ashanti ordinary share and carries the right to one vote. There has been no change since 31 December 2005.

### AngloGold Share Incentive Scheme

AngloGold Ashanti operates a share incentive scheme for the purpose of providing an incentive to executive directors, executive officers and managers of the company and its subsidiaries to identify themselves more closely with the fortunes of the group and its continued growth, and to promote the retention of such employees by giving them an opportunity to acquire shares in the company. Non-executive directors are not eligible for participation in the share incentive scheme.

The maximum number of ordinary shares that may be allocated for the purposes of the scheme is equivalent to 2.75% of the total number of ordinary shares in issue at any time, while the maximum aggregate number of shares which may be acquired by any one participant in the scheme is 5% of the ordinary shares allocated for the purposes of the share incentive scheme (or 0.1375% of the total number of ordinary shares in issue) at any one time.

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

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

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

#### Time-related

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

Time-related options vest over a five-year period from date of grant and may be exercised in tranches of 20% each in years two, three and four and 40% in year five.

#### Performance-related

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

Performance-related options granted vest in full, three years after date of grant, provided that the conditions under which the options were granted, are met.

**Bonus Share Plan (BSP)**

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

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

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

The AngloGold Share Incentive Scheme is summarised as follows:

The maximum number of ordinary shares that may be allocated for purposes of the scheme, equivalent to 2.75% of the total number of ordinary shares in issue at that date, is:

	31 January 2006	31 December 2005	31 December 2004
	7,288,834	7,285,807	7,272,730

The maximum aggregate number of ordinary shares which may be acquired by any one participant in the share incentive scheme at that date is:

	31 January 2006	31 December 2005	31 December 2004
	364,442	364,291	363,637

As is required to be disclosed in terms of the AngloGold Share Incentive Scheme and stock exchange regulations, the movement in respect of options and rights granted and the ordinary shares issued as a result of the exercise of options and rights during the year 1 January 2005 to 31 January 2006 is:

**Options and rights**

	Time-related	Performance-related	Bonus Share Plan	Long-Term Incentive Plan	Total	Average exercise price per ordinary share	Ordinary shares issued
At 1 January 2005	1,391,060	3,425,900	–	–	4,816,960	212.69	2,240,140
Movement during year							
– Granted	–	–	283,915	368,500	652,415	197.50	–
– Exercised	471,950	3,300	288	–	475,538	126.64	475,538
– Lapsed – terminations	54,400	525,600	11,682	5,000	596,682	235.02	–
At 31 December 2005	864,710	2,897,000	271,945	363,500	4,397,155	216.71	2,715,678
Subsequent to year-end							
– Exercised	110,100	–	–	–	110,100	130.72	110,100
– Lapsed – terminations	–	–	–	–	–	–	–
At 31 January 2006	754,610	2,897,000	271,945	363,500	4,287,055	130.72	2,825,778

Analysis of options and rights outstanding at 31 December 2005:

Holding	Holders	Number	Total exercise price – R000
1 – 100	62	5,410	1,069
101 – 500	99	19,830	3,916
501 – 1,000	65	59,710	14,052
1,001 – 5,000	419	1,346,530	326,809
5,001 – 10,000	119	870,105	198,411
10,001 – 100,000	86	1,855,835	372,464
Over 100,000	1	239,735	36,193
<b>Total</b>	<b>851</b>	<b>4,397,155</b>	<b>952,914</b>

## Financial results

The financial statements set out fully the financial position, results of operations and cash flows of the group and the company for the financial year ended 31 December 2005. A synopsis of the financial results for the year is set out in the summarised group financial and operating results on pages 12 to 15.

## Review of operations

The performance of the various operations are comprehensively reviewed on pages 43 to 78.

## Dividends

### Dividend policy

Dividends are proposed and approved by the board of directors of AngloGold Ashanti, based on the interim and year-end financial performance. Dividends are recognised when declared by the board of directors of AngloGold Ashanti. AngloGold Ashanti expects to continue to pay dividends, although there can be no assurance that dividends will be paid in the future or as to the particular amounts that will be paid from year to year. The payments of future dividends will depend upon the board's ongoing assessment of AngloGold Ashanti's earnings, financial condition, including its cash needs, future earnings prospects and other factors.

### Dividends declared since 1 January 2005

	Final dividend number 97	Interim dividend number 98	Final dividend number 99
Declaration date	26 January 2005	27 July 2005	9 February 2006
Last date to trade ordinary shares cum dividend	11 February 2005	12 August 2005	23 February 2006
Record date	18 February 2005	19 August 2005	3 March 2006
Amount paid per ordinary share			
– South African currency (cents)	180	170	62
– United Kingdom currency (pence)	15.49	14.78	5.81
– Ghanaian currency (cedis)	2,683.08	2,381.75	920.02
Amount per CDI* – Australian currency (cents)	7.55	6.81	2.75
Payment date	25 February 2005	26 August 2005	10 March 2006
Amount per GhDS** – Ghanaian currency (cedis)	26.83	23.81	9.20
Payment date	28 February 2005	29 August 2005	13 March 2006
Amount per ADS*** – United States currency (cents)	30.37	26.09	10#
Payment date	7 March 2005	6 September 2005	20 March 2006

Rounding may result in computational differences

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

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

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

# Illustrative value. The actual rate of payment will depend on the exchange rate on approximately 10 March 2006

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

## Borrowings

The company's borrowing powers are unlimited. As at 31 December 2005, the group's borrowings totalled \$1,894m, R12,015m (2004: \$1,605m, R9,062m).

On 19 February 2004, AngloGold announced the launch of an offering of \$900m convertible bonds due 2009, subject to increase by up to \$100m pursuant to an option, by its wholly owned subsidiary, AngloGold Holdings plc. The bonds are guaranteed by AngloGold Ashanti. This was followed by an announcement on 20 February 2004 which advised the pricing of the offering at 2.375%, while on 25 February 2004, AngloGold announced that the bond managers had exercised the option to subscribe for additional bonds in a principal amount of \$100m, increasing the offering to \$1 billion. The offer closed and was settled on 27 February 2004. The \$1 billion remains outstanding.

On 27 January 2005 AngloGold Ashanti announced the signing of a new three-year \$700m revolving credit facility to replace the \$600m facility which matured in February 2005. The new facility, which will be used for general corporate purposes, will reduce the group's cost of borrowing with the borrowing margin over LIBOR reducing from 70 basis points to 40 basis points. The facility was arranged with a number of AngloGold Ashanti's local and international relationship banks.

## Significant announcements

On 27 January 2005, AngloGold Ashanti announced that the board of directors had approved a \$121m expansion project at the company's Cuiabá mine in south-eastern Brazil. It is anticipated that commissioning will take place in December 2006, with full production by the end of the second quarter of 2007. The expansion project would result in production increasing from 190,000oz/year to 250,000oz/year at an estimated cost of \$169/oz over the life of the project and would extend the life of mine profile by six years to 2019.

On 28 April 2005, the company announced that agreement had been reached with Trans-Siberian Gold plc (TSG) on revised terms for the second subscription of shares in TSG, and a revised subscription price of £1.30 per share, compared to £1.494 per share agreed between the parties on 30 June 2004. The revised terms of the subscription were approved by TSG shareholders on 27 May 2005 and AngloGold Ashanti's 17.5% equity interest in TSG increased to 29.9% on 31 May 2005, the date on which the second subscription was completed.

On 29 April 2005, AngloGold Ashanti announced the conditional sale of exploration assets in the Laverton area in Australia, comprising the Sickie royalty of \$30 per ounce, the Child Harold prospect, various 100% AngloGold Ashanti Australia-owned interests including the Lord Byron and Fish projects as well as its interests in the Jubilee, Black Swan and Jasper Hills Joint Ventures, to Crescent Gold Limited, for a total consideration of A\$4m, \$3m, A\$0.3m, \$0.2m was payable on the execution of a binding sale and purchase agreement, A\$1m, \$0.8m is payable in Crescent Gold shares and A\$3m, \$2m is payable in cash, on or before 15 December 2006.

On 19 July 2005, Aflease Gold and Uranium Resources Limited (Aflease) announced that it had purchased from AngloGold Ashanti, its Weltevreden mine in an all script deal valued on 6 May 2005 at R75m, \$11m. Subsequently, Aflease was acquired by srx Uranium One Inc. Further details on this transaction are given in note 27 to the group's financial statements.

On 27 July 2005, AngloGold Ashanti reached an agreement with the government of Guinea to amend the Convention de Base (stability agreement) and resolve all outstanding disputes for a sum of \$7m, R45m. In addition, the company has agreed as part of this settlement to meet historical and follow-up fees and costs of a consultant that the government retained to advise and assist it in its negotiations and resolution of the dispute. In consideration of the above settlement, the government has irrevocably confirmed its waiver and abandonment of all claims and disputes of any nature whatsoever against the AngloGold Ashanti group of companies.

On 11 August 2005, AngloGold Ashanti announced that it had disposed of its La Rescatada project for a total consideration of \$12.5m, R84m with an option to repurchase 60% of the project should reserves in excess of 2Moz be identified within three years. The exploration project is located approximately 800 kilometres south-east of the city of Lima in Peru.

On 27 February 2006, AngloGold Ashanti announced that it had signed an agreement with China explorer, Dynasty Gold Corporation, to acquire an effective 8.7% stake in that company, through a purchase of 5.75 million Dynasty units at a price of C\$.40 each. Each unit will consist of one common share and one-half common share purchase warrant, exercisable at a price of C\$0.60 per unit for two years.

## Investments

Particulars of the group's principal subsidiaries and joint venture interests are presented on page 246.

## Litigation

There are no legal or arbitration proceedings in which any member of the AngloGold Ashanti group is or has been engaged, including any such proceedings which are pending or threatened of which AngloGold Ashanti is aware, which may have, or have had during the 12 months preceding the date of this Annual Report 2005, a material effect on the group's financial position.

## Material change

There has been no material change in the financial or trading position of the AngloGold Ashanti group since the publication of its results for the quarter and year ended 31 December 2005.

## Material resolutions

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

	Nature of resolution	Effective date
AngloGold Ashanti Limited	Passed at the annual general meeting held on 29 April 2005: General approval for the acquisition by the company, or a subsidiary of the company, of its own shares.	17 May 2005
<b>Subsidiaries</b>		
AngloGold Brasil Ltda	Change of name to AngloGold Ashanti Brasil Ltda	3 January 2005
AngloGold Holdings plc	Adoption of New Memorandum and Articles of Association Change of name to AngloGold Ashanti Holdings plc	2 September 2005 18 October 2005
Ashanti Exploration Limited	Change of name to AngloGold Ashanti Exploration (Ghana) Limited	18 February 2005

## Annual general meetings

At the 61st annual general meeting held on 29 April 2005, shareholders passed ordinary resolutions relating to:

- the adoption of the annual report for the year ended 31 December 2004;
- the re-election of Mr CB Brayshaw, Mr AW Lea, Mr WA Nairn and Mr KH Williams as directors of the company;
- the election of Dr SE Jonah, Mr SR Thompson and Mr PL Zim, who were appointed since the previous annual general meeting, as directors of the company;
- the renewal of a general authority placing 10% of the unissued ordinary shares of the company, after setting aside sufficient shares attributable to the Share Incentive Scheme and guaranteed convertible bonds, under the control of the directors;
- the granting of a general authority to issue ordinary shares in the capital of the company for cash, subject to certain limitations in terms of the Listings Requirements of the JSE; and
- the approval of the introduction of the Long-Term Incentive Plan and the Bonus Share Plan.

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

Notice of the 62nd annual general meeting, which is to be held in Johannesburg at 11:00 on Friday, 5 May 2006, is enclosed as a separate document with the Annual Report 2005. Additional copies of the notice of meeting may be obtained from the company's corporate contacts and the share registrars or may be accessed from the company's website.

## Directorate and secretary

Mr DL Hodgson retired from the board on 29 April 2005 followed by Mr AW Lea and Mr JG Best both on 31 July 2005. On 1 May 2005 Messrs R Carvalho Silva and NF Nicolau were appointed to the board. Mr R Médori and Mr S Venkatakrishnan were appointed on 1 August 2005.

The directors retiring by rotation at the forthcoming annual general meeting in terms of the articles of association are Mr FB Arisman, Mrs E le R Bradley, Mr RP Edey, Mr RM Godsell and Dr TJ Motlatsi who, being eligible, offer themselves for re-election.

In addition to the abovementioned directors, Mr R Carvalho Silva, Mr NF Nicolau, Mr R Médori and Mr S Venkatakrishnan, who were appointed as directors during the year, and Mr RE Bannerman, who was appointed a director on 10 February 2006, are due to retire at the annual general meeting and offer themselves for election.

Non-executive directors do not hold service contracts with the company. Mr Godsell, who offers himself for re-election, holds a service contract with the company, terminable on the giving of not less than 12 months' notice.

The names of the directors and alternate directors of the company in office at the date of this report are listed on pages 23 and 24.

Biographies of the board of directors appear on pages 23 and 24.

There has been no change in the offices of managing secretary and company secretary whose names and business and postal addresses are set out on page 268 of this report.

### Directors' interests in shares

The interests of the directors and alternate directors in the ordinary shares of the company at 31 December 2005, which did not individually exceed 1% of the company's issued ordinary share capital, were:

	31 December 2005			31 December 2004		
	Beneficial		Non-beneficial <sup>(1)</sup>	Beneficial		Non-beneficial <sup>(1)</sup>
	Direct	Indirect		Direct	Indirect	
<b>Executive directors</b>						
JG Best (retired 1 August 2005)	-	-	-	-	-	-
R Carvalho Silva (appointed 1 May 2005)	-	-	-	-	-	-
RM Godsell	9,177	-	-	460	-	-
DL Hodgson (retired 29 April 2005)	-	-	-	-	430	-
Dr SE Jonah (until 31 July 2005)	-	-	-	6,297	-	-
NF Nicolau (appointed 1 May 2005)	100	-	-	-	-	-
S Venkatakrishnan (appointed 1 August 2005)	652	-	-	-	-	-
KH Williams	-	920	-	-	920	-
<b>Total</b>	<b>9,929</b>	<b>920</b>	<b>-</b>	<b>6,757</b>	<b>1,350</b>	<b>-</b>
<b>Non-executive directors</b>						
FB Arisman	-	2,000	-	-	2,000	-
Mrs E le R Bradley	-	23,423	13,027	-	23,423	26,027
CB Brayshaw	-	-	-	-	-	-
RP Edey	-	1,000	-	-	1,000	-
Dr SE Jonah (from 1 August 2005)	6,297	-	-	-	-	-
AW Lea (retired 1 August 2005)	-	-	-	-	-	-
R Médori (appointed 1 August 2005)	-	-	-	-	-	-
Dr TJ Motlatsi	-	-	-	-	-	-
WA Nairn	-	-	-	-	-	-
SR Thompson	-	-	-	-	-	-
AJ Trahar	-	-	-	-	-	-
PL Zim	-	-	-	-	-	-
<b>Total</b>	<b>6,297</b>	<b>26,423</b>	<b>13,027</b>	<b>-</b>	<b>26,423</b>	<b>26,027</b>
<b>Alternate directors</b>						
DD Barber	-	-	-	-	-	-
AH Calver	-	46	-	-	46	-
PG Whitcutt	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>46</b>	<b>-</b>	<b>-</b>	<b>46</b>	<b>-</b>
<b>Grand total</b>	<b>16,226</b>	<b>27,389</b>	<b>13,027</b>	<b>6,757</b>	<b>27,819</b>	<b>26,027</b>

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

There have been no changes in the above interests since 31 December 2005 and Mr R E Bannerman, who was appointed a director on 10 February 2006, holds no interest in the company's ordinary shares.

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

### Annual financial statements

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

In preparing the annual financial statements reflected in dollars and South African rands on pages 128 to 245, the group has complied with International Financial Reporting Standards (IFRS) and has used appropriate accounting policies supported by reasonable and prudent judgements and estimates. The directors are of the opinion that these financial statements fairly present the financial position of the company and the group at 31 December 2005, and the results of their operations and cash flow information for the year then ended.

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

Cash and cash equivalents at 31 December 2005 amounted to \$209m, R1,328m, together with cash budgeted to be generated from operations in 2006 and the net incremental borrowing facilities available are, in management's view, adequate to fund operating, mine development and capital expenditure and financing obligations as they fall due for at least the next twelve months. Taking these factors into account, the directors of AngloGold Ashanti have formed the judgement that, at the time of approving the financial statements for the year ended 31 December 2005, it is appropriate to use the going concern basis in preparing these financial statements.

The external auditors, Ernst & Young, are responsible for independently auditing and reporting on the financial statements in conformity with International Standards of Auditing and the Companies Act in South Africa. Their unqualified report on these financial statements appears on page 112.

To comply with requirements for reporting by non-US companies registered with the SEC, the company has prepared a set of financial statements in accordance with US Generally Accepted Accounting Principles (US GAAP) which will be available from The Bank of New York to holders of the company's securities listed in the form of American Depositary Shares on the NYSE. Copies of the annual report on Form 20-F, which must be filed with the SEC by no later than 30 June 2006, will be available to stakeholders and other interested parties upon request to the company's corporate office or its contacts as listed on page 268 of this report.

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