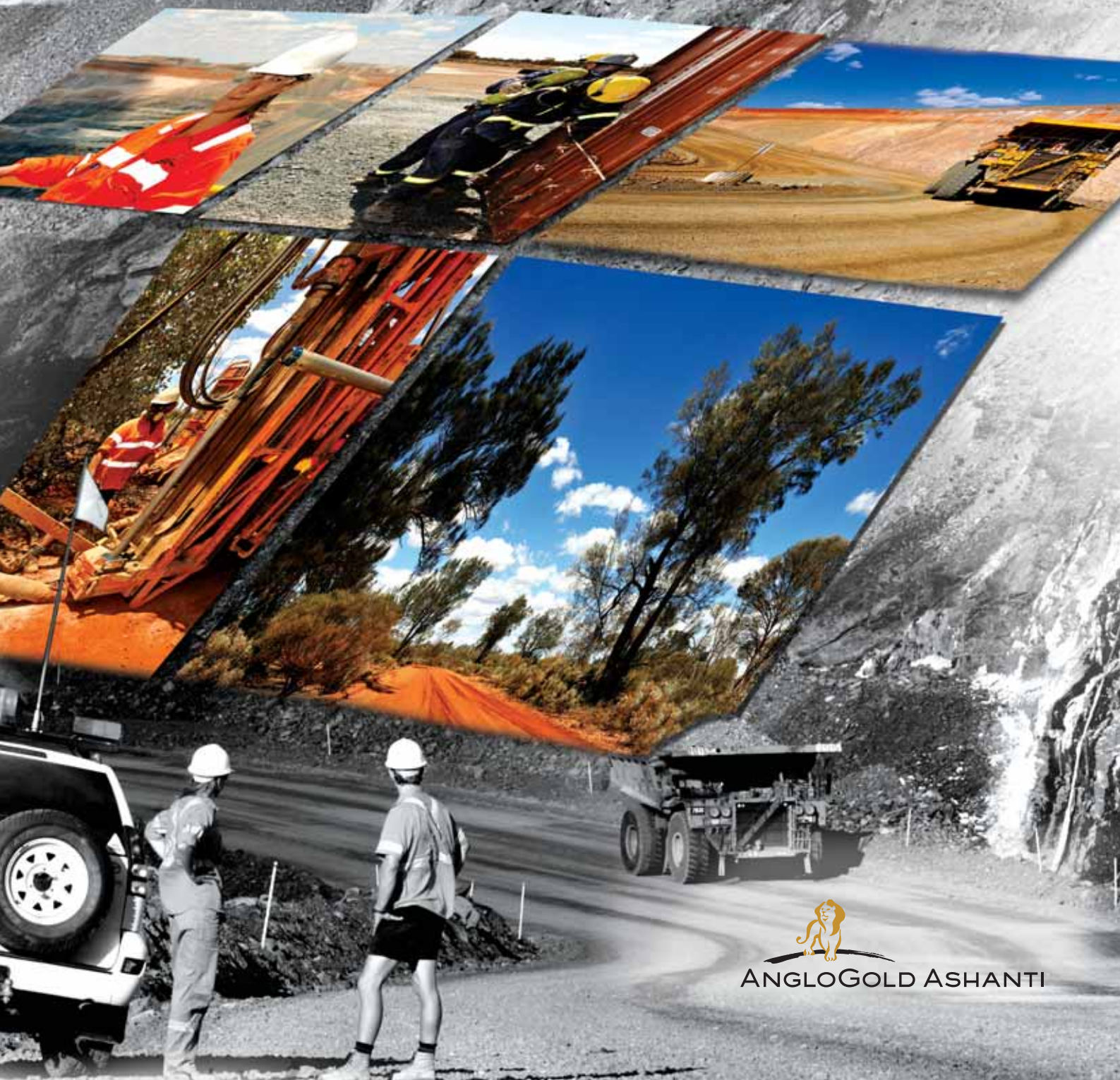


Australia

Country Report 2008



Australia

Country Report 2008

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SCOPE OF REPORT

The Country and Operational Reports, of which this is one, are produced annually as a component of AngloGold Ashanti's Report to Society which, in turn, forms part of a suite of annual reports through which the company communicates with a wide range of stakeholders and business partners. These stakeholders and business partners include shareholders, employees, community members and many other interested parties in all the countries and regions in which the group operates, as well as regional and national governments.

The main purpose of the Country and Operational Reports, which are primarily web-based documents available in pdf format, is to provide a greater level of detail on the issues and challenges of sustainable development within each area of operation. However, they also draw on information from the company's Annual Financial Statements and Mineral Resource and Ore Reserve Report so that the reader forms a complete picture of the operation/s in the country in question.

This report has been produced in accordance with the G3 guidelines of the Global Reporting Initiative (GRI) and in alignment with the principles of the International Council on Mining and Metals (ICMM). AngloGold Ashanti is an organisational stakeholder of the former and a member of the latter. This report also conforms to the reporting requirements of the UN Global Compact and the Extractive Industries Transparency Initiative (EITI) both of which are supported by AngloGold Ashanti.

The full set of AngloGold Ashanti annual reports is available at www.aga-reports.com or, on request, in hard copy from the contacts detailed at the end of this report.

Message

from Executive Vice President Australasia



As "Safety is our First Value", I would like to start with a few safety observations. Year-on-year we continued to improve our safety performance in the region. In early 2009, Sunrise Dam achieved one year free of lost time injuries and, in 2008, our total recordable injury frequency rate improved by 13%. With a superior effort, Sunrise Dam's Emergency Response Team won both the surface and the underground mine rescue competitions in Western Australia (WA).

This performance is very commendable and, with our target to improve safety by 20% each year, we need to challenge ourselves, individually and collectively, as to what we can do to further improve our performance. I think we have made a very good start through the safety leadership forums, safety recognition programmes and risk reviews. The leadership forums challenge each of us to evaluate our personal safety values, and link those to AngloGold Ashanti's values. Ideas from those discussions are being worked into our region's 2010 – 2011 safety vision and strategy.

There were no significant environmental incidents, nor breaches of our operating licence conditions in 2008.

Our business in Australia performed well. **Sunrise Dam** exceeded budget, producing 430,000 ounces. Despite an environment of high mining cost escalation and skills shortage in WA, Sunrise Dam was able to contain costs. Of particular note was that Mineral Resources grew by 25% and Ore Reserves grew by 16%, after depletions. For the first time, underground Ore Reserves reached 1 million ounces, and Mineral Resources reached 2.5 million ounces. Through a combination of improved mining methods and productivity improvements, we are targeting continued underground production and cost improvements.

In early 2009, AngloGold Ashanti announced the sale of our one third share in the Boddington Gold Mine to our partner, Newmont Mining. The sale of this non-managed asset significantly strengthened AngloGold Ashanti's balance sheet, allowing the group to focus on other opportunities. We have confidence in the project and wish Newmont and the Boddington team well in getting this world class mine into production.

Working with our partner, Independence Group, we continue to define the **Tropicana Project**. The study team has made excellent progress, growing the immediate Mineral Resource to 5 million ounces, demonstrating the excellent potential and endowment of the region and developing the right scope and dimensions of the project. We expect the pre-feasibility study to be completed by mid-2009, after which the feasibility study will commence.

The Tropicana Project team has prepared the foundations for the environmental approval process. The environment in which we plan to develop the project is beautiful in its remoteness and diversity. We must develop the project sensitively and carefully. As there was very little knowledge about the area, our surveys have attempted to gather information over a much larger area than the proposed footprint of the immediate project, and we have worked very closely with local communities, interested groups and government to ensure we are doing the right work to define our approach to developing the project.

We acknowledge the Traditional Owners of the country in which we operate and our relationship with them is important to AngloGold Ashanti. As we continue to operate at Sunrise Dam, develop Tropicana and explore within Australia, we will always do so in close consultation with the Traditional Owners of land in the respective regions. We thank them for their help with our surveys and developing our understanding of the country.

During the year, AngloGold Ashanti continued to support the communities in which we operate, and we thank those communities for the opportunity and for the recognition. Of note and with our partners, Carey Mining, Downer EDI, Curtin University and the Art Gallery of Western Australia, we were awarded the Best Private Sector – Arts Relationship in the 2008 Western Australian Business and Arts Partnership Awards for an Indigenous Curatorial Graduate Programme.

Throughout 2008, with the Chamber of Minerals and Energy, and the Mineral's Council of Australia, we participated in several working groups covering a range of important issues, including climate change, industrial reform, and project approvals reform.

Our Business is People. People are our Business. In 2009, we will progress two important strategies to improve and sustain our business. We will implement the System for People, which will include an in-depth review of our organisation, to ensure it is properly structured for the opportunities and challenges ahead. We will also implement the Business Process Framework, to improve our capability to plan, execute and deliver on our commitments.

AngloGold Ashanti believes in the long term future fundamentals for gold. Gold's value as a safe haven has been again demonstrated during the current global financial turmoil. In the year ahead we aim to continue to improve our safety, health and environmental performance, and to build our presence in the Australian region.

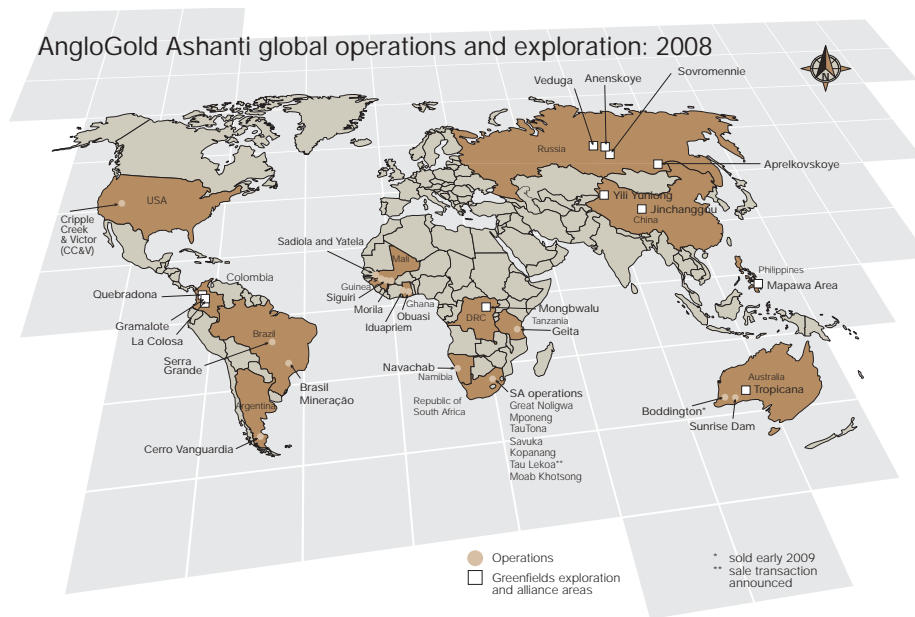
Graham Ehm

Executive Vice President: Australasia

15 June 2009

Corporate profile

– AngloGold Ashanti in Australia

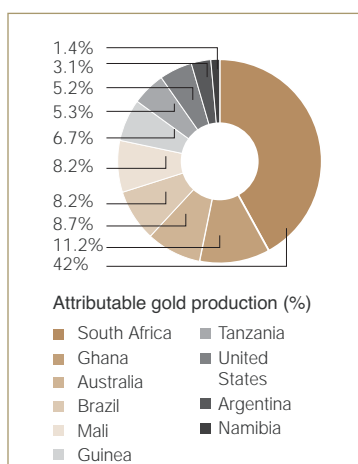


AngloGold Ashanti Limited is a leading global gold mining company with a varied portfolio of assets which includes surface, open-pit and underground operations in key gold-producing regions around the world. At the end of 2008, the company had 21 operations located in 10 countries on four continents including South Africa, Argentina, Australia, Brazil, Ghana, the Republic of Guinea, Mali, Namibia, Tanzania and the United States, together with a substantial project pipeline and a focused global exploration programme. Greenfields exploration is currently being conducted in Western Australia, Colombia and the Democratic Republic of Congo (DRC), and the group is involved in exploration partnerships and joint ventures in Russia, China and the Philippines. AngloGold Ashanti's corporate office is in Johannesburg, South Africa.

AngloGold Ashanti produced 4.98 million ounces of gold in 2008. This makes AngloGold Ashanti the third largest producer of gold in the world.

AngloGold Ashanti remains a values-driven company. Its values, the foremost of which is safety, together with the group's business principles, continue to guide the actions of the company, its managers and employees. These values and principles underpin all that the group does and form the basis of its relationships with others – shareholders, employees, communities, business partners, governments and non-government organisations. In this report, performance is measured against these values and principles, and progress recorded.

Total exploration expenditure in 2008 amounted to US\$183 million, of which US\$77 million was spent on greenfields exploration, US\$86 million on brownfields exploration and the balance of US\$20 million on pre-feasibility studies.



Overview



AngloGold Ashanti operates the Sunrise Dam Gold Mine which is the company's only producing asset in Australia. Sunrise Dam is located in the northern goldfields of Western Australia, 220km north-east of Kalgoorlie and 55km south of Laverton. Sunrise Dam produced 433,000 ounces of gold in 2008, equivalent to 9% of total AngloGold Ashanti group production.

Exploration activities have been focused within the Tropicana Joint Venture (JV) area which comprises over 13,000 km² of exploration tenements. AngloGold Ashanti Australia has 70% of the Tropicana JV and is manager and Independence Group NL has 30%. In May 2007, the JV partners agreed to carry out a pre-feasibility study on the viability of establishing a gold mine based on the Tropicana and Havana deposits. The proposed Tropicana Gold Project is located approximately 330km east-north-east of Kalgoorlie on the western edge of the Great Victoria Desert. The project is undergoing a formal environmental impact assessment process at both the State and Federal levels.

Exploration activities are also occurring in Western Australia within the Bronco Plains and Viking project areas. Bronco Plains is a joint venture between AngloGold Ashanti Australia, Independence Group and Image Resources and is located approximately 130km east of Kalgoorlie. The Viking area, located approximately 100km east of Norseman, covers an area of approximately 9,500 km².

SUNRISE DAM

Sunrise Dam is a large open pit and underground gold mine, which began production in 1997. The ore is treated in a conventional gravity and carbon-in-leach processing plant.

During 2008, production decreased by 28% to 433,000 ounces in line with expectations, as mining of the high-grade ore in the base of the Mega Pit was completed. Processing plant throughput in 2008 was 3.8 million tonnes, equal to throughput in 2007. The mine's diesel power station was converted to a Liquefied Natural Gas (LNG) facility during 2008. This facility, which will be operational in early 2009, will reduce Sunrise Dam's carbon footprint. Total cash costs in 2008 were A\$619/oz and capital expenditure was A\$23 million.

Gold production in 2009 is projected to be approximately 400,000 ounces with an estimated cash cost of between A\$785/oz and A\$815/oz.

At Sunrise Dam, brownfields exploration focused on growing the underground Mineral Resource to support increased production in 2009 and 2010. Opportunities to mine satellite open pits within the immediate mine area were also investigated. During 2008, approximately 41,417 metres of diamond drilling was completed in 297 drill holes.

Overview

KEY STATISTICS FOR SUNRISE DAM GOLD MINE

Sunrise Dam		2008	2007	2006
Gold production	(000oz)	433	600	465
Total cash costs	US\$/oz	531	306	298
Total production costs	US\$/oz	635	385	376
Capital expenditure	US(\$m)	19	30	24
Total number of employees	-	410	357	382
Employees*	-	77	102	99
Contractors*	-	333	255	283

Note: The numbers for employees and contractors is an average per day on site and not the total number of employees

BODDINGTON

The Boddington Gold Mine lies in the south-west of Western Australia within the Darling Plateau approximately 12km north-west of the town of Boddington. At 31 December 2008, the Boddington Gold Mine joint venture comprised Newmont Mining Corporation (77.7%) and AngloGold Ashanti Australia (33.3%). The operation was managed by the Boddington Gold Mine Management Company Pty Ltd on behalf of its joint venture owners.

The original operation closed in 2001 and in 2006 the joint venture began construction of an expansion project. During 2008 this work included the construction of large waste rock dumps, a new crushing and processing plant and an expanded residue disposal area. AngloGold Ashanti Australia representatives were involved in the engineering design, development and construction of the new project.

The Boddington Gold Mine was expected to be recommissioned in 2009. In January 2009 AngloGold Ashanti agreed to sell its share of the mine to Newmont Mining.

GREENFIELDS EXPLORATION

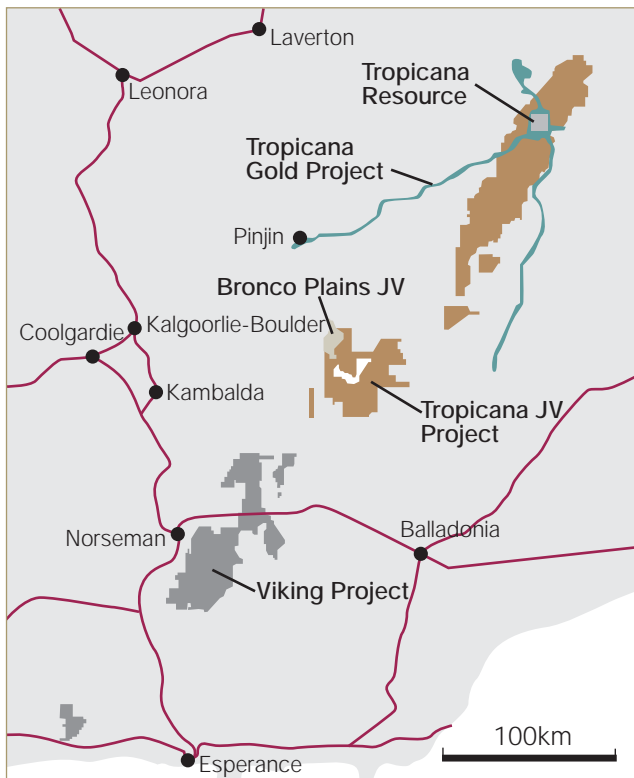


Figure 3: Australian Exploration

In Australia A\$37.9 million was spent on greenfields and brownfields exploration in 2008.

Greenfields exploration in Australia has been focused on the Tropicana JV area. Exploration activities have also commenced on the Bronco Plains Joint Venture area and on the 100%-owned Viking tenements.

The Tropicana JV comprises more than 13,000km² of tenements stretched along more than 300km of the ancient collision zone between the Yilgarn Craton and the Albany Fraser Province in Western Australia. Regional exploration continues on the greater Tropicana JV tenement package.

The first exploration activities commenced within the Viking area during 2008. The Viking project covers a mixture of underlying land types such as pastoral land, proposed and existing nature reserves, vacant crown land and freehold land. To facilitate access to each of these areas, AngloGold Ashanti Australia has established open and transparent communication with the various landholders to ensure key concerns and management requirements are identified early and managed appropriately. Like the Tropicana JV area, a phased approach to exploration has been adopted with work undertaken in 2008 predominately focused on low-impact soil sampling.

Overview

Work at the Bronco Plains Joint Venture (AngloGold Ashanti Australia, Independence Group and Image Resources) focused on further exploration of a 10km gold-in-soil anomaly, which peaks at approximately 86 parts per billion gold.

The Tropicana Joint Venture, Bronco Plains Joint Venture and the Viking Project jointly cover a total distance of 600km along the margin of the Yilgarn Craton. The 5 million ounce proposed Tropicana Gold Project, numerous prospects identified by AngloGold Ashanti Australia and promising results reported by other explorers give credence to the Tropicana Belt being a strike-extensive new gold province.

TROPICANA GOLD PROJECT

The proposed Tropicana Gold Project, which is based on the Tropicana and Havana deposits, is located approximately 330 km east-north-east of Kalgoorlie, within the northern part of the joint venture area. A pre-feasibility study on the proposed Tropicana Gold Project began in June 2007 and continued throughout 2008. The study is scheduled for completion in the second quarter of 2009.

The Tropicana Gold Project is estimated to have a total resource of 75.3 million tonnes grading 2.07g/t and containing 5 million ounces of gold.

During 2008, the proposed Tropicana Gold Project was referred to the Western Australian Environmental Protection Agency (EPA) to determine the level of environmental impact assessment required for project approval. The EPA determined that the project should undergo a public environmental review and set the public consultation period at eight weeks. The project was also referred to the Commonwealth Department of the Environment, Water, Heritage and the Arts for consideration under the Environmental Protection and Biodiversity Conservation Act 1999. As a result, it has been determined that the project will also require assessment and approval by the Federal Environment Minister. To progress through both the State and Federal environmental approvals processes, extensive baseline environmental studies for the project have been conducted with formal submission of the Environmental Impact Assessment document scheduled for 2009.

MINERAL RESOURCE AND ORE RESERVE SUMMARY

Ore Reserves and Mineral Resources are reported in accordance with the standard described by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 edition), and also conform to the standards set out in the South African Code for the Reporting of Mineral Resources and Mineral Reserves (the SAMREC 2000 Code). Mineral Resources include Ore Reserves, unless otherwise stated.

AngloGold Ashanti's global Mineral Resources amounted to 240.98 million ounces and Ore Reserves amounted to 74.9 million ounces at the end of 2008. Australian Mineral Resources at the end of 2008 were 19.3 million ounces and Ore Reserves of 8.6 million ounces.



About this report

The Australian Country Report is produced annually as part of AngloGold Ashanti's Report to Society. The Report to Society forms part of a suite of annual reports through which the company communicates with a wide range of stakeholders and business partners. These stakeholders and business partners include shareholders, employees, community members and many other interested parties in all the countries and regions in which the group operates, as well as regional and national governments.

MISSION, VISION AND VALUES

AngloGold Ashanti has developed a vision and mission statement for all its global activities which are:

Vision: *To be the leading mining company*

Mission: *We create value for our shareholders, our employees and our business and social partners through safely and responsibly exploring, mining and marketing our products. Our primary focus is gold and we will pursue value creating opportunities in other minerals where we can leverage our existing assets, skills and experience to enhance the delivery of value.*

Values:

AngloGold Ashanti has also developed six values which are:

- **Safety is our first value** – placing people first and placing the highest priority on safe and healthy work practices and systems;
- **We treat each other with dignity and respect;**
- **We value diversity** - embracing diversity and ensuring that we have the right person for the right job;
- **We are accountable for our actions and undertake to deliver on our commitments** - we are focused on delivering results and we do what we say we will do;
- **The communities and societies in which we operate will be better off for AngloGold Ashanti having been there** - we contribute to building productive, respectful and mutually beneficial partnerships in the communities in which we operate; and
- **We respect the environment** - we are committed to continually improving our processes in order to prevent pollution, minimise waste, increase our carbon efficiency and make efficient use of natural resources.

To deliver on the business objectives, five core strategies have been adopted.

These are:

1. People are the Business – we will provide the leadership and supporting management processes to establish a climate in which every individual is able and willing to give their best.
2. Grow the Business – successful exploration and organic growth projects are the most important building blocks for future value creation. AngloGold Ashanti will be opportunistic in looking for new business ventures that build on our core strength and provide pathways for growth.
3. Manage the Business as an asset portfolio – capital is a scarce resource and has to be used wisely. We will work our asset base to its fullest potential, selling non-core assets to ensure near-end projects are revitalised with new growth opportunities.
4. Maximise margins – we will manage revenue and costs to ensure delivery and protection of returns through the price cycle.
5. Deliver sustainable outcomes – we have an important responsibility to manage the environment and build our community, institution and political relationships so as to deliver mutually beneficial outcomes.

AngloGold Ashanti Australia strives to conduct all of its activities in accordance with these core values and strategies. This report focuses on demonstrating how our performance in 2008 meets these values. The Australian region has communicated the vision, mission and values to all of its employees and contractors through a series of workshops and has modified its practices to ensure we are implementing the values in all of our activities. The complete set of AngloGold Ashanti annual reports are available at www.aga-reports.com.

GOVERNANCE

AngloGold Ashanti is committed to the highest standards of corporate governance, which is the responsibility of the Board of Directors as a whole, with some authority delegated to the Audit and Corporate Governance Committee of the board and the Management Disclosure Committee. More detailed information on Corporate Governance may be found in the Annual Financial Statements 2008 at www.aga-reports.com.

Integrated Management System

AngloGold Ashanti Australia's Health and Safety, Environment and Community (integrated) management system provides the framework to:

- Give support and ensure compliance with the requirements of AngloGold Ashanti's Safety and Health, Environment and Community Policies.

About this report

- Integrate safety and health, environmental and community management into our overall business management.
- Ensure an ongoing systematic approach for the recognition, management and control of risks.
- Establish clear criteria against which all Australian activities can be audited.
- Measure and report performance.
- Assist in achieving a common approach across all Australian activities.
- Ensure that continuous improvement processes are in place and that best practice performance is achieved.

Australian operations are required to comply with global AngloGold Ashanti policies, standards and procedures, and where relevant, develop and implement Australian specific standards, procedures and tools. These documents are placed in a hierarchical format (Figure 4) with each document tier supporting the implementation of the preceding tier.

To help ensure we meet our own expectations and exceed those of the community in health, safety and environmental management, the Australia Region has developed an Integrated Management System (IMS) which has been assessed and certified as ISO14001 and OHSAS 18001 compliant. The organisation is committed to continued assessment and certification against these standards.

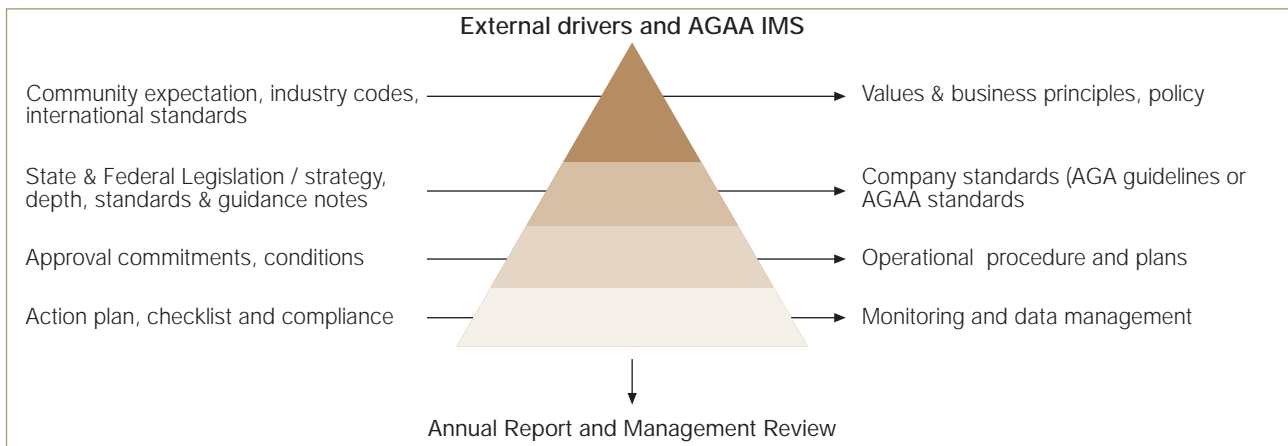


Figure 4 – Hierarchy of Documentation

The underlying driver of the IMS is the value it provides as a compliance and risk management tool. The IMS provides a mechanism for identifying legal requirements and risks to the business in a systematic manner so that effective controls can be developed and implemented as required.

The IMS is based on an ongoing cycle of reviews and improvements as shown in the figure below.

Effective Health, Safety, Environment and Community (HSEC) management is a key objective of the IMS. AngloGold Ashanti Australia recognises that responsible and committed management is essential if the company is to maintain a social licence to operate and achieve its vision to be the leading mining company.

All employees, suppliers and contractors receive the company's values booklet. The ability of a prospective contractor or supplier to adhere to the company's values and business principles is considered in the selection process. AngloGold Ashanti Australia's policies regarding health and safety, the environment, community, employee relations and local employment are annexed to each contract entered into.

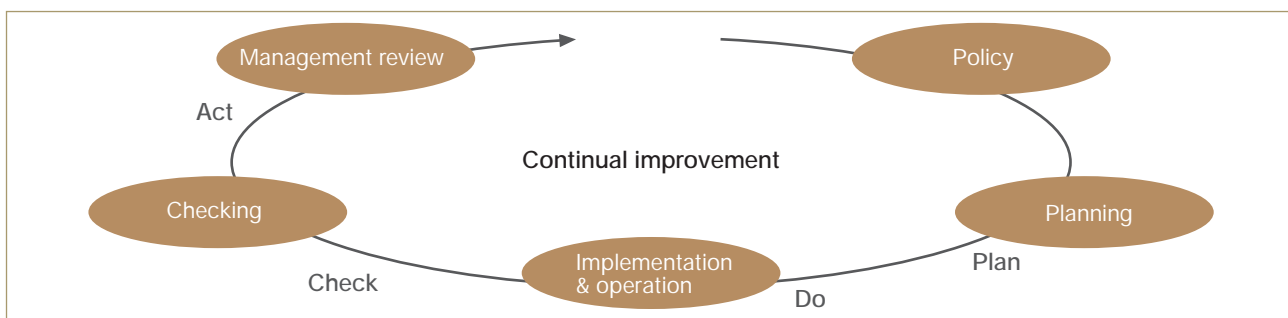


Figure 5 – Integrated Management System

About this report

AUDITS AND ASSURANCE PROGRAMMES

OHSAS 18001

The Occupational Health and Safety Assessment Series 18001 (OHSAS 18001) specifies the necessary requirements for an occupational health and safety (OH&S) management system to enable an organisation to develop and implement policy and objectives which take into account legal requirements and information about OH&S risks.

The standard has been developed as a recognisable OH&S management system standard against which the management systems can be assessed and certified.

This OH&S standard does not include requirements specific to other management systems, such as those for quality, environmental, security or financial management, though its elements can be aligned or integrated with those of other management systems.

ISO140001

The International Organisation of Standardization, (ISO) is a worldwide organisation that develops many different kinds of standards. ISO14000 is a series of documents relating to the implementation of an Environmental Management System (EMS). ISO14001 is the document which defines the requirements for the EMS and provides guidance for its use.

The objective is for ISO14001 to control the environmental impact of the organisation's actions and continually increase the environmental performance as measured against objectives.

The Australian region's IMS combines common elements from both the OHSAS18001 and ISO14001 series to develop the overarching management strategies. Specific standards for safety, environment and community are developed as stand-alone documents.

AngloGold Ashanti Systems and Practice Protocol

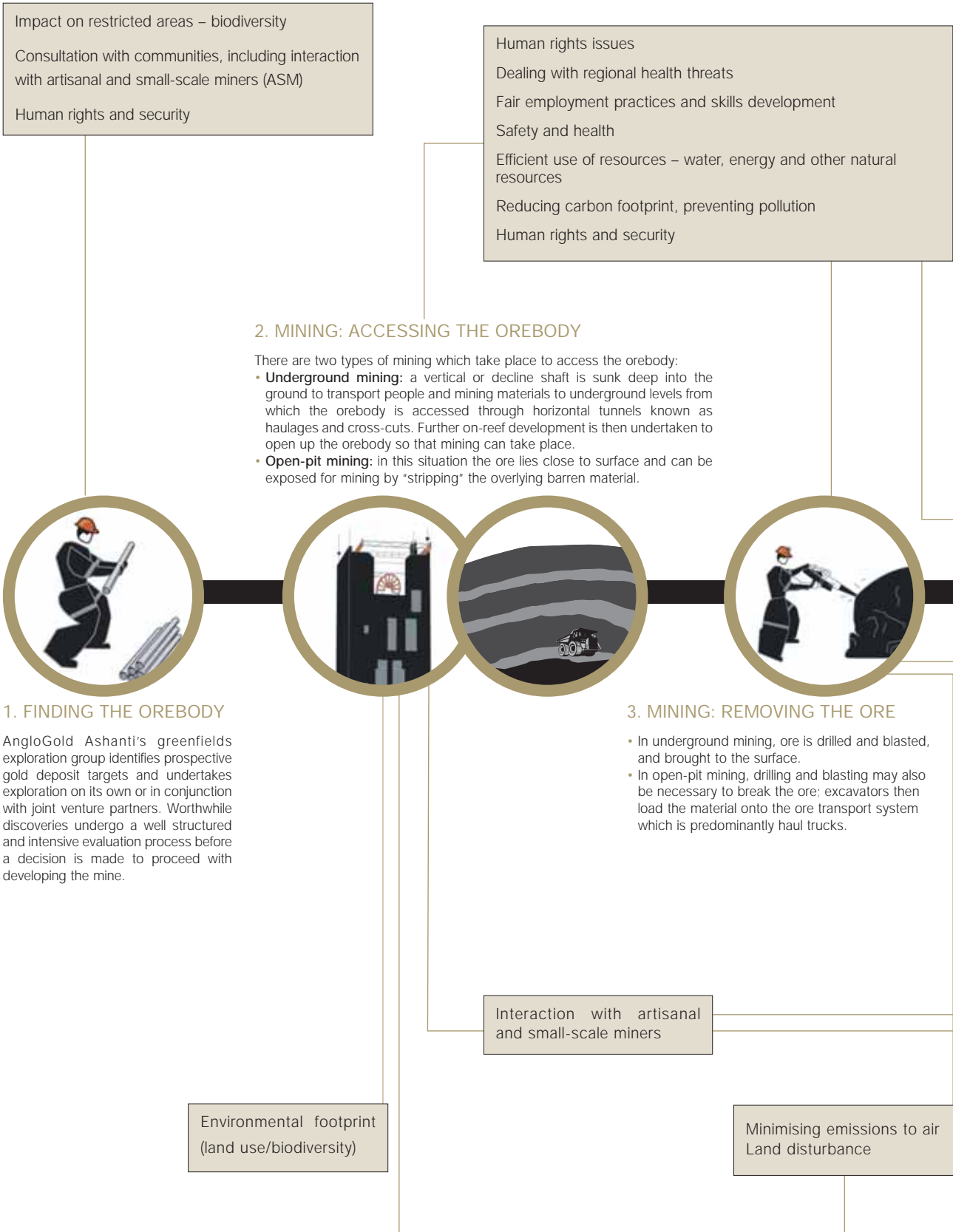
The primary objective of the AngloGold Ashanti systems and practice protocol is to provide operations with a self-audit tool through which management can assess the efficiency of the health and safety management systems they have in place. The protocol has been developed to measure and monitor operational occupational health, systems management, practice and implementation against defined performance levels. In addition, results can be used as globally consistent leading indicators for reporting on occupational health and safety initiatives.

Although the protocol is designed to assist with conforming to the OHSAS18001 standard, it is unique in that the protocol aims to go beyond compliance with internationally accepted OH&S standards, by measuring related performance. The system can also be used to facilitate gap analyses for health and safety management systems.



Sustainability footprint

This section illustrates the group's key sustainability issues during the cycle of mining and processing gold.



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

- Finding the orebody
- Mining – Creating access to the orebody
- Mining – Removing the ore
- Mining – Transporting the broken material to plants for treatment
- Processing
- Refining
- Mine site rehabilitation

4. MINING: TRANSPORTING BROKEN MATERIAL TO 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.



Minimising emissions and preventing pollution
Efficient use of resources
Management of cyanide
Reducing carbon footprint

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% 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.



Rehabilitation and achieving closure
Post-closure monitoring
Engaging with communities

5. PROCESSING

Comminution involves the breaking up of ore into small particles so that the contained gold minerals are exposed. This is undertaken by a combination of multi-stage crushing and milling circuits. Recovery of gold can then commence, depending on the nature of the gold contained in the ore.

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. In this process, ore is crushed and heaped on an impervious or lined leach pad. Low strength alkaline cyanide solution is irrigated over the heaped pad 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.

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 electro-winning cells and subsequent smelting of the precipitate into doré bars.

At some operations, by-products are generated, such as silver, sulphuric acid and uranium.

7. MINE-SITE REHABILITATION

Once mining has been completed, operations are 'closed' and rehabilitation activities begin to return the land to a productive state. (Rehabilitation is the process of reclaiming mined land to the condition that existed prior to mining or to a pre-determined post-mining use.) Planning for this process is undertaken during the life of mine.

Minimising emissions (air quality)

Local economic development and sustainable social investment

Safety and health

MANAGEMENT

A key part of the company's safety initiative in 2008 was the assertion that safety is the group's first value. This was the focus of the extensive safety initiative during the year to ensure that the value was understood and put into practice at all levels within the group.

Safety is our first value

We place people first and correspondingly put the highest priority on safe and healthy practices and systems of work. We are responsible for seeking out new and innovative ways to ensure that our workplaces are free of occupational injury and illness. We live each day for each other and use our collective commitment, talents, resources and systems to deliver on our most important commitment ... to care.

Every AngloGold Ashanti manager and employee takes responsibility for health and safety and all strive to create workplaces that are free from occupational injury and illness. AngloGold Ashanti is committed to complying with all relevant occupational health and safety laws and, in the absence of such standards, to adopting leading practice. Performance in terms of safety and health objectives is measured regularly and is communicated openly with employees and other stakeholders.

AngloGold Ashanti Australia has its own Safety and Health Policy which aligns with the group's Health and Safety Policy Objectives document. This policy states that all occupational injuries and illnesses are preventable and that every job, no matter how urgent or difficult, can always be performed safely.

Performance

As part of the Australian Region's commitment to health and safety, ambitious performance targets have been set based on achieving 70% improvement in safety performance over the next five years. In 2008, the Australia region's Total Recordable Injury Frequency Rate (TRIFR) target was 20%. The actual result of 20.8, was an 13% improvement.

Despite our efforts to make safety our number one value across the region, we continue to experience incidents that result in injuries to our employees and contractors. Contractor safety management has been strengthened through ongoing reviews of their performance and against their safety management plans. Contractors are required to demonstrate an ability and willingness to comply with the Australia Region's health and safety requirements using either their group's safety management system or the region's safety management system.

All Australian business units are required to integrate health, safety and environmental risk identification and management into all work activities and processes. This requires a systematic approach to hazard identification, risk assessment and development of control measures. Risks associated with hazards are assessed against probability and potential severity which provides AngloGold Ashanti Australia with the ability to develop targeted risk management strategies.



Safety and health

Around 59.3% of injuries in the workplace were sustained either by hitting an object, hitting an object with a part of the body, muscular stress, repetitive movement or falls from the same level. Approximately 58.9% of the sustained injuries involved the hands, fingers, shoulders, arms and legs. There has been an increased focus to reduce strain type injuries through the manual handling programme “Manu tension”.

SAFETY INITIATIVES, LEADERSHIP AND TRAINING

Safety culture survey

In 2008, AngloGold Ashanti Australia undertook an independent safety culture survey to determine the trends, strengths, limitations and any other aspects of the safety culture within the Australian business unit. The conceptual framework used by SAFEmap was based on the work and research of several authors, including: Elliot Jaques, James Reason, John Adams, Arnold Judson and William Marsden which have been integrated into a comprehensive framework. A schematic diagram of the Integrated Safety Model has been developed and is based on the experience and knowledge gained from safety culture transformation processes in the Australian mining sector and from research projects, such as the original industry survey for the MCA in 1999.

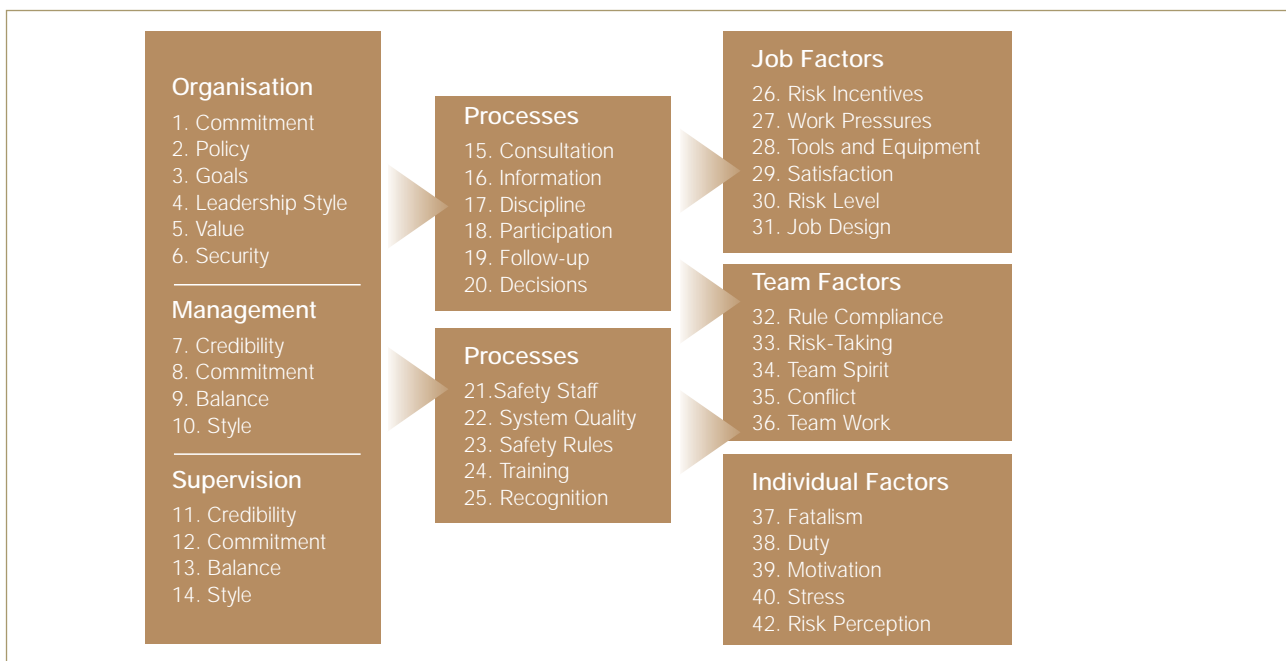


Figure 6 – Safety culture model

The process model identifies four levels of culture, values and beliefs that drive the type, content and application of management processes (systems). The level of exposure includes the behaviour of people and the quality of workplaces which constitute hazards and risks. This type of culture survey is a lead indicator of safety.

Overall, the safety culture at AngloGold Ashanti Australia was found to be:

- higher than the industry baseline (between 5% and 25% higher);
- indicative of a positive safety culture within the organisation;
- based on a strong team approach to safety; and
- poor in providing recognition for safe work practices.

Opportunities exist to further improve the safety systems.

To encourage responsible behaviour among the workforce and maintain a positive safety culture, AngloGold Ashanti Australia has initiated a Recognition and Reward Programme and a Safety Leadership Programme across all management levels, focusing on the company's mission, vision and values.

Safety and health

KEY INITIATIVES UNDERTAKEN FOR THE AUSTRALIAN EXPLORATION GROUP INCLUDE:

- Introduction of a Contractor Performance Incentive Scheme (CPIS) – drilling contractors are able to receive up to a 5% bonus on their invoices by reaching the set key performance indicators (KPIs) (based on safety, training, etc.);
- Inclusion of OSHAS requirements into exploration IMSs;
- Training focused on high risk areas and issues identified from SAFEmap including 4WD vehicle operation, survival skills and safety leadership;
- Projects allocated to staff who attended Safety Leadership training, and were subsequently introduced to the team including:
 - System of daily workplace inspections
 - Take 4 / safety notebook
 - Job hazard analysis (JHA)
 - Dangerous goods audit
 - CPIS (see above)
- The implementation of a Recognition and Reward system where the exploration team can recognise colleagues for performance and improvement initiatives;
- The field crew elected a Safety and Health Representative with guidance and support from management;
- The preparation of a monthly Exploration Health Safety, Environment and Community (HSEC) report.

To improve the safety culture within the Australian region, a Safety Leadership Training Course was developed and the first course was conducted during 2008. The contents of the course are shown in the figure below. The course will continue to run throughout 2009 with the aim for all relevant staff to have successfully completed the course by the end of 2009.

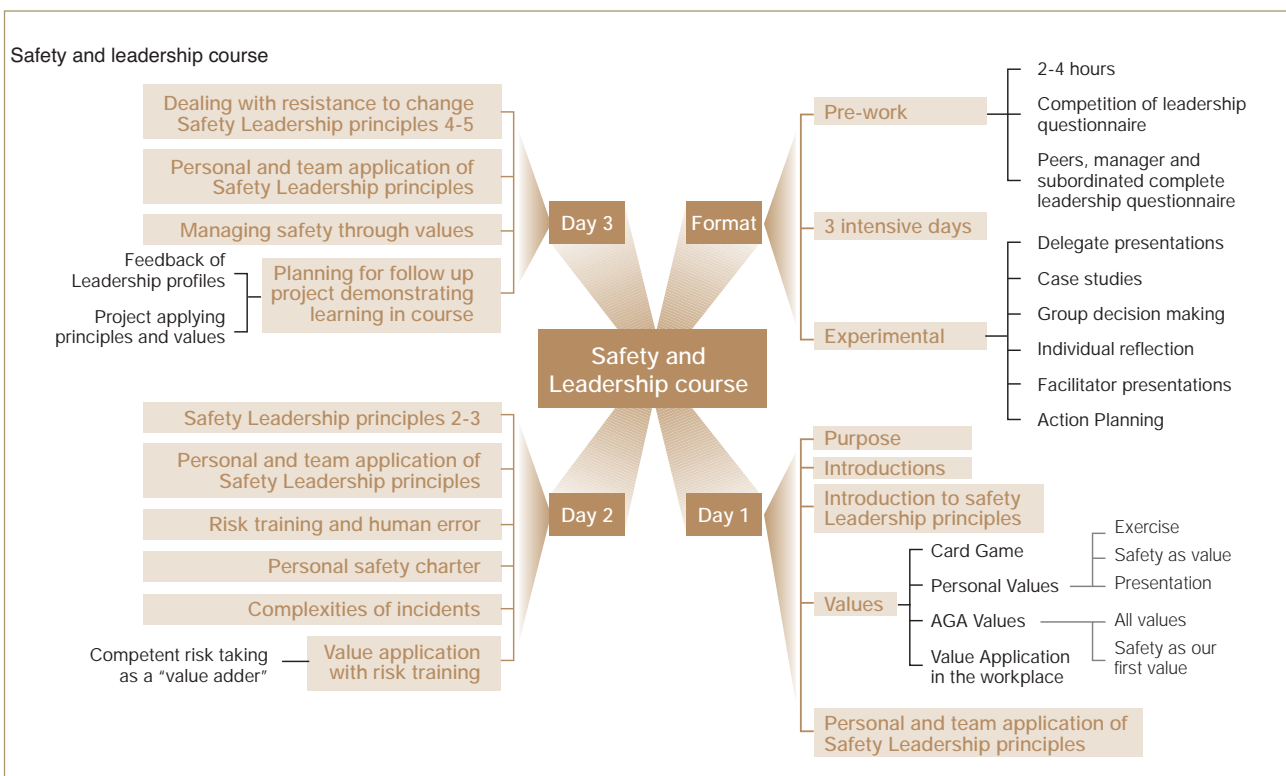


Figure 7 – Safety leadership training course content

Safety and health



EMERGENCY PREPAREDNESS AT THE AUSTRALIAN OPERATIONS

The Australian region has two levels of emergency preparedness in place: a crisis management plan, run from the company's office in Perth, and a site emergency plan at Sunrise Dam mine.

- The crisis management plan is only activated if the operations require support to manage emergency issues arising from a significant incident. Sunrise Dam's site-based integrated emergency management plan addresses all possible emergencies that may occur. Exploration sites are covered under the crisis management plan.
- The two plans are regularly tested through desktop exercises and scenario enactments that are planned, executed and reviewed by the actual teams involved.
- Sunrise Dam has established a mutual aid agreement for support on emergency matters with neighbouring mining companies and the Shire of Laverton.

A mine-based emergency response team has an annual training schedule in place that requires members to participate when on site as part of their shift roster. The focus of this training is on the theory and application of fire-fighting, hazardous chemical response, vehicle extrication, first-aid and rope rescue. After each training session, desktop exercises and scenario debriefs are used to plan for future training.

SAFETY ACHIEVEMENTS AND AWARDS

The Sunrise Dam Emergency Response Team competed in the 2008 Surface Mine Emergency Response Competition for the fifth year in succession. This year the team was rewarded for the huge amount of effort and commitment that the members put into preparing for the scenarios and was placed first, second or third in almost every event. As a result, Sunrise Dam was awarded Best Team for 2008. The team captain also won an award for Best Captain, for the second year in a row. Other placings awarded to the team included first place in Vehicle Extrication, first place in Rope Rescue, second place in Fire Fighting, second place in Overall Breathing Apparatus Skills, second place in Confined Space, third place in Team Safety, third place in Hazardous Chemicals and third place in Overall First Aid.

EMPLOYEE HEALTH AND WELL-BEING

Occupational health

Occupational health risks to AngloGold Ashanti employees differ significantly from region to region and depend on the type of mining operation. At the Australian operations, the primary occupational health risks are associated with the potential inhalation of mineral dust and noise-induced hearing loss (NIHL).

AngloGold Ashanti Australia's approach to employee health is to control employee exposure and reduce the potential for exposure to risk. Our aim, which is consistent with the 'hierarchy of controls' approach, is to remove hazards through engineering or design solutions wherever possible.

Safety and health

Where engineering controls are not practicable, every effort is made to protect all employees potentially exposed from any adverse health effects through the use of personal protection equipment (PPE).

In support of this, we focus our occupational health targets towards establishing baseline data through personal and biological monitoring, focusing on occupational exposure hazards and the consequent establishment of occupational hygiene monitoring and health surveillance programmes.

Key exposures include:

- Diesel fumes (particulates, NOx and SOx)
- Lead
- Mercury
- Arsenic
- Welding fumes
- Dust
- Noise

Our aim is to understand the nature of our occupational exposure hazards where they occur and to remove or avoid hazards through engineering or design solutions wherever possible.

The occupational health programme also seeks to promote a consistent approach to the management of health and wellness in the work environment. This programme is intended to provide health management programmes covering areas such as fatigue management, drug and alcohol use, occupational rehabilitation, health promotion and employee assistance.

By taking a holistic approach to health management, this initiative intends to ensure:

- Health educational programmes are promoted to assist the well-being of our workforce;
- All employees are physically capable of performing their tasks;
- A healthy lifestyle environment is available; and
- Educational health programmes are undertaken.

The initial focus has been on promoting a healthy lifestyle – exercise, diet, not smoking, hearing checks, men's health screening and skin cancer checks.

Exercise programmes are developed for individuals following a health assessment. Healthy lifestyle challenges are undertaken to encourage employees to increase their fitness and lose weight.

Sunrise Dam and exploration activities have the support of the Royal Flying Doctor Service (RFDS) for the emergency management of sick or seriously injured employees.

SAFETY AND HEALTH OBJECTIVES FOR 2009

- Target 20% reduction in TRIFR.
- Develop and implement safety leadership training for managers and supervisors.
- Competency-based training in risk assessment hazard identification and investigations.
- Conduct major risk management reviews.
- Develop and implement safety incentive scheme in accordance with safety culture survey actions.
- Maintain certification to OHSAS18001.

People

MANAGEMENT APPROACH

AngloGold Ashanti's values and corporate strategies, as reviewed and redefined in 2008, are underpinned by the philosophy that 'People are the Business... Our Business is People'. The values were launched across the Australian region through presentations, inductions and posters placed around each office. The values booklets were distributed to all employees. The group's values specifically state:

***We treat each other with dignity and respect.** We believe that individuals who are treated with respect and who are entrusted to take responsibility respond by giving their best. We seek to preserve people's dignity, their sense of self-worth in all our interactions, respecting them for who they are and valuing the unique contribution that they can make to our business success. We are honest with ourselves and others, and we deal ethically with all of our business and social partners.*

***We value diversity.** We aim to be a global leader with the right people for the right jobs. We promote inclusion and teamwork, deriving benefit from the rich diversity of the cultures, ideas, experiences and skills that each employee brings to the business.*

Given AngloGold Ashanti's renewed vision, values and revised company strategy, a complete review of the group's human resources management systems and organisation structure, called the System for the Management of People (SMP) is being undertaken. This is considered a strategic imperative within the context of a changing world of work, the current socio-economic climate and continued shortages of key skills in the mining industry. The SMP is particularly relevant to the management of the group's talent at all levels and across all operations, and to the definition of role accountabilities and reporting lines.

Workforce profile

Of the 62,895 people employed in all by the AngloGold Ashanti group in 2008, 642 people or approximately 1% of the group's total workforce were employed at the Australia operations. This was an increase of 4% on 2007 figures due to changes in the levels of contractors rather than permanent employees and reflects the completion of the Mega Pit at Sunrise Dam and start of the north wall cut back which was part of the planned mining activity. The reduction in exploration personnel and contractors reflected the completion of the intense phase of drilling activity for the Tropicana resource. The number of permanent employees increased from 2007.

Staff turnover for 2008 was 24.3% overall in the Australian region.

EMPLOYEES AND CONTRACTORS

Employees and contractors at Australia operations						
Operation	2008			2007		
	Employees	Contractors	Total	Employees	Contractors	Total
Sunrise Dam	193	333	526	181	255	436
Exploration	59	25	84	51	50	101
Perth Corporate Office	32	0	32	29	0	29
Total	284	362	642	261	355	616

Employee engagement

AngloGold Ashanti Australia has developed many incentives to increase employee engagement and retention rates. This includes the introduction of paid parental leave, a confidential employee assistance programme, as well as an increase in part-time and other flexible working arrangements. In addition to this, as part of AngloGold Ashanti Australia's employee wellness initiatives, which include subsidised gym memberships and free access fully subsidised private health insurance was introduced as an optional employee benefit in late 2007.

The introduction of fully subsidised private health insurance was well received by employees, with a high percentage (approximately 80%) of employees taking up the option.

Employee relations

AngloGold Ashanti Australia's fairness in employment policy, the aim of which is fair and equitable treatment of all current and prospective employees, is being reviewed in 2009. Diversity is encouraged through recruitment and talent

People

management opportunities. AngloGold Ashanti Australia is committed to the aim that it provides a safe, healthy environment; that salaries are competitive with regard to market rates; and that all employees are treated with dignity and respect.

We recognise that freedom of association is a fundamental right of all employees and contractors. In total, around 86% of all AngloGold Ashanti employees are either members of a union or catered for through collective bargaining agreements. Australia is an exception (together with the operations in the United States) where employees are engaged under individual common law contracts. This is a reflection of the low levels of unionisation in Australia. Due to the change in federal government in Australia, a new workplace relations framework will come into effect in 2010 and will introduce changes to minimum employment entitlements. As a result, all human resources policies are undergoing a review to ensure compliance.

Respect for human rights is a key principle in many of the policies and practices that are integral to the group's sustainability efforts and are entrenched in the constitutions and legislation of many of the countries in which the group operates. Policies are in place at all operations to protect employees from prejudice. Discrimination and harassment is prohibited in terms of the company's business principles and policies, as well as by legislation.

DEVELOPING OUR PEOPLE

A great deal of emphasis is placed on the training and development of people within the AngloGold Ashanti group. Training and development initiatives at all levels – from adult basic education and training (ABET) and skills development, to graduate training and executive development programmes – underpin the group's SMP of people and will ensure that the group has the requisite skills in the future.

Training and development within the Australia region in 2008 focused mainly on skills training, safety training, supervisor training and human resources training in line with new legislation. Cross-cultural awareness training, designed to raise awareness of Indigenous culture, traditions, history and current social issues, is provided for all employees.

In addition, the Employee Development Programme provides for company-assisted and funded development, training and further education, including external training programs and courses. This includes full reimbursement of tuition fees for approved university degrees in a work-related discipline.

The AngloGold Ashanti Australia Scholarship Programme is open to full-time students studying at Australian universities in disciplines in which skills shortages have been identified in the mining industry. These include geology, mining engineering, metallurgy and geophysics. In addition to financial support, scholarship recipients are provided with on-site workplace experience, which is often a prerequisite to their courses. In 2008, 15 scholarships were offered. This programme is designed to establish relationships with potential future employees.

WORK/LIFE BALANCE

AngloGold Ashanti Australia accommodates flexible working arrangements where possible. This includes part-time or working-from-home arrangements, as well as flexibility in start/finish times and/or working days for office employees. Those working at Sunrise Dam are engaged on an attractive eight days on six days off roster, or equivalent. Employees also have access to paid and unpaid parental leave following birth or adoption of a child, and further accommodations are made to assist the primary caregiver's transition back into the workplace.

OBJECTIVES FOR 2009

Continue to reinforce company values through policies, procedures, and awareness initiatives.
Implement the SMP

Align the human resources function with the company's strategic objectives including:

- People are the Business - Incorporate AngloGold Ashanti's values into the right structure, with the right people doing the right work at the right time, with clear accountabilities in an environment of mutual trust.
- Grow the business: Develop skills and knowledge within the talent pool to address strategic business needs and identify future recruitment needs.
- Manage the business as an asset portfolio - workforce flexibility to adjust rapidly to changing business needs.
- Maximise margins: Improve productivity and efficiency by having the right capability in the right roles with the SMP supporting and enhancing Business Process Framework effectiveness.
- Deliver sustainable outcomes - Successful implementation of SMP, ensuring the company has the right capability to carry out long-term strategic planning and adapt to the changing business and industry environment.

Community

MANAGEMENT APPROACH

One of the group's six core values is:

The communities and societies in which we operate will be better off for AngloGold Ashanti having been there.

We uphold and promote fundamental human rights where we do business. We contribute to building productive, respectful and mutually beneficial partnerships in the communities in which we operate. We aim to leave host communities with a sustainable future.

Community-related matters are addressed at board level by the Safety, Health and Sustainable Development Committee. During 2008, an integrated community affairs and environmental team was given responsibility for developing company policy on community-related issues, and providing guidance and developing processes to assist operations in acting in accordance with the group's business principles. Given the integration of community and environmental aspects of the business, a decision was taken late in 2008 to include community aspects in the existing ISO14001 management systems at all operations. A corporate level Community and Environment Vice President was appointed to head up the discipline.

AngloGold Ashanti Australia recognises the importance of an open and transparent approach to stakeholder consultation. Since the commencement of exploration activities within the Tropicana region, the Exploration Group established communication channels with a wide range of interested parties which included the local Indigenous communities, government departments and local councils. Key objectives of the stakeholder consultation programs undertaken have been to:

- Facilitate consultation with key stakeholders and the general community regarding our activities to establish an open and transparent communication channel;
- Commence consultation at an early stage of proposed activities;
- Establish a mechanism by which stakeholders can raise concerns and improvement opportunities;
- Develop an appropriate communications strategy for each stakeholder group;
- Focus on conducting face-to-face meetings where possible;
- Provide information to stakeholders and encourage their input and feedback; and
- Provide the basis for ongoing consultation.

PERFORMANCE

Under the auspices of the International Council on Mining Metals (ICMM), AngloGold Ashanti Australia participated in the development of a position statement on indigenous peoples. A draft company standard in line with this position statement is being developed. Continuing development of positive Indigenous community relationships at existing project areas and in new project areas is very successful, resulting in strong cooperation and interaction. At an operational level, the existing community management system, incorporating the Stakeholder Engagement Action Plans (SEAPs), Integrated Development Action Plans (IDAPs) or alternatives and the accompanying toolkits are being drafted into management standards on stakeholder engagement, social investment, cultural heritage and sacred sites, indigenous peoples, grievances and complaints and artisanal mining.

Sunrise Dam has an ongoing strategy of engagement with the Laverton Primary School and the Laverton Shire Council. It chairs the Laverton Leonora Cross Cultural Association (an indigenous development agency) and willingly supports projects that will benefit the region.

In addition, Sunrise Dam participates in the Laverton Community Mining Liaison meetings which the General Manager attends along with industry, government departments and community groups and discusses key activities and issues of importance to the region. Due to the mine's remote location, at least 50km from the nearest community, exposure to direct community risks are minimal.

Every two years, Sunrise Dam holds a stakeholder day to which a wide range of direct and indirect stakeholders are invited. This day gives stakeholders an opportunity to be updated on operational developments, future plans and provides an opportunity for dialogue and feedback.

The Australia region's policy on community and stakeholder engagement allows for a Community Complaints and Comments Procedure which ensures that any complaints are documented and responded to appropriately. All external community incidents are documented in Sunrise Dam's incident reporting system.

Following the identification of the Tropicana and Havana deposits and the decision to commence the formal government assessment process for the proposed Tropicana Gold Project, it was recognised that stakeholder engagement activities initiated by the Exploration Group needed to be broadened to include a wider range of stakeholders.

Community

As a result, consultation has been initiated and ongoing with approximately 75 organisations including indigenous groups (12), environmental interest groups (13), utility and infrastructure groups (3), local governments (3), industry groups and regional services (3), landholders adjacent to the infrastructure corridor (21), State Government departments and agencies (14) and Federal Government departments (6). The overall risk-based approach and early engagement to the proposed project has ensured that broad consultation on a variety of issues has occurred and concerns raised have been incorporated into the project design.



DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Stakeholder engagement

A number of the exploration tenements within the Viking and Bronco Plains exploration areas lie within gazetted or proposed nature reserves. A condition placed on exploration activities in reserves requires liaison with the Department of Environment and Conservation (DEC) and the development, approval and implementation of an environmental management plan to manage exploration activities. The aim of management plans is to ensure the integrity of the reserve is not adversely impacted by the proposed exploration activities.

To ensure the contents of the management plan met DEC's expectations and requirements, AngloGold Ashanti engaged in an open and transparent consultation process with relevant DEC personnel which included both meetings and site visits where required. A draft table of contents was provided to DEC officers for comment to ensure all key elements were identified and addressed in the management plan. The completed draft management plan was also provided to DEC officers for comment prior to it being formally lodged for approval through the Department of Mines and Petroleum's Program of Works process. This consultative approach enabled a more streamlined development and approval process and established a good working relationship with DEC.

During 2008, approval was obtained for an environmental management plan for exploration activities within the Coonana Timber Reserve and the Proposed Woodline Hills Nature Reserve. During the implementation of the management plan and exploration activities, DEC representatives were invited to observe the exploration activities on the ground and the implementation of the approved management strategies.

During 2009, the Proposed Woodline Hills Nature Reserve management plan will be expanded to include the Dundas Nature Reserve and a series of smaller reserves in which many of the pending Viking tenements lie.

Sunrise Dam Gold Mine has supported the Plants for People project in Laverton. This project aims to document historical uses of the land, plants and animals in and around the mine and to investigate ways in which this information can be applied to current mine planning activities. The project will also explore ways in which opportunities arising from this research may be used to support local community initiatives (health, education, economic enterprise and employment opportunities). As a result, the potential to establish a small tourist industry has been identified.

Community

An indigenous community engagement and enterprise project established by AngloGold Ashanti Australia at Laverton has flourished into an enterprise focused on infusing silk scarves and T-shirts with bush dyes produced from local plants. The hand-dyed products are being sold through tourist outlets in Laverton, Kalgoorlie and in Perth. A group of senior women from the Laverton community who have spearheaded the initiative are being assisted to form a proprietary limited company, Marlu Kuru Kuru Enterprises to manufacture and market the scarves and T-shirts. Marlu Kuru Kuru (Malu means kangaroo; Kuru means eye) is the Wongatha name for Sturts Desert Pea, the emblem of the Laverton Shire.



LAVERTON LEONORA CROSS CULTURAL ASSOCIATION (LLCCA)

Community Enterprise Business

Marlu Kuru Kuru Enterprises is a major outcome of a traditional knowledge and community development project being conducted by the Plants for People programme (Curtin University, AngloGold Ashanti Australia) in partnership with the Wongatha Wonganara Aboriginal Corporation at Laverton. The project is aimed at documenting traditional knowledge about local plants and animals, investigating applications of this information in current day mine planning activities and exploring opportunities for supporting local community economic, education and employment initiatives focused on plant products and natural resource management.

During the first two years of the project, time was spent on exploring different opportunities for enterprise development and on enhancing the capacity of local indigenous people to conduct plant-based business enterprises. Workshops were conducted on health and beauty products, soap making and bush dyes. Traditional custodians accompanied a group of local school children on an excursion to look at bush food and medicine plants from an indigenous perspective. The project team held several community barbeques and meetings at which wattle seed bread, bush tomato paste and other "bush tucker" foods were served. AngloGold Ashanti donated a mini steam distillation plant to the project and a group of local indigenous women used the equipment to produce some essential oils which they then used to make soap.

The bush dye project commenced with a visit to Laverton by two artists who conducted workshops on silk dyeing using bush dyes. Members of the project team went out bush and collected leaves, flowers, seeds, bark and roots from different trees, bushes and shrubs then boiled them to produce the dyes. A selection of dyed scarves was shown to wholesalers and retailers and attracted much interest, particularly from up-market tourist outlets. A strategic planning session was conducted with the core group and it was agreed that a company would be formed to manufacture and market the dyed goods. The most recent initiative was an education and planning meeting during which members of the core group were instructed on how to run a business and market manufactured products. The next phase of the project will be aimed at completing the establishment of the business structure, securing marketing outlets and training the core team in quality control and business management.

Community

SOCIAL INVESTMENTS

AngloGold Ashanti Australia has continued to support social investment through local community health projects with the indigenous people of the region, the Royal Flying Doctor Service (RFDS), an Aboriginal curatorship with the Western Australian Art Gallery and general community projects. An overview of the social investments made during 2006, 2007 and 2008 is provided below.

Category	2006 (\$)	2007 (\$)	2008 (\$)
Education	22,000	21,700	14,000
Community health Care	16,724	23,235	21,440
Environment	0	500	10,000
General community development	139,382	35,271	46,202
Arts, culture, heritage	100,454	62,500	55,500
Total	278,560	143,206	137,142

INDIGENOUS PEOPLE AND CULTURAL DIVERSITY

The company's Australian region integrates the requirements of the Native Title Act 1999 and the Aboriginal Heritage Act 1972 into its business processes. It also uses and is guided by the AngloGold Ashanti Australia Community Policy which states that "long-term relationships and partnerships will be fostered with the communities in which we operate, through mutual understanding, cooperation, consultation and respect".

This has been achieved by:

- recognising and respecting the value of cultural heritage and diversity and complying with community agreements;
- encouraging local participation in employment opportunities; and
- supporting the development and implementation of sustainable social and economic initiatives in the communities within which we operate.

These aims are incorporated within the standards and procedures of Sunrise Dam's IMS which aims to foster positive, respectful relationships with local and indigenous communities by observing their laws and customs and the careful management of heritage and culturally significant sites.

These integrated standards and procedures are included as integral aspects of the tender documentation process. They are also included as prerequisites for environmental governance regarding land clearance. When ground is to be disturbed heritage clearance surveys must be completed. Communication on indigenous matters is included in environmental inductions, cross cultural training and in regular community stakeholder briefs.

AngloGold Ashanti Australia requires that all employees and contractors participate in cross cultural education as part of their formal induction to ensure that site personnel have an understanding and awareness of the local values, traditions and culture. The awareness sessions aim to demonstrate the links between Aboriginal culture and the local environment, and to demystify differences between Aboriginal and Western cultures. Historical and cultural information presented highlights the many complexities and challenges encountered by Australia's Indigenous communities and the corresponding challenges for non-indigenous people.

COMMUNITIES AND LAND MANAGEMENT

Many communities have historic cultural and economic associations with the land on which they reside. It is therefore necessary for the company to continually engage all aspects of the community to ensure that mutually beneficial outcomes can be achieved.

Community

Sunrise Dam makes provisions in its annual budget for community investment projects. A regional community committee consisting of AngloGold Ashanti Australia business representatives evaluates community proposals in terms of community business principles and policies; benefit and significance to the community, stakeholder and company; sustainability, and whether there is the opportunity for employees to be involved with the local communities.

To ensure that all exploration activities are undertaken in a culturally sensitive way, the Exploration Group undertakes field inspection of all new tenements with local indigenous groups to identify any known ethnographic sites and "no go" areas. Since the commencement of the Tropicana JV at least seven field trips have been undertaken with representatives from the Wongatha Native Title claim group which was the recognised indigenous representative of the area under the Native Title Act during this period.

COMMUNITY AWARDS

Sunrise Dam received the following awards from the Laverton community in recognition of its commitment to being a good corporate citizen.

- Certificate of Appreciation of Sunrise Dam's contribution and commitment to Curtin University's volunteers and its Laverton community project. The university students volunteer their weekend time to work on various indigenous community projects in Laverton.
- Recognition from Laverton School for the ongoing support from Sunrise Dam for its assistance in arranging transport of students to Perth, thus enabling the school to participate in various extracurricular educational programs.
- At its end of year prize giving, the Laverton Primary School acknowledged AngloGold Ashanti's support of the State Youth Leadership Workshop and its ongoing interest in the alternative enterprise opportunities being developed with the traditional knowledge project in partnership with Curtin University.
- AngloGold Ashanti Australia, Carey Mining, Downer EDI, Curtin University and the Art Gallery of Western Australia were awarded the Best Private Sector – Arts Relationship in the 2008 Western Australian Business and Arts Partnership Awards for its Indigenous Curatorial Graduate Program.
 - The Indigenous Curatorial Graduate Program was established by the Art Gallery of Western Australia in partnership with these three companies and Curtin University, as part of a strategy to support the Gallery's desire to assist in expanding the number of Indigenous staff in the arts and cultural industries across Australia.
 - The three-year internship combines practical gallery training and a postgraduate Cultural Heritage degree. On completion of the program the Curatorial Intern will be qualified for employment in any of the major galleries and museums in Australia.

OBJECTIVES FOR 2009

- Establish the Tropicana Indigenous Community partnership/ agreement
- Further develop the Tropicana stakeholder /partnership engagement programme
- Develop and seek industry support for an Exploration Field Assistant Traineeship programme
- Progress community projects within operational boundaries
- Promote and support programs that provide pathways from education to employment in the mining sector and with AngloGold Ashanti Australia.
- Develop an Indigenous Business Forum for WA's Goldfields region.

Environment

MANAGEMENT APPROACH

We respect the environment

We are committed to continually improving our processes in order to prevent pollution, minimise waste, increase our carbon efficiency and make efficient use of natural resources. We will develop innovative solutions to mitigate environmental and climate risks.

The group's business principles in regard to the environment serve also as policy, guiding regional and business unit policies and practices.

The board committee on Safety, Health Environment and Community has oversight of environmental matters. The committee meets quarterly and members of the corporate environment team are invited to participate. A group-wide biennial environmental workshop was held in Brazil in late 2008, bringing together some 50 participants from across the group to discuss environmental issues facing the company.

While day-to-day responsibility for environmental issues lies with mine and project management, the corporate AngloGold Ashanti environment team provides strategic guidance and monitors performance against company standards. Site-based and regional environmental specialists contribute to operational environmental functioning and combine to form the Environmental Steering Committee at a group level.

All AngloGold Ashanti Australia operations are expected to comply with relevant state, national and international legislation, regulations and permits, and are required to implement AngloGold Ashanti's Environmental Policy. AngloGold Ashanti environmental standards have been, and are being, developed in support of the policy.

Environmental requirements have been incorporated into the Australian Region's integrated management systems (IMS). These management systems have achieved ISO 14001 certification. Sunrise Dam is scheduled to be audited in January 2009 for its certification renewal.

PERFORMANCE

During 2008 the Australian Region did not receive any fines or prosecutions due to breach of licence requirements/conditions and our target of no Level 4 (major) or Level 5 (catastrophic) incidents was achieved. Three Level 3 (moderate) incidents which occurred during 2008 were reported to relevant authorities. These involved the release of tailings, hyper-saline water and diesel.



Environment

Initiatives

NEALE JUNCTION NATURE RESERVE

Flora and fauna survey

The Neale Junction Nature Reserve (NJNR) lies at the heart of the WA side of the Great Victoria Desert, 500km north-east of Kalgoorlie. At 723,073 hectares it is the fifth largest conservation reserve in WA. The area has not received significant survey effort for mammals and reptiles since the reserve was gazetted in 1977. It has never been surveyed systematically for flora.

In 2008, the Tropicana Joint Venture (a joint venture between AngloGold Ashanti Australia and Independence Group) partnered with the Department of Environment and Conservation (DEC), Landscape, WA Museum, Victoria Museum, La Trobe University (Melbourne), Australian National University, CSIRO, Ecologia Environmental and local Indigenous communities to conduct terrestrial fauna, invertebrate fauna and flora surveys within the NJNR.

The Tropicana JV provided 14 staff and six environmental consultants along with its eight-ton 4WD supplies truck. The Tropicana JV also supplied 5,000 litres of water, numerous 200 litre fuel drums and fresh food every four days to the survey team from its Tropicana Exploration Camp, which was a seven hour drive to the south east of the survey area.

Potential survey sites were first inspected by the Indigenous representatives to ensure they were not in areas of cultural significance. Once agreed upon, traps were set up at 27 sites across the reserve. Traps involved 20 litre buckets dug below surface as pitfall traps, connected with fly wire. The Tropicana JV provided a hole-digging machine to assist setting the pitfalls in soil. The use of mechanised equipment provided a unique opportunity for survey participants to learn to use mechanised equipment as training was provided by the qualified Tropicana JV staff. This was of particular benefit to the indigenous participants.

The results of the survey greatly improved the participants' knowledge of plants and animals in the reserve, with the number of plants recorded almost doubling those previously known to occur. Several reptile and invertebrate species were found to have a range extension from previously known populations and a number of potentially new species were collected.

Our natural environment booklet.

In 2008, AngloGold Ashanti Australia on behalf of the Tropicana JV, developed a booklet titled "Our Natural Environment" for the Tropicana JV area. The booklet provides information on the biological and heritage values recorded during baseline surveys commissioned for exploration activities in the Tropicana JV area. Details on threatened and conservation-significant flora and fauna along with photos and distribution maps are provided to allow field staff to become familiar with the biological values of the area in which they are working. General information on bush tucker, the local Aboriginal language and identifying Aboriginal heritage sites along with photos of important heritage sites and artefacts recorded within the Tropicana JV, is provided in the booklet. The booklet has been issued to all personnel involved in exploration activities within the Tropicana JV (AngloGold Ashanti staff and contractors) and a copy is provided in all AngloGold exploration vehicles.

Pre-clearing inspections for environmental values prior to exploration activities

To ensure AngloGold Ashanti Australia's exploration activities have minimal impact on the natural and archaeological heritage values of our exploration area, the exploration group undertakes pre-clearing site inspections as part of all exploration programmes. The aim of these site inspections is to identify any species of conservation significance, the presence of any archaeological material that may occur within proposed disturbance areas and to enable exploration programmes to be modified to avoid or limit impact on the natural and heritage values of the local area.

Environment

GIS drill hole planning workspace

Another initiative of the Australian exploration group involves the development of the Drill Hole Planning Constraints layer on the company's Geographical Information System (GIS). This layer contains details of all known biological and heritage constraints or issues that must be considered when planning exploration programmes. Many of these constraints have been identified from extensive surveys conducted by AngloGold Ashanti Australia as well as information from the public domain. The information contained in the GIS includes the location of conservation-significant flora and fauna, registered Aboriginal heritage sites, ecologically sensitive areas, proposed or gazette reserves and land tenure data. This planning constraints database must be used by geologists when planning all exploration programs. All employees involved in planning exploration programmes have access to this GIS and are trained in its use.



CASE STUDY

Exploration – Drill hole planning and holistic approach to planning – constraints

Exploration activities and vegetation clearing are managed via the WA Mining Act, Mine Safety and Inspection Act and Environmental Protection Act. It is the responsibility of the project geologist to ensure legal and all other compliance when compiling an exploration programme or implementing the programme.

Some tenements have additional requirements where approval needs to be obtained from the DEC as well as the Department of Mines and Petroleum (DMP). Approval from the DEC is required for tenements that are located within a proposed or gazetted reserve or where the area is classified as an Environmentally Sensitive Area.

Prior to commencing any exploration activities that require land or vegetation disturbance, the requirements of AngloGold Ashanti Australia's Legal Desktop Search Procedure and Planning and Obtaining Permits for Land and Environmental Disturbance is completed. The information obtained during the Legal Desktop Search will determine the issues that need to be addressed in the programme's development, and the external approvals that may be required prior to commencing any exploration activities.

AngloGold Ashanti Australia has developed a procedure for Planning and Obtaining Permits for Land and Environmental Disturbance, the intent of which is to provide a consistent method for planning exploration activities that require land and or vegetation disturbance within Western Australia. To assist the project geologists in developing an acceptable exploration program, a quick-start hole planning workspace has been developed on the Australian Region's Geographical Information System (GIS), Map Info. This workspace contains all the planning constraints data such as location of conservation significant species, ecologically sensitive areas and aboriginal heritage sites. The procedure requires the workspace to be used as the primary information source when developing a drilling programme to ensure all constraints are identified and avoided where possible.

As an additional step to ensure AngloGold Ashanti's activities do not have a negative impact on the environment, prior to a drill programme commencing, the holes are pegged on the ground and the area is inspected for any potential environmental or heritage values not identified during the initial desktop review of constraints. Any issues identified are GPS-referenced and incorporated in the GIS quick-start hole planning constraints workspace to enable modification of the drill programme to avoid these values where possible. The steps involved in a typical exploration programme approval process are shown below.

AngloGold Ashanti Australia is committed to implementing this procedure, which will be modified as required through the IMS review process.

Environment

CYANIDE MANAGEMENT, USAGE AND RECERTIFICATION

The global mining industry, including AngloGold Ashanti, has been a key player over the past 10 years in minimising the risk associated with the use of cyanide. AngloGold Ashanti was a founding signatory to the International Cyanide Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold (the Cyanide Code). This code is a voluntary industry initiative developed under the auspices of the United Nations Environment Program (UNEP) specifically to promote responsible management of cyanide used in gold mining, to enhance the protection of human health, and reduce the potential for environmental impacts.

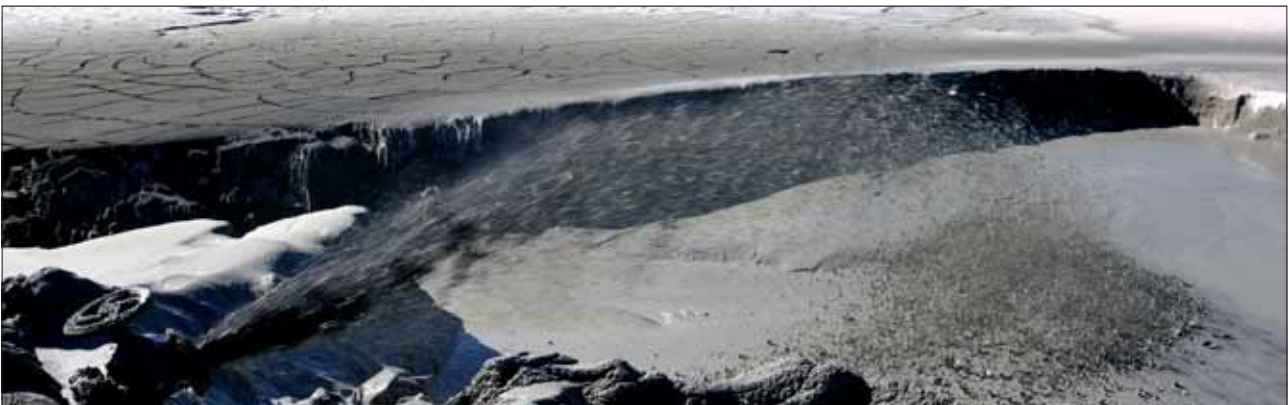
Post year-end, AngloGold Ashanti resubmitted its application for site certification in terms of the cyanide code. Sunrise Dam was included in the sites covered by this application.

In line with the decline in production at Sunrise Dam, the absolute volume of cyanide used increased by 5%. However, more cyanide was used per ounce of gold produced as a result of the lower grade ore mined.

CYANIDE USAGE - AUSTRALIA

	Cyanide usage (kg)		Efficiency (kg/oz)	
	2008	2007	2008	2007
Sunrise Dam	1,632,674	1,559,159	3.77	2.60

Sunrise Dam Gold Mine received certification for full compliance with the Cyanide Code in March 2008. The next International Cyanide Code audit is scheduled for February 2010.



CYANIDE CODE CERTIFICATION

Sunrise Dam Gold Mine has been certified to the International Cyanide Code since March 2007. In 2008, an annual review of the ACMER P58 recommendations was conducted by the scientist involved in the original certification process, Mr David Donato from DES. The review was with reference to the 20 recommendations produced in the Summary of Findings report for certification of Standard of Practice 4.4 of the International Cyanide Management Code (Code) of Sunrise Dam Gold Mine.

Mr Donato conducted a site visit from 14 to 15 October 2008. During this visit, discussions were held with relevant operating staff and the tailings system and associated monitoring data was reviewed. Mr Donato also provided training in cyanide sampling and wildlife monitoring techniques.

Findings of this review indicated that 'it was evident that a positive site culture existed amongst environment and mill processing staff towards the adherence to Standard of Practice 4.4 of the Code. From general discussions held with mill technicians during the wildlife and cyanide monitoring sessions, it was obvious that they had developed their skills, particularly in wildlife observation, which from the author's experience is well beyond the industry standard. This was attributed to site culture, training, management and the necessity of conducting daily observations'.

Environment

ENERGY AND GREENHOUSE GAS EMISSIONS

Mining activities use significant amounts of energy, to transport employees, equipment, ore and waste, for power drilling and the use of other equipment, to run metallurgical plants and administration offices, and for domestic use in on-site accommodation facilities.

Total energy consumption at Sunrise Dam improved by 4% from 2007 to 2008 as shown in the following table.

ENERGY USAGE

	Energy usage (GJ)		Efficiency (GJ/oz)	
	2008	2007	2008	2007
Sunrise Dam	1,900,910	1,978,167	4.39	3.30

Climate change and GHG emissions

The greenhouse (GHG) effect is a natural phenomenon that warms the earth and enables it to support life. The six greenhouse gases specifically identified and managed under the Kyoto Protocol are:

- Carbon Dioxide CO₂
- Methane CH₄
- Perfluorocarbons PFCs
- Hydrofluorocarbons HFCs
- Sulphur hexafluoride SF₆
- Nitrous oxide N₂O

In order to accommodate the different warming potential of these gases, their global warming potential is commonly expressed in terms of their CO₂ equivalence, which is abbreviated to CO₂e.

Changes in the world's climate have been predicted for decades and are now being felt through rising average temperatures and changes to weather patterns. A significant body of scientific evidence suggests that human activities are contributing to these changes. Climate change is highly likely to be detrimental to globally-important ecosystems and to the societies and economies these ecosystems support. The primary mechanism by which humans are contributing to climate change is through the excessive release of GHGs into the atmosphere.

Like most industrial and resource-sector activities, the mining and processing of ore to extract gold leads directly to the emission of greenhouse gases covered by the Kyoto Protocol, such as carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and others. AngloGold Ashanti Australia is committed to producing gold in the most environmentally responsible and economically sustainable manner possible. The emissions targets and innovative technologies explored within this GHG assessment are a reflection of the joint venture partners' commitment to industry best practice and protecting the environment.

AngloGold Ashanti believes that climate change presents both physical and financial risks, as well as opportunities for the company, and these have been and are being considered.

A three-part study into the group's impact on climate change and the effects of climate change on the group, began in September 2008. The study included:

- A group-wide assessment to determine in greater detail the GHG footprint of all AngloGold Ashanti operations using 2007 as the benchmark year.
- A comprehensive assessment to determine the risks to which the company is exposed as a result of climate change. Various risk categories (financial and investment, physical, and legal/regulatory) are being considered.
- The identification of potential opportunities to expand the group's energy savings and energy efficiency projects and to reduce the company's dependence on fossil fuels. This component will identify opportunities where GHG emissions can be reduced to minimise the group's GHG footprint and where carbon credits can be realised and potentially traded in order to offset the costs of these opportunities and to contribute to the company's bottom line. Given the group's focus on delivering value, the approach taken was that the process should identify multiple and highly probable Clean Development Mechanism (CDM) projects. For AngloGold Ashanti, carbon trading presents a particular opportunity; around 84% of the company's gold production comes from developing countries, which are eligible for CDM projects.

Environment

Energy efficiency opportunities (EEO)

The Australian Federal Government Energy Efficiency Opportunities (EEO) Program encourages large energy businesses (>0.5PJ) to improve their energy efficiency by identifying, evaluating and reporting publicly on cost effective energy saving opportunities. The initial public report was published for 2007/2008 and is summarised in the table below.

Sunrise Dam has conducted an assessment in line with the intent of the EEO Program requirements. The initial assessment was facilitated by an external consultant and conducted as a consultative approach, with input from a broad section of the workforce, involving key personnel integral to the success and take up of the EEO Program.

Due to the variety and varying nature of energy use within Sunrise Dam, workshops were conducted for underground mining, processing, the accommodation village and open pit mining sectors. Each workshop was presented a unique energy baseline, possible opportunities arising from the baseline development process, and contextual and supporting information and analysis.

The energy audit at Sunrise Dam estimated that 2.2 PJ of energy was used during the 2007/2008 period and some 85 energy opportunities were identified. These opportunities have been evaluated and prioritised by the site energy working group and are reported in the table.

Three significant opportunities have been identified through this process and are being implemented. They are:

- Installation of screens rather than cyclones on the mill circuit.
- Training of new process personnel in energy efficiency.
- Portable underground fuelling station for boggers.

The table below provides an overview of the energy efficiency opportunities identified at Sunrise Dam as a requirement of the EEO Program.

ENERGY EFFICIENCY OPPORTUNITIES AT SUNRISE DAM

Status of opportunities	Number of opportunities	Estimated energy savings per annum by payback period (GJ)		Total estimated energy savings per annum (GJ)	Accuracy range (%)
		0-2 years	2-4 years		
Outcomes of assessment					
Identified (accuracy $\leq \pm 30\%$)	0	-	-	-	0-0%
Identified (accuracy $> \pm 30\%$)	22	43,488	14,445	57,932	31-31%
Total identified	22	43,488	14,445	57,932	-
Business response					
Under investigation	8	17,061	-	17,061	31-31%
To be implemented	4	8,761	-	8,761	31-31%
Implementation commenced	5	10,206	692	10,898	31-31%
Implemented	5	7,460	13,752	21,212	31-31%
Not to be implemented	0	-	-	-	0-0%

Environment



SUNRISE DAM SOLAR DOSING SYSTEM

In early 2007 Sunrise Dam's Metallurgy Department approached the mine's Electrical Department with a problem.

The salinity of the water that comes from the open pit (which is used in the process plant) was causing the pipes to constantly scale up and dosing of anti-scalant was necessary at various points along the pipeline. The problem was straight-forward and so was the answer, except that the position of the dosing pumps might have to be changed in the future and the cost of supplying power to these areas was quite high.

It was decided to build a system which solely relied on solar power for the task. The system was designed and built in-house by the Electrical Department, with the frame being manufactured by the boilermaking workshop. After two weeks of testing the prototype was put into service, supplying 240v at 2 amps. In the following weeks another three units were manufactured and put into service. They have been running consistently for 24 hours per day for approximately 17 months.

GREENHOUSE CHALLENGE

The Greenhouse Challenge Plus Program is a voluntary initiative between industry and the Australian Government to abate GHG emissions. AngloGold Ashanti Australia is a member of the Greenhouse Challenge Plus Program and reports annually on its performance. It should be noted that the reporting period for the program is by financial year, so the figures provided in the following table are for the 2007-2008 financial year. There will only be one more year of reporting under this Program as the program will no longer exist from 1 July 2009 when it is replaced by the National Greenhouse and Energy Reporting System (NGERS).



Environment

GREENHOUSE CHALLENGE PLUS INVENTORY 2008 REPORTING PERIOD

Emission source	Consumption	Scope 1	Scope 2	Scope 3
		CO _{2-e} (Tonnes)	CO _{2-e} (Tonnes)	CO _{2-e} (Tonnes)
Purchased electricity				
Purchased electricity (kWh)	304,135	–	265	30
Stationary energy	–	–	–	–
Automotive diesel (non-transport)	–	–	–	–
(kL)	34,269	91,933	–	7,011
LPG (non-transport) (kL)	670	1,024	–	91
Transport energy				
Automotive diesel (kL)	22,697	57,854	–	4,643
Automotive diesel offsite (kL)	1,224	–	–	3,298
Aviation turbine fuel (kL)	1,613	–	–	3,866
Waste				
Co-mingled (tonnes)	711	746	–	–
Food/Garden waste (t)	933	980	–	–
Wastewater treatment	740	26	–	–
Paper and paperboard waste (t)	4	11	–	–
Wood Waste (t)	2	6	–	–
Other				
Explosive detonation (t)	3,943	670	–	–
Refrigeration and air-conditioning	1,634	97	–	–
Land clearing (ha)	26	372	–	–
Gross emissions (t CO _{2-e})		153,719	265	18,939
Offsets	–	–	–	–
Sequestration	–	–	–	–
Greenpower	–	–	–	–
Total net emissions		153,719	265	18,939

Note: The table includes values from Sunrise Dam, exploration activities and the Perth Office.

NATIONAL POLLUTION INVENTORY REPORTING (NPI)

The National Pollutant Inventory (NPI) is an Australian database of emissions from various industrial facility sources, and diffuse sources. It provides information on the types and amounts of 93 substances being emitted into the Australian environment. The NPI program is run cooperatively by the Australian, state and territory governments to help create a cleaner and healthier environment.

Sunrise Dam Gold Mine data for the reporting period 2007/2008 was submitted to the DEC and there were 33 substances tripped. Detailed information is available at www.npi.com.au.

NATIONAL GREENHOUSE AND ENERGY REPORTING (NGER)

In anticipation of the need to regulate the emission of GHGs, the Australian Government passed legislation in September 2007 requiring many corporations to accurately measure and report their GHGs and energy use for the first time, beginning in the 2008-2009 financial year.

Like most gold producers, AngloGold Ashanti Australia will have reporting obligations under NGERs. The consistent and accurate data collected under NGERs will enable businesses to better understand their own emissions profile, and their potential financial obligations and opportunities under an emissions trading scheme such as the Government's proposed Carbon Pollution Reduction Scheme. AngloGold Ashanti Australia's first report is due at the end of the 2009 financial year.

Environment

CARBON POLLUTION REDUCTION SCHEME AND CARBON TRADING

The Australian Government is seeking to pass legislation to limit the emission of GHGs in Australia. For the first time, there is likely to be a direct financial impost associated with emitting carbon dioxide and other Kyoto Protocol GHG into the atmosphere. Businesses will need to pay for the right to emit. Under the proposed 'cap-and-trade' system, the Government will set a ceiling on the quantity of tonnes of carbon dioxide equivalent gases (CO₂-e) that can be emitted in a given year. This ceiling, or 'cap', will reduce each year in line with the Government's emissions reduction targets. Currently, the Government is proposing a long-term target of reducing emissions to just 40% of year 2000 emissions by 2050, and a medium term target of 5%-15% reductions (depending on the level of international cooperation) by 2020.

The Government will auction (and distribute) carbon permits that grant the right to emit one tonne of CO₂-e. The market will determine the price, based on the level of demand for the right to emit. This is the 'trade' part of the cap-and-trade system being proposed for Australia and in use elsewhere. As the cap on emissions is lowered each year, reducing the number of carbon permits being auctioned, it is expected that prices will rise. As prices rise, some firms will choose to implement plans that reduce emissions instead of buying permits, thereby reducing the level of demand for permits. Others may choose to invest in offsets or to purchase international permits or credits, similarly reducing the demand for Australian permits. In this way, it is expected that the price of carbon permits will stabilise at the lowest possible cost, which is the marginal cost of the next tonne of global greenhouse gas abatement.

AngloGold Ashanti Australia has taken a leading role within the Australian Gold Mining industry to provide a strong position for Emissions Intensive Trade Exposed (EITE) support for carbon credits.

The emergence of a price on carbon – perhaps as early as 2010 – is having a significant impact on corporate investment decisions throughout Australia, especially in the resources sector. Mineral exploration and mining companies typically use large quantities of fossil fuels such as diesel and gas to power vehicles and processes. The equipment is large, expensive and long-lived. Investments today effectively 'lock-in' a certain carbon intensity for the life of the asset. Project developers need to balance the appropriateness of investing in new technologies and more efficient plant and equipment – which may be more expensive and may involve greater risk – against the likely future price of fossil fuels and carbon permits.

The proposed Tropicana Gold Project will meet this challenge by building flexibility into its future plans and by ensuring the approaching opportunities and pitfalls are well understood. Should the Commonwealth Government pass legislation to introduce the Carbon Pollution Reduction Scheme (CPRS) as expected, emissions trading will be in effect from the 1 July 2010. As such, the greenhouse gas emissions associated with all but the early construction activities of the Tropicana Gold Project will be subject to a carbon price.

WATER

Efficient and effective use of water is a key management strategy in all of the Australian regions activities. Water is recycled where possible and rainfall runoff from site is captured and used within the operation. In 2008, water usage at Sunrise Dam was higher than in the previous year due to an increase in throughput of process material as well as a ramp up in activity of the underground operation. Water use in exploration activities was well below approved volumes.

WATER USAGE BY OPERATION – AUSTRALIA

	Water usage (m ³)		Efficiency (m ³ /oz)	
	2008	2007	2008	2007
Sunrise Dam	1,981,829	1,742,339	4.58	2.90
Exploration	25,725	-	-	-

Waste and Recycling

Operational and exploration activities generate a variety of wastes through vehicle use, village operation and administration. AngloGold Ashanti Australia follows the waste management principles of reduce, reuse and recycle and actively encourages employees and contractors to identify opportunities that enable the site to meet these principles. For example, at Sunrise Dam, as part of the site-wide waste management strategy, an active recycling program has been implemented and currently the site recycles the following materials:

- Empty spray cans and lids
- Printer and photocopier cartridges
- Electrical cable
- Fencing wire

Environment

- Aluminium cans and trays
- Batteries
- Crusher screens
- Scrap steel
- Plastic poly-pipe
- Excavator bucket teeth
- Manganese crusher mantels and jaw liners
- Drill rods
- Cardboard/paper
- Computer monitors
- Waste oil
- Electric motors
- Empty 205L drums
- Fluorescent globes

During 2008 Sunrise Dam improved its waste management on site with the introduction of fluorescent globe recycling at the mine site and village. During the reporting period 36 kilograms of globes were recycled. Increased education about paper and cardboard recycling has resulted in improved paper and cardboard recycling onsite with 20,143 kilograms of paper/cardboard recycled during the reporting period. Poly pipe mulching was again undertaken in 2008, with 22,000 kilograms of poly pipe recycled.

All hydrocarbon storage facilities are constructed to relevant Australian standards. Regular inspections and audits are conducted of these facilities and any remedial requirements identified and implemented. All maintenance areas have oil filter bins (if required), hydrocarbon waste bins and waste oil tanks to store waste hydrocarbons and waste oil. Waste oils are stored for offsite disposal by an authorised company. At Sunrise Dam, the company Nationwide removed 281,025 litres of waste oil from site for recycling during 2008.

Biodiversity and landscapes

AngloGold Ashanti, as part of its commitment to environmental stewardship, considers long-term sustainability of the land on which its operations are located to be an integral part of its responsibility. A number of its operations and projects are located in environmentally sensitive areas.

A key objective for the year was to use the ICMM's Good Practice Guidance to improve the management of biodiversity-related issues in association with appropriate external organisations. A new draft standard on biodiversity, currently under development, is based on the ICMM document.

Rehabilitation and closure

Mine closure plans are in place and reviewed annually to take into account operational conditions, community, planning, legislative requirements, international protocols, technological developments and advances in leading practices. These plans and closure liabilities are reviewed by an independent third party every three years. Mine closure and its associated costs are incorporated into the economic feasibility studies of new projects.

REHABILITATION AND DECOMMISSIONING LIABILITIES

	2008		2008	2007
	Rehabilitation	Decommissioning	Total	
Sunrise Dam	A\$21.97m	A\$6.37	A\$28.35	A\$28.57

OBJECTIVES FOR 2009

- Develop specific strategies to manage the Carbon Pollution Reduction Scheme (CPRS).
- Undertake trial rehabilitation on Sunrise Dam's waste dump.
- Initiate the development of a Rehabilitation Plan for Sunrise Dam's Tailings Dam.
- Expand the Exploration Environmental Management Plan (EEMP) to cover DEC requirements for the Dundas Nature Reserve.
- Develop National Greenhouse Emissions Reporting (NGER) data management/reporting system.
- Complete and submit the environmental assessment document for the Tropicana Gold Project.

Production/Costs and Finance

PERFORMANCE IN 2008

Gold production at Sunrise Dam Gold Mine during 2008 decreased by 28% from 2007 production to 433,000 ounces (2007: 600,000 ounces). However, to put this decrease into perspective, 2007 had been a record year for production and following the completion of mining in the base of the Mega Pit, this production decrease was in line with expectations. Approximately 73,000 ounces of gold was produced by the underground operation, which was close to 2007 production (92%) while processing plant throughput was 3.8 million tonnes, the same as in 2007.

Underground capital development totalled 2,100 metres, and 6,700 metres of operating development was completed. A total of 56,500 metres of diamond drilling was completed for the year.

Total cash costs increased by 70% to A\$619/oz (up by 74% in US dollar terms to US\$531/oz). Much of this increase was the result of lower grades and ore volumes, in line with expectations, as mining of the high grade GQ zone in the base of the Mega Pit was completed during the year. Increased diesel fuel prices also contributed to the higher cash costs.

Adjusted gross profit at A\$38 million (US\$32 million) for 2008 was 77% below that of 2007 (A\$163 million, US\$137 million).

Capital expenditure totalled A\$23 million for 2008 (US\$19 million), with the majority again being spent in the underground operation. Major capital items included capitalised development in the Cosmo, Hammerhead, and GQ lodes, as well as costs relating to the cemented pastefill plant.

A summary of key factors for Sunrise Dam is provided in the table below.

KEY FACTORS FOR SUNRISE DAM GOLD MINE

Sunrise Dam		2008	2007	2006
Pay limit	(oz/t)	0.09	0.06	0.05
	(g/t)	2.79	1.76	1.64
Recovery grade	(oz/t)	0.101	0.142	0.099
	(g/t)	3.46	4.86	3.39
Gold production	(000oz)	433	600	465
Total cash costs	(US\$/oz)	531	306	298
	(A\$/oz)	619	364	395
Total production costs	(US\$/oz)	635	385	376
	(A\$/oz)	743	459	497
Adjusted gross profit	(US\$ million)	32	137	137
	(A\$ million)	38	163	181
Capital expenditure	(US\$ million)	19	30	24
	(A\$ million)	23	35	32

OUTLOOK FOR 2009

Gold production for 2009 is projected to be approximately 400,000 ounces, with the contribution from the underground anticipated to be in the region of 150,000 ounces.

Total cash costs are anticipated to be in the range of A\$800/oz to A\$820/oz (US\$530/oz to US\$550/oz, based on an estimated A\$/US\$ FX of 0.67). Capital expenditure is planned to be A\$33 million (US\$22 million), which includes capitalising underground development as well as continuing expenditure on the cemented pastefill plant.

GRI

scorecard

Content index			
GRI Guidelines Number	Content	Location in this report	Information available elsewhere
Profile			
1.	Strategy and analysis	Pages 3 and 8, 9	s 1
2.	Organisational profile	Pages 4 and 5	s 1
3.	Report parameters		
	<i>Report scope and boundary</i>	Page 2	1
	<i>GRI content index</i>	Page 37	1
	<i>Assurance</i>		1
4.	Governance, commitments and engagement		
	<i>Commitments to external initiatives</i>	Page 24 and 25	1 q
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5.	Performance		1
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	<i>Aspect: Economic performance</i>		s 1
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	<i>Aspect: Materials</i>	Page 29	1 q
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	<i>Aspect: Water</i>	Page 34 and 35	1 q
	<i>Aspect: Biodiversity</i>	Page 35	1 q
	<i>Aspect: Emissions, effluents and waste</i>	Page 30, 33 and 34	1 q
	<i>Aspect: Products and services</i>		1 q
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	<i>Aspect: Compliance</i>		1
	<i>Product responsibility</i>		1
	<i>Aspect: Product and service labelling</i>		1
	<i>Aspect: Marketing and communications</i>		1
	<i>Customer privacy</i>		1

Key: s Annual Financial Statements 2008

1 Report to Society 2008

q AngloGold Ashanti website - www.anglogoldashanti.com

Glossary of terms and acronyms

A

ASM: artisanal and small-scale miners.

B

By-products: any products that arise from the core process of producing gold, including silver, uranium and sulphuric acid.

C

Capital expenditure: total capital expenditure on mining assets to both maintain and expand operations.

CDM: Clean Development Mechanism

CIS: carbon-in-solution, a gold recovery process.

Comminution: process of breaking up ore to make gold available for treatment.

Cyanide Code: International Cyanide Management Code for the manufacture, transport and use of cyanide in the production of gold.

E

EITI: Extractive Industries Transparency Initiative.

Elution: process of re-dissolving gold from activated carbon.

G

Global Compact: United Nations Global Compact (derived from the Universal Declaration of Human Rights; the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work; the Rio Declaration on Environment and Development; and the United Nations Convention Against Corruption).

Grade: the quantity of gold contained within a unit weight of gold-bearing material per tonne of ore (oz/t), or grams per metric tonne (g/t).

GRI: Global Reporting Initiative – a multi-stakeholder process and independent institution the mission of which is to develop and disseminate globally applicable sustainability reporting guidelines.

I

ICMM: International Council on Mining and Metals.

International Cyanide Management Code: Industry standard for cyanide management – developed under the auspices of UNEP.

ISO: International Standards Organisation, a voluntary not-for-profit network of national standards institutes from 146 countries.

ISO 14001: ISO standard relating to environmental management systems.

ISO 14001 certification: certification based on regular auditing by an accredited external body.

J

JV: joint venture.

M

Milling: a process of reducing broken ore to a size at which concentrating can be undertaken.

Mineral Resources: A Mineral Resource is a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a mineral resource are known, estimated from specific geological evidence and knowledge, or interpreted from a well-constrained and portrayed geological model. Mineral Resources are subdivided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. The Mineral Resources are inclusive of those Mineral Resources which have been modified to produce Ore Reserves.

Glossary of terms and acronyms

N

NIHL: noise-induced hearing loss – compensable cases reported per 1,000 employees.

O

OHSAS 18001: The Occupational Health and Safety Assessment Series, presents requirements for an occupational health and safety management system.

Ore Reserves: an Ore Reserve is the economically mineable material derived from a Measured and/or Indicated Mineral Resource. It is inclusive of diluting materials and allows for losses that may occur when the material is mined. Appropriate assessments have been carried out, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction is reasonably justified. Ore reserves are subdivided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

Ounces (oz) (troy): used in imperial statistics; a kilogram is equal to 32.1507 ounces.

R

Refractory ores: where gold is 'locked' within sulphide material and is not readily available for recovery through cyanidation process.

Rehabilitation: the process of restoring mined land to allow an appropriate post-mining use. Rehabilitation standards are determined among others by the South African Department of Minerals and Energy, the United States Bureau of Land Management, the US Environmental Protection Agency, and the Australian Minerals Industry Code for Environmental Management, and address ground and surface water, topsoil, final slope gradient, waste handling and re-vegetation issues.

S

Safety, Health and Sustainability Development Committee: committee of the board responsible for setting targets and oversight of performance on these issues.

SEAP: Stakeholder Engagement Action Plans – plan to engage with stakeholders, formally and timeously in respect of issues that relate to the operation and may affect them.

Shaft: vertical or decline – means of transporting men and materials.

SMP: System for the Management of People

T

Tailings: the rejected material from mining and screening operations.

Total cash costs: total cash costs include site costs for all mining, processing and administration, as well as contributions from by-products, and are inclusive of royalties and production taxes. Amortisation, rehabilitation, corporate administration, retrenchment, 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.

U

Underground mining: where the orebody is accessed by vertical or decline shaft deep into the ground.

UNEP: United Nations Environment Programme.

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