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If you have sold or otherwise transferred all of your interests in Ashanti Securities, you should send this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you are not the registered or beneficial owner of Ashanti Securities, please forward a copy of this document and its enclosures to such person(s).

The distribution of this document in jurisdictions other than Australia, France, Ghana, South Africa, the UK, the US and Zimbabwe may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document comprises summary UK listing particulars and contains a brief description of AngloGold, Ashanti and the Combined Group and the New AngloGold Ashanti Shares. The issue of the summary listing particulars contained in this document has been authorised by the UK Listing Authority under section 98 of the UK Financial Services and Markets Act 2000 without approval of its contents. The information contained in these summary listing particulars is in summary format and has been derived from the Listing Particulars dated 3 March 2004, which have been prepared and published in accordance with the UK Listing Rules made under section 74 of the UK Financial Services and Markets Act 2000. The Listing Particulars alone contain the full details of AngloGold, Ashanti, the Combined Group and the New AngloGold Ashanti Shares. **The AngloGold Directors and Sam Jonah, as a proposed director of AngloGold Ashanti, are satisfied that this document contains a fair summary of the key information set out in the Listing Particulars.**

Applications have been made to the UKLA and to the LSE for the New AngloGold Ashanti Shares to be admitted to the Official List of the UKLA and for trading on the LSE's market for listed securities. In addition, application will be made for (a) the New AngloGold Ashanti Shares to be listed on the JSE and Euronext Paris and (b) the New AngloGold Ashanti ADSs to be listed on the NYSE. It is expected that admission of the New AngloGold Ashanti Shares to the Official List of the UKLA will become effective and that dealings in the New AngloGold Ashanti Shares on the LSE, the JSE, the ASX (after conversion to CDIs) and Euronext Paris and dealings in the New AngloGold Ashanti ADSs on the NYSE will commence on or about 27 April 2004.



ANGLOGOLD LIMITED

*(Incorporated in the Republic of South Africa
with registration number 1944/017354/06)*

to be renamed

AngloGold Ashanti Limited

Information Memorandum

relating to the recommended proposal for the Merger of

AngloGold Limited

and

Ashanti Goldfields Company Limited

by means of a Scheme of Arrangement

under section 231 of the Ghana Companies Code, 1963 (Act 179), as amended

The GSE has granted permission to AngloGold to list the AngloGold Ashanti Shares and the AngloGold Ashanti GhDSs on the First List of the GSE. The GSE assumes no responsibility for the correctness of any of the statements made or opinions or reports expressed or contained in this document. Admission to the First List of the GSE is not to be taken as an indication of the merits of AngloGold Ashanti or of the AngloGold Ashanti Shares or the AngloGold Ashanti GhDSs. It is expected that dealings in the AngloGold Ashanti Shares and the AngloGold Ashanti GhDSs on the GSE will commence on or about 27 April 2004.

UBS Limited and First Africa Group Holdings (Pty) Ltd are acting for AngloGold in connection with the Merger and are not acting for any person other than AngloGold and will not be responsible to any person other than AngloGold for providing the protections afforded to their respective clients or for providing advice in connection with the Merger.

CIBC World Markets plc, which is regulated in the UK by the Financial Services Authority, is acting for Ashanti in connection with the Merger and is not acting for any person other than Ashanti and will not be responsible to any person other than Ashanti for providing the protections afforded to its clients or for providing advice in connection with the Merger.

The New AngloGold Ashanti Shares to be issued pursuant to the Scheme have not been, and are not required to be, registered under (a) the US Securities Act in reliance upon the exemption from the registration requirements provided by Section 3(a)(10) thereof, or (b) the securities laws of any state of the United States. Neither the SEC nor any state securities commission in the United States or any other US regulatory authority has approved or disapproved of these securities or passed upon the accuracy or adequacy of this document and any representation to the contrary is a criminal offence in the United States.

If you have any questions about the documents contained in this mailing or about any other matter related to the Merger, please call Bondholder Communications Group on +44 (0) 20 7236 0788 (in the United Kingdom), Merban Stockbrokers Limited on +233 (0) 21 251134 (in Ghana), Bondholder Communications Group on +1 888 385 2663 (Toll Free for US) or Imara Edwards Securities on +263 4 790090 in Zimbabwe. For legal reasons, these helplines will not be able to provide advice on the merits of the Merger itself or give financial advice.

A copy of the Listing Particulars has been delivered to the Registrar of Companies in England and Wales for registration as required by section 83 of the UK Financial Services and Markets Act 2000. **Copies of the Listing Particulars are available to the public for inspection at the Document Viewing Facility, UK Listing Authority, Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until completion of the Merger. Alternatively, you may obtain a copy of the Listing Particulars free of charge from AngloGold at 11 Diagonal Street, Johannesburg, South Africa or from Merchant Bank (Ghana) Limited, Merban House, 44 Kwame Nkrumah Avenue, Accra, Ghana or Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 7NH, UK or Computershare Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001, South Africa or Syfrets Corporate and Merchant Bank, 4th Floor, Zimbank House, 46 Speke Avenue, Harare, Zimbabwe during normal business hours on any weekday (Saturday, Sunday and public holidays excepted) from the date of this document until completion of the Merger.**

The Ghanaian Securities and Exchange Commission has been notified of the Merger pursuant to its mandate under section 9(b) of Securities Industry Law, 1993 (PNDCL 33), as amended, to maintain surveillance over activities in securities to ensure orderly, fair and equitable dealings in securities.

This document does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale or distribution of the New AngloGold Ashanti Shares to be issued pursuant to the Scheme in any jurisdiction in which such offer or sale is not permitted.

AngloGold and Ashanti encourage you to read this document carefully and in its entirety. In addition, Ashanti Securityholders are encouraged to read the accompanying Ashanti Scheme Document carefully and in its entirety as it contains important information about the Scheme and the Merger. **In particular, in evaluating the Merger, you should consider the risks related to the Merger and to AngloGold and AngloGold Ashanti. See "Risk Factors" beginning at paragraph 8 of Part II of this document. Further risks related to the Merger are set out in Part I of the Ashanti Scheme Document.**

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Zimbabwe

Auditors of AngloGold

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South Africa
Registered Accountants and Auditors
Chartered Accountants (S.A.)

GhDS Depository

NTHC Limited
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PO Box KIA 9563
Adabraka, Accra
Ghana

Depositories of AngloGold

ADS Depository

The Bank of New York
One Wall Street
New York, New York 10286
United States

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PRESENTATION OF INFORMATION

IFRS Financial Statements

As a company incorporated in South Africa, AngloGold prepares audited consolidated full-year financial statements and unaudited consolidated quarterly financial statements in accordance with IFRS and SA GAAP. These financial statements are distributed to shareholders and are submitted to the JSE, as well as the LSE, the NYSE, the ASX, Euronext Paris and Euronext Brussels and are submitted to the SEC on Form 6-K. The financial information for AngloGold prepared in accordance with IFRS included in this document has been extracted without material adjustment from the audited consolidated financial statements of AngloGold for the years ended and as at 31 December 2000, 2001 and 2002 and the unaudited consolidated financial statements for the year ended and as at 31 December 2003, reviewed by Ernst & Young in accordance with SAAS 910.

UK GAAP Financial Statements

Ashanti prepares its financial statements in accordance with UK GAAP. The financial information for Ashanti included in this document has been extracted without material adjustment from the audited consolidated financial statements of Ashanti for the years ended and as at 31 December 2001, 2002 and 2003 (subject to restatement of the financial information for the year ended 31 December 2001 for the adoption of FRS 19 as described in Part VI of the Listing Particulars), in each case prepared in accordance with UK GAAP. UK GAAP differs in certain respects from IFRS. For a conversion of the consolidated financial information of Ashanti for the three years ended 31 December 2003 from UK GAAP to IFRS as applied by AngloGold and a general discussion of the qualitative differences between UK GAAP and IFRS, see Part V of this document.

US GAAP Financial Statements

AngloGold also prepares audited consolidated full-year financial statements under US GAAP, and Ashanti reconciles the shareholders' funds and the profit/loss attributable to shareholders from UK GAAP to US GAAP. These US GAAP financial statements and US GAAP reconciled financial statements are included in AngloGold's and Ashanti's respective annual reports on Form 20-F, filed with the SEC. Unaudited consolidated pro forma financial information of AngloGold prepared under US GAAP to show the effects of the Merger assuming that the Merger took place on 1 January 2003 for purposes of the income statement for the year ended 31 December 2003 and on 31 December 2003 for purposes of the balance sheet as at 31 December 2003 has been furnished by AngloGold to the SEC under Form 6-K.

AngloGold's and Ashanti's respective filings with the SEC of annual reports on Form 20-F and reports under Form 6-K are available to the public for inspection and copying. See paragraph 16 of Part VII of this document.

Currency

AngloGold presents its consolidated financial statements in US dollars. In 2001, AngloGold changed its presentation currency from South African rand to US dollars since a significant proportion of its sales revenues is realised in US dollars. Ashanti earns all of its revenues in US dollars and the majority of Ashanti's transactions are in US dollars or based on US dollars. As a result, Ashanti also prepares its financial statements in US dollars. Unless otherwise specified, financial information for AngloGold and Ashanti presented in this document is expressed in US dollars.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This document contains “forward-looking information” within the meaning of Section 27A of the US Securities Act and Section 21E of the US Securities Exchange Act. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including without limitation, those concerning: the economic outlook for the gold mining industry; expectations regarding gold prices and production; growth prospects and outlook of the Combined Group’s operations, individually or in the aggregate, including the completion or commencement of the Combined Group’s exploration and production projects; the Combined Group’s liquidity and capital resources and capital expenditure; the timing, fulfillment of conditions, tax treatment and completion of the Merger; the value of the consideration to be received upon completion of the Merger, expectations regarding production and costs savings at AngloGold’s and the Combined Group operations and their respective operating and financial performance and synergies and other benefits anticipated from the Merger. These forward-looking statements are not based on historical facts, but rather reflect AngloGold’s current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or other similar words and phrases. Similarly, statements that describe AngloGold’s or AngloGold Ashanti’s objectives, plans or goals are or may be forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause AngloGold’s or the Combined Group’s actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Although AngloGold believes that the expectations reflected in these forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

The risk factors described in this document beginning at paragraph 8 of Part II of this document could affect AngloGold’s or AngloGold Ashanti’s future results, causing these results to differ materially from those expressed in any forward-looking statements. These factors are not necessarily all of the important factors that could cause AngloGold’s or AngloGold Ashanti’s actual results to differ materially from those expressed in any forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results.

You should review carefully all information included or referenced in this document. The forward-looking statements included in this document are made only as at the date of this document. Neither AngloGold nor AngloGold Ashanti undertakes any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events except as required by law or by any appropriate regulatory authority. All subsequent written and oral forward-looking statements attributable to AngloGold or AngloGold Ashanti or any person acting on their behalf are qualified by the cautionary statements in this paragraph.

DEFINITIONS

“A\$” or “Australian dollar”	Australian dollar, the official currency of Australia
“AA plc”	Anglo American plc, a public limited company incorporated in England and Wales with registered number 3564138
“adjusted headline earnings”	headline earnings before unrealised non-hedge derivatives and marked-to-market of debt financial instruments; adjusted headline earnings is a non-GAAP measure of financial performance
“adjusted operating profits”	operating profits adjusted to exclude unrealised non-hedge derivatives; adjusted operating profits is a non-GAAP measure of financial performance
“AngloGold”	AngloGold Limited, a company incorporated with limited liability under the laws of South Africa with registration number 1944/017354/06
“AngloGold ADSs”	the American depositary shares of AngloGold, each of which represents one AngloGold Share deposited with The Bank of New York, as depositary for the AngloGold ADSs
“AngloGold Ashanti”	AngloGold following the Merger
“AngloGold Ashanti ADSs”	AngloGold ADSs and New AngloGold Ashanti ADSs, each of which will represent one AngloGold Ashanti Share deposited with The Bank of New York, as depositary for the AngloGold Ashanti ADSs
“AngloGold Ashanti ADS Depositary Agreement”	the depositary agreement for the AngloGold Ashanti ADSs, amongst AngloGold Ashanti, The Bank of New York, as depositary, and the holders of AngloGold Ashanti ADSs, dated as of 26 June 1998, as amended
“AngloGold Ashanti GhDS Depositary Agreement”	the depositary agreement for the AngloGold Ashanti GhDSs, to be entered into amongst AngloGold Ashanti, NTHC Limited, as depositary, and Barclays Bank Ghana Limited, as custodian
“AngloGold Ashanti GhDSs”	the new Ghanaian depositary shares of AngloGold Ashanti, 100 of which will represent one AngloGold Ashanti Share deposited with NTHC Limited, as depositary for the AngloGold Ashanti GhDSs, required to be issued pursuant to the Scheme
“AngloGold Ashanti Securities”	AngloGold Ashanti Shares, AngloGold Ashanti ADSs, AngloGold Ashanti CDIs and AngloGold Ashanti GhDSs, or, as the context requires, any one of them
“AngloGold Ashanti Shareholders”	holders of AngloGold Ashanti Shares
“AngloGold Ashanti Shares”	the ordinary shares with a par value of ZAR0.25 each in the capital of AngloGold Ashanti
“AngloGold Board”	the board of directors of AngloGold
“AngloGold CDIs” or after the Effective Date “AngloGold Ashanti CDIs”	AngloGold Clearing House Electronic Subregister System (or CHES) Depositary Interests, five of which represent one AngloGold Share, which after the Effective Date will become AngloGold Ashanti CDIs, five of which will represent one AngloGold Ashanti Share
“AngloGold Directors”	the directors of AngloGold, whose names are set out in paragraph 2.1 of Part VII of this document
“AngloGold Group”	AngloGold and its subsidiary undertakings

“AngloGold Securityholders”	holders of AngloGold Shares, AngloGold ADSs or AngloGold CDIs
“AngloGold Shares”	the ordinary shares with a par value of ZAR0.25 each in the capital of AngloGold
“AngloGold Shareholders”	holders of AngloGold Shares
“Ashanti”	Ashanti Goldfields Company Limited, a company incorporated with limited liability under the laws of Ghana with registered number 7094
“Ashanti ADIs”	the interests in Ashanti Shares that are settled and traded within CREST as depositary interests
“Ashanti Board”	the board of directors of Ashanti
“Ashanti Directors”	the directors of Ashanti, whose names are set out in paragraph 2.6 of Part VII of this document
“Ashanti Extraordinary General Meeting”	the extraordinary general meeting of Ashanti Shareholders convened for 11:30 a.m. on 7 April 2004 (or, if later, immediately after the conclusion or adjournment of the Scheme Meeting) at Len Clay Stadium, Obuasi, Ghana, including any adjournment thereof
“Ashanti GDSs”	the global depositary securities of Ashanti, each of which represents one Ashanti Share deposited with The Bank of New York (or such other person as may from time to time be appointed), acting in its capacity as depositary for the Ashanti GDSs
“Ashanti Group”	Ashanti and its subsidiary undertakings
“Ashanti Scheme Document”	the scheme document sent by Ashanti to Ashanti Securityholders in connection with the Scheme Meeting
“Ashanti Securities”	the Ashanti Shares, Ashanti ADIs, Ashanti GDSs and Ashanti ZDRs or, as the context requires, any one of them
“Ashanti Securityholders”	holders of Ashanti Shares, Ashanti ADIs, Ashanti GDSs or Ashanti ZDRs
“Ashanti Shareholders”	holders of Ashanti Shares
“Ashanti Shares”	the ordinary shares of no par value in the capital of Ashanti
“Ashanti ZDRs”	Zimbabwe depositary receipts of Ashanti, each of which represents one one-hundredth of an Ashanti Share deposited with Temple Assets (Private) Limited of 3rd floor, Unity Court, 64 Kwame Nkrumah Avenue, Harare, Zimbabwe (or such other person as may be appointed from time to time), acting in its capacity as depositary for the Ashanti ZDRs
“ASX”	the Australian Stock Exchange Limited
“Bondholders”	holders of Convertible Bonds
“Carbon-in-leach” or “CIL”	a process in which gold is leached from a slurry of gold ore with cyanide in agitated tanks and absorbed onto carbon granules in the same circuit; the carbon granules are separated from the slurry and treated separately to remove the gold
“Carbon-in-pulp” or “CIP”	a process in which gold is leached conventionally from a slurry of gold ore with cyanide in agitated tanks; the leached slurry then passes into the CIP circuit where carbon granules are mixed with the slurry and gold is absorbed onto the carbon; the granules are separated from the slurry and treated separately to remove the gold

“cash operating costs (cash operating costs per ounce)”	a measure of the average cost of producing an ounce of gold, calculated by dividing the total working costs in a period by the total gold production over the same period; cash operating costs (cash operating costs per ounce) are non-GAAP measures of financial performance
“cash operating profit”	adjusted operating profit plus amortisation of mining assets; cash operating profit is a non-GAAP measure of financial performance
“Combined Group”	AngloGold Ashanti and its subsidiary undertakings following the Merger
“Companies Code”	the Ghana Companies Code, 1963 (Act 179), as amended
“contained gold”	the total gold content of the orebody (tonnes multiplied by grade), irrespective of economic potential and without deduction for mining and processing losses prior to recovery
“Convertible Bonds”	the US\$1,000,000,000 2,375 per cent Guaranteed Convertible Bonds due 2009 issued by AngloGold Holdings plc, a wholly-owned subsidiary of AngloGold, convertible into AngloGold ADSs and unconditionally and irrevocably guaranteed by AngloGold
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI No 2001/3755)) in respect of which CRESTCo Limited, a limited liability company incorporated in England and Wales with registered number 2878738, is the operator (as defined in such regulations), being a paperless settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by way of written instrument
“depletion”	the decrease in quantity of ore in a deposit or property resulting from extraction or production
“dilution”	rock that is of necessity moved along with ore in the mining process, consequently lowering the grade of ore
“Effective Date”	the date on which the Scheme becomes effective in accordance with its terms
“Existing Obuasi Mine”	the existing mine above 50 level at Obuasi mine
“Ghana”	the Republic of Ghana
“Golden Share”	the special rights redeemable preference share of no par value of Ashanti and held by the Government, further details of which are contained in paragraph 21 of Part IX of the Listing Particulars
“Government”	the Government of Ghana
“Government Support Deed”	a deed of agreement, dated 4 December 2003, entered into between AngloGold and the Government pursuant to which the Government agreed, amongst other things, to vote in favour of the Scheme in its capacity as a shareholder of Ashanti
“grade”	the quantity of gold contained within a unit weight of gold-bearing material generally expressed in grams per metric tonne (g/t) and reflected on a delivered-to-mill basis
“GSE”	the Ghana Stock Exchange
“High Court”	the High Court of Ghana
“IFRS”	International Financial Reporting Standards, formerly referred to as International Accounting Standards (IAS)
“in situ deposit”	reserves still in the ground

“JSE”	the JSE Securities Exchange South Africa
“Listing Particulars”	the listing particulars relating to AngloGold prepared in accordance with the UK Listing Rules and Part VI of the UK Financial Services and Markets Act 2000, as they may be supplemented or amended from time to time
“Lonmin”	Lonmin Plc, a public limited company incorporated in England and Wales with registered number 00103002
“Lonmin Support Deed”	a deed of agreement, dated 4 August 2003, as amended on 17 October 2003, entered into between AngloGold and Lonmin pursuant to which Lonmin agreed, amongst other things, to vote in favour of the Scheme in its capacity as a shareholder of Ashanti
“LSE”	the London Stock Exchange plc
“MENs”	US\$75 million unsecured mandatorily exchangeable notes of Ashanti Capital (Second) Limited, a company incorporated in the Cayman Islands and a wholly-owned subsidiary of Ashanti with registered number 115822, exchangeable for Ashanti Shares and guaranteed by Ashanti and issued pursuant to a deed poll dated 27 June 2002 executed by Ashanti and Ashanti Capital (Second) Limited
“Merger”	the proposed merger to be effected by the Scheme as described in the Transaction Agreement
“metallurgical plant”	a processing plant erected to treat ore and extract gold
“mine call factor”	the ratio, expressed as a percentage, of the total quantity of recovered and unrecovered mineral product after processing to the amount of mineral product estimated to be contained in the ore based on sampling
“mineral deposit”	a mineralised body which has been delineated by appropriately spaced drilling and/or underground sampling to support a sufficient tonnage and average grade of metal; this material or deposit does not qualify as a reserve until a comprehensive evaluation, based on costs, grade, recoveries and other factors, demonstrates economic feasibility and consequently, although the potential exists, there is no assurance that this mineral deposit will ever become an ore reserve
“Mineral Resources”	mineralisation which has been identified and estimated through exploration and sampling and within which Ore Reserves may be defined by the consideration and application of technical, economic, legal, environmental, social and governmental factors
“MPRDA”	the South African Mineral and Petroleum Resources Development Act, 2002
“New AngloGold Ashanti ADSs”	the new American depositary shares of AngloGold Ashanti, each of which will represent one New AngloGold Ashanti Share deposited with The Bank of New York, as depositary for the AngloGold Ashanti ADSs, required to be issued pursuant to the Scheme
“New AngloGold Ashanti Shares”	the new ordinary shares with a par value of ZAR0.25 each in the capital of AngloGold Ashanti required to be allotted and issued by AngloGold Ashanti pursuant to the Scheme and pursuant to the Stability Agreement
“non-GAAP measure”	a measure of financial performance otherwise than in accordance with IFRS or UK GAAP
“NYSE”	the New York Stock Exchange, Inc.

“Obuasi Deeps”	the potential deep-level mining development below 50 level at the Obuasi mine
“Official List”	the official list maintained by the UK Listing Authority
“Ore Reserves” or “reserves”	that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination
“ounce”	used in imperial statistics; a troy ounce is equal to 31.1035 grams
“Parliament”	the Parliament of Ghana
“Probable (indicated) reserves”	reserves for which quantity and grade and/or quality are computed from information similar to that used for Proved (measured) reserves, but the sites for inspection, sampling and measurement are further apart or are otherwise less adequately spaced; the degree of assurance, although lower than that for Proved (measured) reserves, is high enough to assume continuity between points of observation
“Proved (measured) reserves”	reserves for which: (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling; and (b) the sites for inspection, sampling and measurement are spaced so closely and the geological character is so well defined that size, shape, depth and mineral content of reserves are well established
“Queenstake”	Queenstake Resources USA Inc.
“Randgold”	Randgold Resources Limited, a public limited company incorporated in Jersey with registered number 62686
“reclamation”	reclaiming, monitoring or pumping of slimes using high-pressure water cannons from the dumps to the metallurgical plants for processing
“recovered grade”	the function of processing plant feed grade multiplied by metallurgical recovery
“reef”	a gold-bearing sedimentary horizon, normally a conglomerate band, that may contain economic levels of gold
“refining”	the final purification process of a metal or mineral
“Registrar of Companies”	the Registrar of Companies in Ghana appointed in accordance with section 328 of the Companies Code
“rehabilitation”	the process of restoring mined land to allow an appropriate post-mining use; rehabilitation standards are determined amongst others by the South African Department of Minerals and Energy, the US 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
“SAAS”	South African Auditing Standard (or Standards)
“SAG”	Semi Autogenous Grinding, a method of grinding where ore in the mill is used as part or all of the grinding medium
“SA GAAP”	generally accepted accounting practice in South Africa
“SARB”	South African Reserve Bank

“Scheme”	the scheme of arrangement under section 231 of the Companies Code set out in the Ashanti Scheme Document in its present form or with or subject to any modification, addition or condition which the High Court may approve or impose and, if detrimental to AngloGold, to which AngloGold consents
“Scheme Meeting”	the meeting of Ashanti Shareholders convened by order of the High Court pursuant to section 231 of the Companies Code to consider and, if thought fit, approve the Scheme, including any adjournment thereof
“SEC”	the US Securities and Exchange Commission
“SDRT”	stamp duty reserve tax
“Share Exchange Ratio”	an exchange ratio of 0.29 New AngloGold Ashanti Shares, 0.29 New AngloGold Ashanti ADSs or, for Ghanaian residents only, 29 AngloGold Ashanti GhDSs for every Ashanti Share held
“South Africa”	the Republic of South Africa
“South African Common Monetary Area”	the South African Common Monetary Area, including the Kingdom of Lesotho, the Kingdom of Swaziland, South Africa and the Republic of Namibia
“Stability Agreement”	the agreement entered into between the Government and AngloGold, concerning certain fiscal and regulatory undertakings regarding the Combined Group and its operations in Ghana upon implementation of the Merger, as approved by Parliament on 18 February 2004
“subsidiary undertaking”	has the meaning given to that term in the UK Companies Act 1985, as amended
“tailings”	finely ground rock of low residual value from which valuable minerals have been extracted
“tailings dam (slimes dam)”	dams or dumps created from tailings
“tonnage”	quantities where the tonne is an appropriate unit of measure; typically used to measure resources and reserves of gold-bearing material in situ or quantities of ore and waste material mined, transported or milled; reflected on a delivered-to-mill basis
“tonne”	used in metric statistics and equal to 1,000 kilograms
“total cash costs (total cash costs per ounce)”	total cash costs include site costs for all mining, processing, administration, royalties and production taxes, as well as contributions from by-products but are exclusive of depreciation, depletion and amortisation, rehabilitation, employment severance costs, corporate administration costs, capital costs and exploration costs; total cash costs per ounce is the attributable total cash costs divided by the attributable ounces of gold produced; total cash costs (total cash costs per ounce) are non-GAAP measures of financial performance
“total production costs (total production costs per ounce)”	a measure of the average cost of producing an ounce of gold, calculated by dividing the production costs (attributable production costs for AngloGold) in a period by the gold production (attributable gold production for AngloGold) over the same period; total production costs represent total cash costs (cash operating costs for Ashanti), plus depreciation, depletion and amortisation, employee severance costs and rehabilitation and other non-cash costs; total production costs (total production costs per ounce) are non-GAAP measures of financial performance

“Transaction Agreement”	the transaction agreement entered into between AngloGold and Ashanti dated 4 August 2003 and amended on 2 September 2003, 23 September 2003, 29 October 2003, 13 November 2003 and 12 December 2003, relating to the Merger
“UK GAAP”	accounting principles generally accepted in the United Kingdom
“UK Listing Authority” or “UKLA”	the UK Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000, including where the context so permits, any committee, employee, officer or servant to whom any function of the UK Listing Authority may for the time being be delegated
“UK Listing Rules”	the rules and regulations made by the UK Listing Authority under Part VI of the UK Financial Services and Markets Act 2000, as amended from time to time
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States or the District of Columbia and all areas subject to its jurisdiction
“US cents”	United States cents, being a sub-division of the US dollar
“US\$” or “US dollar”	United States dollar, the official currency of the United States
“US GAAP”	generally accepted accounting principles in the United States
“US Securities Act”	the US Securities Act of 1933, as amended
“US Securities Exchange Act”	the US Securities Exchange Act of 1934, as amended
“waste”	material that contains insufficient mineralisation for consideration for future treatment and, as such, is discarded
“yield”	the amount of valuable mineral or metal recovered from each unit mass of ore expressed as ounces per short ton or grams per metric tonne
“ZAR” or “South African rand”	the official currency of South Africa
“Zimbabwe”	the Republic of Zimbabwe
“ZSE”	the Zimbabwe Stock Exchange

Part I: Overview of the Merger

1. INTRODUCTION

On 16 May 2003, AngloGold and Ashanti confirmed that they were in discussions regarding a proposed merger of the two companies and on 4 August 2003 the companies announced that they had agreed the terms of a recommended merger at an exchange ratio of 0.26 New AngloGold Ashanti Shares, 0.26 New AngloGold Ashanti ADSs or, for Ghanaian residents only, 26 AngloGold Ashanti GhDSs, for every Ashanti Share or Ashanti GDS, and that they had entered into the Transaction Agreement. On the same date, AngloGold entered into the Lonmin Support Deed, pursuant to which Lonmin agreed, amongst other things, to vote its Ashanti Shares in favour of the Merger.

Following the announcement of these agreements, Ashanti announced on 8 August 2003 that it had received a merger proposal from Randgold. After further discussions with AngloGold and detailed, careful consideration of the Randgold proposal, and following the increase by AngloGold in the offer consideration to 0.29 New AngloGold Ashanti Shares, 0.29 New AngloGold Ashanti ADSs or, for Ghanaian residents only, 29 AngloGold Ashanti GhDSs, for every Ashanti Share or Ashanti GDS, the Ashanti Board announced on 14 October 2003 that it was recommending an improved final merger offer from AngloGold.

Following receipt of a revised proposal from Randgold on 24 October 2003, the Ashanti Board announced on 27 October 2003 that it had unanimously resolved to continue to recommend AngloGold's improved final merger offer.

On 28 October 2003, the Government announced its support for the Merger as well as the principal terms of a stability undertaking which the Government intended to enter into with AngloGold. On 12 December 2003, AngloGold and the Government entered into the Government Support Deed, pursuant to which the Government agreed, amongst other things, to vote its Ashanti Shares in favour of the Merger. Following the approval by Parliament of the terms of the Stability Agreement on 18 February 2004, AngloGold and the Government entered into the Stability Agreement.

The Merger is to be effected by means of a Ghanaian Scheme of Arrangement under section 231 of the Companies Code, which requires the approval of not less than three-fourths of the votes cast by Ashanti Shareholders present and entitled to vote either in person or by proxy at a Court-convened shareholder meeting and the confirmation of the High Court of Ghana. Under the terms of the Merger, Ashanti Securityholders will receive for every Ashanti Share or Ashanti GDS 0.29 New AngloGold Ashanti Shares or 0.29 New AngloGold Ashanti ADSs. Ashanti Shareholders resident in Ghana will, unless they elect otherwise, receive AngloGold Ashanti GhDSs, 100 of which will represent one AngloGold Ashanti Share, in exchange for their Ashanti Shares on the basis of 29 AngloGold Ashanti GhDSs for every Ashanti Share.

Following the Merger, Ashanti will become a private company within the meaning of the Companies Code and a wholly-owned subsidiary of AngloGold Ashanti and the Ashanti Securities will cease to be listed on the GSE, the LSE, the NYSE and the ZSE. AngloGold has agreed to convene a general meeting of its shareholders to consider a special resolution to change its name to AngloGold Ashanti Limited as of completion of the Merger. This special resolution to approve the change of name will need to be passed at a general meeting of AngloGold at which shareholders holding in aggregate not less than one-fourth of the total votes of all of the shareholders entitled to vote thereat are present in person or by proxy, and the resolution will need to be approved on a show of hands, by no less than three-fourths of the AngloGold shareholders entitled to vote on a show of hands at the meeting who are present in person or by proxy or, where a poll has been demanded, by no less than three-fourths of the total votes that AngloGold shareholders present in person or by proxy are entitled to cast. The board of directors of AngloGold has recommended that AngloGold Shareholders vote in favour of this special resolution. AngloGold has received an undertaking from its largest shareholder, AA plc, which currently holds approximately 54 per cent of AngloGold's issued share capital, to vote its AngloGold Shares in favour of this special resolution.

The Ashanti Board considers the terms of the Merger to be in the best interests of Ashanti Securityholders as a whole and of Ashanti. The Ashanti Board recommends that all Ashanti Securityholders vote in favour of the resolutions to be proposed at the Scheme Meeting and the Ashanti Extraordinary General Meeting, as the Ashanti Directors intend to do in respect of their own respective beneficial holdings, which amount in aggregate to 90,716 Ashanti Shares (representing 0.07 per cent of the issued ordinary share capital of Ashanti).

Chester Crocker, Lynda Chalker and Edward Haslam, being directors of Ashanti, have not taken part in the deliberations of the Ashanti Board relating to the recommendation of the Merger. Chester Crocker and Lynda Chalker have, or companies in which they have an interest have, entered into commercial contracts with AngloGold, its subsidiaries or its parent, AA plc. Edward Haslam did not participate because he is an executive director of Ashanti's largest shareholder, Lonmin, which has given an undertaking to AngloGold to support the Merger.

2. DESCRIPTION OF AGREEMENTS

Transaction Agreement. The Transaction Agreement sets out the terms and conditions subject to which the Merger is to be effected and contains customary undertakings, representations, covenants, conditions and termination provisions. The Merger is, among other things, conditional upon the approval of the Scheme by Ashanti Shareholders and the confirmation of the Scheme by the High Court. If AngloGold wrongfully terminates the Transaction Agreement in breach of its obligations to complete the Merger, it will be committed to pay Ashanti US\$75 million to compensate it for the damages Ashanti will have suffered as a result of the breach. If Ashanti wrongfully terminates the Transaction Agreement in breach of its obligations, it will be liable for all damages incurred by AngloGold, which, in that event, will not be subject to any cap. In either case, no payment will be made unless there has been a determination by the High Court of England that a breach of the Transaction Agreement has occurred. If the resolution to approve the Scheme is not passed by Ashanti Shareholders at the Scheme Meeting, then either AngloGold or Ashanti would be entitled to terminate the Transaction Agreement and would not, in the absence of any breach of any other obligations under the Transaction Agreement, be liable to pay any charges thereunder.

More details of the Transaction Agreement are set out in paragraph 14 of Part VII of this document.

Shareholder Support Deeds. AngloGold has entered into the Lonmin Support Deed and the Government Support Deed with Lonmin and the Government, respectively, the two major shareholders of Ashanti who together own 44.2 per cent of Ashanti's issued ordinary share capital, pursuant to which Lonmin and the Government have, amongst other undertakings, agreed to vote their Ashanti Shares in favour of the Merger.

Under the Government Support Deed, AngloGold has agreed that the Government will be able to recommend two Ghanaian citizens to the AngloGold Board, and AngloGold will appoint such persons as non-executive directors of AngloGold Ashanti upon the Merger becoming effective (subject to such persons being acceptable to the AngloGold Board and to Ashanti in accordance with the relevant applicable company laws). As at 27 February 2004 (being the latest practicable date prior to publication of this document), AngloGold has not received any recommendation from the Government in relation to such appointments.

In connection with the Merger, AngloGold has, pursuant to a registration rights agreement, granted registration rights to Lonmin in order to allow Lonmin to sell publicly in the United States the New AngloGold Ashanti Shares that it receives in the Merger in an orderly manner following the completion of the Merger. Without these registration rights, the sale of New AngloGold Ashanti Shares by Lonmin in the United States would be subject to certain resale restrictions.

Stability Agreement. AngloGold and the Government have also agreed the terms of a stability agreement (the "Stability Agreement") to govern certain aspects of the fiscal and regulatory framework under which AngloGold Ashanti will operate in Ghana upon the implementation of the Merger. The Stability Agreement was executed by AngloGold and the Government following the approval of its terms by Parliament on 18 February 2004.

Under the Stability Agreement, the Government has agreed to:

- extend the term of the mining lease relating to the Obuasi mine until 2054 on its existing terms;
- maintain the royalties payable by Ashanti with respect to its mining operations in Ghana at a rate of 3 per cent per annum of the total revenue from minerals obtained by Ashanti from such mining operations for a period of 15 years;
- maintain the corporate tax rate for Ashanti and to fix it for each of its subsidiaries in Ghana at a rate of 30 per cent for a period of 15 years;
- confirm that the rights of the Government of Ghana with respect to the Golden Share apply solely to Ashanti's assets and operations in Ghana; and

- authorise Ashanti and any or all of its subsidiaries in Ghana to retain up to 80 per cent of their exportation proceeds in foreign currencies offshore, or if such foreign currency is held in Ghana to guarantee the availability of such foreign currency.

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

In consideration of these agreements and undertakings, AngloGold has agreed to issue to the Government 2,658,000 New AngloGold Ashanti Shares and to pay to the Government US\$5 million in cash, promptly after the implementation of the Merger. AngloGold has also agreed to pay to the Government, on the Effective Date, US\$5 million in cash towards the transaction costs incurred by the Government in its role as regulator of Ashanti.

In consideration of the agreements and undertakings contained in the Stability Agreement, AngloGold will also:

- commit to recapitalisation of the Existing Obuasi Mine as well as to undertake further exploration with regard to Obuasi Deeps. AngloGold Ashanti proposes to spend US\$220 million on the Existing Obuasi Mine over the five year period commencing 1 January 2004. This amount of US\$220 million includes the amount of US\$110 million in real terms which AngloGold intends to spend over the next five years on underground equipment, infrastructure and environmental and planning systems for the Existing Obuasi Mine as referred to in paragraph 2 of Part II of this document. With regard to Obuasi Deeps, by 31 December 2008 AngloGold Ashanti will conclude the required exploration programme and feasibility studies, at an estimated cost of US\$44 million. Thereafter, if viable, development of Obuasi Deeps may proceed with preliminary scoping studies indicating an amount of US\$570 million to be spent over the life of mine;
- for a period of two years, not implement any new retrenchment programmes in Ghana (excluding individual dismissals from time to time) and to continue to apply Ashanti's existing and approved retrenchment programmes;
- establish and/or maintain a community trust in Ghana to which AngloGold Ashanti will contribute a total amount of 1 per cent of its profits generated in Ghana; and
- implement programmes pertaining to training, Malaria control and improvement of health, safety and working conditions.

The Stability Agreement will terminate automatically should the 2,658,000 AngloGold Ashanti Shares not be issued to the Government or the amount of US\$5 million not be paid to the Government within three business days of the implementation of the Merger. The Stability Agreement will also automatically terminate upon the termination of the Government Support Deed.

In the event that after Parliament approves the Stability Agreement: (i) the Transaction Agreement is terminated by the mutual written consent of AngloGold and Ashanti or (ii) AngloGold wrongfully terminates the Transaction Agreement, AngloGold has agreed to promptly pay to the Government US\$15 million in cash. The obligation to pay this amount would not be triggered if the resolution to approve the Scheme is not passed by Ashanti Shareholders at the Scheme Meeting.

Details of the rights attaching to the Golden Share are set out in paragraph 21 of Part IX of the Listing Particulars.

Part II: Overview of AngloGold Ashanti

1. INTRODUCTION

AngloGold Ashanti will be a growth focused, leading global gold producer. It will have one of the largest gold Ore Reserves bases in the industry, a significant and well diversified production base, and the financial and technical resources to maximise organic growth from the existing asset base as well as to capitalise on further acquisition opportunities.

2. BENEFITS OF THE MERGER

The AngloGold Directors and the Ashanti Directors believe that the Merger will allow the holders of AngloGold Securities and Ashanti Securities to benefit from the establishment of a global leader in the gold industry and they expect that the Merger will produce a Combined Group with the following attributes:

• **Growth/upside potential**

- an enhanced production profile is expected from existing brownfields opportunities;
- AngloGold's proven ability in the development of deep-level projects should maximise the opportunity for the development of deep-level underground mining at Obuasi Deeps, where a scoping study has been undertaken to review the mine's potential down to 100 level as well as alternative production rates, infrastructure options and operating and capital cost projections;
- a dedicated project team will undertake a feasibility study regarding Obuasi Deeps with anticipated expenditure for exploration and feasibility studies of US\$44 million over the next five years. Including this amount, the total capital expenditure for Obuasi Deeps is estimated to be US\$570 million in real terms over the expected life of mine;
- AngloGold Ashanti intends to invest US\$110 million in real terms over the next five years on underground equipment, infrastructure and environmental and planning systems for the Existing Obuasi Mine. This amount is in addition to capital expenditure already planned by Ashanti and is in addition to the US\$44 million to be spent upon exploration for Obuasi Deeps as referred to above. Under the Stability Agreement, AngloGold Ashanti proposes to spend US\$220 million on the Existing Obuasi Mine over the next five years, which amount includes the US\$110 million mentioned immediately above. AngloGold management anticipates that these initiatives will improve underground working conditions and mine planning, thereby increasing efficiencies with the objective of reducing anticipated cash operating costs at Obuasi by an estimated US\$20 per ounce in real terms over the next five years;
- AngloGold Ashanti intends to accelerate its exploration programmes, particularly at Obuasi and at Siguiri;
- AngloGold Ashanti will have land positions in some of the most prospective regions in the world; and
- AngloGold's stronger balance sheet, combined with its proven capital raising capability, will ensure the funding of the above development projects at Obuasi and, in 2004, the CIP installation at Siguiri.

• **Synergies** – the Merger is expected to generate tangible pre-tax synergy benefits of approximately US\$15 million per annum, before transaction expenses, expected from the first full year after completion, due to anticipated:

- reduced financing costs – Ashanti's cost of funds is generally higher than that of AngloGold. Refinancing of certain of Ashanti's existing financing arrangements is expected to yield savings of approximately US\$3 million per annum;
- reduced administrative and procurement costs – These savings are expected to result in savings of approximately US\$9 million per annum. They are principally expected to arise from two sources. First, the integration of corporate, general administration, sales and marketing activities of AngloGold and Ashanti. Secondly, AngloGold has developed globally coordinated procurement strategies and infrastructure, the use of which by Ashanti, in particular in relation to the Obuasi, Bibiani, Iduapriem/Teberebie and Siguiri mines, is expected to result in cost savings;
- consolidation of ownership of the Geita mine in Tanzania; and
- breadth of technical capabilities to ensure the optimal development of organic growth opportunities – AngloGold has a broader technical and financial skills base and therefore does not outsource these functions to the extent which Ashanti does presently. The reduced need for such outsourcing by Ashanti following the Merger is expected to result in savings of approximately US\$3 million per annum.

- **Scale** – AngloGold Ashanti will have the production base, ore reserves and financial resources which are anticipated to generate future value.
 - Ore Reserves – 83.8 million ounces of attributable Proved and Probable Ore Reserves based on AngloGold’s and Ashanti’s Proved and Probable Ore Reserves as at 31 December 2003 (which Ore Reserves were already adjusted for the sale by AngloGold of Amapari, the Western Tanami assets and its 70 per cent interest in the Jerritt Canyon Joint Venture during 2003, as well as the closure in 2003 of Union Reefs. This represents approximately a 33 per cent increase in AngloGold’s Proved and Probable Ore Reserves as at 31 December 2003;
 - Production – reinforces AngloGold’s position as one of the world’s largest gold producers with 2003 combined gold production of 6.9 million ounces (adjusted for the sale during 2003 by AngloGold of its 70 per cent interest in the Jerritt Canyon Joint Venture as well as the closure of Union Reefs in 2003), a 28 per cent increase in AngloGold’s attributable production level for the year ended 31 December 2003 similarly adjusted for the sale of Jerritt Canyon and the closure of Union Reefs; and
 - US\$980 million cash operating profit, on a 2003 pro forma basis (as extracted without material adjustment from the unaudited pro forma financial information relating to AngloGold Ashanti set out in Part VI of this document).
- **Operating strength** – AngloGold Ashanti will have a portfolio of long-life, low-cost assets and different orebody types in the key gold producing regions.
 - Cash operating costs – total cash costs of US\$230 per ounce on a 2003 pro forma basis (as extracted without material adjustment from the unaudited pro forma financial information relating to AngloGold Ashanti set out in Part VI of this document);
 - Long-life assets – six operations in five countries with combined Ore Reserves of 41.2 million ounces have current life of mine plans of 15 years or longer; and
 - Diversification – well diversified asset portfolio comprising a balance of open-pit and underground production from a total of 24 operations (following the sale during 2003 by AngloGold of its interests in the Jerritt Canyon Joint Venture, as well as the closure in 2003 of Union Reefs) operations distributed across 11 countries in the principal gold producing regions of the world.
- **Investment appeal** – AngloGold Ashanti is anticipated to have the growth potential, size, liquidity and dividend yield to enhance appeal to the investment community.
 - Increased size – combined market capitalisation of approximately US\$11.3 billion (based on the closing price of an AngloGold ADS on the NYSE on 27 February 2004, the last practicable trading day prior to the publication of this document, and the issued ordinary share capital of each of AngloGold and Ashanti as at such date), meriting greater attention from major global generalist and specialist investment institutions; and
 - Share trading liquidity – increased liquidity, particularly in North America, which represents some two-thirds of AngloGold and Ashanti’s combined share turnover.

3. PROSPECTS

This section, which considers the prospects for AngloGold Ashanti upon the implementation of the Merger, should be read in conjunction with paragraph 2 above which considers the benefits of the Merger.

Outlook. AngloGold anticipates that its attributable production in 2004, on a standalone basis, would decrease to around 5.3 million ounces, following the closure and sale in 2003 by AngloGold of Union Reefs and its 70 per cent interest in the Jerritt Canyon Joint Venture. In 2003, Union Reefs and Jerritt Canyon collectively contributed 180,000 ounces towards AngloGold’s attributable production of approximately 5.6 million ounces. Ashanti, on the other hand, anticipates that its operations will achieve production in 2004 broadly in line with the performance recorded in 2003. AngloGold Ashanti expects to achieve attributable production of around 6.6 million ounces for 2004, on the assumption that the Merger is completed during April 2004.

AngloGold will implement a change in the accounting treatment of Ore Reserve development expenditure with effect from 1 January 2004. Previously, a portion of this expenditure was expensed in the period that such expenditure was incurred. In line with many major gold producers, from 2004 AngloGold will capitalise Ore Reserve development expenditure and amortise it, using the units of production method, over the life of the relevant mining area to which such expenditure applies. This treatment will be extended to include Ashanti’s operations upon the completion of the Merger.

Assuming that the US dollar exchange rates of the currencies in the countries where AngloGold operates remain in 2004 at levels similar to the average exchange rates in 2003, and allowing for the change in treatment of Ore Reserve development expenditure outlined above, AngloGold's total cash operating costs in US dollars per ounce are anticipated to increase marginally in 2004 relative to 2003. Ashanti's cash operating costs are expected to be broadly in line with those achieved in 2003, increasing in line with inflation. It is therefore anticipated that AngloGold Ashanti's total cash operating costs will be marginally higher in 2004 than that achieved by AngloGold in 2003.

For AngloGold, capital expenditure for 2004 is expected to be higher than in 2003, primarily as a result of the inclusion of Ore Reserve development expenditure as discussed above. In the case of Ashanti, AngloGold is committed to the recapitalisation of the Existing Obuasi Mine, as well as continuing and accelerating the exploration at Obuasi Deeps. AngloGold Ashanti is also committed to the completion of the CIP project at Siguiri. Total attributable capital expenditure for the Combined Group for 2004 is anticipated to be approximately US\$600 million.

Upon the implementation of the Merger, AngloGold Ashanti's primary focus will be to integrate the operations and activities of the two companies so as to achieve both the short and long term benefits of the Merger as set out in paragraph 2 above. Furthermore, as a gold mining company, AngloGold Ashanti is subject to the risks which impact upon the gold mining industry generally and specifically the operations of AngloGold Ashanti, as set out in paragraph 8 below. Therefore, whilst AngloGold Ashanti views its prospects for 2004 with confidence, the uncertainty associated with such risks, including risks related to short-term integration issues in 2004, may have an impact upon the operating and financial performance of AngloGold Ashanti in 2004, as well as the Growth Opportunities described further below.

Growth opportunities. In addition to continuously monitoring and evaluating prospective acquisitions, including the Merger, AngloGold Ashanti's management has identified a number of medium to long-term organic growth opportunities. In South Africa, approved projects include:

- the Mponeng deepening project (at a projected capital cost of ZAR1.3 billion, which is anticipated to yield 4.0 million ounces between 2004 and 2016);
- the development of the Moab Khotsong mine (at a projected capital cost of ZAR4.2 billion) where initial mining commenced in November 2003, and commercial production is expected to be achieved in 2006, and which is anticipated to yield in excess of 4.0 million ounces over the course of Phase 1;
- four projects at TauTona mine (at an aggregate projected capital cost of ZAR1.6 billion and which are anticipated to yield 4.1 million ounces over the next 11 years), in particular, the TauTona expansion project, the TauTona carbon leader below 120 level project and the TauTona VCR pillar and Area A projects; and
- the Vaal River surface project, which at a projected capital cost of ZAR182 million is anticipated to yield 1.1 million ounces from 2004.

In the United States the Cripple Creek & Victor Expansion was approved and has been fully commissioned. In addition, a number of other projects are under consideration. These include the Cuiabá expansion project in Brazil, the Moab Khotsong Phase 2 and the Mponeng VCR 120 to 125 level projects in South Africa, as well as the Sunrise Dam underground project and the Boddington expansion project in Australia.

Prior to the implementation of the Merger, Ashanti approved, and AngloGold has committed to completing, the CIP expansion project at Siguiri. This project is anticipated to be commissioned in the fourth quarter of 2004 or in the first quarter of 2005 at a capital cost currently estimated to be approximately US\$75 million to US\$80 million. AngloGold Ashanti anticipates that this project will yield approximately 2.3 million ounces from 2005 to 2012.

One of the principal growth opportunities identified as a result of the Merger relates to the Existing Obuasi Mine and the potential associated with Obuasi Deeps. The investment of US\$220 million in the Existing Obuasi Mine over the next five years to 31 December 2008 is anticipated by AngloGold Ashanti to improve underground working conditions and increase efficiency. While the main benefit of this investment is anticipated by AngloGold Ashanti to be a reduction in operating costs and therefore improved profitability, it is possible that the investment may also result in a marginal increase in gold production. Obuasi Deeps is anticipated to contain a substantial ore deposit. Limited drilling to date has given some indication of the potential of this ore deposit. Over the next five years, AngloGold Ashanti will focus on an intensive exploration programme and undertaking feasibility studies, which, it is anticipated, will prove the potential of this ore deposit leading to the establishment of a long-life, high margin, operation. Obuasi Deeps, if viable, is

anticipated by AngloGold Ashanti to be a deep level mining operation and to come into production from 2015. However, limited mining of the upper portion of Obuasi Deeps may be possible sooner. In addition to Obuasi Deeps, exploration will also continue with the Existing Obuasi Mine with the objective of extending the Mineral Resources.

AngloGold Ashanti will also continue brownfields and greenfields exploration in accordance with its global exploration strategy. Exploration will continue in the countries in which AngloGold already has operations, namely in Argentina, Australia, Brazil, Tanzania, Mali, Namibia, South Africa and the United States. AngloGold's greenfields exploration programme targets the addition of approximately 13 million new ounces to AngloGold's production between 2007 and 2020, at a discovery cost of below US\$30 per ounce. This programme comprises projects in Australia, Canada, Mali, Mongolia, Peru and the United States.

In addition to the exploration at Obuasi outlined above, brownfields exploration will also continue at and in the vicinity of Ashanti's other operations. In particular at the Siguiiri mine in Guinea, exploration will continue on the newly-identified mineralised shear structure, which strikes north-south between the Kosise and Soloni pits. At the Geita mine in Tanzania, exploration will be continued with the objective of converting the large Mineral Resource into Ore Reserves. Limited greenfields exploration is also planned at the Kilo Concession 40 in the Democratic Republic of the Congo, following an improvement in the security situation in that country during the latter part of 2003. Should security continue to improve and further exploration justify additional expenditure, this exploration effort will be increased.

4. BOARD OF DIRECTORS

Following completion of the Merger, Russell Edey, the current Chairman of AngloGold, will continue to be Chairman of AngloGold Ashanti. Sam Jonah, the current Chief Executive of Ashanti, will, in addition to joining the board of AngloGold Ashanti, play a leading role in the executive management of AngloGold Ashanti in the position of President. In this new position, Mr Jonah will share responsibility with AngloGold Ashanti's CEO, Bobby Godsell, for strategy formulation, the identification and development of new business opportunities and managing AngloGold Ashanti's relationships with governments, securityholders and other stakeholders. Mr Jonah will join a five-person Executive Committee of AngloGold Ashanti, to be chaired by Mr Godsell. The existing directors of AngloGold and the AngloGold executive team will otherwise continue in their current roles in AngloGold Ashanti.

The members of the AngloGold Ashanti Board following the Effective Date will be:

Robert (Bobby) M. Godsell	Executive director and chief executive officer
Sam Esson Jonah*	Executive director, president
Jonathan G. Best	Executive director, finance
David (Dave) L. Hodgson	Executive director and chief operating officer
Kelvin H. Williams	Executive director, marketing
Russell P. Edey	Non-executive director and chairman
Dr Thokoana J. (James) Motlatsi	Non-executive director and deputy chairman
Frank B. Arisman	Non-executive director
Elisabeth le R. Bradley	Non-executive director
Colin B. Brayshaw	Non-executive director
Anthony (Tony) W. Lea	Non-executive director
William (Bill) A. Nairn	Non-executive director
Julian Ogilvie Thompson	Non-executive director
Nicholas F. Oppenheimer	Non-executive director
Anthony (Tony) J. Trahar	Non-executive director
David D. Barber	Alternate director
Arthur H. (Harry) Calver	Alternate director
Peter G. Whitcutt	Alternate director

*Sam Jonah is to be appointed to the AngloGold Board on the Effective Date.

Under the Government Support Deed, the Government will be entitled to recommend two Ghanaian citizens to the AngloGold Board and AngloGold will appoint such persons as non-executive directors of AngloGold Ashanti upon the Merger becoming effective (subject to such persons being acceptable to the AngloGold Board and to Ashanti in accordance with the relevant applicable company laws). As at 27 February 2004 (being the latest practicable date prior to publication of this document), AngloGold has not received any recommendation from the Government in relation to such appointments.

See paragraph 2 of Part VII of this document for more information on the AngloGold Directors and on Sam Jonah.

5. STOCK EXCHANGE LISTINGS

AngloGold Shares are listed and traded on the JSE under the symbol "ANG", the ASX in the form of AngloGold CDIs under the symbol "AGG", Euronext Paris under the symbol "VA," and are traded on the LSE under the symbol "AGD" and are quoted on Euronext Brussels in the form of unsponsored International Depositary Receipts (IDRs) under the symbol "ANG BB". AngloGold ADSs are listed and traded on the NYSE under the symbol "AU". Applications have been made to the UKLA and the LSE, and will be made to the JSE and Euronext Paris for the New AngloGold Ashanti Shares to be listed and traded and to the NYSE to list the New AngloGold Ashanti ADSs to be issued to Ashanti Securityholders pursuant to the Merger. The GSE has granted permission to AngloGold Ashanti to list the New AngloGold Ashanti Shares and the AngloGold Ashanti GhDSs.

6. SELECTED FINANCIAL INFORMATION RELATING TO ANGLOGOLD

The selected consolidated financial information relating to AngloGold set forth below for the years ended and as at 31 December 2000, 2001, 2002 and 2003 should be read in conjunction with AngloGold's consolidated financial statements and the notes thereto prepared in accordance with IFRS. The selected consolidated financial information for the years ended and as at 31 December 2000, 2001 and 2002 has been extracted without material adjustment from AngloGold's audited consolidated financial statements prepared in accordance with IFRS. The selected consolidated financial information for the year ended and as at 31 December 2003 has been extracted without material adjustment from AngloGold's unaudited consolidated financial statements prepared in accordance with IFRS and reviewed by Ernst & Young in accordance with SAAS 910.

A summary discussion of AngloGold's financial results is set out in paragraph 4 of Part III of this document. The consolidated financial statements of AngloGold are set out in full in Part V of the Listing Particulars.

	2000	Year ended 31 December		2003
		2001	2002	
Consolidated statement of income (US\$ millions)		(audited)		(unaudited)
Gold income	2,208	2,041	1,761	2,029
Cost of sales	(1,740)	(1,519)	(1,203)	(1,526)
	468	522	558	503
Non-hedge derivatives	–	(5)	92	119
Operating profit	468	517	650	622
Corporate administration and other expenses	(33)	(22)	(25)	(36)
Market development costs	(12)	(16)	(17)	(19)
Exploration costs	(44)	(26)	(28)	(38)
Interest received	37	20	36	38
Other net income/(expenses)	18	(1)	(9)	(15)
Finance costs	(69)	(72)	(44)	(49)
Marked-to-market of debt financial instruments	–	–	–	6
Abnormal items	–	–	(10)	(19)

	Year ended 31 December			
	2000	2001	2002	2003
Profit before exceptional items	365	400	553	490
Amortisation of goodwill	(20)	(29)	(28)	(29)
Impairment of mining assets	(93)	(1)	–	(44)
(Loss)/Profit on disposal of assets and subsidiaries	–	(4)	(13)	10
Profit on disposal of investments	–	–	–	45
Other	(1)	(2)	–	–
Profit on ordinary activities before taxation	251	364	512	472
Taxation	(73)	(111)	(165)	(142)
Profit on ordinary activities after taxation	178	253	347	330
Minority interest	(12)	(8)	(15)	(17)
Minority interest in abnormal items	–	–	–	(1)
Net profit	166	245	332	312
Adjusted operating profit				
The operating profit has been adjusted by the following to arrive at adjusted operating profit:				
Operating profit	468	517	650	622
Unrealised non-hedge derivatives	–	10	(12)	(63)
Adjusted operating profit	468	527	638	559
Headline earnings				
The net profit has been adjusted by the following to arrive at headline earnings and adjusted headline earnings:				
Net profit	166	245	332	312
Amortisation of goodwill	20	29	28	29
Impairment of mining assets	93	1	–	44
Loss/(Profit) on disposal of assets and subsidiaries	–	4	13	(10)
Profit on disposal of investments	–	–	–	(45)
Other	1	2	–	–
Taxation on exceptional items	(26)	–	3	(12)
Headline earnings	254	281	376	318
Unrealised non-hedge derivatives	–	10	(12)	(63)
Marked-to-market of debt financial instruments	–	–	–	(6)
Deferred tax on unrealised non-hedge derivatives	–	(5)	4	33
Adjusted headline earnings	254	286	368	282
Cash operating profit				
The adjusted operating profit has been adjusted by the following to arrive at the cash operating profit:				
Adjusted operating profit	468	527	638	559
Amortisation of mining assets	217	220	245	232
Cash operating profit	685	747	883	791

	2000	Year ended 31 December		2003
		2001	2002	2003
		(audited)		(unaudited)
Other financial data				
Earnings per share US cents				
Basic	78	114	150	140
Diluted	76	114	149	139
Headline	119	131	169	143
Adjusted headline	119	133	166	127
Dividend declared per share	91	87	146	99
Net asset value per share ⁽¹⁾	679	519	648	730
Net tangible assets per share ⁽²⁾	491	338	480	545
Consolidated balance sheet data (US\$ millions)				
Mining assets	2,661	2,057	2,280	2,764
Goodwill	403	389	374	412
Other non-current assets	124	206	193	264
Other current assets	442	456	704	912
Cash and cash equivalents	195	191	413	505
Total assets	3,825	3,299	3,964	4,857
Shareholders' equity	1,453	1,117	1,443	1,628
Minority interest	28	30	40	53
Other non-current liabilities	726	510	1,078	1,136
Provisions	283	215	234	275
Deferred tax	553	286	402	598
Current liabilities	782	1,141	767	1,167
Total liabilities and shareholders' equity	3,825	3,299	3,964	4,857
Shares in issue at year end	214,042,174	215,268,116	222,622,022	223,136,342
Net asset value	1,453	1,117	1,443	1,628

Notes:

- (1) Net asset value per share is calculated as shareholders' equity divided by the number of ordinary shares in issue for all periods presented.
- (2) Net tangible asset per share is calculated as shareholders' equity less goodwill divided by the number of ordinary shares in issue for all periods presented.

7. SELECTED FINANCIAL INFORMATION RELATING TO ASHANTI

The selected consolidated financial information relating to Ashanti set forth below for the years ended and as at 31 December 2001, 2002 and 2003 should be read in conjunction with Ashanti's consolidated financial statements and the notes thereto prepared in accordance with UK GAAP. The selected consolidated financial information set forth below for the years ended and as at 31 December 2001, 2002 and 2003 has been extracted without material adjustment from Ashanti's consolidated financial statements, prepared in accordance with UK GAAP (subject to restatement of the financial information for the year ended 31 December 2001 for the adoption of FRS 19) and audited by Deloitte & Touche, as set out in Part VI of the Listing Particulars.

A summary discussion of Ashanti's financial results is set out in paragraph 4 of Part IV of this document. The consolidated financial information relating to Ashanti is set out in full in Part VI of the Listing Particulars.

	Year ended 31 December		
	2001 (restated) ⁽⁵⁾	2002 (audited)	2003 (audited)
	(in US\$ millions, except dividend and per share numbers)		
Profit and Loss Account Data⁽¹⁾			
Amounts in accordance with UK GAAP:			
Group revenue ⁽²⁾	477.7	467.5	456.9
Total revenue	554.4	552.2	564.9
Group operating profit ⁽²⁾	76.6	66.4	25.2
Operating profit	96.8	74.3	56.5
Profit attributable to shareholders	59.9	56.2	49.2
Earnings per share ⁽³⁾	0.53	0.47	0.38
Diluted earnings per share	0.52	0.44	0.37
Dividends per share – (US\$) ⁽⁴⁾	–	–	–

	As at 31 December		
	2001 (restated) ⁽⁵⁾	2002 (audited)	2003 (audited)
	(in US\$ millions, except dividend and per share numbers)		
Balance Sheet Data⁽¹⁾			
Amounts in accordance with UK GAAP:			
Total assets ⁽²⁾	897.7	884.5	913.7
Long-term borrowings ⁽²⁾	300.6	254.2	217.4
Net assets	349.1	447.5	508.7
Equity shareholders' funds	347.1	446.3	506.3
Stated capital	545.2	588.2	599.0
Number of ordinary shares as adjusted to reflect changes in capital (million shares)	112.1	119.1	128.5

Notes:

- (1) The consolidated financial statements of Ashanti are prepared in accordance with UK GAAP, which differs in certain significant respects from IFRS. See Part V of this document.
- (2) Group figures exclude Ashanti's 50 per cent interest in the Geita joint venture which is accounted for using the gross equity method of accounting.
- (3) Based on profit after tax and minority interests and weighted average number of shares outstanding of 112.1 million shares for the year ended 31 December 2001, 119.1 million for the year ended 31 December 2002, and 128.5 million shares for the year ended 31 December 2003.
- (4) No interim or final dividend was paid in respect of the years ended 31 December 2001, 2002 or 2003.
- (5) Amounts presented for comparative periods in accordance with UK GAAP have been restated for the adoption of Financial Reporting Standard 19, Deferred Tax ("FRS 19"). The restated deferred tax assets were US\$6.9 million as at 31 December 2001.

8. RISK FACTORS RELATING TO ANGLOGOLD AND ANGLOGOLD ASHANTI

This paragraph 8 describes some of the risks that could materially affect AngloGold and, following the Merger, AngloGold Ashanti. Additional risk factors not presently known to AngloGold or that AngloGold currently deems immaterial could later turn out to be material to AngloGold and AngloGold Ashanti.

The risk factors set forth in this document have been organised into three categories:

- risks related to the gold mining industry generally;
- risks related to AngloGold Ashanti's operations; and
- risks related to AngloGold Ashanti Securities.

Risks related to the gold mining industry generally

The profitability of AngloGold's and Ashanti's operations, and the cash flows generated by these operations, are significantly affected by changes in the market price for gold.

The market price for gold can fluctuate widely. These fluctuations are caused by numerous factors beyond AngloGold's or Ashanti's control, including:

- speculative positions taken by investors or traders in gold;
- changes in the demand for gold use in jewellery, for industrial uses and for investment;
- changes in the supply of gold from production, disinvestment, scrap and hedging;
- financial market expectations regarding the rate of inflation;
- the strength of the US dollar (the currency in which the gold price trades internationally) relative to other currencies;
- changes in interest rates;
- actual or expected gold sales by central banks;
- gold sales by gold producers in forward transactions;
- global or regional political or economic events; and
- costs of gold production in major gold-producing nations, such as South Africa, the US and Australia.

The price of gold is often subject to sharp, short-term changes resulting from speculative activities. While the overall supply of and demand for gold can affect its market price, because of the considerable size of above-ground stocks of the metal, in comparison to other commodities, these factors typically do not affect the price in the same manner or degree as the supply of and demand for other commodities tend to affect their market price.

The following table presents the annual high, low and average afternoon fixing prices over the past 10 years, expressed in US dollars, for gold per ounce, on the London Bullion Market:

Year	High	Low	Average
1994	396	370	384
1995	396	372	384
1996	415	367	388
1997	367	283	331
1998	314	273	287
1999	340	252	278
2000	317	262	279
2001	298	253	271
2002	347	278	310
2003	417	320	364

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

On 27 February 2004, the afternoon fixing price of gold on the London Bullion Market was US\$395.85 per ounce.

If revenue from gold sales falls below the cost of production for an extended period, AngloGold Ashanti may experience losses and be forced to curtail or suspend some or all of its capital projects and/or operations and change its past dividend payment policies. In addition, AngloGold Ashanti would have to assess the economic impact of low gold prices on its ability to recover any losses it may incur during that period and on its ability to maintain adequate cash and accounting reserves. However, AngloGold's current average total cash costs and total production costs are significantly below the prevailing gold price.

The use of hedging instruments to protect against low gold prices and exchange rate movements may prevent AngloGold Ashanti from realising all potential gains resulting from subsequent gold price increases in the future.

Both AngloGold and Ashanti currently use hedging instruments to fix the selling price of a portion of their respective anticipated gold production and to protect their revenues against unfavourable gold price and exchange rate movements. While the use of these instruments may protect against a drop in gold prices and exchange rate movements, it will only do so for a limited period of time and only to the extent that the hedge remains in place. The use of these instruments may also prevent AngloGold Ashanti from realising the positive impact on income from any subsequent favourable increase in the price of gold on the portion of production covered by the hedge and of any subsequent favourable exchange rate movements. As at 31 December 2003, AngloGold's and Ashanti's hedge books had a net delta of 8.6 million and 5.9 million ounces, respectively. As at 31 December 2003, AngloGold's and Ashanti's hedge books had negative marked-to-market valuations of US\$663.7 million and US\$609.6 million, respectively, including in each case, AngloGold's and Ashanti's respective 50 per cent interests in the US\$154.9 million negative marked-to-market value of the Geita hedge book.

If the negative marked-to-market value of the Geita hedgebook exceeds a specified level, AngloGold Ashanti will not be able to receive any cash from the Geita joint venture.

The Geita joint venture also engages in hedging transactions with respect to production from the Geita mine. This hedging is carried out on a margin-free basis. However, if at any time the aggregate marked-to-market value of the Geita hedge book exceeds negative US\$165.38 million, AngloGold Ashanti will be restricted from receiving cash from the joint venture until the marked-to-market negative value reduces below that threshold. The hedging arrangements also provide for events of default and termination that could result in early closeouts or a default of Geita's US\$66.25 million project finance facility. The threshold of US\$ 165.38 million will increase during the life of the Geita project finance facility as principal repayments under the facility are made and additional coverage becomes available under AngloGold Ashanti's political risk insurance.

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

Uncertainty and cost of mineral exploration and acquisitions. Exploration activities are speculative and are often unproductive. These activities also often require substantial expenditure to:

- establish Ore Reserves through drilling and metallurgical and other testing techniques;
- determine metal content and metallurgical recovery processes to extract metal from the ore; and
- construct, renovate or expand mining and process facilities.

Once gold mineralisation is discovered it can take several years to determine whether Ore Reserves exist. During this time the economic feasibility of production may change.

AngloGold considers from time to time the acquisition of Ore Reserves, development properties and operating mines, either as stand-alone assets or as part of companies. Its decisions to acquire these properties have historically been based on a variety of factors including historical operating results, estimates of and assumptions about future reserves, cash and other operating costs, metal prices and projected economic returns, and evaluations of existing or potential liabilities associated with the property and its operations. Other than historical operating results, all of these parameters may differ significantly from AngloGold's estimates and assumptions. In addition, there is intense competition for attractive properties.

As a result of these uncertainties, the exploration programmes and acquisitions engaged in by AngloGold Ashanti following the Merger may not result in the expansion or replacement of the current production of AngloGold or Ashanti with new Ore Reserves or operations. This could adversely affect AngloGold Ashanti's ongoing business and financial position.

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

AngloGold's decision to develop a mineral property is typically based, in the case of an extension or, in the case of a new development, on the results of a feasibility study. Feasibility studies derive estimates of expected or anticipated project economic returns. These estimates are based on assumptions about:

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

Actual cash operating costs, production and economic returns may differ significantly from those anticipated by such studies and estimates. There are a number of uncertainties inherent in the development and construction of an extension to an existing mine, or in the development and construction of any new mine. These uncertainties include, in addition to those discussed immediately above:

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

The costs, timing and complexities of mine development and construction can increase because of the remote location of many mining properties. New mining operations could experience unexpected problems and delays during development, construction and mine start-up. In addition, delays in the commencement of mineral production could occur. Accordingly, AngloGold Ashanti's future development activities may not result in the expansion or replacement of current production with new production, or one or more of these new production sites or facilities may be less profitable than currently anticipated or may not be profitable at all.

Ore Reserve estimation risks. The Ore Reserves described in this document are the best estimates of AngloGold's and Ashanti's current management as of the dates stated and are reported in accordance with the requirements of the SEC's Industry Guide 7. In Australia and South Africa, AngloGold is legally required to publicly report Ore Reserves and Mineral Resources in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (the "JORC Code") and the South African Code for Reporting of Mineral Resources and Ore Reserves (the "SAMREC Code").

Ashanti reports its Mineral Resources and Ore Reserves in accordance with the JORC Code and presents its Ore Reserves and Mineral Resources in compliance with the UKLA Listing Rules.

Both AngloGold and Ashanti undertake annual revisions to their respective Mineral Resource and Ore Reserve estimates based upon actual exploration and production results, depletion, new information and fluctuations in production and economic parameters. These factors may result in reductions in its Ore Reserve estimates, which could adversely impact upon the life of mine plans and consequently the total value of AngloGold Ashanti's mining asset base and, as a result, have a negative impact upon the market price of AngloGold Ashanti Securities.

Mining industry risks. Gold mining is susceptible to numerous events that may have an adverse impact on a gold mining business. These events include, but are not limited to:

- environmental hazards, including discharge of metals, pollutants or hazardous chemicals;
- industrial accidents;
- underground fires;
- labour disputes;
- unexpected geological formations;
- unanticipated ground and water conditions;
- fall of ground accidents;
- failure of mining pit slopes and tailings dam walls;
- legal and regulatory restrictions and changes to such restrictions;
- seismic activity; and
- other natural phenomena, such as floods or inclement weather conditions.

The occurrence of one or more of these events may result in the death of, or personal injury to, miners, the loss of mining equipment, damage to or destruction of mineral properties or production facilities, monetary losses, delays in production, environmental damage and potential legal liabilities. As a result, AngloGold Ashanti's operations could be affected and, if such effects were material, its financial position could be adversely impacted to a significant extent.

Seismic activity is of particular concern to the gold mining industry in South Africa, in part because of the large percentage of deep-level gold mines. To understand and manage this risk, AngloGold uses sophisticated seismic and rock mechanics technologies. AngloGold has had some success with these technologies in identifying the possible location of future seismic activity and in the development of mine layouts, support layouts and technologies and mining methods to ameliorate seismic risk. Despite these programmes and their success to date, seismic events have in the past caused and may in the future cause employee injury and death and may cause substantial damage to AngloGold Ashanti's operations both within South Africa and elsewhere, which could have an adverse impact on the future results of AngloGold Ashanti's operations and, consequently, its financial condition.

Gold mining operations are subject to extensive health and safety laws and regulations.

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

In complying with the mine health and safety laws and regulations to which AngloGold's operations are subject, AngloGold has dedicated resources in an attempt to achieve and to ensure the application of international best practice in the management of health across its operations, including medical surveillance systems. These systems and policies have resulted in improvements in its safety performance. AngloGold intends to implement such systems and policies, where required, across Ashanti's operations since the countries in which Ashanti operates do not currently have fully developed systems of health and safety laws and regulations.

If these laws and regulations were to change and, if as a result, material additional expenditure was required to comply with such new laws and regulations, it could adversely affect AngloGold Ashanti's financial position.

Gold mining companies are subject to extensive environmental laws and regulations.

Gold mining companies are subject to extensive environmental laws and regulations in the various jurisdictions in which they operate. These regulations establish limits and conditions on gold producers' ability to conduct their operations. The cost of AngloGold's compliance with environmental laws and regulations has been significant in the past.

Pursuant to environmental laws and regulations, gold mining companies are also obligated to close their operations and rehabilitate the lands that they mine in accordance with these laws and regulations. Estimates of the total ultimate closure and rehabilitation costs for gold mining operations are significant and based principally on current legal and regulatory requirements that may change materially.

AngloGold currently expenses rehabilitation costs as incurred and provides for the anticipated costs of compliance on a unit of production basis over the operating life of the mine. Other environmental liabilities are accrued when they are known, probable and can be reasonably estimated. AngloGold Ashanti intends to continue to follow this policy following the Merger. AngloGold also intends to introduce its environmental controls and procedures, where required, across Ashanti's operations in order to align Ashanti's environmental controls and procedures with its own.

Environmental laws and regulations are continually changing and are generally becoming more restrictive. Moreover, the countries in which Ashanti operates do not currently have fully developed systems of environmental regulation. If AngloGold Ashanti's environmental compliance obligations were to change as a result of changes in the laws and regulations or in certain assumptions it makes to estimate liabilities, or if unanticipated conditions were to arise in its operations following the Merger, AngloGold Ashanti's expenses and provisions would increase to reflect these changes. If material, these expenses and provisions could adversely affect its results of operations and financial position. For a discussion of the estimated cost of the future environmental rehabilitation obligations with respect thereto, see Note 26 "Provisions for environmental rehabilitation obligations" of the audited financial statements of AngloGold included in Part V of the Listing Particulars. Additionally, for a discussion of the effects of the MPRDA with respect to the additional

responsibilities imposed on mining companies in South Africa in respect of the environment and rehabilitation, see “*Changes to mineral rights ownership regimes in South Africa, where a significant portion of AngloGold’s mineral reserves and deposits are located, could have a material impact on AngloGold Ashanti’s financial position*” below.

Risks related to AngloGold Ashanti’s operations

AngloGold faces and, following the Merger, AngloGold Ashanti will continue to face, many risks related to its operations that may affect its cash flows and overall profitability.

If the development of the deep-level ore deposits at the Obuasi mine is not economically feasible, there may be a material negative impact on AngloGold Ashanti’s operations and financial performance in the long-term.

A key aspect of the rationale for the Merger is the development of the deep-level ore deposits at the Obuasi mine, which ore deposits are currently referred to as Obuasi Deeps. This development could potentially extend the life of this mine to well beyond 2040. In furtherance of this goal, AngloGold plans to invest approximately US\$44 million over the next five years on further exploration and necessary feasibility studies. Depending upon these results, the full development of Obuasi Deeps may proceed towards the end of this five year period, but could take several years to complete. Initial scoping studies have indicated that the development of Obuasi Deeps will require an estimated capital expenditure of US\$570 million in real terms over the anticipated life of the mine.

In the event that, as a result of this further exploration and upon the completion of these feasibility studies, AngloGold determines that the development of Obuasi Deeps is not economically feasible such determination may have a material negative impact on AngloGold Ashanti’s operations and financial performance in the long-term. The funding of the development of Obuasi Deeps will only proceed if it is determined to be economically feasible.

In addition, if the feasibility study indicates that the development of Obuasi Deeps is economically feasible, the actual economic returns and the actual costs of development may differ significantly from the assumptions and estimates used in preliminary scoping studies completed to date as well as in the feasibility studies completed following further exploration. This could have a negative impact on AngloGold’s return on its investment in Obuasi Deeps and, as a result, AngloGold Ashanti’s long-term profitability following the Merger.

Benefits from integration of Ashanti’s operations with AngloGold’s may not be achieved to the extent or within the time period that is currently anticipated, and AngloGold Ashanti may encounter costs and difficulties in integrating their operations, which would reduce or delay the realisation of increased revenues, cost savings and operational benefits.

Following the Merger, AngloGold intends to integrate its operations with those of Ashanti. Its goal in integrating these operations is to increase revenues and earnings and achieve cost savings through enhanced growth opportunities and synergies. AngloGold may encounter unanticipated costs and difficulties integrating its operations with Ashanti’s operations and fail to achieve the cost savings, synergies and enhanced growth opportunities that it expects. AngloGold expects to incur costs, for example, in the introduction of its environmental and health and safety controls and procedures at Ashanti’s mining operations to align these with its own. Other possible costs include the need to implement, integrate and harmonise various business-specific operating procedures and systems, as well as company-wide financial, accounting, information and other systems. These costs may be higher than AngloGold currently anticipates.

In addition, the need to deal with integration issues could also divert management’s attention from day-to-day business.

Foreign exchange fluctuations could have a material impact on AngloGold Ashanti’s operating results and financial position following the Merger.

Since June 2002, the weakening of the US dollar against the South African rand, and, to a lesser extent, the Brazilian real, the Argentinean peso and the Australian dollar has negatively impacted AngloGold’s profitability. Conversely, in certain prior years, the devaluation of these local currencies against the US dollar has had a significant positive effect on the profitability of its operations. Typically, revenues are derived in US dollars and production costs are largely incurred in the relevant local currency. In 2003 and 2002, AngloGold derived approximately 77 and 73 per cent, respectively, of its gold income from these countries and approximately

79 and 74 per cent, respectively, of production costs in these local currencies. In 2003, the weakening of the US dollar against these local currencies accounted for nearly US\$47 per ounce, or 69 per cent of the total increase in total cash costs compared to a decrease in 2002 of US\$24 per ounce. In addition, production costs in South African rand, Brazilian reals, Argentinean pesos and Australian dollars were only modestly offset by the effect of exchange rate movements on the price of imports denominated in US dollars as imported products comprise a small proportion of production costs in each of these countries. AngloGold's and Ashanti's product, gold, is principally a US dollar-priced commodity, and most of AngloGold's and Ashanti's revenues are realised in US dollars. The weakening of the US dollar, without a corresponding increase in the US dollar price of gold, against these local currencies results in lower revenues and higher production costs in US dollar terms. Conversely, the strengthening of the US dollar, without a corresponding decrease in the US dollar price of gold, against these local currencies yields higher revenues and lower production costs in US dollar terms. If material, these exchange rate movements may have an adverse impact on AngloGold Ashanti's operating results following the Merger. For example, due to the strengthening of the South African rand against the US dollar, production costs at AngloGold's South African operations increased in US dollar terms during the second half of 2002 compared to the first half. This trend continued in 2003 due to the continued weakening of the US dollar relative to currencies in many of the countries in which AngloGold operates. These impacts have been partially offset in 2003 by the increase in the US dollar price of gold, which increase has been partially a function of US dollar weakness.

To a lesser extent, mainly as a result of its hedging instruments, a small proportion of AngloGold's revenues are denominated in South African rand and Australian dollars, which may partially offset the effect of the US dollar's strength or weakness on AngloGold's profitability. This benefit may, however, be diluted in AngloGold Ashanti as a greater proportion of Ashanti's revenues and costs are US dollar denominated.

In addition, due to its global operations and local foreign exchange regulations, some of AngloGold's funds are held in local currencies, such as the South African rand and Australian dollar. The US dollar value of these currencies may be affected by exchange rate fluctuations. If material, exchange rate movements may affect the overall financial position of AngloGold Ashanti.

Inflation may have a negative impact on the results of operations of AngloGold Ashanti.

Most of AngloGold's and Ashanti's operations are located in countries that have historically experienced high rates of inflation. AngloGold's and Ashanti's operations have not been materially adversely affected by inflation in recent years. However, because AngloGold and Ashanti are unable to control the market price at which they sell the gold they produce (except to the extent that they enter into forward sales and other derivative contracts), it is possible that significantly higher future inflation in the countries in which AngloGold Ashanti operates may result in an increase in future operational costs in local currencies, which without a concurrent devaluation of the local currency of operations against the US dollar or an increase in the US dollar price of gold, could have a material adverse effect upon AngloGold Ashanti's results of operations and financial condition.

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

Changes to mineral rights ownership regimes in South Africa, where a significant portion of AngloGold's mineral reserves and deposits are located, could have a material impact on AngloGold Ashanti's financial position.

AngloGold's and Ashanti's rights to own and exploit mineral reserves and deposits are governed by the laws and regulations of the jurisdictions in which the mineral properties are located. Currently, a significant portion of AngloGold's mineral reserves and deposits are located in South Africa.

In October 2002, the President of South Africa assented to the Mineral and Petroleum Resources Development Act (MPRDA), which was passed by the Parliament of South Africa in June 2002. It will take effect on a date to be proclaimed by the President, which is expected to be during 2004. Until then the existing regulatory regime for mineral rights will remain in place whereby the holder of mineral rights is entitled to mine on obtaining a mining authorisation. AngloGold owns substantially all the mineral rights for which it holds mining authorisations.

The MPRDA vests custodianship of South Africa's mineral rights in the State, which will issue prospecting rights or mining rights to applicants in the future. The existing common law prospecting, mining and mineral rights will cease to exist, but transitional arrangements are provided in order to give holders of existing rights the opportunity to convert their current rights into new rights.

Where AngloGold or, following the Merger, AngloGold Ashanti, holds mineral rights and mining authorisations and is conducting mining operations on the date on which the MPRDA comes into effect, it will be able, within five years from the date of effectiveness of the MPRDA to submit the old rights and authorisations for conversion to new mining rights. AngloGold or, following the Merger, AngloGold Ashanti, will need to submit a mining work programme and thereby substantiate the area and period of the new rights, and also to comply with the requirements of the Charter as described below. A similar procedure applies where it holds prospecting rights and a prospecting permit and is conducting prospecting operations, but AngloGold or, following the Merger, AngloGold Ashanti, must apply for conversion to new prospecting rights within two years from the date of effectiveness of the MPRDA for which purpose a prospecting work programme must be submitted. Where AngloGold holds unused rights, however, AngloGold or, following the Merger, AngloGold Ashanti will have one year to apply for new prospecting rights or mining rights, the requirements in regard to which are more stringent than for conversion, requiring, for example, non-concentration of resources, fair competition, non-exclusionary effects, and proof of financial and technical ability.

Even where new rights are obtained under the MPRDA, these rights will not be equivalent to the existing rights. The area covered by the new rights may be reduced by the State if it finds that the prospecting or mining work programme submitted by an applicant does not substantiate the need to retain the area covered by the old rights. The duration of the new rights will no longer be perpetual but rather, in the case of new mining rights, for a maximum of 30 years with renewals of up to 30 years each and, in the case of prospecting rights, up to five years with one renewal of up to three years. The MPRDA provides for a retention period after prospecting of up to three years with one renewal of up to two years, subject to certain conditions, such as non-concentration of resources, fair competition, and non-exclusion of others. In addition, the new rights will only be transferable subject to the approval of the Minister of Minerals and Energy. Mining or prospecting must commence within one year or 120 days, respectively, of the mining right or prospecting right becoming effective, and must be conducted continuously and actively thereafter.

The new rights can be suspended or cancelled by the Minister of Minerals and Energy on breach or, in the case of a mining right, on non-optimal mining in accordance with the mining work programme.

The new rights will be subject to a State royalty calculated on gross revenue as proposed in the draft Mineral and Petroleum Royalty Bill, 2003, which was released in March 2003 for comment, and which proposes a royalty payment of three per cent of gross revenue per annum, payable quarterly, in the case of gold. As proposed, royalty payments will commence upon the conversion and granting of a new mining right. AngloGold and other members of the South African mining community have submitted comments on the draft bill to the relevant authorities. These comments included recommendations for a profit based, rather than a revenue based, royalty and in order not to delay the conversion of mineral rights from old to new order mining rights, that the proposed royalty should only become payable from a fixed date being five years after the MPRDA takes effect, which date is the final date for the conversion of old order to new order mining rights under the MPRDA. In addition, a reduction in the royalty rate from that proposed in the draft Mineral and Petroleum Royalty Bill has been proposed. On 18 February 2004, in the Budget Speech for the 2004 fiscal year, the South African Minister of Finance proposed several refinements to the draft Mineral and Petroleum Royalty Bill. These include a delay in the introduction of the royalty to five years after the introduction of the MPRDA and confirmation of the South African government's preference for a revenue based royalty. It was further indicated that the royalty regime would take cognisance of the mining sector's diverse production and profitability dynamics with differential rates to apply to marginal mining operations. The introduction of the proposed royalty will have an adverse impact upon AngloGold's profitability as currently no royalty is payable.

The MPRDA calls for a Charter to be developed by the Minister of Minerals and Energy within six months of commencement of the Act, the content of which has largely been agreed with mining industry representatives (including AngloGold), and with representatives of other stakeholders. The Charter's stated objectives include the:

- expansion of opportunities for persons disadvantaged by unfair discrimination under the previous political dispensation;
- expansion of the skills base of such persons;
- promotion of employment and advancement of the social and economic welfare of mining communities; and
- promotion of beneficiation, or the crushing and separation of ore into valuable substances or waste within South Africa.

The Charter requires that each mining company achieve 15 per cent ownership by historically disadvantaged South Africans of its South African mining assets within five years and 26 per cent ownership within ten years. It contemplates that this will be achieved by, amongst other things, disposals of assets by mining companies to historically disadvantaged persons on a willing seller – willing buyer basis at fair market value. In addition, the Charter requires mining companies to formulate plans for achieving employment equity at management level with a view to achieving 40 per cent participation by historically disadvantaged persons in management and 10 per cent participation by women in the mining industry, each within five years. When considering applications for the conversion of existing rights, the State will take a “scorecard” approach, evaluating the commitments of each company to the different facets of promoting the objectives of the Charter. The draft scorecard was published by the South African government in February 2003.

AngloGold fully supports the principle that the mining industry and the wider South African economy have to find ways of dealing with the legacy of the country’s history in a manner that promotes economic development and growth. AngloGold has made progress in adjusting the ownership structure of its South African mining assets and the composition of its management consistent with the Charter’s spirit. It believes that it is well placed to meet the Charter’s targets in accordance with the scorecard.

AngloGold has completed a number of asset sales to companies owned by historically disadvantaged persons in the past four years, which meet the requirements of the Charter and the scorecard. According to AngloGold’s estimates based on operating data for the twelve months ended 30 September 2003, these transactions transfer 22.4 per cent of its attributable units of production in South Africa to historically disadvantaged persons. However, AngloGold would expect the State to conduct its own assessment of these transfers when it submits its conversions or applications for acquisition of new rights to replace its existing rights. In addition, it is continuing to evaluate alternative ways in which to achieve the objectives of the Charter through, for example, forms of broad-based equity ownership by historically disadvantaged entities, groups or individuals, including employee share ownership and empowerment unit trusts.

AngloGold believes that it has made significant progress towards meeting the requirements of the Charter and the scorecard in human resource development, employment equity, mine community and rural development, housing and living conditions, procurement and beneficiation. It will also reflect these results when it lodges its conversions or applications for acquisition of new rights to replace its existing rights. Its performance under the criteria set by the Charter and the scorecard will be assessed by the State upon the occurrence of such lodgements or applications. Details of the State’s methodology for calculating performance in regard to beneficiation have, however, not yet been made public. Failure on the part of AngloGold to comply with the requirements of the Charter and the scorecard could subject AngloGold Ashanti to negative consequences.

AngloGold or, following the Merger, AngloGold Ashanti, may also incur expenses in giving additional effect to the Charter and the scorecard, including costs which it may incur in facilitating the financing of initiatives towards ownership by historically disadvantaged persons as part of the industry-wide commitment to assist such persons in securing ZAR100 billion of financing during the first five years of the Charter’s life. There is furthermore no guarantee that any steps AngloGold Ashanti might take to comply with the Charter would ensure that it could successfully acquire new mining rights in place of its existing rights. In addition, the terms of such new rights may not be as favourable to AngloGold or, following the Merger, AngloGold Ashanti, as the terms applicable to its existing rights. Based on present indications, however, AngloGold believes that it should be able successfully to acquire new rights on reasonable terms.

The MPRDA also imposes on mining companies additional responsibilities relating to environmental management and to environmental damage, degradation or pollution resulting from their prospecting or mining activities. AngloGold has a policy of evaluating, minimising and addressing the environmental consequences of its activities and, consistent with this policy and the MPRDA, has undertaken a review of the environmental costs and liabilities associated with its South African operations in light of the new, as well as the existing, environmental requirements. While this examination could result in an increase in AngloGold Ashanti’s compliance costs and accruals for environmental remediation following the Merger, it is not certain at this stage whether these costs or liabilities will have a material adverse effect on AngloGold Ashanti’s financial condition or results of operations.

A majority of AngloGold Ashanti’s mineral reserves and deposits and mining operations will be located in countries that face political and economic risks.

The mineral deposits and mining operations of AngloGold and Ashanti are located mainly in African and, to a lesser extent, South American countries. Countries in these regions, to a greater or lesser extent, have experienced political instability and economic uncertainty in the past. More recently, certain of the countries in which AngloGold and Ashanti operate, in particular South Africa and Ghana, have achieved greater political

and economic stability. Nevertheless, in some of the countries where AngloGold and Ashanti operate, in particular in Zimbabwe, where Ashanti operates, government policy may be unpredictable, and the institutions of government and market economy may be unstable and subject to rapid and unpredictable change.

Any existing and new mining operations and projects carried out by AngloGold or Ashanti, or, following the Merger, by AngloGold Ashanti, in these countries are and will be subject to various national and local laws, policies and regulations governing the prospecting, developing and mining of mineral reserves, taxation, exchange controls, investment approvals, employee relations and other matters. If, in one or more of these countries, AngloGold Ashanti could not obtain or maintain necessary permits, authorisations or agreements to implement planned projects or continue its operations under conditions or within time frames that make such plans and operations economic, or if legal or fiscal regimes or the governing political authorities change materially, its financial position could be adversely affected.

In South Africa, on 18 February 2004, in the Budget Speech for the 2004 fiscal year, the Minister of Finance announced that due to the new regulatory system for the mining rights in terms of the MPRDA and accompanying royalty dispensation under the draft Mineral and Petroleum Royalty Bill, it has become imperative to holistically reassess the current fiscal regime as applicable to the mining and petroleum industries in South Africa, including tax depreciation, rate differentiation for mining sectors, allowable deductions and exemptions from Secondary Tax on Companies in terms of South Africa's income tax regime. Also due for review is the gold mining tax formula, which provides income tax exemption and relief from Secondary Tax on Companies for gold mines despite the existence of profit. The impact of these proposed reviews is unknown at this stage and any material adverse change arising therefrom could have an adverse impact upon the financial position of AngloGold Ashanti.

In certain circumstances, AngloGold is, and, following the Merger, AngloGold Ashanti will be, required to seek the consent of regulators and other governmental authorities before it can undertake significant transactions, such as dispositions of assets. It may not be able to obtain these consents expeditiously or at all.

Labour disruptions in South Africa and other countries could have an adverse effect on the operating results and financial condition of AngloGold Ashanti.

As at 31 December 2003, approximately 87 per cent (2002: 88 per cent) of AngloGold's workforce was located in South Africa. More than 75 per cent of the workforce on AngloGold's South African operations is unionised, with the National Union of Mineworkers ("NUM") representing the majority of unionised workers. AngloGold employees in some South American countries are also highly unionised. In the past, trade unions have had a significant impact on AngloGold's collective bargaining process, as well as on social and political reforms, most notably in South Africa. In 1987, the NUM embarked on a three-week industry wide strike in support of a wage demand. Since then AngloGold has not experienced any work stoppages due to wage negotiations. It has become practice to negotiate wages and conditions of employment with the unions every two years, through the Chamber of Mines of South Africa. The most recent settlement negotiation was completed in July 2003, when the parties reached an agreement covering the period from 1 July 2003 to 30 June 2005. Furthermore, AngloGold has instituted a number of processes at both mine and at company level, whereby management and unions interact regularly and address areas of difference as they arise.

Ashanti and its mining contractors also rely to a large degree on a unionised workforce. In 1999, Ashanti experienced strikes at the Obuasi mine in Ghana, and in 2000 at the Freda-Rebecca mine in Zimbabwe, and there is a risk that strikes or other types of conflict with unions or employees may occur in the future.

It is uncertain whether labour disruptions will be used to advocate labour, political or social causes in the future. Should any labour disruptions occur, if material, they could have an adverse effect on AngloGold Ashanti's results of operations and financial condition.

AngloGold and Ashanti face certain risks in dealing with HIV/AIDS which may have an adverse effect on AngloGold Ashanti's operations.

AIDS and tuberculosis (which is exacerbated in the presence of HIV/AIDS) remain the major health care challenges faced by AngloGold's South African operations. A significant portion, approximately 30 per cent, of its South African workforce is believed to be infected with the HIV virus. The exact extent to which Ashanti's workforce is infected is not known. Recently, however, certain members of Ashanti's workforce at the Freda-Rebecca mine agreed to undergo voluntary testing for HIV. Of the persons who participated in this voluntary test, 29 per cent tested positive for HIV.

AngloGold is continuing to develop and implement various programmes aimed at helping those who have been infected with HIV and preventing new infections. On 14 November 2002, AngloGold announced that it had begun implementing a monitored pilot anti-retroviral therapy programme for volunteer employees in South Africa who are infected with HIV. The pilot programme involved offering a triple combination drug regimen, known as a drug cocktail, to 200 Wellness Clinic patients that met the medical eligibility criteria for starting treatment. From April 2003, AngloGold commenced a roll out of the treatment to all eligible employees desiring it.

At this stage, the drug cocktail alone costs approximately US\$70 per participating employee per month. It is not yet possible to develop an accurate cost estimate of the programme in its entirety, given uncertainties such as drug prices and the ultimate rate of employee participation. Based on its estimates, AngloGold believes that the cost of managing and treating the impact of the HIV/AIDS epidemic would be significantly lower than the cost of ignoring it and failing to take measures to manage and treat it.

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

Ashanti's power supplies are unreliable and have on occasion forced Ashanti to halt or curtail activities at its mines. Power fluctuations and power cost increases may have a negative impact on AngloGold Ashanti's profitability following the Merger.

Substantial portions of Ashanti's mining operations in Ghana are dependent for their electricity supply on hydro-electric power supplied by the Volta River Authority, or VRA, an entity controlled by the Government of Ghana, although Ashanti also has and, following the Merger, AngloGold Ashanti will have access to VRA electricity supply from a recently constructed smaller thermal plant. The VRA's principal electricity generating facility is the Akosombo Dam and, during periods of below average inflows from the Volta reservoir, electricity supplies from the Akosombo Dam may be curtailed, as occurred in 1998. In addition, this electricity supply has been subject to voltage fluctuations, which can damage equipment. Other than short-term stand-by generators, which are not sufficient to allow Ashanti or, following the Merger, AngloGold Ashanti, to continue mining operations, there are no means of obtaining alternative power in the event of a supply shortage from the VRA. The VRA also obtains power from neighbouring Cote d'Ivoire, which has recently experienced some political instability and civil unrest. These factors may cause interruptions in power supply or result in increases in the cost of power even if they do not interrupt supply. Ashanti's original agreement with the VRA expired in May 2003 and negotiations with the VRA have been concluded resulting in an increase of 11 per cent in the applicable tariff upon renewal of that agreement.

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

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

AngloGold Ashanti will maintain insurance to protect only against catastrophic events which could have a significant adverse impact on its operations and profitability. This insurance will be maintained in amounts that are believed to be reasonable depending upon the circumstances surrounding each identified risk. However, AngloGold Ashanti's insurance will not cover all potential risks associated with AngloGold Ashanti's business. In addition, AngloGold Ashanti may elect not to have insurance for certain risks, due to the high premiums associated with insuring those risks or for various other reasons, including an assessment that the risks are remote. Furthermore, AngloGold Ashanti may not be able to obtain insurance coverage at acceptable premiums. AngloGold has a captive insurance company, namely AGR Insurance Company Limited, which participates at various levels in certain of the insurances maintained by AngloGold, and, upon the implementation of the Merger, will participate at various levels in certain of the insurances maintained by AngloGold Ashanti. The occurrence of events for which AngloGold Ashanti is not insured may adversely affect its cash flows and overall profitability.

If currently pending securities litigation in the US is resolved against Ashanti, AngloGold Ashanti's business may be harmed if Ashanti is required to pay substantial sums in damages.

Ashanti is currently subject to litigation, including a consolidated class action lawsuit pending in the US alleging misstatements and non-disclosures in connection with SEC filings and other public statements made in 1999 concerning Ashanti's hedging programme. The damages sought by the plaintiffs have not yet been specified, as is common practice in US litigation at the current stage of the proceedings. The outcome of this litigation may not be known for some time. These matters may adversely affect AngloGold Ashanti's business and financial condition following the Merger if Ashanti is required to pay substantial amounts in damages. For a more detailed description of the class action lawsuit, see paragraph 12 of Part VII of this document.

Risks related to AngloGold Ashanti Securities

Sales of large amounts of AngloGold Securities, or the perception that these sales may occur, could adversely affect the prevailing market price of such securities.

The market price of the AngloGold Ashanti Securities could fall if large amounts of AngloGold Securities or, following the Merger, AngloGold Ashanti Securities, are sold in the public market, or if there is the perception in the marketplace that such sales could occur. Current AngloGold Securityholders may decide to sell AngloGold Shares or AngloGold ADSs at any time. In addition, current Ashanti Securityholders receiving New AngloGold Ashanti Shares, New AngloGold Ashanti ADSs or AngloGold Ashanti GhDSs in the Merger may not wish to hold AngloGold Ashanti Securities. Lonmin, which currently holds 27.4 per cent of Ashanti's issued share capital, will receive 10,440,000 AngloGold Ashanti Shares in the Merger. AngloGold has entered into a registration rights agreement with Lonmin pursuant to which Lonmin will be entitled to sell its AngloGold Ashanti Shares in the public market immediately following the Effective Date. The Government, which currently holds 16.8 per cent of Ashanti's issued share capital, will receive, in its capacity as an Ashanti Shareholder, 6,373,650 AngloGold Ashanti Shares in the Merger. In addition to these AngloGold Ashanti Shares, the Government will also receive 2,658,000 AngloGold Ashanti Shares upon the completion of the Merger under the terms of the Stability Agreement between the Government and AngloGold. The AngloGold Ashanti Shares that the Government will receive under the Stability Agreement and the AngloGold Ashanti Shares issued in the Merger to Lonmin and the Government will in the aggregate represent approximately 7.4 per cent of AngloGold Ashanti's total issued share capital upon the completion of the Merger. Sales, if substantial, or the perception that these sales may occur and be substantial, could exert downward pressure on the prevailing market prices for the AngloGold Ashanti Securities, causing their market prices to decline.

Fluctuations in the exchange rate of different currencies may reduce the market value of AngloGold Ashanti Securities received in the Merger, as well as the market value of any dividends or distributions paid by AngloGold Ashanti.

AngloGold has historically declared all dividends in South African rand. As a result, exchange rate movements may have affected, and, following the completion of the Merger, may continue to affect, respectively, the Australian dollar, the cedi, the British pound, the US dollar and the Zimbabwean dollar value of these dividends, as well as of any other distributions paid by the relevant depository to investors that hold AngloGold securities. This may reduce the value of AngloGold Ashanti Securities to investors. At the general meeting of its Shareholders held on 5 December 2002, a majority of its shareholders passed a special resolution adopting a new Memorandum and Articles of Association, which, among other things, allows for dividends and distributions to be declared in any currency at the discretion of the AngloGold Board, or Shareholders at a general meeting. If and to the extent AngloGold Ashanti declares dividends and distributions in US dollars, exchange rate movements will not affect the US dollar value of any dividends or distributions. Nevertheless, the Australian dollar, cedi, British pound and Zimbabwean dollar value of any dividend or distribution will continue to be affected and the South African rand value of any dividend or distribution will also be affected. If and to the extent dividends and distributions are declared in South African rand, exchange rate movements will continue to affect the Australian dollar, cedi, British pound, US dollar and Zimbabwean dollar value of these dividends and the Australian dollar, cedi, British pound, US dollar and Zimbabwean dollar market value of AngloGold Ashanti Securities will continue to fluctuate with exchange rate movements.

Part III: Information on AngloGold

1. HISTORY

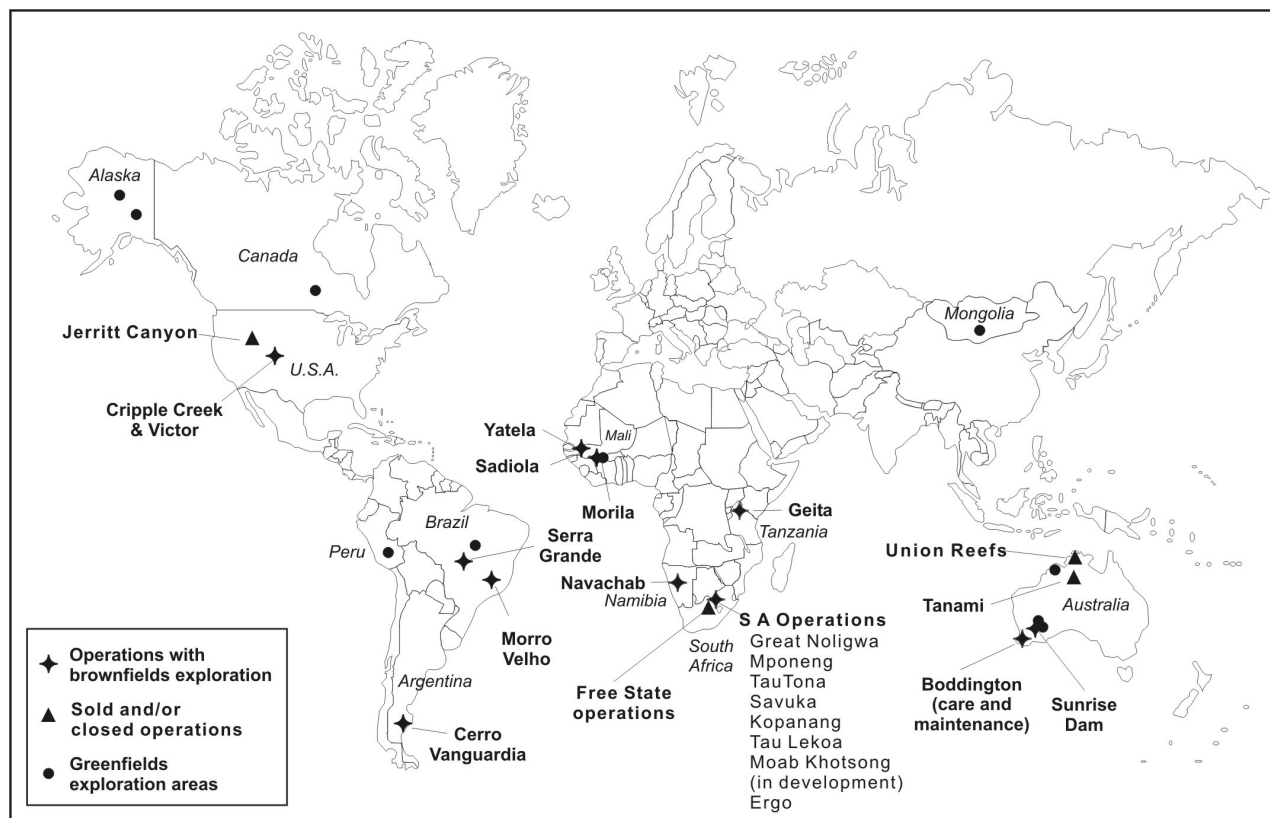
AngloGold was incorporated on 29 May 1944 in South Africa as Vaal Reefs Exploration and Mining Company Limited. AngloGold, as it conducts business today, was formed in June 1998 through the consolidation of the gold interests of Anglo American Corporation and its associated companies into a single, focused, independent, global gold company. Vaal Reefs Exploration and Mining Company Limited, the vehicle for the consolidation, changed its name to AngloGold Limited, effective 30 March 1998. AngloGold then acquired, in share-for-share exchanges pursuant to various South African schemes of arrangement, all of the issued share capital of various participating South African companies and, in certain private transactions, share interests in other gold mining companies.

2. OVERVIEW

For the year ended 31 December 2003 AngloGold produced approximately 5.6 million ounces of gold. Headquartered in Johannesburg, South Africa, AngloGold has a global presence with 19 operations comprising open-pit and underground mines and surface metallurgical plants in eight countries (Argentina, Australia, Brazil, Mali, Namibia, South Africa, Tanzania and the United States of America), supported by extensive yet focused exploration activities in 11 countries. As at 31 December 2003, AngloGold had Proved and Probable Ore Reserves of approximately 63.1 million ounces on an attributable basis.

AngloGold's main product is gold. An insignificant portion of its revenue is derived from the sales of silver, uranium oxide and sulphuric acid. AngloGold sells its products on world markets.

The operations and geographical areas in which AngloGold currently operates and conducts exploration activities, as well as the sold and/or closed operations described in this document, are shown in the diagram below.



Reserves

The following table sets out AngloGold's Proved and Probable Ore Reserves as of 31 December 2003 in metric units. The information on Proved and Probable Ore Reserves refers to AngloGold's attributable interest. Ore Reserves are reported in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (the "JORC Code"), together with the South African Code for the Reporting of Mineral Resources and Mineral Reserves (the "SAMREC Code") for the South African operations, and the requirements of the SEC's Industry Guide 7. Accordingly, as of the date of reporting, all reserves are planned to be mined out under the life of mine plans within the period of AngloGold's existing rights to mine, or assured renewals. In addition, as of the date of reporting, with the exception of Geita Ridge 8 and the Moab extension where the required permits and government approvals are anticipated following the required submissions having been made, all Ore Reserves are covered by required permits and governmental approvals.

AngloGold has standard procedures for the estimation of Ore Reserves.

In the case of its underground mines, the procedure is as follows: Firstly, gold content and tonnage are estimated for in situ mineralised material at a mining operation. This mineralised material is not necessarily economically viable. Exclusions on the grounds of safety (for example, stability pillars, shaft pillars) are then defined. Grade and tonnage curves specific for each of the deposits, in conjunction with the cost structure, yield, mine call factor and Ore Reserves of the operation and gold price estimates are used to determine an optimal mining mix. This process facilitates the determination of the average grade to be mined by each operation. This grade is then applied to the grade-tonnage curves, which in turn facilitates the determination of the cut-off grade and Ore Reserves tonnage for the operation. A full mine design is carried out on the blocks of mineralised material, excluding large mining areas that do not meet the cut-off grade criterion. This mining plan is reviewed to ensure that it satisfies the economic criterion and practical limitations of access and timing. If the review process is positive then the mineralised material (with dilution) included in the mining plan is declared and published as the Ore Reserves for that operation.

In the case of surface, open-pit mines the procedure is as follows: Revenue and costs are calculated for each mining block within a three-dimensional model of the orebody using assumed values for gold price, operating costs, metallurgical recoveries and slope angles. An optimisation process is then applied to determine all the blocks combined within the model that make a positive contribution under these assumptions. Within this process, a cut off grade is applied which determines the ore blocks to be treated and included in the Ore Reserves. These blocks are scheduled with consideration being given to practical mining considerations and limitations. Scheduled ore blocks that are classified as Proved or Probable constitute the Ore Reserve.

The Ore Reserve estimates in this document include Ore Reserves below current infrastructure in the case of certain South African mines. However, these Ore Reserves have been determined based upon completed feasibility studies.

In respect of AngloGold's South African assets, Ore Reserves were determined assuming a gold price of US\$350 per ounce and an exchange rate of ZAR7.00 = US\$1.00. This compares with a gold price of US\$325 per ounce and an exchange rate of ZAR10.50 = US\$1.00 as at 31 December 2002.

In respect of East and West Africa, Ore Reserves were determined assuming a gold price of US\$350 per ounce.

In respect of assets in South America, Ore Reserves were determined assuming a gold price of US\$350 per ounce, with the exceptions of Cerro Vanguardia, as well as Engenho D'Agua and Corrego Do Sitio, as part of Morro Velho, where Ore Reserves were determined at US\$325 per ounce).

Ore Reserves for Cripple Creek and Victor in North America were determined at US\$325 per ounce.

Ore Reserves at AngloGold's Australian assets were determined assuming a gold price of US\$234 per ounce and at an exchange rate of A\$1.00 = US\$0.55 for Boddington (based upon the gold price and exchange rate assumed for the 2000 feasibility study) and assuming a gold price of US\$350 per ounce and an exchange rate of A\$1.00 = US\$0.63 for Sunrise Dam.

Mine	Anticipated Life of Mine (years) ⁽¹⁾	Category of Ore Reserves ⁽²⁾	Tonnes (millions)	Grade g/t	Contained gold (million oz)
South African operations					
West Wits					
Mponeng ⁽³⁾	15	Proved	2.8	8.74	0.8
		Probable	22.8	9.01	6.6
		Total	25.6	8.98	7.4
Savuka	3	Proved	0.4	6.79	0.1
		Probable	1.1	6.76	0.3
		Total	1.5	6.77	0.3
TauTona ⁽³⁾	12	Proved	1.6	13.11	0.7
		Probable	16.3	11.21	5.9
		Total	17.9	11.38	6.5
Western Ultra Deep Levels ⁽⁴⁾		Proved	–	–	–
		Probable	–	–	–
		Total	–	–	–
Vaal River					
Great Noligwa	9	Proved	4.0	9.46	1.2
		Probable	14.9	9.16	4.4
		Total	18.8	9.22	5.6
Kopanang	13	Proved	3.4	6.94	0.8
		Probable	19.8	7.19	4.6
		Total	23.2	7.15	5.3
Moab Khotson ⁽³⁾⁽⁵⁾	20	Proved	–	–	–
		Probable	18.8	13.93	8.4
		Total	18.9	13.93	8.4
Tau Lekoa	13	Proved	7.4	5.05	1.2
		Probable	20.6	3.99	2.6
		Total	28.0	4.27	3.8
Surface					
Ergo	1	Proved	29.4	0.38	0.4
		Probable	–	–	–
		Total	29.4	0.38	0.4
Vaal River Surface	19	Proved	5.8	0.59	0.1
		Probable	153.6	0.56	2.8
		Total	159.3	0.56	2.9
West Wits Surface		Proved	–	–	–
		Probable	–	–	–
		Total	–	–	–

Mine	Anticipated Life of Mine (years) ⁽¹⁾	Category of Ore Reserves ⁽²⁾	Tonnes (millions)	Grade g/t	Contained gold (million oz)
East and West African operations					
Geita (50%) ⁽⁶⁾	16	Proved	14.2	3.30	1.5
		Probable	21.1	4.17	2.8
		Total	35.3	3.82	4.3
Morila (40%) ⁽⁶⁾	9	Proved	4.4	3.55	0.5
		Probable	5.9	3.88	0.7
		Total	10.3	3.74	1.2
Navachab	10	Proved	1.3	1.38	0.1
		Probable	10.1	1.81	0.6
		Total	11.4	1.76	0.6
Sadiola (38%) ⁽⁶⁾	10	Proved	2.5	1.93	0.2
		Probable	7.7	3.53	0.9
		Total	10.2	3.14	1.0
Yatela (40%) ⁽⁶⁾	5	Proved	0.9	1.12	0.0
		Probable	3.4	3.84	0.4
		Total	4.3	3.25	0.4
South American operations					
Cerro Vanguardia (92.5%) ⁽⁶⁾	8	Proved	6.7	7.34	1.6
		Probable	0.5	10.16	0.2
		Total	7.2	7.56	1.8
Morro Velho	15	Proved	2.3	7.84	0.6
		Probable	5.2	7.01	1.2
		Total	7.5	7.27	1.7
Serra Grande (50%) ⁽⁶⁾	11	Proved	1.6	6.17	0.3
		Probable	0.6	7.59	0.1
		Total	2.3	6.55	0.5
North American operations					
Cripple Creek & Victor	12	Proved	53.9	1.26	2.2
		Probable	64.7	0.87	1.8
		Total	118.6	1.04	4.0
Australian operations					
Boddington (33.33%) ⁽⁶⁾⁽⁷⁾	20 (from 2007)	Proved	41.5	0.94	1.3
		Probable	88.4	0.84	2.4
		Total	129.9	0.87	3.6
Sunrise Dam	12	Proved	5.4	4.16	0.7
		Probable	16.9	4.33	2.3
		Total	22.2	4.29	3.1
Tanami (40%) ⁽⁸⁾		Proved	–	–	–
		Probable	–	–	–
		Total	–	–	–
TOTAL		Proved	189.5	2.31	14.1
		Probable	492.4	3.09	49.0
		Total	681.9	2.88	63.1

NB: Rounding of figures may result in computational discrepancies.

Notes:

- (1) Anticipated Life of Mine is expressed in years from 2004 (or year of start-up where relevant and indicated as such) based upon AngloGold's current business plan for each operation. These business plans include the mining of Ore Reserves and may include the conversion of Mineral Resources to Ore Reserves as well as the extension of Mineral Resources as a result of further brownfields exploration, where AngloGold deems this appropriate in accordance with past experience. The life of mine is an estimate used for business planning purposes and is subject to material change due to future geological information or economic conditions.
- (2) Ore Reserves include marginally economic and diluting materials delivered for treatment and allow for losses that may occur during mining.
- (3) Probable Ore Reserves include Ore Reserves below current infrastructure, which have been based upon completed feasibility studies.
- (4) The southerly down-dip extension of Mponeng, Elandsrand (Harmony Gold Mining Company Limited) and Driefontein (Gold Fields Limited), with a mining depths limit of 4,500 metres below surface.
- (5) Mine is still in the development stage with initial mining having only recently commenced in November 2003.
- (6) Ore Reserves attributable to AngloGold's percentage interest shown.
- (7) The Ore Reserves associated with the Boddington Expansion have been based on the feasibility study completed in 2000 and assume a gold price of US\$234 per ounce and an exchange rate of A\$1.00 = US\$0.55.
- (8) No Ore Reserves shown as the mine has been permanently closed.

The Ore Reserves as at 31 December 2003, show a year-on-year decrease of some 9.2 million ounces from 72.3 million ounces as at 31 December 2002 to 63.1 million ounces. The reduction in Ore Reserves is after a depletion of 6.3 million ounces (being the reduction in ore delivered to the relevant metallurgical plant at each mine during 2003 and the corresponding reduction in the applicable Ore Reserve).

The principal changes in AngloGold's Ore Reserves for 31 December 2003 compared with those published as at 31 December 2002, for reasons other than depletion, are as follows:

- an increase of 1.0 million ounces at Sunrise Dam due to new modelling techniques, additional drilling and a new underground design;
- a decrease of 1.7 million ounces at the Mponeng mine due to the exclusion of the Carbon Leader Reef below 120 level project (0.8 million ounces), which resulted in a shorter life of mine at Mponeng which also lead to a reduction in some Ore Reserves in the Ventersdorp Contact Reef below 120 level project (1.5 million ounces). This reduction was offset by increases in Ore Reserves elsewhere at Mponeng (an addition of 0.6 million ounces). The lower rand per kilogram gold price at the end of 2003 resulted in the Carbon Leader below 120 level Project no longer being feasible and consequently it has now been excluded from Ore Reserves as at 31 December 2003. The Project is currently the subject of a revised feasibility study. A weakening of the rand against the US dollar could also result in additional Ore Reserves being included and as a result of the revised feasibility study the Ore Reserves could be further amended;
- a decrease of 0.5 million ounces at the Great Noligwa mine due the assumption of a lower mine call factor and due to updates to the geological model which resulted in lower gold values;
- a decrease of 0.5 million ounces at the Moab Khotsong mine due to updates to the geological model which resulted in lower gold values;
- an increase of 0.9 million ounces at the TauTona mine partially as a result of the purchase of an area of Gold Fields Limited's Driefontein gold mine;
- a decrease of 2.2 million ounces at the Savuka mine due to updates to the geological model which resulted in lower gold values as well as due to changes in economic factors which rendered the mining of a considerable proportion of the Mineral Resource being considered no longer feasible to be mined economically;
- an increase of 0.3 million ounces at Tau Lekoa due to the assumption of a higher mine call factor, as well as extensions of the Ore Reserve due to exploration in new mining areas;
- an increase of 0.6 million ounces of the Vaal River Surface Ore Reserves, due to the inclusion of the Mizpah plant and the South Tailings facility;
- a decrease of 0.2 million ounces at Cerro Vanguardia due to changes in the pit designs resulting from higher waste mining costs and reduced slope angles;
- a decrease of 0.3 million ounces due to the sale of AngloGold's interest in the Jerritt Canyon Joint Venture in North America during 2003; and
- a decrease of 0.7 million ounces due to the sale of Amapari in Brazil during May 2003.

3. GENERAL DESCRIPTION OF OPERATIONS

3.1 South African Operations

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

- the West Wits area, near Carletonville, straddling the North West and Gauteng provinces (comprising Mponeng, Savuka and TauTona); and
- the Vaal River area, near Orkney, in the North West Province and Free State Province (comprising Great Nologwa, Kopanang, Tau Lekoa and Moab Khotsong).

In addition, a surface metallurgical reclamation operation, Ergo, is located near Johannesburg in Gauteng Province.

West Wits Operations

The West Wits operations comprise the Mponeng, Savuka and TauTona underground mines (previously reported as Western Deep Levels). Savuka and TauTona share a processing plant, whereas Mponeng has its own individual processing plant. These operations comprise crushers, mills, CIP and zinc precipitation and smelting facilities.

Operating Results for West Wits Operations

	Mponeng	Savuka	TauTona
2000			
Recovered grade (g/t)	8.05	8.39	11.30
Gold production (000 oz)	402	272	599
Total cash cost (US\$/oz)	238	247	172
Total production costs (US\$/oz)	267	262	184
Capital expenditure (US\$ million)	28.9	1.0	5.9
2001			
Recovered grade (g/t)	7.71	7.97	11.94
Gold production (000 oz)	366	240	622
Total cash cost (US\$/oz)	223	248	154
Total production costs (US\$/oz)	275	262	166
Capital expenditure (US\$ million)	29.4	0.4	7.2
2002			
Recovered grade (g/t)	8.63	7.07	11.66
Gold production (000 oz)	466	236	643
Total cash cost (US\$/oz)	178	245	132
Total production costs (US\$/oz)	230	258	143
Capital expenditure (US\$ million)	33.0	5.7	10.9
2003			
Recovered grade (g/t)	8.96	5.81	12.09
Gold production (000 oz)	499	187	646
Total cash cost (US\$/oz)	247	448	194
Total production costs (US\$/oz)	285	474	207
Capital expenditure (US\$ million)	55.0	14.0	65.0

On 30 July 2003, the AngloGold Board approved three organic growth projects, which will extend the life of TauTona. These projects, having a total capital expenditure of ZAR1.2 billion, are anticipated to yield 2.1 million ounces over the next ten years and are expected to be funded from AngloGold's existing resources and from the financing facilities of AngloGold from time to time. These projects supplement the

ZAR432 million TauTona expansion project that was approved in April 2001 and is anticipated to yield 2.3 million ounces between 2004 and 2015. Another project in the West Wits operations is the ZAR1.3 billion Mponeng deepening project that is anticipated to yield 4.2 million ounces between 2004 and 2016. Currently under consideration is the Mponeng VCR 120 to 125 level project, which at a projected capital cost of ZAR805 million is anticipated to yield 1.9 million ounces from 2009.

On 18 September 2003, AngloGold announced that agreement had been reached with Gold Fields Limited regarding the acquisition by AngloGold of a portion of the mining area of Gold Fields' Driefontein mine adjacent to TauTona, known as 1C11, for a cash consideration of ZAR315 million. This acquisition will extend and allow for the further optimisation of TauTona's remaining life of mine plan.

Vaal River Operations

AngloGold's Vaal River operations are located in the original Vaal Reefs mining area of the Witwatersrand Basin, and comprise three underground operating mines, Great Noligwa, Kopanang and Tau Lekoa and a developing underground mine, Moab Khotsong. The Vaal River complex also has four gold plants, one uranium plant and one sulphuric acid plant. The Vaal River processing plants include crushers, mills, CIP and electro-winning facilities and are able to treat between 180,000 and 420,000 tonnes of ore per month. Although the Vaal River operations produce uranium oxide as a by-product of gold production, the value is not significant relative to the value of gold produced. The Vaal River operations include the Moab Khotsong mine, where production has only recently commenced. The Moab Khotsong mine is expected to be developed at a total capital cost of ZAR4.2 billion (with commercial production expected to be achieved in 2006) and is anticipated to produce in excess of 4 million ounces over the estimated remaining life of Moab Khotsong Phase 1. This excludes the Moab Khotsong Phase 2 project currently under consideration, which at a projected capital cost of ZAR1.68 billion is anticipated to yield 4.5 million ounces from 2012.

The Vaal River surface project at a projected capital cost of ZAR182 million is anticipated to yield 1.1 million ounces from 2004.

Another project currently under consideration in the Vaal River area is the Tau Lekoa above 900 level project, which at a projected capital cost of ZAR70 million is anticipated to yield 200,000 ounces from 2008.

Operating Results for Vaal River Operations

	Great Noligwa	Kopanang	Tau Lekoa	Moab Khotsong⁽¹⁾
2000				
Recovered grade (g/t)	12.32	7.04	4.98	–
Gold production (000 oz)	971	481	315	–
Total cash cost (US\$/oz)	144	215	216	–
Total production costs (US\$/oz)	152	231	244	–
Capital expenditure (US\$ million)	3.0	5.2	3.0	45.5
2001				
Recovered grade (g/t)	12.34	7.40	4.42	–
Gold production (000 oz)	1,004	494	286	–
Total cash cost (US\$/oz)	122	178	203	–
Total production costs (US\$/oz)	130	195	231	–
Capital expenditure (US\$ million)	1.2	2.8	2.2	43.2
2002				
Recovered grade (g/t)	11.02	7.23	4.45	–
Gold production (000 oz)	880	511	311	–
Total cash cost (US\$/oz)	124	165	192	–
Total production costs (US\$/oz)	135	183	227	–
Capital expenditure (US\$ million)	11.5	8.5	1.5	35.8

	Great Noligwa	Kopanang	Tau Lekoa	Moab Khotsong ⁽¹⁾
2003				
Recovered grade (g/t)	10.57	7.07	4.24	–
Gold production (000 oz)	812	497	322	–
Total cash cost (US\$/oz)	218	266	294	–
Total production costs (US\$/oz)	233	283	328	–
Capital expenditure (US\$ million)	22.0	12.0	7.0	67.0

Note:

(1) Commenced production during 2003. All expenses will be capitalised until commercial production is reached.

Ergo Operations

AngloGold's Ergo operations re-treat tailings dams and sand to recover gold and produce sulphuric acid using a secondary process. These tailings dams are located on the East Rand of the Witwatersrand. Since 1987, material has been treated through two CIL plants, believed to be two of the largest of their kind in the world. Ergo can only profitably treat tailings dams if they exceed a certain grade and, as a result of the expected rate of depletion of the higher grade material available, the operation is not expected to continue past its current estimated end of life in early 2005.

Operating Results for Ergo

	2000	2001	2002	2003
Recovered grade (g/t)	0.24	0.25	0.25	0.20
Gold production (000 oz)	321	332	264	203
Total cash cost (US\$/oz)	242	215	184	349
Total production costs (US\$/oz)	279	229	218	373
Capital expenditure (US\$ million)	0.2	0.1	0.2	–

3.2 East and West African Operations

AngloGold's East and West African operations comprise five operations, located in three African countries other than South Africa. All of these operations are currently open-pit operations. However, AngloGold intends to commence some limited underground mining at Geita in due course. These are the Morila, Sadiola Hill and Yatela mines in Mali in West Africa, the Navachab mine in Namibia on the south-western coast of Africa and the Geita mine in Tanzania.

Morila (attributable 40 per cent)

On 3 July 2000, AngloGold acquired a 40 per cent interest in the Morila project in Mali, from Randgold. The transaction involved the purchase by AngloGold from Randgold Resources (Morila) Limited of half of Randgold's 80 per cent interest in Société des Mines de Morila S.A. ("Morila"). As a result, AngloGold and Randgold each hold a 40 per cent indirect interest in the Morila Joint Venture, with 20 per cent being held by the Malian Government. Under the joint venture agreement, AngloGold is the operator of the mine. This mine is situated some 180 kilometres by road, southeast of Bamako, the capital city of Mali (600 kilometres south east of Sadiola).

Operating Results for Morila

	2000 ⁽¹⁾	2001	2002	2003
Recovered grade (g/t)	8.81	6.87	11.96	7.56
Gold production (000 oz) 100%	142	631	1,052	795
Gold production (000 oz) 40%	57	252	421	318
Total cash cost (US\$/oz)	88	103	74	108
Total production costs (US\$/oz)	154	177	142	179
Capital expenditure (US\$ million) 100%	37.5	28.5	17.0	11.6
Capital expenditure (US\$ million) 40%	15.0	11.4	6.8	4.6

Note:

(1) AngloGold acquired its interest in the Morila mine effective 3 July 2000. Figures stated are for the period from 18 October 2000, the date the Morila mine started to produce gold.

Sadiola (attributable 38 per cent)

AngloGold has a 38 per cent interest in, and manages, the Sadiola mine within the Sadiola exploitation area in Western Mali. The joint venture partners are IAMGOLD, a Canadian listed company (38 per cent), the Government of Mali (18 per cent), and the International Finance Corporation (“IFC”) (6 per cent). The mine is situated 77 kilometres south of Kayes. Construction commenced at the Sadiola open-pit operations in 1994 and full production was achieved by June 1997.

Operating Results for Sadiola

	2000	2001	2002	2003
Recovered grade (g/t)	3.56	3.13	2.96	2.77
Gold production (000 oz) 100%	612	536	480	452
Gold production (000 oz) 38%	232	204	182	172
Total cash cost (US\$/oz)	114	131	163	210
Total production costs (US\$/oz)	169	196	241	275
Capital expenditure (US\$ million) 100%	10.0	16.0	16.5	10.4
Capital expenditure (US\$ million) 38%	3.8	6.0	6.3	3.9

Yatela (attributable 40 per cent)

As part of the consolidation of Anglo American Corporation’s gold mining interests, AngloGold acquired a 50 per cent interest in Sadiola Exploration Limited, which held the prospecting rights in the Sadiola region. Together with joint owner, IAMGOLD, exploration was performed and a feasibility study conducted at the Yatela deposit site, located some 25 kilometres north of Sadiola and approximately 50 kilometres south-south-west of the town of Kayes. The success of the feasibility study led to the formation of a company, Société d’Exploitation des Mines d’Or de Yatela S.A., in which AngloGold and IAMGOLD each hold an effective 40 per cent interest, with the Government of Mali holding 20 per cent.

In February 2000, the AngloGold Board approved capital expenditure of US\$76 million for the development of this heap leach and open-pit operation. Construction and mining progressed exceptionally well at Yatela, with the mine being officially opened by Aboubacary Coulibaly, the Malian Minister of Mines, on 8 September 2001. The ore treatment plant was commissioned in the first quarter, with mining production ahead of schedule. The first gold was produced on 9 May 2001. Production build-up under operational management and a team of permanent employees commenced at the end of the second quarter of 2001.

Operating Results for Yatela

	2000 ⁽¹⁾	2001	2002	2003
Recovered grade (g/t)	–	4.36	3.60	2.84
Gold production (000 oz) 100%	–	131	269	218
Gold production (000 oz) 40%	–	52	107	87
Total cash cost (US\$/oz)	–	149	175	235
Total production costs (US\$/oz)	–	207	221	334
Capital expenditure (US\$ million) 100%	48.0	18.3	8.9	13.8
Capital expenditure (US\$ million) 40%	19.2	7.3	3.6	5.5

Note:

(1) The first gold was produced on 9 May 2001 and attributable production and total cash cost reflects the third and fourth quarters of 2001 only.

Navachab

AngloGold holds a 100 per cent interest in the Navachab open-pit gold mine located near Karibib in Namibia, which has been in production since 1990.

Operating Results for Navachab

	2000	2001	2002	2003
Recovered grade (g/t)	1.82	2.04	1.93	1.75
Gold production (000 oz)	77	87	85	73
Total cash cost (US\$/oz)	189	164	147	274
Total production costs (US\$/oz)	213	177	162	296
Capital expenditure (US\$ million)	0.1	0.5	2.1	2.2

Geita (attributable 50 per cent; remaining 50 per cent owned by Ashanti)

On 15 December 2000, AngloGold acquired a 50 per cent interest in the Geita project in Tanzania from Ashanti. This is currently entirely an open-pit operation. In due course some limited underground mining operations may be established. Under the joint venture agreement, the Geita Joint Venture is presently governed by a committee which has equal representation from both partners, with equal voting rights and neither side has a casting vote. After the Merger is completed, Geita will be wholly-owned and operated by AngloGold Ashanti and will be 100 per cent attributable to AngloGold Ashanti.

Operating Results for Geita

	2000 ⁽¹⁾	2001	2002	2003
Recovered grade (g/t)	2.65	3.70	3.62	3.60
Gold production (000 oz) 100%	177	546	579	662
Gold production (000 oz) 50%	88	273	290	331
Total cash cost (US\$/oz)	156	147	175	183
Total production costs (US\$/oz)	200	194	223	223
Capital expenditure (US\$ million) 100%	31.1	15.8	17.4	20.0
Capital expenditure (US\$ million) 50%	15.1	7.9	8.7	10.0

Note:

(1) AngloGold acquired its interest in the Geita mine effective 15 December 2000. Figures stated are for the 12 months ended 31 December 2000 and only the assets and liabilities are reflected in AngloGold's consolidated balance sheet as at 31 December 2000.

3.3 North American Operations

AngloGold completed the acquisition of its North American operations from Minorco effective 1 January 1999. At that time these comprised two operations, Cripple Creek & Victor in Colorado and Jerritt Canyon in Nevada. On 3 June 2003, AngloGold together with its partner in the Jerritt Canyon Joint Venture announced that they had entered into a purchase and sale agreement with Queenstake for their entire interests in the Jerritt Canyon Joint Venture. Under the agreement, Queenstake paid the Jerritt Canyon Joint Venture US\$1.5 million in cash and 32 million shares of Queenstake on closing, with US\$6 million in deferred payment payable over the period 30 June 2005 to 30 September 2006 at the rate of US\$1 million per quarter, with additional royalty payments of up to US\$4 million, which royalty payment will commence from 30 June 2005 and will be determined based upon a percentage of gold sales less refining charges, refining penalties, certain taxes, transport and royalties payable to the United States Government. The percentage used to determine such royalty payments will depend upon the then prevailing gold price. Queenstake also accepted full closure and reclamation and other liabilities. The transaction closed on 2 July 2003. AngloGold owned a 70 per cent interest in the Jerritt Canyon Joint Venture. AngloGold sold its entire equity interest in Queenstake during November 2003 for a cash consideration of US\$9.4 million.

Cripple Creek & Victor (attributable 67 per cent with 100 per cent interest in production)

AngloGold (Colorado) Corp., a subsidiary of AngloGold North America Inc., owns 67 per cent of Cripple Creek & Victor Gold Mining Company ("CC&V"), in the Cripple Creek mining district, southwest of Colorado Springs in Colorado. The other 33 per cent of CC&V is held by Golden Cycle Gold Corporation ("Golden Cycle"). AngloGold is manager of the operation. AngloGold is currently entitled to receive 100 per cent of the cash flows from the operation until a loan, extended to the joint venture by AngloGold North America Inc., is repaid. CC&V is a low-cost, low-grade open-pit operation. AngloGold believes that good potential exists for the discovery of future mineral deposits and the establishment of these deposits as Ore Reserves.

CC&V began the establishment of the Cresson orebody in May 1994. Establishment was completed by December 1994 and production from the Cresson mine commenced in the first quarter of 1995. The expansion of the Cresson mine, which was approved by the AngloGold Board, began during the first quarter of 2001 and was completed in the third quarter of 2002. The ore is treated using a valley heap leach process with gold in solution being recovered by activated carbon followed by a smelting process. This expansion has doubled the crushing rate at the Cresson mine to 18 million tonnes per annum and increased the total leach pad capacity to 235 million tonnes.

Gold production has been below target levels during the years 2001 through 2003, due to haul truck and crusher commissioning problems and unfavourable leach pad chemistry. All three factors improved in the second half of 2003 and such improvement has continued into the first quarter of 2004. The haul truck fleet and crusher are now both meeting production targets. The leach pad pH level was negatively affected by placing alkaline consuming historic waste dump ore on the leach pad with insufficient lime addition in 2001. Lime addition rates were increased substantially and ammonia was added during 2003 to correct the problem. The pH levels returned to a normal range in the second half of 2003.

Operating Results for CC&V

	2000	2001	2002	2003
Recovered grade (g/t)	0.78	0.76	0.82	0.67
Gold production (000 oz)	248	214	225	283
Total cash cost (US\$/oz)	190	187	187	199
Total production costs (US\$/oz)	292	277	306	310
Capital expenditure (US\$ million)	20.3	82.2	66.2	23.9

3.4 South American Operations

AngloGold's South American operations and joint ventures were acquired as part of the Minorco transaction effective 1 January 1999 and are located in Brazil and Argentina. In 2003, 100 per cent of AngloGold's interest in the Amapari Project was sold.

Operations in Brazil comprise the wholly-owned Mineração Morro Velho (“Morro Velho”) mines and a 50 per cent interest in the Mineração Serra Grande (“Serra Grande”) mines. In July 2002, AngloGold acquired from Pérez Companc International SA an additional 46.25 per cent of the equity, as well as the total loan assignment, of Cerro Vanguardia SA, a company conducting gold mining operations in Argentina, thereby increasing its interest in Cerro Vanguardia to 92.5 per cent. The net consideration paid for the interest was US\$97 million. The remaining 7.5 per cent interest in Cerro Vanguardia is held by the Santa Cruz Province.

On 19 May 2003, AngloGold entered into a purchase and sale agreement with Eike Fuhrken Batista and EBX Empreendimentos Ltda (EBX) for the sale of AngloGold’s entire interests in Amapari to EBX. Under the agreement, EBX paid US\$3.0 million on closing and is obligated to pay US\$7.7 million in August 2004 and US\$7.5 million in December 2005.

Morro Velho

Through its wholly-owned subsidiary, Morro Velho, AngloGold has mining rights over 29,500 hectares in the state of Minas Gerais, in south-eastern Brazil. The Morro Velho complex is located in Nova Lima near the city of Belo Horizonte.

Ore from the Cuiabá underground operation and the Engenho D’Água open-pit is treated at the Queiroz Plant. Ore from the Córrego do Sítio mine is processed by a heap leach facility. Mina Velha closed in 2003 and Engenho D’Água is due to close in 2004. Future production will be sourced from the low-cost Cuiabá underground mine and from Córrego do Sítio mine (heap leach), where production commenced in the fourth quarter of 2002. The Cuiabá expansion project, currently under consideration, is anticipated to yield approximately 2.2 million ounces from 2006, at a projected capital cost of US\$109 million.

Operating Results for Morro Velho

	2000	2001	2002	2003
Recovered grade (g/t)	6.79	6.63	6.71	6.66
Gold production (000 oz)	211	209	205	228
Total cash cost (US\$/oz)	134	127	131	141
Total production costs (US\$/oz)	183	197	193	199
Capital expenditure (US\$ million)	10.5	9.9	16.7	25.4

Serra Grande (attributable 50 per cent)

AngloGold owns a 50 per cent interest in and manages the Serra Grande joint venture. Kinross Gold Corporation Inc. owns the remaining 50 per cent. Under the terms of the Serra Grande joint venture agreement, AngloGold has the right to appoint some of the management of the Serra Grande joint venture and has the right to a maximum of 50 per cent of the earnings accrued and dividends paid by Serra Grande. Serra Grande controls, or has an interest in approximately 15,300 hectares in and around the Crixás mining district in the north-western areas of the Goiás State, located in the central part of Brazil. The property includes two operating underground mines.

Operating Results for Serra Grande

	2000	2001	2002	2003
Recovered grade (g/t)	8.15	8.08	7.84	7.88
Gold production (000 oz) 100%	193	192	187	189
Gold production (000 oz) 50%	96	96	94	95
Total cash cost (US\$/oz)	112	107	100	109
Total production costs (US\$/oz)	171	166	158	163
Capital expenditure (US\$ million) 100%	5.4	5.7	6.1	6.7
Capital expenditure (US\$ million) 50%	2.7	2.9	3.0	3.3

Cerro Vanguardia (attributable 92.5 per cent)

The Cerro Vanguardia (“CVSA”) operation is located to the north-west of Puerto San Julian in the Province of Santa Cruz, Argentina. CVSA owns the right to exploit the deposit for 40 years based on the Usufruct Agreement signed in December 1996. The operation, which was constructed at a total cost of US\$270 million, was commissioned in the fourth quarter of 1998. The mine is currently an entirely open-pit operation. Some limited underground mining operations may also be established in due course.

Operating Results for CVSA

	2000 ⁽¹⁾	2001 ⁽¹⁾	2002	2003
Recovered grade (g/t)	11.22	10.51	9.49	7.15
Gold production (000 oz) 100%	285	292	261	226
Gold production (000 oz) (92.5%)	264	271	241	209
Total cash cost (US\$/oz)	146	133	104	143
Total production costs (US\$/oz)	229	218	203	261
Capital expenditure (US\$ million) 100%	1.6	10.0	3.0	10.3
Capital expenditure (US\$ million) (92.5%)	1.5	9.3	2.8	9.5

Note:

(1) 2000 and 2001 are based on 92.5 per cent holdings for comparative purposes, despite AngloGold’s holding being only 46.25 per cent at this time. AngloGold acquired its additional 46.25 per cent interest in Cerro Vanguardia in July 2002.

3.5 Australian Operations

Acquired at the end of 1999, the Australian operations (formerly Acacia Resources) comprise:

- the Sunrise Dam mine (AngloGold’s interest is 100 per cent);
- the Boddington gold mine (AngloGold’s interest is 33.33 per cent), which is now closed and on care and maintenance pending the proposed Boddington expansion project;
- the Union Reefs gold mine (AngloGold’s interest is 100 per cent) that stopped producing and was closed in 2003. AngloGold has announced that it has entered into an agreement to sell Union Reefs to Greater Pacific Gold Limited. It is anticipated that this sale will be completed during the first half of 2004;
- the Tanami mine (AngloGold’s interest is 40 per cent), where certain assets were leased to a third party for ore processing, after the mine closed during the third quarter of 2001; and
- the Western Tanami Project, which includes the Coyote Prospect, which was sold to Tanami Gold NL with effect from 16 January 2004.

Sunrise Dam

Sunrise Dam gold mine lies some 220 kilometres north-northeast of Kalgoorlie and 55 kilometres south of Laverton in Western Australia. Gold production began in March 1997. AngloGold acquired Sunrise Dam as part of Acacia in 1999. Ore is mined by open-pit methods using contract mining and treated in a conventional gravity and leach process plant. The current throughput capacity of the operation is 3.4 million tonnes per annum as a result of expansions completed in 2001 and 2002. This mine is currently an entirely open-pit operation. In July 2003 the Board of Directors of AngloGold approved the Sunrise Dam underground feasibility study and trial mining project. This project, if successful, will lead to the establishment of an underground mining operation at Sunrise Dam to extend the life of this operation. The Sunrise Dam underground project is anticipated to yield 1.3 million ounces from 2004 and is anticipated to require capital expenditure of US\$72 million.

Operating Results for Sunrise Dam

	2000	2001	2002	2003
Recovered grade (g/t)	3.87	3.81	3.49	3.12
Gold production (000 oz)	225	295	382	358
Total cash cost (US\$/oz)	172	153	177	228
Total production costs (US\$/oz)	229	201	227	295
Capital expenditure (US\$ million)	26.8	37.9	25.7	19.6

Boddington (attributable 33.33 per cent)

Boddington gold mine, which closed at the end of 2001, was an open-pit operation approximately 100 kilometres south east of Perth. Formerly operated by Worsley Alumina, since September 2002 it has been operated by the Boddington Gold Mine Management Company under the direction of the Boddington joint venture partners, namely AngloGold (33.33 per cent), Newmont Boddington (44.44 per cent) and Newcrest Operations (22.22 per cent). The plant was placed on care and maintenance pending commencement of the Boddington expansion project. The feasibility study for the Boddington expansion project, or Wandoo project, has been completed and is currently under review by the joint venture partners. The Boddington expansion project, which would involve the establishment of a large scale open-pit operation to exploit the deeper Ore Reserves below the previously mined oxide open-pits, is anticipated to yield 3.6 million ounces of attributable gold production to AngloGold. The project is anticipated to be developed at an attributable capital expenditure of US\$150 million.

Union Reefs

Union Reefs open-pit gold operations lie some 160 kilometres south-east of Darwin between the townships of Pine Creek and Adelaide River in the Northern Territory. Following the extraction of the entire Ore Reserve, mining operations at the mine were completed in July 2003. Processing of low grade stockpiles continued until the final mill shutdown on 3 October 2003. Since that time clean up operations and preparation of the plant for care and maintenance and possible sale have been undertaken. On 14 November 2003, AngloGold announced that it had entered into a purchase and sale agreement with Greater Pacific Gold Ltd (GPG) for the sale of the Union Reefs mine and its associated assets and tenements. It is anticipated that this transaction will be completed in the first half of 2004.

Tanami

The Tanami open-pit gold operations are located in the Tanami desert, 650 kilometres north-west of Alice Springs in the Northern Territory. Mining operations, of which 40 per cent were attributable to AngloGold, ceased during the third quarter of 2001. Since 2002, the gold recovery plant at the Tanami operations was leased to Newmont Mining Corporation under a three year arrangement which would have resulted in annual revenues to AngloGold of at least A\$2 million.

On 24 November 2003, AngloGold announced that it had agreed to sell its 100 per cent interest in the Western Tanami Project to Tanami Gold NL for a consideration made up of an immediate cash deposit of A\$0.25 million, the payment of A\$3.75 million in cash and the issue of 25 million ordinary shares in Tanami Gold NL on 16 January 2004, the payment of A\$5 million in cash within 120 days of that date, and the payment of a royalty from future gold production, if any, from the Western Tanami Project. The Western Tanami Project comprises an established exploration camp and associated equipment, a number of Exploration Licences/Exploration Licence Application in northern Western Australia and includes the Coyote gold deposit.

3.6 Research and Development

AngloGold is committed to research and development of new mining techniques, metallurgical processes and engineering systems, in line with its strategic objective of operational excellence. This objective encompasses improved safety and a contemporary workplace involving less manual labour and improved productivity. These objectives determine the selection of projects. These projects involve independent

research institutions (Council for Scientific and Industrial Research, Miningtek, Mintek and Centre for Mining, Technologies and Equipment), tertiary education institutions, consultants and suppliers of equipment, so as to utilise the best skills available. AngloGold is well advanced with testing incremental new production technologies, all of which are expected to contribute to lower costs, improved safety and better margins, thereby growing earnings. To this end, AngloGold's Technical Development Services has been refocused to concentrate on technology transfer, and is now known as AngloGold Mining Technologies. A number of major programmes continued in 2003 ranging from exploration, mining and metallurgy to developing new industrial applications for gold. Technology transfer is a priority, with workshops held in-house to capitalise on the depth and spread of technical expertise.

3.7 Global Exploration

AngloGold's global exploration strategy seeks both to extend the life of existing operations (through brownfields exploration) and to establish new mines (through greenfields exploration). This strategy is achieved through cost-effective, focused exploration in geological terrains most likely to host significant gold deposits. The more isolated the prospect is from existing operations, the less existing infrastructure development or the higher the country and other risks associated with the project, the more significant the deposit must be to meet AngloGold's investment criteria.

During 2003, the exploration focus continued in countries in which AngloGold already has operations, namely in Argentina, Australia, Brazil, Tanzania, Mali, Namibia, South Africa and the United States. In addition, exploration was pursued in highly prospective areas in Alaska, Canada, Mongolia and Peru. Exploration spending for 2003 amounted to US\$64 million and, of this total, US\$38 million was expensed in 2003.

AngloGold's highly focused greenfields exploration programme targets the addition of some 13 million new ounces to AngloGold's production between 2007 and 2020, at a discovery cost of below US\$30 per ounce. This programme comprises projects in Australia, Canada, southern Mali, Mongolia, Peru and the United States.

3.8 Gold Marketing

AngloGold is committed to developing the market for gold and its marketing programme aims to increase the desirability of its product, to sustain and grow demand for gold and to deregulate the market in key economies. As a company, AngloGold aims to extract value from gold wherever possible throughout the gold value chain.

During 2003, AngloGold spent some US\$19 million on gold marketing initiatives, of which 55 per cent was spent through the World Gold Council ("WGC"). WGC underwent a major restructuring during the year and has allocated increased resources to support the market for gold investment purposes.

Independently of its support for the WGC, AngloGold is active in a number of other marketing projects in support of gold, and AngloGold remains the only gold company in the world that has committed this level of resources to marketing the metal it produces. These initiatives include a 26.6 per cent interest in South Africa's largest jewellery manufacturer, Oro Africa.

3.9 Employees

The average number of employees in the AngloGold group over the last three financial years ended 31 December 2003 is as follows:

	2001 ⁽¹⁾	2002 ⁽²⁾	2003 ⁽³⁾
South Africa ⁽⁴⁾	53,982	39,547	40,520
East and West Africa ⁽⁴⁾	1,365	2,022	2,454
North America ⁽⁴⁾	808	869	708
South America ⁽⁴⁾	1,755	2,109	2,578
Australia ⁽⁴⁾	503	394	339
Administration and other employees ⁽⁵⁾	11,967	8,156	8,840
Total	70,380	53,097	55,439

Notes:

- (1) During 2001, AngloGold sold its interests in the Elandsrand and Deelkraal mines in South Africa, and the Tanami mine in Australia was closed.
- (2) During 2002, AngloGold sold its interests in its Free State Operations in South Africa, and the Boddington mine in Australia was placed on care and maintenance pending the Boddington Expansion Project.
- (3) During 2003, AngloGold sold its interests in the Jerritt Canyon Joint Venture, the Amapari Project and the Union Reefs mine in Australia was closed and subsequently sold. During 2003, AngloGold also purchased a portion of the Driefontein mining area.
- (4) Excludes employees at metallurgical plants, shared business services, corporate office and health services.
- (5) Employees at metallurgical plants, shared business services, corporate office and health services.

4. DISCUSSION OF ANGLOGOLD'S FINANCIAL RESULTS AND RESULTS OF OPERATIONS

4.1 Comparison of Operating Performance in 2001, 2002 and 2003

The following table presents operating data for the AngloGold group for the three-year period ended 31 December 2003:

Operating data for AngloGold

	Year ended 31 December		
	2001 (audited)	2002 (audited)	2003 (unaudited)
Gold production (thousand ounces)	6,983	5,939	5,616
Total cash costs (US\$/oz)	178	161	229
Total production costs (US\$/oz)	213	203	272
Capital expenditure (million US dollars)	298	271	363

Gold production

For the year ended 31 December 2003, AngloGold's total gold production decreased by 323,000 ounces or 5 per cent, to 5,616,000 ounces from 5,939,000 ounces produced in 2002.

Gold production from operations located in South Africa decreased by 4 per cent from 3,412,000 ounces produced in 2002 to 3,281,000 ounces in 2003. This is attributable to lower stoping widths, lower reef developments, lower vamping and lower grades at Great Noligwa, lower volumes at Savuka and a dwindling reserve tonnage base at Ergo. Gold production in East and West Africa decreased by 10 per cent from 1,085,000 ounces in 2002 to 981,000 ounces in 2003, mainly due to the reduction in gold grade primarily at Morila. Gold production in the North American region decreased by 16 per cent from 462,000 ounces in 2002 to 390,000 ounces in 2003, primarily due to the sale of AngloGold's 70 per cent interest in the Jerritt Canyon Joint Venture with effect from 30 June 2003. Production at Cripple Creek & Victor increased by 58,000 ounces, due to additional product from expanded processing facilities, as a result of the completion of the expansion project at the Cresson mine in the third quarter of 2002. South America's production increased from 478,000 ounces in 2002 to 532,000 ounces in 2003, due to the additional 46.25 per cent interest acquired by AngloGold in Cerro Vanguardia in July 2002, as well as increased production at Morro Velho. The Australian operations produced 432,000 ounces of gold during 2003, compared with 502,000 ounces in 2002, as a result of the closure of Union Reefs and lower production at Sunrise Dam due to lower grades.

For the year ended 31 December 2002, AngloGold's total gold production decreased by 1,044,000 ounces, or about 15 per cent, to 5,939,000 ounces from 6,983,000 ounces produced in 2001.

Gold production from operations located in South Africa decreased by 27 per cent from 4,670,000 ounces produced in 2001 to 3,412,000 ounces in 2002. This reduction was largely due to the sale of AngloGold's Free State operations, effective 1 January 2002. Gold production in East and West Africa increased by 25 per cent or 217,000 ounces from 868,000 ounces in 2001 to 1,085,000 ounces in 2002, mainly as a result of a 74 per cent increase in recovered grade at Morila and at Yatela, where the first full year of

production was completed in 2002. Gold production in the North American region decreased by 7 per cent from 496,000 ounces in 2001 to 462,000 ounces in 2002, due to adverse weather conditions, the completion of the Cortez tolling agreement and lower recovery at Jerritt Canyon. South American operations recorded increased gold production of 478,000 ounces in 2002, compared with 441,000 ounces in 2001, as a result of the additional interest acquired in Cerro Vanguardia. The Australian operations produced 502,000 ounces of gold in 2002, compared with 508,000 ounces in 2001, due to the closure of operations at Boddington and Tanami, partially offset by a 29 per cent increase in production at Sunrise Dam, achieved due to the second mill upgrade completed in 2002.

A more detailed review of gold production at each of AngloGold's operations is provided in paragraph 3 of this Part III.

Total cash costs and total production costs

The total cash cost for the year ended 31 December 2003 was US\$229 per ounce, 42 per cent higher than cash costs of US\$161 per ounce recorded in 2002. This change was mainly due to a combination of stronger local currencies against the US dollar in most operating regions and lower ore grade in several of these regions. Stronger currencies increased total cash costs by US\$47 per ounce and lower ore grade increased total cash costs by a further US\$17 per ounce.

Total cash costs for the South African, Australian and East and West African regions increased by 60 per cent, 26 per cent and 36 per cent, respectively, in 2003, compared with 2002. The increases in total cash costs at the South African and Australian operations were mainly due to the strengthening of the South African rand and the Australian dollar against the US dollar (based on the average exchange rates of the rand against the US dollar of ZAR7.55 and ZAR10.48 and of the Australian dollar against the US dollar of A\$1.54 and A\$1.84, during the years ended 31 December 2003 and 2002, respectively). East and West African operations recorded higher total cash costs in 2003, mainly due to lower recovered grades achieved at all operations compared with 2002.

The total cash cost for the year ended 31 December 2002 was US\$161 per ounce, 10 per cent, lower than cash costs of US\$178 per ounce recorded in 2001. This reduction was largely a result of the weakening of the local currencies in the countries in which AngloGold operates against the US dollar.

Total production costs per ounce increased to US\$272 in 2003 from US\$203 per ounce in 2002 and US\$213 per ounce in 2001.

A more detailed review of total cash costs and total production costs at each of AngloGold's operations is provided in paragraph 3 of this Part III.

Capital expenditure

Total capital expenditure during the year ended 31 December 2003 was US\$363 million, compared with US\$271 million in 2002, which represents a US\$92 million, or 34 per cent, increase in capital expenditure on a group level.

In South Africa, capital expenditure increased from US\$112 million spent in 2002 to US\$246 million in 2003, mainly due to the Moab Khotsoeng and Mponeng shaft deepening projects, the acquisition of a portion of the Driefontein mining area, known as 1C11, from Gold Fields Limited and the strengthening of the rand against the US dollar. Capital expenditure in the North American and Australian regions, decreased from US\$74 million and US\$31 million spent in 2002, to US\$27 million and US\$21 million, respectively, in 2003. The decrease in North America was mainly due to the completion of the Cresson mine expansion in the third quarter of 2002. East and West African and South American regions recorded capital expenditure of US\$26 million and US\$43 million in 2003, compared with US\$27 million and US\$27 million in 2002, respectively.

Total capital expenditure during the year ended 31 December 2002 was US\$271 million, compared with US\$298 million in 2001, representing a US\$27 million, or 9 per cent, decrease in capital expenditure on a group level.

4.2 Financial Review

4.2.1 Financial performance in 2003 compared with 2002

Revenues

Revenues from product sales and other income increased to US\$2,116 million in 2003 from US\$1,847 million in 2002, representing a 15 per cent increase, mainly due to the higher unit price of gold which offset the lower gold production in all operating regions except South America. Most product sales consisted of US dollar-denominated gold sales.

Gold income

Gold income increased to US\$2,029 million in 2003 from US\$1,761 million in 2002, representing a 15 per cent increase, mainly due to a US\$60 per ounce, or 20 per cent, increase in the received gold price of US\$363 per ounce, partly offset by a 5 per cent reduction in gold production to 5,616,000 ounces. The average spot price of gold for 2003 was US\$363 per ounce, compared with US\$310 per ounce in 2002.

Gold income from the South African operations increased to US\$1,179 million from US\$930 million in 2002. This increase was mainly the result of a US\$78 per ounce improvement in the received gold price to US\$372 per ounce, partially offset by lower gold production. Gold income derived from East and West African operations increased to US\$338 million in 2003 from US\$329 million in 2002. Gold income from North America, South America and Australia amounted to US\$128 million, US\$227 million and US\$157 million in 2003, compared with US\$152 million, US\$195 million and US\$155 million, respectively, in 2002.

Cost of sales

Cost of sales increased to US\$1,526 million in 2003 from US\$1,203 million in 2002, representing a 27 per cent increase. This increase was a result of the strengthening of local currencies against the US dollar in most of the countries in which AngloGold operates and lower gold grade ore mined or recovered at certain operations.

Operating profit

Operating profit decreased to US\$622 million in 2003 from US\$650 million in 2002, representing a 4 per cent decrease. Adjusted operating profit, which excludes unrealised gains on non-hedge derivatives, decreased 12 per cent to US\$559 million from US\$638 million in 2002.

Profit before exceptional items

In 2003, profit before exceptional items was US\$490 million, compared to US\$553 million in 2002. Corporate and other administration expenses increased by US\$11 million, to US\$36 million in 2003 from US\$25 million in 2002. Market development costs amounted to US\$19 million for 2003, of which 55 per cent was paid to the World Gold Council. Total exploration expenditure was US\$64 million (2002: US\$51 million), of which US\$38 million (2002: US\$28 million) was expensed. Interest received increased by US\$2 million to US\$38 million, mainly as a result of an improved gold price and improved cash position. Other net expenses amounted to US\$15 million for 2003 and included, amongst other items, foreign exchange losses on transactions other than sales, income from associates, growth in the Environmental Trust Fund and other provisions. Finance costs increased by US\$5 million to US\$49 million, mainly due to the interest on the corporate bond issued in 2003, partly offset by lower Libor rates applicable to several of the loans. Included in the expenses for 2003 are marked-to-market effects of financial instruments in the amount of US\$6 million (2002: nil). Expenses for 2003 also include abnormal items in the amount of US\$19 million, compared to US\$10 million in 2002.

Net profit

Net profit for 2003 decreased to US\$312 million from US\$332 million in 2002. This decrease was mainly due to the items included in profit before exceptional items mentioned above, adjusted for amortisation of goodwill of US\$29 million (2002: US\$28 million), impairment of mining assets of US\$44 million (2002: nil), profit on disposal of assets and subsidiaries of US\$10 million (2002: loss of US\$13 million) and profit on disposal of investments of US\$45 million

(2002: nil). The impairment of mining assets includes the impairment of various exploration assets in Australia (US\$9 million), Savuka assets in South Africa (US\$34 million) and mining equipment in South America (US\$1 million). A loss on the disposal of the Free State assets of US\$13 million was recognised in 2002 and a profit on the sale of the Jerritt Canyon Joint Venture (US\$10 million) in 2003. The profit on sale of investments includes a profit on the sale of East African Gold Mines of US\$25 million, a profit on the sale of Randgold Resources Limited of US\$17 million and a profit on the sale of shares in Queenstake of US\$3 million. The loss on the sale of the Amapari project was offset by the profit on the sale of the helicopter at the Vaal River operations. Taxation decreased in line with lower earnings, whilst the minorities interest was US\$18 million, compared to US\$15 million in 2002.

4.2.2 Financial performance in 2002 compared with 2001

Revenues

Revenues from product sales and other income decreased to US\$1,847 million in 2002 from US\$2,121 million in 2001, representing a 13 per cent reduction, mainly as a result of lower gold production from South Africa, largely due to the sale of the Free State assets effective January 2002 and a reduction in gold production from Ergo following the closure of the Daggafontein plant in December 2001. These were partially offset by a higher unit price of gold and increase in revenues from East and West Africa, as a result of an increase in revenue from Morila due to an unusually high increase in recovered grade, an increase in revenue from Yatela where gold production commenced in the third quarter of 2001 and an increase in revenue from South America, due to revenues attributable to the additional 46.25 per cent interest in the Cerro Vanguardia mine that AngloGold acquired during the third quarter of 2002.

Gold income

Gold income decreased to US\$1,761 million in 2002 from US\$2,041 million in 2001, representing a 14 per cent decrease, mainly due to a reduction of 1,044,000 ounces in gold produced (for the reasons stated above), partly offset by an increase in the received gold price by US\$16 per ounce to US\$303 per ounce in 2002. The average spot price of gold for 2002 was US\$310 per ounce, compared to US\$272 per ounce in 2001.

Cost of sales

Cost of sales decreased to US\$1,203 million in 2002 from US\$1,519 million in 2001, representing a 21 per cent decrease, mainly as a result of lower total cash costs, reduced retrenchment costs and favourable inventory movement. Total cash costs were lower both on a per ounce and on an absolute basis, as a result of lower gold production. Retrenchment costs decreased by US\$19 million, as most of the costs associated with the Free State operations were incurred in 2001. The increase in inventory levels in 2002 compared to 2001 was mainly due to the increase in gold in process in the North American region, as a result of ongoing problems with extracting gold from the heap leach pad resulting in a build up of inventory.

Operating profit

Operating profit increased to US\$650 million in 2002 from US\$517 million in 2001, representing a 26 per cent increase. This was mainly due to a 6 per cent increase in the received US dollar gold price and a weaker average South African rand/US dollar exchange rate. Adjusted operating profit, excluding unrealised gains on non-hedge derivatives, increased 21 per cent from US\$527 million to US\$638 million in 2002.

Profit before exceptional items

In 2002, profit before exceptional items was US\$553 million, compared to US\$400 million in 2001. Corporate and other administration expenses increased by US\$3 million to US\$25 million. Market development costs amounted to US\$17 million for the year of which some 73 per cent was paid to the World Gold Council. Total exploration expenditure was US\$51 million

(2001: US\$44 million) of which US\$28 million (2001: US\$26 million) was expensed. Interest received increased to US\$36 million in 2002 from US\$20 million in 2001, mainly as a result of the improved gold price, improved cash position with the sale of shares acquired in the aborted bid of Normandy and the proceeds from the Free State sale. Other net expenses amounted to US\$9 million for 2002 and included, amongst other items, foreign exchange losses on transactions other than sales and post-retirement medical expenses relating to mines sold. Finance costs decreased by US\$28 million to US\$44 million, due to lower interest rates and the rearrangement of loan facilities. The proceeds on the sale of the Normandy investment were utilised to repay debt. An abnormal item relating to the settlement of a legal claim in the amount of US\$10 million was also included in 2002.

Net profit

Net profit for 2002 increased to US\$332 million from US\$245 million in 2001. This increase was mainly due to the items included in profit before exceptional items mentioned above, adjusted for amortisation of goodwill of US\$28 million (2001: US\$29 million), impairment of mining assets in 2001 of US\$1 million, a loss on disposal of the Free State assets of US\$13 million which was recognised in 2002, compared to a loss of US\$4 million, recognised in respect of the sale of assets at the Deelkraal and Elandsrand mines in 2001. The taxation charge increased by US\$54 million to US\$165 million in 2002, due mainly to an increase in earnings. The effective tax rate was 32 per cent in 2002 compared to 30 per cent in 2001. The share of earnings of minorities increased to US\$15 million in 2002, compared to US\$8 million in 2001. This was due to the increase of minorities in Cerro Vanguardia from 3.75 per cent to 7.5 per cent.

4.3 Liquidity and capital resources

Operating activities

Net cash inflow from operating activities was US\$453 million in 2003, 25 per cent lower than the amount of US\$605 million recorded in 2002. The decrease in net cash inflow from operating activities over 2002 is mainly the result of a working capital outflow of US\$71 million and a decrease in AngloGold's profitability due to higher unit cash costs per ounce, partially offset by higher received gold price during 2003 compared with 2002.

Net cash inflow from operating activities was US\$605 million in 2002, 21 per cent higher than the 2001 amount of US\$500 million. Cash generated from operations was derived from profits on ordinary activities before taxation of US\$512 million adjusted for changes in working capital and non-cash flow items. The most significant non-cash flow item was amortisation of mining assets of US\$245 million. Cash generated from operations was US\$758 million and interest received was US\$32 million. Payments to outside stakeholders for finance costs amounted to US\$40 million and mining and normal taxes were US\$131 million. The resultant net increase in cash from operating activities was mainly due to the increase in AngloGold's profitability.

Investing activities

Investing activities in 2003 resulted in a net cash outflow of US\$316 million compared with a net cash outflow of US\$99 million in 2002. This increase in cash outflows was the net result of increased capital expenditure of US\$363 million, compared with US\$271 million in 2002, as a result of major capital projects, including Moab Khotsoeng, the Mponeng deepening project and four projects at TauTona mine, including the purchase of the mining area of Gold Fields Limited's Driefontein mine known as 1C11. The proceeds of US\$56 million were the result of the sale of the investments in East African Gold Mines and RandGold Resources and shares in Queenstake Resources. Acquisition of subsidiaries reflects the acquisition of Rand Refinery which was previously accounted for as an associate. The disposal of subsidiaries includes the sale of a 70 per cent interest in Jerritt Canyon, which was sold to Queenstake Resources USA Inc. The consideration of US\$12 million received for the sale was paid in the form of US\$1.5 million in cash and 32 million shares of Queenstake common stock valued at US\$5 million and US\$6 million in deferred payments. AngloGold sold its entire equity interest in Queenstake during November 2003 for a cash consideration of US\$9.4 million after expenses.

Investing activities in 2002 resulted in a net cash outflow of US\$99 million compared with an outflow of US\$148 million in 2001. This decrease in cash outflows was the net result of acquisitions and disposals of operations and investments and lower capital expenditure. The disposals include the net cash consideration of US\$140 million received for the disposal of the Free State assets and proceeds of US\$158 million received from the sale of Normandy shares in 2002 and the sale of Deelkraal and Elandsrand to Harmony Gold Mining Company Limited for an amount of US\$109 million in 2001. The effect of cash received from these transactions on cash used in investing activities in 2002 was partially offset by the acquisition of an additional 46.25 per cent interest in the Cerro Vanguardia mine in Argentina in July 2002 for a net cash consideration of US\$97 million (US\$8 million cash acquired as part of this acquisition). In 2002, US\$34 million (2001: US\$3 million) was paid for acquiring cash investments of which the major portion related to the Normandy investment.

Additional cash outflows for investing activities during 2002 included capital expenditure in the amount of US\$271 million compared with US\$298 million in 2001. The main part of total capital expenditure in 2002 relates to the following capital projects: Moab Khotsoeng US\$36 million; Mponeng US\$33 million; TauTona US\$11 million; Cripple Creek & Victor Expansion US\$66 million; and Sunrise Dam Project US\$26 million.

Financing activities

Net cash used in financing activities decreased by US\$260 million to an outflow of US\$107 million in 2003 from an outflow of US\$367 million in 2002. This net decrease in cash used in financing activities was the result of lower borrowings repaid, partly offset by lower borrowings drawn. Repayments comprised normal scheduled payments in terms of loan facilities and the repayment of US\$30 million under the US\$400 million unsecured loan facility. No further drawings or repayments were made in 2003 under the US\$600 million borrowing facility which AngloGold entered into in 2002. In addition, on 21 August 2003, AngloGold issued a senior unsecured fixed rate corporate bond in an aggregate principal amount of ZAR2 billion, with coupons payable at a rate of 10.5 per cent per annum. The bond will be repayable on 28 August 2008 and is listed on the Bond Exchange of South Africa.

During 2003, AngloGold issued 514,320 AngloGold Shares, of which 508,020 AngloGold Shares were issued pursuant to AngloGold's Share Incentive Scheme and 6,300 AngloGold Shares were issued in terms of the Acacia Employee Option Plan. Proceeds from the above issuances amounted to US\$10 million in 2003.

Dividends paid increased to US\$314 million in 2003 from US\$260 million in 2002 (including minorities). AngloGold declares interim dividends at the time of announcing its interim results and declares and pays final dividends in the following year based on the previous year's results. Dividends declared (excluding minorities) for 2003 amounted to US\$220 million (99 US cents per share) compared with US\$325 million in 2002 (146 US cents per share). Over the same periods, adjusted headline earnings, which excludes unrealised non-hedge derivatives, decreased to US\$282 million (127 US cents per share) in 2003 from US\$368 million (166 US cents per share) in 2002.

Net cash used in financing activities increased by US\$69 million to US\$367 million in 2002 from US\$298 million in 2001. This net increase in cash used in financing activities in 2002 was the result of the repayment of US\$654 million of maturing debt, including US\$121 million to Credit Agricole and US\$355 million on the matured unsecured syndicated loan facility, with the balance comprising normal scheduled payments in terms of other loan agreements. Furthermore, US\$585 million was drawn and US\$120 million was repaid under the US\$600 million unsecured syndicated borrowing facility which AngloGold entered into in February 2002 and US\$175 million was drawn and US\$128 million was repaid under the existing US\$400 million unsecured syndicated loan facility during 2002. In addition, on 14 October 2002, a new loan facility of A\$50 million was arranged with the Australia and New Zealand Banking Group Limited for AngloGold. At 31 December 2002, A\$15 million (US\$9 million) had been drawn under this facility.

During 2002, AngloGold issued 7,353,906 AngloGold Shares of which 478,720 AngloGold Shares were issued pursuant to the AngloGold Share Incentive Scheme, 66,598 AngloGold Shares were issued in terms of the Acacia Employee Option Plan, 278,196 AngloGold Shares were issued as part of the odd-lot offer by AngloGold, 6,403,236 AngloGold Shares were issued in terms of the Normandy offer and 127,156 AngloGold Shares were issued in respect of the top-up facility in terms of the Normandy offer in 2001. Proceeds from the above issuances amounted to US\$18 million in 2002.

Dividends paid increased to US\$260 million in 2002 from US\$167 million in 2001 (including minorities). Dividends declared (excluding minorities) for 2002 amounted to US\$325 million (146 US cents per share), compared with US\$190 million (87 US cents per share) in 2001. Over the same periods, adjusted headline earnings, which excludes unrealised non-hedge derivatives, of US\$368 million (166 US cents per share) for 2002, compared with US\$286 million (133 US cents per share) in 2001.

Off-balance sheet items

Commodity based contracts (“normal purchase or normal sale”) that meet the requirements of IAS 39 are not recognised on the balance sheet, but are recognised in earnings when they are settled by physical delivery. No provision has been made for unaccrued future rehabilitation obligations.

Liquidity

AngloGold’s cash and cash equivalents increased to US\$505 million at 31 December 2003 compared with US\$413 million at 31 December 2002 and US\$191 million at 31 December 2001. In accordance with South African Reserve Bank regulations, cash generated by South African operations is held in South African rand. At 31 December 2003 approximately 28 per cent of AngloGold’s cash and cash equivalents was held in US dollars, 62 per cent was held in South African rand, 1 per cent in Australian dollars and 9 per cent in other currencies.

Short-term debt. AngloGold’s short-term debt increased to US\$351 million at 31 December 2003 from US\$84 million at 31 December 2002 and US\$637 million at 31 December 2001. The amount of short-term debt at 31 December 2003 is the portion of long-term debt that falls due in 2004. Included in the short-term debt at 31 December 2003 was the drawn portion of a US\$400 million US dollar-based syndicated loan facility, repayable in May 2004, a loan of US\$10 million repayable in monthly instalments commencing March 2004 and terminating in September 2004 and a US dollar-based syndicated project finance loan terminating in December 2004.

Long-term debt. AngloGold’s long-term debt decreased to US\$807 million at 31 December 2003, compared to US\$842 million at 31 December 2002 and US\$350 million at 31 December 2001.

As at 31 December 2003, AngloGold had US\$465 million drawn under its US\$600 million syndicated loan facility (this facility is repayable in February 2005 and is US dollar-based; interest is charged at Libor plus 0.7 per cent per annum) and US\$232 million drawn under its US\$400 million syndicated loan facility (this facility is repayable in May 2004 and is US dollar-based; interest is charged at Libor plus 0.75 per cent per annum). AngloGold intends to use part of the proceeds of the offering of the Convertible Bonds to refinance amounts drawn under these facilities. In addition, AngloGold has entered into a number of other secured and unsecured debt facilities denominated in various currencies.

The Morila project finance facility is secured by a fixed and floating charge over the respective project assets, the hedging contracts and major project contracts and a pledge over the shares in the project company. The Geita project finance facility is secured by a pledge over the shares in the project company. The Cerro Vanguardia project finance loan is secured by a fixed and floating charge over the project assets, the major project contracts and a pledge over the shares in the project company. The Investec loan is guaranteed by AngloGold Limited. The equipment financed by the Senstar Capital Corporation secured loans, the secured Rolls Royce loan and the secured Kudu Finance Company loan, is used as security for those loans.

On 21 August 2003, AngloGold issued a senior unsecured fixed rate corporate bond of an aggregate principal amount of ZAR2 billion, with semi-annual coupons payable at a rate of 10.5 per cent per annum. The bond will be repayable on 28 August 2008, subject to early redemption at AngloGold’s option. The bonds are listed on the Bond Exchange of South Africa.

As at 31 December 2003, AngloGold’s total long-term debt, including its short-term portion maturing within 2004, was made up as follows:

	At 31 December 2003 US\$ million
Unsecured loans	1,069
Secured loans	89
Total debt	1,158
Less: Short-term maturities	(351)
Long-term debt	807

Debt repayments are scheduled as follows:

Amounts falling due

	US\$ million
Within one year	351
Between one and two years	482
Between two and five years	320
After five years	5
Total	1,158

AngloGold currently expects to repay debt maturing in 2004 from existing cash resources, cash generated by operations, other debt facilities and the proceeds of the offering of the Convertible Bonds.

At 31 December 2003 the currencies in which the borrowings were denominated were as follows:

	At 31 December 2003 US\$ million
Australian dollars	7
South African rand	308
United States dollars	843
Total	1,158

Repayments of short-term and long-term borrowings amounted to US\$125 million and US\$40 million, respectively, in 2003.

At 31 December 2003 AngloGold had the following undrawn borrowing facilities:

	At 31 December 2003 US\$ million
Syndicated loan (US\$400 million) – US dollar ⁽¹⁾	168
Syndicated loan (US\$600 million) – US dollar ⁽²⁾	135
Australia and New Zealand Banking Group Limited – Australian dollar	30
Total	333

Notes:

(1) Expires May 2004.

(2) Expires February 2005.

AngloGold had no other committed lines of credit as at 31 December 2003. In October 2002, AngloGold arranged a loan facility of A\$50 million with the Australia and New Zealand Banking Group Limited. This facility, originally repayable by September 2003, was extended to September 2004. The undrawn portion of this facility as at 31 December 2003 was A\$40 million.

AngloGold's acquisitions during the past three years, including the acquisition of an additional 46.25 per cent interest in Cerro Vanguardia in 2002, were financed with debt. As a result of the increase in cash to US\$505 million as at 31 December 2003 from US\$413 million as at 31 December 2002 resulting from operating, investing and financing activities, AngloGold reported total net indebtedness of US\$653 million at 31 December 2003, compared with US\$513 million at 31 December 2002.

In February 2004, AngloGold Holdings plc, a wholly owned subsidiary of AngloGold, raised approximately US\$991 million (net of commissions and expenses) through the issue of the Convertible Bonds. The proceeds of such issue, after payment of managers' commissions and other expenses relating thereto, will be used by AngloGold to refinance amounts outstanding under AngloGold's credit facilities and to meet transaction costs in connection with the Merger and for general corporate purposes, including planned capital expenditure.

AngloGold expects net capital expenditure to be US\$477 million for 2004, excluding Ashanti's capital expenditure for the same year which is expected to be US\$119 million. AngloGold expects to finance this expenditure from existing cash resources, cash generated by operations, its debt facilities and the proceeds of the Convertible Bonds offering. The costs, charges and expenses of, and incidental to, the Merger are estimated to amount to approximately US\$85 million. Included in this amount are US\$5 million which AngloGold has agreed to pay to the Government promptly after the completion of the Merger. In consideration for the various regulatory undertakings to be received by AngloGold pursuant

to the Stability Agreement, AngloGold has further agreed to issue 2,658,000 New AngloGold Ashanti Shares and to pay the Government an additional US\$5 million in cash. These latter amounts are not included in the estimated transaction costs of the Merger of US\$85 million.

On 31 December 2003, Geita Gold Mining Limited made a distribution of US\$30 million in partial repayment of outstanding shareholder loans. AngloGold agreed that US\$15 million of the distribution that would otherwise have been payable to AngloGold should instead be paid directly to Ashanti. Following this repayment, the total principal amount of shareholder loans including accrued interest owed to Ashanti was US\$14.1 million. On 3 February 2004, AngloGold Geita Holdings Limited, a subsidiary of AngloGold, agreed to purchase this residual shareholder loan at par value.

In the event the Merger is consummated, AngloGold will be obliged to repay all of the outstanding MENs, together with interest thereon.

4.4 Hedging

Hedge levels

AngloGold employs hedging as an element of its risk management strategy. On 30 July 2003, AngloGold's hedging policy was changed from a target level of forward-price commitments equal to 50 per cent of five years production hedged to a targeted level of 30 per cent of the next five years' production hedged. AngloGold may put new forward-pricing contracts in place where the gold price and operating circumstances make this necessary or prudent. The absolute level of AngloGold's gold hedges has decreased considerably over the last two years. This is as a result of:

- the sale of mining assets and the resultant reduction of the hedge in line with reduced production;
- a more favourable outlook on gold prices; and
- the higher profit margin, requiring less price certainty.

A summary of the hedge position as at 31 December 2000, 2001, 2002 and 2003 is as follows. The "years of production hedged" is calculated as the hedge net delta position at year-end divided by the annual production for that year.

As at 31 December	Hedge Net Delta kg's	Annual Production for Year kg's	Years of Production Hedge
2000	554,701	225,295	2.46
2001	453,192	217,203	2.08
2002	319,723	184,711	1.73
2003	267,131	174,668	1.53

While AngloGold may reduce its net delta hedge position further in line with a positive price outlook, it will continue to actively manage the hedge in order to protect margins and to ensure its ability to service debt requirements.

Following the Merger, the combined hedge book of AngloGold and Ashanti will equate to approximately 40 per cent of five years of production, exceeding AngloGold's targeted hedge level of 30 per cent. As operating and market factors remain favourable and market conditions allow, AngloGold expects to manage the combined hedge position to bring it in line with its current policy.

Hedge performance

The following table provides a summary of the average received gold price for AngloGold and the average spot gold price over the last five years. The table provides an indication of past hedge performance.

Year	Sales thousand ounces	Price Received US dollar per ounce	Spot Price US dollar per ounce
1999	7,004	315	278
2000	7,241	308	285
2001	7,004	287	271
2002	5,941	303	310
2003	5,613	363	363

The total net delta tonnage of the AngloGold gold hedge on 31 December 2003 was 8.59 million ounces or 267.1 tonnes of gold. The marked-to-market value of all hedge transactions making up the hedge positions was a negative US\$663.7 million as at 31 December 2003. These values were based on a gold price of US\$415.75 per ounce, exchange rates of ZAR/US\$6.6376 and A\$/US\$0.7525 and the prevailing market interest rates and volatilities at the time.

These marked-to-market valuations are in no way predictive of the future value of the hedge position nor of future impact on the revenue of AngloGold. The marked-to-market represents the current profit/loss value of the hedge book at market prices and rates available at that time.

The table below indicates AngloGold's gold hedge position at a weighted average settlement price as at 31 December 2003.

	Year	2004	2005	2006	2007	2008	2009 – 2013	Total
US DOLLAR GOLD								
Forward contracts	Amount (kg)	18,374	26,576	19,862	18,974	15,801	10,078	109,665
	US\$ per oz	US\$315	US\$324	US\$333	US\$337	US\$352	US\$360	US\$334
Put options purchased	Amount (kg)	5,772	2,624	4,918	728			14,042
	US\$ per oz	US\$382	US\$363	US\$363	US\$292			US\$367
	*Delta (kg)	1,703	637	1,102	49			3,491
Put options sold	Amount (kg)	13,997	2,799	4,354				21,150
	US\$ per oz	US\$362	US\$345	US\$339				US\$355
	*Delta (kg)	2,800	441	681				3,922
Call options purchased	Amount (kg)	7,112						7,112
	US\$ per oz	US\$330						US\$330
	*Delta (kg)	6,990						6,990
Call options sold	Amount (kg)	14,413	18,227	16,547	14,308	14,183	40,061	117,739
	US\$ per oz	US\$376	US\$338	US\$346	US\$336	US\$347	US\$369	US\$355
	*Delta (kg)	10,973	15,419	13,564	12,201	11,911	33,244	97,312
RAND GOLD								
Forward contracts	Amount (kg)	6,249	8,145	4,500	2,830	2,799	933	25,456
	Rand per kg	R73,930	R119,409	R96,436	R118,197	R120,662	R116,335	R104,074
Put options purchased	Amount (kg)	933	2,808	2,808				6,549
	Rand per kg	R99,346	R95,511	R95,511				R96,057
	*Delta (kg)	614	964	721				2,299
Put options sold	Amount (kg)	2,333	1,400	1,400				5,133
	Rand per kg	R89,250	R88,414	R88,414				R88,794
	*Delta (kg)	1,061	364	280				1,705
Call options purchased	Amount (kg)							
	Rand per kg							
	*Delta (kg)							
Call options sold	Amount (kg)	4,679	5,620	5,621	1,493	2,986	8,958	29,357
	Rand per kg	R118,661	R130,321	R131,389	R173,119	R187,586	R216,522	R162,971
	*Delta (kg)	384	1,694	2,188	294	615	2,396	7,571

	Year	2004	2005	2006	2007	2008	2009 – 2013	Total
A DOLLAR GOLD								
Forward contracts	Amount (kg)	8,279	6,221	9,331	8,398	3,110	10,233	45,572
	A\$ per oz	A\$533	A\$680	A\$661	A\$633	A\$647	A\$651	A\$632
Put options purchased	Amount (kg)							
	A\$ per oz							
	*Delta (kg)							
Put options sold	Amount (kg)							
	A\$ per oz							
	*Delta (kg)							
Call options purchased	Amount (kg)		3,110	6,221	3,732	3,110	8,087	24,260
	A\$ per oz		A\$724	A\$673	A\$668	A\$680	A\$710	A\$692
	*Delta (kg)		714	2,985	2,013	1,843	4,996	12,551
Call options sold	Amount (kg)	933						933
	A\$ per oz	A\$506						A\$506
	*Delta (kg)	933						933
Total net gold:	Delta (kg)	36,658	58,137	47,322	40,733	32,393	51,888	267,131
	Delta (oz)	1,178,572	1,869,146	1,521,446	1,309,585	1,041,466	1,668,226	8,588,441
Hedge delta as a percentage of current production levels (%)		23%	36%	28%	23%	18%	6%	15%

*The Delta of a derivative instrument is the change in price of the instrument for a change in price of the underlying asset; this can be practically interpreted as the amount of gold that would need to be bought and sold in order to neutralise the change in the marked-to-market value of the hedge position for a small change in the price of gold. This is calculated using the Black Scholes option formula with the ruling market prices, interest rates and volatilities as at 31 December 2003.

Gold borrowing cost associated with forward contracts ⁽¹⁾	Amount (oz)	175,000	200,000	300,000	270,000	100,000	350,000
	Interest rate %	0.1%	0.5%	0.8%	1.0%	1.2%	1.4%
Gold lease rate swaps ⁽²⁾	Amount (oz)	923,301	638,363	702,507	758,678	441,000	299,000
	Interest rate %	1.5%	1.4%	1.5%	1.8%	1.8%	2.0%

Notes:

- (1) The Australian dollar denominated gold forward contract prices are shown on a net basis where the final price of the contract is determined by the cost of borrowing gold over the full duration of the contract. The net prices shown in the table above have been adjusted to take account of the total expected future cost of all accumulated costs incurred to date and the expected future borrowing cost based on prevailing market prices at the financial statement date. The amount shown under "Gold borrowing cost associated with forward contracts" in the table above is the face value of the borrowing amount and the period in which it matures. The interest rates shown are the future market rates prevailing at the time of the financial statement.
- (2) The gold lease rate swaps are contracts where the company receives a fixed percentage of the outstanding amount in gold and pays a floating market determined percentage in gold, quarterly in arrears. The amount shown in the table above is the number of ounces outstanding at the beginning of each period. The interest rate shown is the weighted average fixed rate that the company will receive for that period.

As at 31 December 2003 none of the hedging positions reported in the above table are governed by "right-to-break" clauses.

Foreign exchange price risk protection agreements

AngloGold periodically enters into forward exchange and currency option contracts to hedge certain recorded transactions, firm commitments and other anticipated transactions denominated in foreign currencies. The objective of AngloGold's foreign currency hedging activities is to protect AngloGold from the risk that the eventual cash flows resulting from transactions denominated in US dollars will be adversely affected by changes in exchange rates. There can be no assurances that these activities will be successful.

The following table indicates AngloGold's currency hedge position at 31 December 2003:

	Year	2004	2005	2006	2007	2008	2009 – 2013	Total
RAND US DOLLAR (000)								
Forward contracts	Amount (US\$)							
	Rand per US\$							
Put options purchased	Amount (US\$)	35,000						35,000
	Rand per US\$	ZAR7.20						ZAR7.20
	*Delta (US\$)	27,689						27,689
Put options sold	Amount (US\$)	35,000						35,000
	Rand per US\$	ZAR6.74						ZAR6.74
	*Delta (US\$)	17,417						17,417
Call options purchased	Amount (US\$)							
	Rand per US\$							
	*Delta (US\$)							
Call options sold	Amount (US\$)	50,000						50,000
	Rand per US\$	ZAR7.21						ZAR7.21
	*Delta (US\$)	14,318						14,318
AUS DOLLAR (000)								
Forward contracts	Amount (US\$)	29,275	29,267					58,542
	US\$ per A\$	US\$0.59	US\$0.55					US\$0.57
Put options purchased	Amount (US\$)	10,000						10,000
	US\$ per A\$	US\$0.63						US\$0.63
	*Delta (US\$)	9,269						9,269
Put options sold	Amount (US\$)	10,000						10,000
	US\$ per A\$	US\$0.68						US\$0.68
	*Delta (US\$)	7,491						7,491
Call options purchased	Amount (US\$)							
	US\$ per A\$							
	*Delta (US\$)							
Call options sold	Amount (US\$)	20,000						20,000
	US\$ per A\$	US\$0.60						US\$0.60
	*Delta (US\$)	582						582

Note:

*The Delta of a derivative instrument is the change in price of the instrument for a change in price of the underlying asset; this can be practically interpreted as the amount of gold that would need to be bought or sold in order to neutralise the change in the marked-to-market value of the hedge position for a small change in the price of gold. This is calculated using the Black-Scholes option formula with the ruling market prices, interest rates and volatilities as at 31 December 2003.

5. DIVIDENDS AND DIVIDEND POLICY

AngloGold may declare dividends at the discretion of the AngloGold Board or shareholders of AngloGold at a general meeting. Historically, AngloGold has paid dividends twice a year and declared all dividends in South African rand. The interim dividend has typically been declared to qualifying shareholders in July of each year and the final dividend has typically been declared in January of each year. Dividends declared to foreign shareholders are not subject to approval by the SARB. Dividends are freely transferable to foreign shareholders from both trading and non-trading profits earned in South Africa by publicly listed companies. There are no withholding taxes on dividends paid by AngloGold to its shareholders.

Qualifying shareholders receive dividends if and when declared by the AngloGold Board out of legally available funds. Following the completion of the Merger, AngloGold Ashanti expects to continue to pay dividends in accordance with its existing dividend policy where dividends are determined based upon the full payment of free cash available after consideration of capital expenditure and financing requirements. Dividend payments have historically represented a significant fraction of earnings. Therefore, because cash generated and capital expenditure and financing requirements may fluctuate, there can be no assurance that dividends

will be paid in the future or as to the particular amounts that will be paid from year to year. The payments of future dividends will depend upon the AngloGold Ashanti Board's ongoing assessment of AngloGold Ashanti's financial condition, including its cash needs, future earnings, prospects and other factors.

Dividends paid to registered holders of AngloGold ADSs are currently paid in US dollars converted from South African rand by The Bank of New York as the AngloGold ADS Depositary. Dividends payable to shareholders resident in Ghana, as declared in South African rand, will be paid in cedis. The amount paid in cedis will depend upon the ruling exchange rate on the date that the currency is converted for payment by AngloGold Ashanti's registrar (or depositary agent in the case of AngloGold Ashanti GhDSs) in Ghana.

Ashanti Shareholders will be entitled to receive all dividends declared by AngloGold Ashanti with a registration date after the Effective Date. However, the Merger will not be implemented prior to the registration date for the payment of AngloGold's final dividend for 2003. Consequently, Ashanti Shareholders will not be entitled to receive AngloGold's final dividend for 2003.

For the fiscal year 2003, AngloGold declared an aggregate cash dividend of ZAR7.10 per AngloGold Share (approximately US\$0.99 per AngloGold ADS). The dividend declared for 2003 currently equates to a dividend yield of approximately 2.5 per cent based on the average share price of AngloGold ADSs traded on the NYSE for the preceding 12 months.

The table below sets forth the dividends paid by AngloGold in each of the five completed financial years of AngloGold immediately preceding the date of publication of this document.

AngloGold Dividends⁽¹⁾

Fiscal Year	Dividend per AngloGold ADS	Dividend per AngloGold Share
2003 ⁽²⁾	US\$0.99	ZAR7.10
2002	US\$1.46	ZAR13.50
2001	US\$0.87	ZAR9.00
2000	US\$0.91	ZAR7.00
1999	US\$1.58	ZAR10.00

Notes:

- (1) Dividends adjusted to give effect to the two-for-one split of AngloGold Shares on 24 December 2002.
- (2) The final dividend of ZAR3.35 (or US\$0.48) for 2003 was declared on 29 January 2004 and was paid on 27 February 2004 to holders of record on 20 February 2004. Ashanti Securityholders will not be entitled to receive this final dividend.

Part IV: Information on Ashanti

1. HISTORY

In 1897, an English company named Ashanti Goldfields Corporation Limited (“AGCL”) was founded and began to develop a mining concession in the area of Ashanti’s current operations at Obuasi. Several years later, underground mining began at the site and has continued to the present. In 1969, AGCL became a wholly-owned subsidiary of Lonrho Plc, now called Lonmin, a UK listed company which at the time had interests in mining, hotels and general trade in Africa. Following the Lonmin acquisition in 1969, the Government acquired 20 per cent of AGCL from Lonmin in exchange for the Government’s agreement to extend the term of the AGCL mining lease over the concession area.

By legislation enacted in 1972, the Government formed Ashanti to take over the assets, business and functions formerly carried out by AGCL. The Government then held an interest in 55 per cent of Ashanti’s outstanding shares, with Lonmin holding the remaining 45 per cent.

In 1994, as part of its divestiture policy, the Government sold part of its holding in Ashanti in a global offering. In connection with that offering, Ashanti was reorganised as a Ghanaian public limited company. The Government also retained its “Golden Share” in Ashanti, a special rights redeemable preference share, pursuant to which the consent of the Government is required, amongst other things, for certain significant transactions. As at 27 February 2004 (being the latest practicable date prior to the publication of this document), the Government owned approximately 16.8 per cent and Lonmin owned approximately 27.4 per cent of Ashanti Shares.

In 1996, Ashanti expanded its operations through the acquisition of companies holding interests in the Ayanfuri, Bibiani, Iduapriem, Sigui, and Freda-Rebecca properties, which were already or were subsequently developed as mines, and acquired an interest in what was then the Geita exploration concession in Tanzania. In 1998, Ashanti acquired SAMAX Gold Inc., the principal asset of which was the remaining interest in the Geita exploration concession adjacent to Ashanti’s existing licence area. In 1999 and 2000, Ashanti developed the Geita mine and in 2000 sold a 50 per cent equity interest in it to AngloGold. In 2000, Ashanti acquired its interest in the Teberebie mine, which is adjacent to the Iduapriem mine.

Through the period from the end of 1999 to June 2002, commencing with a sharp rise in the price of gold which led initially to a liquidity crisis, Ashanti undertook a financial restructuring with its banks, hedge counterparties and noteholders.

2. OVERVIEW

Ashanti is engaged in the mining and processing of gold ores and the exploration and development of gold properties in Africa and in hedging activities in connection with its gold production. Ashanti has interests in major gold mines in Ghana, Guinea, Tanzania and Zimbabwe. In 2003, Ashanti’s attributable gold production was 1.53 million ounces. As at 31 December 2003, Ashanti had Proved and Probable Ore Reserves of approximately 20.7 million ounces on an attributable basis.

Ashanti occupies a position of strategic significance within the Ghanaian economy. It is a major contributor of foreign exchange earnings to Ghana, Guinea, Tanzania and Zimbabwe. In addition, Ashanti is the largest company listed on the GSE and a major employer, particularly in the Ashanti region of Ghana.

Reserves

The following table sets out Ashanti’s Proved and Probable Ore Reserves as reported by Ashanti in its annual accounts for the year ended 31 December 2003. The information on Proved and Probable reserves refers to Ashanti’s attributable interest. The reserves have been estimated in compliance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (the “JORC Code”), are reported in accordance with the requirements of the SEC Industry Guide 7 and do not take into account metallurgical losses. The principles applied to the determination of the reserves as reported by Ashanti are set out below.

Cut-off grades are applied to geological data when assessing mineralised material in order to ensure that material never likely to be economic is not included in the reserves. The tonnage, grade and contained gold profiles for each deposit are interrogated at various cut-off grades to enable the engineers to clearly

understand the characteristics of the mineralisation and to focus on developing exploitation strategies that will optimise the net present value of the deposits. The cut off grade that Ashanti has chosen for reporting purposes is the lowest grade that can be exploited at break even for the highest envisaged gold price.

Classification of Proved and Probable reserves is based on a number of criteria including drill density, geological continuity, integrity of the data, ore accessibility and economic parameters.

The costs used in evaluating the economic operating profile for each ore block are based on actual costs incurred in the operation over the past year adjusted wherever appropriate for any inflation and exchange rate variances forecast for the coming year or cost decreases due to productivity improvements. Where new projects are concerned, the costs are based on actual materials prices, labour costs and engineering feasibility design parameters and are benchmarked wherever practical with similar operations elsewhere within the Ashanti Group or with peer operators nationally or internationally.

The grade estimate is inclusive of adjustments for mining dilution and ore losses during mining.

Future metal prices used for estimating purposes are decided upon by Ashanti, based on information taken from internationally respected gold price analysts. For economic studies and the determination of cut-off grades, Ashanti assumed a gold price of US\$350 per ounce.

Location	Anticipated Life of Mine (years) ⁽¹⁾	Category of reserves	Tonnes (millions)	Grade (g/t)	Contained gold (million oz)
Existing mine above 50 level Obuasi Deeps	18				
	Greater than 25 years from 2015				
Underground		Proved	4.2	7.5	1.0
		Probable	33.5	8.4	9.0
		Total	37.7	8.3	10.1
Surface		Proved	2.6	2.7	0.2
		Probable	–	–	–
		Total	2.6	2.7	0.2
Tailings		Proved	12.7	1.9	0.8
		Probable	3.8	2.0	0.2
		Total	16.4	1.9	1.0
Sub-total		Proved	19.5	3.2	2.0
		Probable	37.3	7.8	9.3
		Total	56.8	6.2	11.3
Other locations					
Iduapriem (80%) ⁽²⁾	10	Proved	39.4	1.6	2.0
Teberebie (90%)		Probable	9.7	1.7	0.5
		Total	49.1	1.7	2.6
Bibiani underground	4 years from 2005	Proved	–	–	–
		Probable	1.2	4.6	0.2
		Total	1.2	4.6	0.2
Bibiani surface	1	Proved	2.6	1.9	0.2
		Probable	1.3	2.9	0.1
		Total	3.9	2.2	0.3
Bibiani tailings	7	Proved	4.4	1.1	0.1
		Probable	0.4	1.0	0.0
		Total	4.8	1.1	0.1

Location	Anticipated Life of Mine (years) ⁽¹⁾	Category of Ore Reserves	Tonnes (millions)	Grade (g/t)	Contained gold (million oz)
Siguirí (85%) ⁽²⁾	9	Proved	10.5	1.2	0.4
		Probable	33.4	1.2	1.2
		Total	43.9	1.2	1.6
Freda-Rebecca	4	Proved	3.1	2.5	0.2
		Probable	1.0	2.5	0.1
		Total	4.1	2.5	0.3
Geita (50%) ⁽²⁾	16	Proved	14.2	3.3	1.5
		Probable	21.1	4.2	2.8
		Total	35.3	3.8	4.3
TOTAL ⁽²⁾		Proved	93.7	2.1	6.5
		Probable	105.4	4.2	14.2
		Total	199.1	3.2	20.7

NB: Rounding of figures may result in computational discrepancies.

Notes:

(1) Anticipated Life of Mine is expressed in years from 2004 (or year of start-up where relevant and indicated as such) based upon Ashanti's current business plan for each operation (with the exception of Obuasi Deeps, which anticipated life of mine is based upon AngloGold's preliminary scoping studies). These business plans assume the mining of Ore Reserves and may include the conversion of Mineral Resources to Ore Reserves as well as the extension of Mineral Resources as a result of further brownfields exploration, where deemed appropriate by Ashanti based upon past experience (with the exception of Obuasi Deeps which is based upon AngloGold's preliminary scoping studies). The life of mine is an estimate used for business planning purposes and is subject to material change due to future geological information or economic conditions.

(2) Reserves attributable to Ashanti's percentage interest shown.

3. GENERAL DESCRIPTION OF OPERATIONS

3.1 Overview

The gold mining operations of Ashanti are located at Obuasi, Bibiani and Iduapriem in Ghana, Siguirí in Guinea, Geita in Tanzania and Freda-Rebecca in Zimbabwe.

Obuasi. Ashanti's oldest mine and largest reserve is located at Obuasi in the Ashanti region of Ghana. Ashanti has a 100 per cent interest in the Obuasi mine. Gold mining has been conducted at this site for over 100 years and during that period, records show that Obuasi has to date produced approximately 28 million ounces of gold. Most production at Obuasi is from its underground mine, but there is also production from open pit and tailings retreatment operations. The Obuasi mine site has separate sulphide, oxide and tailings treatment plants. Obuasi produced 513,163 ounces of gold, principally from underground operations, in the year ended 31 December 2003, compared with 537,219 ounces for the year ended 31 December 2002.

Bibiani. The Bibiani open-pit mine is located in the Western Region of Ghana, 90 kilometres west of Kumasi. Ashanti acquired Bibiani in 1996 when it acquired International Gold Resources Corporation ("IGR"), a Canadian-listed company, and Ghana Libyan Arab Mining Company Limited ("GLAMCO"). Ashanti has a 100 per cent interest in the Bibiani mine. Gold production for the year ended 31 December 2003 was 212,716 ounces compared with 242,432 ounces for the year ended 31 December 2002. The main open-pit operations are scheduled to be completed in 2004, once the remaining open-pit Ore Reserve is completely mined out. Development of a decline ramp system for the exploration and possible development of an underground mining operation at Bibiani has commenced.

Iduapriem/Teberbie (attributable 80/90 per cent). The Iduapriem open pit mine, which is owned by Ghanaian Australian Goldfields Limited ("GAG"), is located in the Western Region of Ghana some 70 kilometres north of the coastal city of Takoradi, and 10 kilometres southwest of Tarkwa. Ashanti acquired an 80 per cent interest in the Iduapriem mine in 1996 when it acquired GAG's holding company. In June 2000, Ashanti acquired the entire issued share capital of Pioneer Goldfields Limited, which owns

90 per cent of Teberebie Goldfields Limited (being the company which owns the mining lease to the Teberebie open-pit mine located adjacent to Iduapriem). The acquisition of the Teberebie reserves should extend the Iduapriem mine's life to approximately 2012. Ore is treated at these mines by heap leach or CIL methods. In the year ended 31 December 2003, Iduapriem/Teberbie produced 243,533 ounces of gold compared with 185,199 ounces of gold for the year ended 31 December 2002. The higher gold production was due to the increased mill throughput resulting from the upgrade of the processing plant during 2003. Installation of an additional ball mill and a new crusher is anticipated to commence during 2004 which will further increase mill capacity.

Ayanfuri. Ashanti acquired the Ayanfuri mine, located in the Central Region of Ghana in 1996. Ayanfuri had exhausted substantially all of its gold reserves by 31 December 2000. Ashanti is currently implementing a mine closure plan under Obuasi mine management control.

Siguiri (attributable 85 per cent). The Siguiri open-pit gold mine is located in the Siguiri District in the northeast of the Republic of Guinea, West Africa, approximately 850 kilometres from the capital city of Conakry. The nearest important town is Siguiri (approximately 50,000 inhabitants), located on the banks of the Niger River. Ashanti owns 85 per cent of the Siguiri gold mine and the Government of Guinea owns the remaining 15 per cent. Ashanti acquired its interest in Siguiri in 1996. The mine commenced operations in the first quarter of 1998. Production for the year ended 31 December 2003 was 252,795 ounces of gold compared with 269,292 ounces of gold for the year ended 31 December 2002. Between 2000 and 2002, production and cash operating costs were impacted by lower than expected metallurgical recovery from the material stacked during that time as well as by higher haulage and rehandling unit costs as a result of a decision to mine higher grade than planned material further from the mine. Construction of the CIP expansion project, which was suspended during 2003 due to irreconcilable differences with the engineering and construction contractor, was recommenced in the fourth quarter of 2003, following the appointment of a new contractor and the approval of the Ashanti Board in October 2003. This project, at a capital cost currently estimated to be approximately US\$75 million to US\$80 million, is anticipated to be commissioned in the fourth quarter of 2004 to first quarter of 2005.

Geita (attributable 50 per cent). The Geita open-pit mine is situated in north-western Tanzania approximately 90 kilometres from the regional capital of Mwanza and 20 kilometres south of Lake Victoria in an area known as the Lake Victoria Goldfields. The operation is currently owned and operated by Ashanti and AngloGold in a joint venture following the purchase of a 50 per cent interest in the project by AngloGold in December 2000. The mine was commissioned in June 2000 and produced a total of 176,836 ounces of gold during the year 2000. In 2003, the Geita mine produced a total of 661,045 ounces of gold compared with 579,043 ounces for the year ended 31 December 2002. After the Merger is completed, Geita will be wholly-owned and operated by AngloGold Ashanti and will be 100 per cent attributable to AngloGold Ashanti. The Geita mine comprises a crusher, SAG and ball mill grinding circuit, a gravity circuit and a 14-tonne stripping plant.

Freda-Rebecca. Ashanti acquired the Freda-Rebecca mine in 1996. The mine is located at Bindura in Zimbabwe. Ashanti now conducts underground mining operations at Freda-Rebecca as the open-pits were mined out in 1998. The life of mine plan currently projects mining until approximately 2007 at current production rates. In 2003, Freda-Rebecca produced 51,091 ounces of gold compared with 98,255 ounces in 2002.

3.2 Operating Data for Ashanti's Operations

	Obuasi	Iduapriem/ Teberebie ⁽¹⁾	Bibiani	Siguiri ⁽²⁾	Geita ⁽³⁾	Freda Rebecca
2001						
Recovered grade (g/t)	4.05	1.19	2.90	0.97	3.64	2.85
Total gold production (000 oz)	528	205	253	283	546	103
Attributable gold production (000 oz)	528	174	253	241	273	103
Cash operating costs (US\$/oz)	192	214	170	220	143	222
Total production costs (US\$/oz)	271	251	242	294	207	260
Capital expenditure (US\$ million)	30.1	3.7	1.0	7.0	7.7	6.8
2002						
Recovered grade (g/t)	3.62	1.54	2.94	0.89	3.62	2.65
Total gold production (000 oz)	537	185	242	270	579	98
Attributable gold production (000 oz)	537	157	242	229	290	98
Cash operating costs (US\$/oz)	198	232	180	230	163	214
Total production costs (US\$/oz)	270	287	239	324	235	251
Capital expenditure (US\$ million)	35.1	10.5	2.9	9.4	9.2	6.4
2003						
Recovered grade (g/t)	3.06	1.46	2.55	0.81	3.60	1.33
Total gold production (000 oz)	513	243	212	252	661	51
Attributable gold production (000 oz)	513	207	212	214	331	51
Cash operating costs (US\$/oz)	217	240	216	279	170	268
Total production costs (US\$/oz)	289	281	281	350	232	378
Capital expenditure (US\$ million)	37.6	12.5	6.4	24.6	16.1	1.1

Notes:

- (1) Ashanti owns an 80 per cent interest in Iduapriem and a 90 per cent interest in Teberebie.
- (2) Ashanti owns an 85 per cent interest in Siguiri. The Government of Guinea owns the remaining 15 per cent interest at Siguiri. However, the Government of Guinea's interest is a free carry interest and, as a result, the Government of Guinea does not contribute to capital expenditure in Siguiri.
- (3) Ashanti owns a 50 per cent interest in Geita (since 2000).

3.3 Employees

The average number of employees in the Ashanti Group over the last three financial years ended 31 December 2003 is as follows:

	2001	2002	2003
Underground mining	4,777	4,602	4,384
Surface mining and processing	2,439	2,425	2,556
Administration	2,973	2,914	2,564
Total	10,189	9,941	9,504

4. SUMMARY DISCUSSION OF RESULTS

4.1 Operating Review

For the year ended 31 December 2003, Ashanti reported total attributable gold production of 1.53 million ounces as compared to 1.55 million attributable ounces produced in the year ended 31 December 2002. Production was only marginally lower in 2003 as compared with 2002 with increased production from the Iduapriem/Teberobie and Geita mines, following the commissioning of the plant capacity upgrade projects at both mines, partially offsetting lower production at the Obuasi and Siguiri mines (impacted by lower grades and lower metallurgical recoveries). Operating difficulties continued to impact adversely on production at the Freda Rebecca mine.

Total cash operating costs for 2003 at US\$222 per ounce were 11.5 per cent higher than the US\$199 per ounce recorded in 2002 due to rising fuel prices, increases in power costs and wages, rising costs of reagents and the appreciation in currencies of countries from which Ashanti sources its major imports.

Ashanti's capital investment in its operations increased from US\$64.5 million in 2002 to US\$83.0 million in 2003. The principal expenditure in 2003 included:

- US\$37.6 million in respect of the underground development and plant at the Obuasi mine;
- US\$12.5 million on the Iduapriem/Teberobie mine, primarily in respect of the completion of CIL plant expansion;
- US\$24.6 million on the existing heap leach operations and the new CIP project at the Siguiri mine; and
- US\$6.4 million on the Bibiani mine, primarily in respect of the underground development.

Summary Operating Data

The following table presents summary consolidated operating data for Ashanti for the three years ended 31 December 2003:

Operating data for Ashanti	Year ended 31 December		
	2001	2002	2003
Gold production (thousand ounces) (including that attributable to minorities)	1,657	1,622	1,603
Cash operating costs (US\$/oz)	190	199	222
Total production costs (US\$/oz)	253	262	282
Capital expenditure (million US dollars)	49.6	64.5	83.0

4.2 Financial Review

Higher spot prices enabled Ashanti to achieve total revenue in 2003 of US\$564.9 million (2002: US\$552.2 million) despite the anticipated fall in the release of deferred hedging income and marginally lower production. The average gold price realised during the year was higher at US\$352 per ounce (2002: US\$340 per ounce).

Spot revenue amounted to US\$586.8 million (2002: US\$506.4 million). Hedging income was negative US\$21.9 million (2002: positive US\$45.8 million) due both to higher spot prices and a reduction in deferred hedging income released. Cash paid during 2003 on close-outs of maturing hedge contracts amounted to US\$34.8 million (2002: cash received US\$11.5 million) and US\$12.9 million (2002: US\$34.3 million) was released from previously closed-out hedging contracts (deferred hedging income). Cash operating costs for 2003 were 11.5 per cent higher at US\$222 per ounce due to rising fuel prices, increases in power costs and wages, rising costs of reagents and the appreciation in currencies of countries from which Ashanti sources its major imports.

Total costs before exceptional items, but including depreciation and amortisation, amounted to US\$487.9 million (2002: US\$457.7 million). Total costs per ounce increased by US\$22 per ounce, from US\$282 per ounce in 2002 to US\$304 per ounce in 2003 mainly due to the increase in cash operating costs referred to above.

Ashanti's 2003 earnings before exceptional items were US\$24.9 million lower at US\$54.8 million (2002: US\$79.7 million). The reduction in earnings is primarily due to the following factors, partially mitigated by higher spot prices:

- 18,098 ounces reduction in production as compared to 2002;
- 11.5 per cent increase in annual cash operating costs per ounce; and
- US\$21.4 million reduction in the release of deferred hedging income.

Earnings after net exceptional charges of US\$5.6 million were US\$49.2 million for 2003 (2002: US\$56.2 million).

Basic earnings per share before and after exceptional items for 2003 were US\$0.43 (2002: US\$0.67) and US\$0.38 (2002: US\$0.47) respectively.

4.3 Liquidity, Capital Resources and Going Concern

During 2003, Ashanti reduced its gross debt level by US\$14.6 million, from US\$256.9 million as at 31 December 2002 to US\$242.3 million as at 31 December 2003. This reduction is after consolidating interest accrued of US\$7.2 million into the Iduapriem/Teberobie project finance loans.

Ashanti's gross debt analysis as at 31 December 2003, was as follows:

	US\$ Million
US\$200 million Revolving Credit Facility ("RCF")	139.0
Iduapriem/Teberobie project finance loans	24.3
Other loans and overdrafts	7.5
Less: Deferred loan fees	(3.5)
	167.3
Mandatorily Exchangeable Notes ("MENS")	75.0
Ashanti Group's gross debt as at 31 December 2003	242.3

The above schedule excludes Ashanti's 50 per cent share of the Geita project finance loan which fell from US\$102.8 million (Ashanti's share US\$51.4 million) as at 31 December 2002 to US\$66.2 million (Ashanti's share US\$33.1 million) as at 31 December 2003, following Geita's strong performance during the second half of the year.

The Ashanti Group's net debt level as at 31 December 2003 was lower at US\$169.5 million (2002: US\$215.6 million) following the distribution of US\$30.0 million received from Geita and the Ashanti Group's debt repayments.

As at 31 December 2003, Ashanti had headroom of US\$21.0 million under its US\$200 million Revolving Credit Facility.

In June 2002, Ashanti issued US\$75 million of MENS. The MENS will mandatorily exchange into ordinary shares of Ashanti when Ashanti effects a rights issue. Ashanti agreed with its banks and the holders of the MENS to complete the rights issue prior to 28 December 2003. It was intended that as part of the rights issue Ashanti would raise additional funds to fund completion of the Siguiri CIP expansion project.

As a consequence of entering into the Transaction Agreement, Ashanti had to delay completing the rights issue. Since the MENS will become repayable on the Merger being completed, Ashanti has secured agreement of its banks and the holders of the MENS to delay the timeframe for completion of the rights issue until 28 December 2004.

Given the delay in the rights issue, the postponement/cancellation of the Siguiri CIP expansion project was considered by Ashanti. However, following discussions with AngloGold, Ashanti decided to continue with the Siguiri CIP expansion project, notwithstanding the substantial increase in the anticipated capital cost of this project. The increased capital expenditure required for this project, together with the reduced cash inflows received by the Ashanti Group due to poorer operating performance in 2003 as compared to 2002, led to Ashanti seeking alternative sources of financing to fund its cash requirements until the consummation of the Merger.

With the agreement of AngloGold, a US\$30.0 million distribution paid by the Geita mine on 31 December 2003 was paid in full to Ashanti. AngloGold also agreed to provide an additional US\$14.1 million to Ashanti by purchasing at face value the residual intercompany loan provided by the Ashanti Group in respect of the Geita joint venture. In addition, AngloGold agreed to provide an unsecured loan facility of up to US\$20.0 million to Ashanti. These arrangements are not conditional on the Merger completing.

Ashanti considers that these arrangements, together with the undrawn amounts under its revolving credit facility, are sufficient to enable it to meet its cash requirements in the period prior to the Merger becoming effective, currently anticipated to be around April 2004. If the Merger is not completed, or if there is a substantial delay in completing the Merger, Ashanti will need to proceed with its rights issue or review alternative forms of financing. If the Merger is not completed and alternative forms of financing cannot be implemented, then there will be uncertainty as to whether the Ashanti Group will be able to continue as a going concern.

Having taken into account the progress which AngloGold and Ashanti achieved in relation to the Merger, the financial support being provided by AngloGold and other relevant factors, the directors of Ashanti formed the judgement that, at the time of approving Ashanti's 2003 financial statements, the going concern basis was appropriate for the preparation of those financial statements.

4.4 Hedging

The table below shows all forward and option positions that Ashanti had as at 31 December 2003:

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Totals
Forward Sales											
(ounces)	655,764	677,246	566,250	507,450	400,450	413,450	383,450	324,250	292,500	214,500	4,435,310
(US\$/ounce)	357	352	358	360	369	362	366	373	378	369	362
Calls:											
Sold (ounces)	496,180	480,478	182,006	173,826	218,410	70,970	28,250	28,250	–	–	1,668,370
(US\$/ounce)	341	350	368	357	365	368	350	350	–	–	353
Bought											
(ounces)	101,880	134,000	49,432	64,396	–	–	–	–	–	–	349,708
(US\$/ounce)	359	352	370	361	–	–	–	–	–	–	359
Sub-total											
(ounces)	394,300	336,478	132,574	109,430	218,410	70,970	28,250	28,250	–	–	1,318,662
Summary:											
Protected (ounces)	655,764	677,246	566,250	507,450	400,450	413,450	383,450	324,250	292,500	214,500	4,435,310
Committed (ounces)	1,050,064	1,013,724	698,824	616,880	618,860	484,420	411,700	352,500	292,500	214,500	5,753,972
Lease Rate											
Swap (ounces)	546,000	468,000	1,245,000	1,267,000	1,084,000	826,000	568,000	310,000	130,000		
Total committed ounces as a percentage of total forecast production (excluding Geita for the period of the project finance, 2004 – 2007)											45%
Deferred Hedging Income											
	11										11

Forward Sales

A total of 4.44 million ounces have been sold forward at an average price of US\$362 per ounce.

Call Options

Ashanti has sold 1.67 million ounces of call options at an average strike price US\$353 per ounce. As a partial offset, Ashanti has bought 0.35 million ounces of call options at an average strike price of US\$359 per ounce.

Gold Lease Rate Swaps

As at 31 December 2003, a maximum of 1.27 million ounces of Ashanti's hedged production will be exposed to the floating three months' lease rate at any one time.

The lease rate swaps can be broken down into the following types (under all of these contracts Ashanti received a certain lease rate income, which can be regarded as compensation for the lease rate exposure that Ashanti takes on).

Description	Volume (ozs)	Fixed Rate (%)
Ashanti pays a quarterly floating rate and receives a quarterly weighted average fixed rate of 1.80%	1,361,000	1.80
Ashanti pays a quarterly floating rate and receives a fixed amount of dollars at maturity. The quarterly amount is rolled until maturity of each forward contract. The fixed amount for each contract is calculated using the formula: Volume x Years to Maturity x 302 x 2.00% The next rate set is in 2006	320,000	2.00
Total	1,681,000	

Marked-to-market Valuations

On 31 December 2003, the portfolio had a negative marked-to-market value of US\$532.14 million. This valuation was based on a spot price of US\$417 per ounce and the then prevailing applicable US interest rates, gold forward rates, volatilities and guidelines provided by the Risk Management Committee of the Ashanti Board. The delta at that time was 5.3 million ounces. This implies that a US\$1 increase in the price of gold would have a US\$5.3 million negative impact (approximate) on the marked-to-market valuation of the hedge book. Movements in US interest rates, gold lease rates, volatilities and time will also have a sizeable impact on the marked-to-market. All these variables can change significantly over short time periods and can consequently materially affect the marked-to-market valuation.

The approximate breakdown by type of the marked-to-market valuation at 31 December 2003 was as follows:

	US\$m
Forward contracts	(400.82)
European Call options (net sold)	(124.76)
Lease rate swaps	(6.56)
Total	(532.14)

Geita Hedging

The table below shows Ashanti's portion of hedging commitments for Geita as at 31 December 2003. This represents half of Geita's hedge commitments.

	2004	2005	2006	2007	Total
Forward Sales (ounces)	195,299	174,828	94,576	120,938	585,641
(US\$/ounce)	289	294	296	298	293
Puts:					
Bought (ounces)	25,586	24,350	18,115	23,390	91,441
(US\$/ounce)	291	291	291	292	291
Summary:					
Protected (ounces)	220,885	199,178	112,691	144,328	677,082
Committed (ounces)	195,299	174,828	94,576	120,938	585,641
Lease Rate Swap	116,774	76,301	41,420	–	–

Marked-to-market Valuation

On 31 December 2003, the Geita portfolio had a negative marked-to-market value of US\$154.9 million (Ashanti's portion: negative US\$77.45 million). This valuation was based on a spot price of US\$417 per ounce and the then prevailing US interest rates, gold forward rates, volatilities and guidelines provided by the Risk Management Committee of the Ashanti Board.

Part V: IFRS reconciliation in Relation to Ashanti Financial Information

1. DISCUSSION OF THE QUALITATIVE DIFFERENCES BETWEEN UK GAAP AND IFRS

The accounting policies under which the consolidated financial statements of Ashanti are prepared conform with UK GAAP, which differs in certain respects with IFRS. Differences, which may have a significant effect on the consolidated net income and shareholders' equity, are set out below. This summary and the explanation of the differences is not intended to be a comprehensive IFRS report.

Impairment Charges – Tangible Fixed Assets. In the assessment of long-lived assets for impairment under UK GAAP, the recoverable amount based on discounted cash flows includes future hedging income which is compared to the assets' carrying value. Under IFRS, hedging income is only included in the future cash flows for off balance sheet commodity contracts when an assessment for impairment is made.

Derivative Financial Instruments. Under UK GAAP, Ashanti accounts for all derivative contracts using hedge accounting; however, there is no accounting standard dealing with the recognition and measurement of derivative financial instruments.

Under IFRS, (IAS 39 effective for years beginning 1 January 2001) financial and commodity based contracts are required to be accounted for as follows:

- instruments that meet the criteria for normal purchases and sales are not required to be recognised on the balance sheet;
- where the contract meets the cash flow hedge accounting criteria in terms of IAS 39, the effective portion of fair value gains and losses are accounted for under equity. All ineffective portions of fair value gains and losses are recorded in income; and
- all other contracts not meeting the hedge accounting criteria of IAS 39 and the normal sales exemption will be recorded at their fair market value, with changes in value at each reporting period being recorded in income.

To the extent that there are embedded derivatives, IAS 39 requires those that are closely related to the host contract to be separated and measured at fair value with gains/losses recorded in income.

The adjustment relating to derivative contracts that do not qualify for hedge accounting under IFRS includes (i) the recognition of changes in the marked-to-market value between periods and (ii) the reversal of deferred hedging gains and losses that were recorded on the early close out of such contracts under UK GAAP.

Deferred Taxation. Under UK GAAP, Ashanti provides for deferred taxation based on timing differences. Under IFRS, deferred taxation is provided on the liability method based on temporary differences between accounting and taxation values of the assets and liabilities in the balance sheet. Deferred tax assets are recognised only to the extent that future taxable profits will be available against which the deductible temporary differences can be utilised in the foreseeable future.

The retrospective adoption of FRS19 brought the provision for deferred taxation under UK GAAP closer in line with IFRS requirements and consequently no significant adjustments are required to convert the UK GAAP financial information.

Dividends. Under UK GAAP dividends are accounted for on the accrual basis in the period when the dividend is proposed whereas IFRS require dividends to be accounted for when the dividend is formally declared by the Board of Directors. Ashanti has not declared or paid a dividend and no adjustments are required for purposes of the financial statements on an IFRS basis.

2. IFRS RECONCILIATION STATEMENT

The information in this paragraph 2 of Part V converts the consolidated financial information of Ashanti for the three years ended 31 December 2003 from UK GAAP to IFRS as applied by AngloGold. The unaudited restatements of information for the three years ended 31 December 2003 are based on the audited consolidated financial information of Ashanti as set out in Part VI of the Listing Particulars. The adjustments made to convert such Ashanti financial information to IFRS have been prepared by, and are solely the responsibility of, AngloGold.

CONSOLIDATED PROFIT AND LOSS ACCOUNTS

Consolidated profit and loss account for the year ended 31 December 2003	Notes	UK GAAP US\$m	IFRS Adjustments US\$m	IFRS US\$m
Turnover	1	456.9	9.0	465.9
Cash operating costs		(300.0)	–	(300.0)
Other costs		(35.7)	–	(35.7)
Royalties		(14.0)	–	(14.0)
Depreciation and amortisation	2	(66.9)	12.0	(54.9)
Total costs		(416.6)	12.0	(404.6)
Non-hedge derivatives	3	–	(408.0)	(408.0)
Operating profit/(loss)		40.3	(387.0)	(346.7)
Impairment of long-lived assets	4	(15.1)	(6.0)	(21.1)
Share of operating profit of joint venture	5	25.2 31.3	(393.0) (33.0)	(367.8) (1.7)
Total operating profit		56.5	(426.0)	(369.5)
Profit on disposal of investments		8.3	–	8.3
Profit on disposal of fixed assets		4.7	–	4.7
Profit/(Loss) before interest and taxation		69.5	(426.0)	(356.5)
Net interest payable – group		(9.7)	–	(9.7)
Net interest payable – joint venture		(4.5)	–	(4.5)
Profit/(Loss) before taxation		55.3	(426.0)	(370.7)
Taxation – group	6	(0.3)	–	(0.3)
Taxation – joint venture		(4.6)	–	(4.6)
Profit/(Loss) after taxation		50.4	(426.0)	(375.6)
Minority interests		(1.2)	–	(1.2)
Profit/(Loss) attributable to shareholders		49.2	(426.0)	(376.8)
Dividends		–	–	–
Retained profit/(loss) for the year	7	49.2	(426.0)	(376.8)

Consolidated profit and loss account for the year ended 31 December 2002	Notes	UK GAAP	IFRS	IFRS
		US\$m	Adjustments US\$m	US\$m
Turnover	1	467.5	(20.0)	447.5
Cash operating costs		(275.9)	–	(275.9)
Other costs		(26.8)	–	(26.8)
Royalties		(11.9)	–	(11.9)
Depreciation and amortisation	2	(75.1)	13.0	(62.1)
Exceptional operating costs		(23.5)	–	(23.5)
Total costs		(413.2)	13.0	(400.2)
Non-hedge derivatives	3	–	(193.0)	(193.0)
Other income		12.1	–	12.1
Operating profit/(loss)		66.4	(200.0)	(133.6)
Share of operating profit of joint venture	5	7.9	(42.0)	(34.1)
Profit/(Loss) before interest and taxation		74.3	(242.0)	(167.7)
Net interest payable – group		(17.5)	–	(17.5)
Net interest payable – joint venture		(5.1)	–	(5.1)
Profit/(Loss) before taxation		51.7	(242.0)	(190.3)
Taxation – group	6	(3.0)	–	(3.0)
Taxation – joint venture		6.7	–	6.7
Profit/(Loss) after taxation		55.4	(242.0)	(186.6)
Minority interests		0.8	–	0.8
Profit/(Loss) attributable to shareholders		56.2	(242.0)	(185.8)
Dividends		–	–	–
Retained profit/(loss) for the year	7	56.2	(242.0)	(185.8)

Consolidated profit and loss account for the year ended 31 December 2001		UK GAAP	IFRS	IFRS
	Notes	US\$m	Adjustments	US\$m
			US\$m	
Turnover	1	477.7	(47.0)	430.7
Cash operating costs		(276.3)	–	(276.3)
Other costs		(31.7)	–	(31.7)
Royalties		(10.8)	–	(10.8)
Depreciation and amortisation	2	(82.3)	13.0	(69.3)
Total costs		(401.1)	13.0	(388.1)
Non-hedge derivatives	3	–	104.0	104.0
Operating profit		76.6	70.0	146.6
Impairment of long-lived assets	4	–	(87.0)	(87.0)
		76.6	(17.0)	59.6
Share of operating profit of joint venture	5	20.2	(2.0)	18.2
Profit before interest and taxation		96.8	(19.0)	77.8
Net interest payable – group		(21.6)	–	(21.6)
Net interest payable – joint venture		(7.8)	–	(7.8)
Profit before taxation		67.4	(19.0)	48.4
Taxation – group	6	(9.6)	(8.0)	(17.6)
Profit after taxation		57.8	(27.0)	30.8
Minority interests		2.1	–	2.1
Profit attributable to shareholders		59.9	(27.0)	32.9
Dividends		–	–	–
Retained profit for the year	7	59.9	(27.0)	32.9

CONSOLIDATED BALANCE SHEETS

Consolidated balance sheet as at 31 December 2003	Notes	UK GAAP US\$m	IFRS Adjustments US\$m	IFRS US\$m
Fixed assets				
Intangible assets		15.4	–	15.4
Tangible fixed assets	8	603.4	(174.0)	429.4
Investments				
– Geita joint venture and other	9	113.4	(77.0)	36.4
– Loans to joint venture and other		1.1	–	1.1
		733.3	(251.0)	482.3
Current assets				
Stocks		68.4	–	68.4
Debtors due within one year	10	39.2	20.0	59.2
Cash	11	72.8	(20.0)	52.8
		180.4	–	180.4
Creditors: amounts falling due within one year				
Creditors	12	(131.3)	11.0	(120.3)
Financial derivatives	13	–	(532.0)	(532.0)
Borrowings		(24.9)	–	(24.9)
		(156.2)	(521.0)	(677.2)
Net current assets/(liabilities)		24.2	(521.0)	(496.8)
Total assets <i>less</i> current liabilities		757.5	(772.0)	(14.5)
Creditors: amounts falling due after one year				
Creditors		(3.6)	–	(3.6)
Borrowings		(217.4)	–	(217.4)
Provision for liabilities and charges		(27.8)	–	(27.8)
		508.7	(772.0)	(263.3)
Capital and reserves				
Stated capital		599.0	–	599.0
Reserves	14	(92.7)	(772.0)	(864.7)
Equity shareholders' funds		506.3	(772.0)	(265.7)
Equity minority interests		2.4	–	2.4
		508.7	(772.0)	(263.3)

Consolidated balance sheet as at 31 December 2002	Notes	UK GAAP US\$m	IFRS Adjustments US\$m	IFRS US\$m
Fixed assets				
Intangible assets		17.3	–	17.3
Tangible fixed assets	8	602.7	(182.0)	420.7
Investments				
– Geita joint venture and other	9	91.2	(44.0)	47.2
– Loans to joint venture and other		32.6	–	32.6
		743.8	(226.0)	517.8
Current assets				
Stocks		76.6	–	76.6
Debtors due within one year	10	14.0	25.0	39.0
Debtors due after more than one year		8.8	–	8.8
Cash	11	41.3	(25.0)	16.3
		140.7	–	140.7
Creditors: amounts falling due within one year				
Creditors	12	(131.1)	28.0	(103.1)
Financial derivatives	13	–	(150.0)	(150.0)
Borrowings		(2.7)	–	(2.7)
		(133.8)	(122.0)	(255.8)
Net current assets/(liabilities)		6.9	(122.0)	(115.1)
Total assets <i>less</i> current liabilities		750.7	(348.0)	402.7
Creditors: amounts falling due after one year				
Creditors		(24.0)	–	(24.0)
Borrowings		(254.2)	–	(254.2)
Provision for liabilities and charges		(25.0)	–	(25.0)
		447.5	(348.0)	99.5
Capital and reserves				
Stated capital		588.2	–	588.2
Reserves	14	(141.9)	(348.0)	(489.9)
Equity shareholders' funds		446.3	(348.0)	98.3
Equity minority interests		1.2	–	1.2
		447.5	(348.0)	99.5

Consolidated balance sheet as at 31 December 2001		UK GAAP US\$m	IFRS Adjustments US\$m	IFRS US\$m
	Notes			
Fixed assets				
Intangible assets		18.8	–	18.8
Tangible fixed assets	8	612.9	(195.0)	417.9
Investments				
– Geita joint venture and other	9	81.7	(2.0)	79.7
– Loans to joint venture and other		32.6	–	32.6
		746.0	(197.0)	549.0
Current assets				
Stocks		73.5	–	73.5
Debtors due within one year	10	23.0	22.0	45.0
Cash	11	55.2	(22.0)	33.2
		151.7	–	151.7
Creditors: amounts falling due within one year				
Creditors	12	(155.0)	66.0	(89.0)
Financial derivatives	13	–	89.0	89.0
Borrowings		(25.3)	–	(25.3)
		(180.3)	155.0	(25.3)
Net current assets/(liabilities)		(28.6)	155.0	126.4
Total assets <i>less</i> current liabilities		717.4	(42.0)	675.4
Creditors: amounts falling due after one year				
Creditors		(49.8)	–	(49.8)
Borrowings		(300.6)	–	(300.6)
Provision for liabilities and charges		(17.9)	–	(17.9)
		349.1	(42.0)	307.1
Capital and reserves				
Stated capital		545.2	–	545.2
Reserves	14	(198.1)	(42.0)	(240.1)
Equity shareholders' funds		347.1	(42.0)	305.1
Equity minority interests		2.0	–	2.0
		349.1	(42.0)	307.1

IFRS adjustments to Ashanti Income Statement and Balance Sheets

	For the year ended 31 December		
	2003	2002	2001
	US\$m	US\$m	US\$m
1. Turnover – deferred hedging income			
Transfer of deferred hedging income from Other Comprehensive Income (OCI)	–	63.0	51.0
Realised hedge income	26.0	(45.0)	(44.0)
Reversal of defined hedging income transferred from creditors to revenue	(17.0)	(38.0)	(54.0)
	9.0	(20.0)	(47.0)
<p>Under UK GAAP, Ashanti defers some derivative gains or losses from creditors. Under IFRS, such gains or losses (realised or unrealised) are not deferred, they are recognised in income immediately. The transitional provisions of IAS 39 require that an adoption of IAS 39, deferred gains or losses on previously designated hedges be reported in equity OCI until the forecasted transaction occurs, then they are recognised in income. Revenue has been adjusted for the movement in deferred hedging income transferred from creditors. Maturing hedge contracts have been allocated to turnover under UK GAAP. Under IFRS a reallocation has been made between turnover and non-hedge derivatives.</p>			
2. Depreciation and amortisation			
Depreciation relating to impairment adjustments	12.0	13.0	13.0
<p>Represents the reduction in the depreciation charge on tangible assets where a greater impairment would have been recognised under IFRS in a previous period.</p>			
3. Non-hedge derivatives			
Marked-to-market adjustments of derivative financial instruments	(408.0)	(193.0)	104.0
<p>Represents the movement in the marked-to-market value of the non-hedge derivative items.</p>			
4. Impairment of long-lived assets			
Impairment adjustments relating to long-lived assets	(6.0)	–	(87.0)
<p>In the assessment of long-lived assets for impairment under UK GAAP the recoverable amount based on discounted cash flows, includes future hedging income which is compared to the assets' carrying value. Under IFRS hedging income is only included in the future cash flows for off balance sheet commodity contracts when an assessment for impairment is made.</p>			
5. Non-hedge derivatives of joint venture			
Marked-to-market adjustments of derivative financial instruments	(33.0)	(42.0)	(2.0)
<p>Represents the Geita joint venture's portion of the adjustment relating to movement in the marked-to-market value of the non-hedge derivatives referred to in item 3 above.</p>			

	For the year ended 31 December		
	2003	2002	2001
	US\$m	US\$m	US\$m

6. Taxation – group

Taxation effects of IFRS adjustments	–	–	(8.0)
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This represents the taxation effect of the adjustments under items 1 to 5 above.

7. Retained profit/(loss) for the year

Turnover – deferred hedging income	9.0	(20.0)	(47.0)
Depreciation and amortisation	12.0	13.0	13.0
Non-hedge derivatives	(408.0)	(193.0)	104.0
Impairment of long-lived assets	(6.0)	–	(87.0)
Non-hedge derivatives of joint venture	(33.0)	(42.0)	(2.0)
Taxation	–	–	(8.0)
	(426.0)	(242.0)	(27.0)

IFRS adjustments to Ashanti balance sheets

	As at 31 December		
	2003	2002	2001
	US\$m	US\$m	US\$m

8. Tangible fixed assets

Impairment and purchase price adjustments	67.0	72.0	72.0
Accumulated amortisation and depreciation	(241.0)	(254.0)	(267.0)
	(174.0)	(182.0)	(195.0)

Fixed assets have been adjusted for accumulated depreciation and impairment assessments based on IFRS principles, relating to long-lived assets.

9. Investments in Geita joint venture and other

Marked-to-market value of derivative financial instruments	(77.0)	(44.0)	(2.0)
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Represents the marked-to-market value of the derivatives financial instruments held by the Geita joint venture.

10. Debtors due within one year

Gold in transit reclassification	20.0	25.0	22.0
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Proceeds from sales of bullion for which cash has not yet been received as at 31 December are reclassified as trade and other receivables.

	As at 31 December		
	2003 US\$m	2002 US\$m	2001 US\$m
11. Cash			
Gold in transit reclassification	(20.0)	(25.0)	(22.0)
Proceeds from sales of bullion for which cash has not yet been received as at 31 December are reclassified as trade and other receivables.			
12. Creditors: amounts falling due within one year – creditors			
Deferred hedging income	11.0	28.0	66.0
Deferred hedging income transferred from creditors as per note 1 above.			
13. Creditors: amounts falling due within one year – financial derivatives			
Marked-to-market value of derivative financial instruments.	(532.0)	(150.0)	89.0
Represents the effect of marking the derivatives to market value.			
14. Equity shareholders funds – reserves			
Tangible fixed assets (note 8)	(174.0)	(182.0)	(195.0)
Investments in Geita joint venture and other (note 9)	(77.0)	(44.0)	(2.0)
Debtors due within one year (note 10)	20.0	25.0	22.0
Cash (note 11)	(20.0)	(25.0)	(22.0)
Creditors: amounts falling due within one year – creditors (note 12)	11.0	28.0	66.0
Creditors: amounts falling due within one year – financial derivatives (note 13)	(532.0)	(150.0)	89.0
	(772.0)	(348.0)	(42.0)

The Directors and Sam Esson Jonah
AngloGold Limited
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PO Box 62117, Marshalltown 2107
South Africa

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

3 March 2004

Dear Sirs

We report on the unaudited restatements under IFRS as applied by AngloGold Limited ("AngloGold") (the "IFRS restatements") of the consolidated profit and loss accounts for each of the years ended 31 December 2003, 2002 and 2001 and the consolidated balance sheets as at 31 December 2003, 2002 and 2001 of Ashanti Goldfields Company Limited ("Ashanti"). The audited consolidated financial statements of Ashanti for the years ended 31 December 2003, 2002 and 2001 (the "audited financial statements") are set out in Part VI of the AngloGold Ashanti listing particulars dated 3 March 2004.

Responsibility

It is the responsibility solely of the directors of AngloGold to prepare the IFRS restatements in accordance with paragraph 12.11 of the Listing Rules of the UK Listing Authority (the "Listing Rules"). It is our responsibility to form an opinion, as required by the Listing Rules, on the IFRS restatements and to report our opinion to you.

The IFRS restatements incorporate material adjustments to the audited financial statements of Ashanti ("the historical underlying financial information"). The audited financial statements of Ashanti were prepared in accordance with UK GAAP. The consolidated financial statements were audited by Deloitte & Touche who gave unqualified reports thereon. We do not take responsibility for the consolidated financial statements of Ashanti.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board in the United Kingdom. Our work, which involved no independent examination of the historical underlying financial information, consisted primarily of making enquiries of management of Ashanti and its auditors to establish the accounting policies which were applied in the preparation of the historical underlying financial information, considering the evidence supporting the IFRS restatements and discussing the IFRS restatements with the directors of AngloGold.

Our work has not been carried out in accordance with auditing standards generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards.

Opinion

In our opinion, the unaudited IFRS restatements have been properly compiled on the basis stated and the adjustments made are appropriate for the purpose of presenting the consolidated profit and loss account for each of the years ended 31 December 2003, 2002 and 2001 and the consolidated balance sheets as at 31 December 2001, 2002, and 2003 on a basis consistent in all material respects with the accounting policies of AngloGold.

Yours faithfully

Ernst & Young
Registered Accountants and Auditors
Chartered Accountants (SA)

Comments for United States readers on Differences between United Kingdom and United States Reporting Standards

The above report, provided solely pursuant to United Kingdom requirements, is expressed in accordance with standards of reporting generally accepted in the United Kingdom. Such standards contemplate the expression of an opinion with respect to the compilation of the reconciliation of financial statements. United States standards do not provide for the expression of an opinion on the compilation of financial statements. To report in conformity with United States standards on the reasonableness of the reconciliation adjustments and their application to the reconciliation statement requires an examination which would be substantially greater in scope than the work conducted. Consequently, under United States standards we would be unable to express any opinion with respect to the compilation of the accompanying unaudited consolidated balance sheets and the unaudited consolidated statements of profit and loss.

Part VI: Unaudited Pro Forma Financial Information Relating to AngloGold Ashanti

Set out below is the unaudited consolidated pro forma financial information of AngloGold Ashanti prepared in order to show the effects of the Merger assuming that the Merger took place on 1 January 2003 for purposes of the income statement for the year ended 31 December 2003 and on 31 December 2003 for purposes of the balance sheet. The information has been prepared under IFRS for illustrative purposes only and may not, because of its nature, give a true picture of the financial position of AngloGold Ashanti. It does not purport to be indicative of what the results or financial results would have been if the Merger had actually occurred at an earlier date, or to project the results of AngloGold Ashanti's operations for any future date or period.

The following unaudited consolidated pro forma financial information of AngloGold Ashanti should be read in conjunction with the Notes thereto and the report thereon of Ernst & Young.

The pro forma consolidated income statements and balance sheet combine the following:

- the historical unaudited consolidated income statements for the year ended 31 December 2003 of AngloGold, prepared in accordance with IFRS, extracted without material adjustment from the financial information of AngloGold set out in paragraph 2 of Part V of the Listing Particulars, adjusted for the effects of the issue of the Convertible Bonds;
- the historical unaudited consolidated balance sheet, as at 31 December 2003, of AngloGold, prepared in accordance with IFRS, extracted without material adjustment from the financial information of AngloGold set out in paragraph 2 of Part V of the Listing Particulars, adjusted for the effects of the issue of the Convertible Bonds; and
- the audited consolidated income statement for the year ended 31 December 2003 of Ashanti restated under IFRS, and the audited consolidated balance sheet as at 31 December 2003 of Ashanti restated under IFRS, in each case as set out in Part V of this document, adjusted for the effects of the Merger.

In preparing the unaudited pro forma results the Ashanti and the Geita joint venture gold hedges have been treated as non-hedge derivatives and the estimated change in the marked-to-market value of these derivatives over the period has been recognised as an unrealised loss of US\$441 million or basic and diluted earnings per share of 167 US cents. This treatment results in an adverse effect on the pro forma headline earnings per share, basic earnings per share and diluted earnings per share.

The marked-to-market value of gold hedges is done at a point in time and results in an unrealised loss (or profit) that is in no way predictive of the future value of the hedge position nor of the future impact on the revenue of the company. The marked-to-market loss of Ashanti's hedge book will be taken into account in determining the fair value of Ashanti's assets and will not flow through to the income statement as a realised loss on non-hedge derivatives in future years except to the extent that this loss increases or decreases subsequent to the acquisition.

No adjustment has been made in the pro forma financial statements for the expected synergies or cost savings set out in paragraph 2 of Part II of this document.

The unaudited pro forma per share information for the year ended 31 December 2003

The pro forma financial information below shows separately the effects of the offering of the Convertible Bonds and of the Merger, assuming that both took place on 1 January 2003.

Unaudited consolidated pro forma financial information of AngloGold prepared under US GAAP to show the effects of the Merger on the basis of the above assumptions has been furnished by AngloGold to the SEC under Form 6-K and is available to the public for inspection and copying. See paragraph 16 of Part VII of this document.

The pro forma historical financial effects of the Merger, as well as the effects of the issue of the Convertible Bonds, are derived from the pro forma information and are as follows:

For the year ended and as at 31 December 2003

		Before the Merger	Adjusted for the Convertible Bonds but before the Merger	After the Merger^{(1) (12)}
Net asset value per share ⁽²⁾	US cents	730	766	1,280
Net tangible asset value per share ⁽²⁾	US cents	545	582	715
Cash operating profit per share ⁽³⁾	US cents	355	355	371
Basic earnings per share ⁽⁴⁾	US cents	140	128	(80)
Diluted earnings per share ⁽⁵⁾	US cents	139	128	(80)
Headline earnings per share ⁽⁶⁾	US cents	143	131	(54)
Adjusted headline earnings per share ⁽⁷⁾	US cents	127	114	100
Weighted average number of shares in issue ⁽⁸⁾		222,836,574	222,836,574	264,001,874
Weighted average diluted number of shares in issue ⁽⁹⁾		223,717,575	239,102,190	280,267,490
Number of shares in issue ⁽¹⁰⁾		223,136,342	223,136,342	264,301,642
Net debt to net capital employed ⁽¹¹⁾		19.9%	17.4%	15.6%

Notes:

- (1) It is assumed for the purposes of the above calculations that the 41,165,300 New AngloGold Ashanti Shares will be issued as a result of the Merger on the basis that the 130,486,968 Ashanti Shares in issue together with the 2,296,826 Ashanti warrants in issue in each case as at 31 December 2003 are exchanged at the share exchange ratio of 0.29 New AngloGold Ashanti Shares per Ashanti Share or warrant and that 2,658,000 New AngloGold Ashanti Shares are issued to the Government. All outstanding options over Ashanti Shares are assumed to be cancelled for cash.
- (2) Net asset value per share is computed by dividing shareholders' equity by the number of shares in issue. Net tangible asset value per share is computed by dividing shareholders' equity (excluding goodwill) by the number of shares in issue.
- (3) The cash operating profit per share computation has been based on the weighted average number of shares in issue.
- (4) Basic earnings per share is computed by dividing net profit by the weighted average number of shares in issue.
- (5) The diluted earnings per share is computed by dividing net profit by the weighted average diluted number of shares in issue. The financial effects of the Convertible Bonds are anti-dilutive and accordingly dilutive earnings per share is equal to the basic earnings per share.
- (6) Headline earnings removes items of a capital nature from the calculation of earnings per share. Headline earnings per share is computed by dividing headline earnings by the weighted average number of shares in issue.
- (7) Adjusted headline earnings per share is computed by dividing adjusted headline earnings by the weighted average number of shares in issue.
- (8) The weighted average number of AngloGold Shares in issue was 222,836,574 for the year ended 31 December 2003 and, as a result of the issuance of 41,165,300 New AngloGold Ashanti Shares in the Merger (see Note 1) and pursuant to the Stability Agreement, the weighted average number of AngloGold Ashanti Shares in issue for that period would have been 264,001,874.
- (9) The weighted average diluted number of AngloGold Shares in issue was 223,717,575 for the year ended 31 December 2003 and, as a result of the issuance of 41,165,300 New AngloGold Ashanti Shares in the Merger (see Note 1) and pursuant to the Stability Agreement, the issuance of 15,384,615 New AngloGold Ashanti Shares as a result of conversion of the Convertible Bonds, the weighted average diluted number of AngloGold Ashanti Shares in issue for that period would have been 280,267,490.
- (10) The number of AngloGold Shares in issue as at 31 December 2003 was 223,136,342 and, as a result of the issuance of 41,165,300 New AngloGold Ashanti Shares in the Merger (see Note 1) and pursuant to the Stability Agreement, the number of AngloGold Ashanti Shares in issue at that date would have been 264,301,642.
- (11) Net debt includes both long-term and short-term debt and is net of cash. Net capital employed is calculated as shareholders' equity adjusted for other comprehensive income and deferred taxation, plus minority interests, interest bearing debt, less cash and cash equivalents.
- (12) The financial effects have been calculated on the basis of an AngloGold Share price of US\$40.63 a share being the closing price of an AngloGold ADS on the NYSE on 19 February 2004.

Pro forma consolidated income statement

The pro forma financial information below shows separately the effects of the offering of the Convertible Bonds and of the Merger, assuming that both took place on 1 January 2003.

The pro forma consolidated income statement for AngloGold incorporating the Merger is presented below for the year ended 31 December 2003:

	CONVERTIBLE BONDS ADJUSTMENTS				MERGER ADJUSTMENTS				
	AngloGold year ended 31 December 2003	Convertible Bonds	Notes	AngloGold with Convertible Bonds year ended 31 December 2003	Ashanti post IFRS adjustments year ended 31 December 2003	Equity adjustment to subsidiary (note 3)	Ashanti merger adjustment	Notes	Pro forma year ended 31 December 2003
	US\$ (millions)								
Gold income	2,029			2,029	466	108	—		2,603
Cost of sales	(1,294)			(1,294)	(325)	(60)	—		(1,679)
Amortisation	(232)			(232)	(55)	(13)	(93)	2.2	(393)
Non-hedge derivatives	119			119	(408)	(33)	—		(322)
Operating profit/(loss)	622			622	(322)	2	(93)		209
Corporate administration and other expenses	(36)			(36)	(21)	(4)	—		(61)
Market development costs	(19)			(19)	—	—	—		(19)
Exploration costs	(38)			(38)	(5)	—	—		(43)
Interest received	38			38	—	—	—		38
Other net expenses	(15)			(15)	—	—	—		(15)
Finance costs	(49)		1.1	(76)	(8)	(4)	—		(88)
Marked-to-market of debt financial instruments	6			6	—	—	—		6
Abnormal items	(19)			(19)	—	—	—		(19)
Profit/(loss) before exceptional items	490		(27)	463	(356)	(6)	(93)		8
Amortisation of goodwill	(29)			(29)	—	—	(54)	2.5	(83)
Impairment of mining assets	(44)			(44)	(21)	—	—		(65)
Profit on disposal of assets and subsidiaries	10			10	5	—	—		15
Profit on disposal of investments	45			45	8	—	—		53
Profit/(loss) before equity income in joint venture	472		(27)	445	(364)	(6)	(147)		(72)
Equity income in joint venture					(11)	11	—		—
Profit/(loss) before taxation	472		(27)	445	(375)	5	(147)		(72)
Taxation	(142)			(142)	—	(5)	28	2.3	(119)
Profit/(loss) after taxation	330		(27)	303	(375)	—	(119)		(191)
Minority interest	(17)			(17)	(1)	—	—		(18)
Minority interest in abnormal items	(1)			(1)	—	—	—		(1)
Net profit/(loss)	312		(27)	285	(376)	—	(119)		(210)

Pro forma consolidated income statement (continued)

The pro forma financial information below shows separately the effects of the offering of the Convertible Bonds and of the Merger, assuming that both took place on 1 January 2003.

	AngloGold year ended 31 December 2003	AngloGold with Convertible Bonds year ended 31 December 2003	AngloGold with Merger year ended 31 December 2003
US\$ (millions), unless otherwise stated			
Adjusted operating profit			
Operating profit has been adjusted by the following to arrive at adjusted operating profit:			
Operating profit	622	622	209
Unrealised non-hedge derivatives	(63)	(63)	378
Adjusted operating profit	559	559	587
Headline earnings			
Net profit has been adjusted by the following to arrive at headline earnings and adjusted headline earnings:			
Net profit/(loss)	312	285	(210)
Amortisation of goodwill	29	29	83
Impairment of mining assets	44	44	65
Profit on disposal of assets and subsidiaries	(10)	(10)	(15)
Profit on disposal of investments	(45)	(45)	(53)
Taxation on exceptional items	(12)	(12)	(12)
Headline earnings	318	291	(142)
Unrealised non-hedge derivatives	(63)	(63)	378
Marked-to-market of debt financial instruments	(6)	(6)	(6)
Deferred tax on unrealised non-hedge derivatives	33	33	33
Adjusted headline earnings	282	255	263
Cash operating profit			
Adjusted operating profit has been adjusted by the following to arrive at cash operating profit:			
Adjusted operating profit	559	559	587
Amortisation of mining assets	232	232	393
Cash operating profit	791	791	980
Total cash cost per ounce	US\$229/oz	US\$229/oz	US\$230/oz

Pro forma consolidated balance sheet

The pro forma financial information below shows separately the effects of the offering of the Convertible Bonds and of the Merger, assuming that both took place on 1 January 2003.

The pro forma consolidated balance sheet of AngloGold incorporating the Merger as at 31 December 2003 as presented below:

	CONVERTIBLE BONDS ADJUSTMENTS			MERGER ADJUSTMENTS			Notes	Pro forma as at 31 December 2003
	AngloGold as at 31 December 2003	Convertible Bonds	AngloGold with Convertible Bonds as at 31 December 2003	Ashanti post IFRS adjustments year ended as at 31 December 2003	Equity adjustment to subsidiary (note 3)	Ashanti merger adjustment		
US\$ (million)								
ASSETS								
Non-current assets								
Mining assets	2,764		2,764	429	110	1,456	2.4	4,759
Goodwill	412		412	15	51	1,013	2.5	1,491
Investments in associates	7		7	36	(36)	—		7
Other investments	9		9	—	—	—		9
AngloGold Environmental	53		53	—	—	—		53
Rehabilitation Trust	101		101	1	(1)	—		101
Other non-current assets	94		94	—	—	—		94
Derivatives								
	3,440		3,440	481	124	2,469		6,514
Current assets								
Inventories	307		307	68	14	—		389
Trade and other receivables	219		219	59	15	(15)	2.6	278
Cash and cash equivalents	505	294	799	53	3	(95)	2.7	760
Current portion of other non-current assets	9		9	—	—	—		9
Derivatives	377		377	—	—	—		377
	1,417	294	1,711	180	32	(110)		1,813
Total assets	4,857	294	5,151	661	156	2,359		8,327
EQUITY AND LIABILITIES								
Shareholders' equity	1,628	82	1,710	(266)	—	1,938		3,382
Minority interest	53		53	2	—	—		55
	1,681	82	1,763	(264)	—	1,938		3,437
Non-current liabilities								
Borrowings	807	444	1,251	217	22	—		1,490
Provisions	275		275	31	28	—		334
Deferred taxation	598		598	—	—	421	2.8	1,019
Derivatives	329		329	—	—	—		329
	2,009	444	2,453	248	50	421		3,172
Current liabilities								
Current portion of borrowings	351	(232)	119	25	11	—		155
Trade and other payables	350		350	120	18	—		488
Taxation	25		25	—	—	—		25
Derivatives	441		441	532	77	—		1,050
	1,167	(232)	935	677	106	—		1,718
Total equity and liabilities	4,857	294	5,151	661	156	2,359		8,327

Notes:

1. Convertible Bond Adjustments

1.1 *Finance costs*

Represents the net finance charges on the Convertible Bonds, calculated at an all inclusive cost of 4.282 per cent on the net proceeds of US\$991 million, less charges saved on existing facilities assumed to be repaid with funds from the Convertible Bonds issue.

1.2 *Cash and cash equivalents*

Represents surplus cash from the Convertible Bonds issue after repayment of drawdowns on existing facilities of AngloGold.

1.3 *Shareholders' equity*

Represents the equity portion of the Convertible Bonds. The equity component, of US\$82 million, represents the residual value, after deducting the liability component from the net proceeds of US\$991 million from the issuance of the Convertible Bonds.

1.4 *Borrowings*

Represents the liability component of the Convertible Bond of US\$909 million, net of costs, after the repayment of US\$465 million, being the long-term portion of the drawdown of AngloGold's existing facility. The liability component of US\$909 million, net of costs, is calculated as the present value of all the cash flows discounted at the market rate of 4.282 per cent which is the return applicable to similar bonds without the conversion option.

1.5 *Current portion of borrowings*

Represents the repayment of the current short term drawdown from the funds raised from the issue of the Convertible Bonds.

2. Ashanti Merger Adjustments

An estimate of US\$85 million for transaction costs in connection with the proposed Merger has been used. This is AngloGold's best estimate based on information available at this time. The actual amounts could differ from that reflected in the pro forma.

2.1 *Synergy savings*

No adjustment has been made in the pro forma financial statements for the expected synergies or cost savings.

2.2 *Amortisation*

Amortisation has been adjusted as a result of the fair value attributed to the mining assets at acquisition. The quantum of amortisation is based on the units of production method.

2.3 *Taxation*

Represents the taxation effects of the adjustments under item 2.2 above.

2.4 *Mining Assets*

Mining assets have been increased by the fair value of the Ashanti mining assets as determined by AngloGold.

2.5 *Goodwill*

As part of the purchase price allocation, AngloGold allocated fair value and goodwill to the assets and liabilities of Ashanti. This results in a new basis for all assets and liabilities of Ashanti, and upon the allocation of the new goodwill values, the historic goodwill of Ashanti has been eliminated.

Goodwill arising from the Merger is to be amortised on the shorter of the life of mine or twenty years.

2.6 *Trade and other receivables*

Reclassification of transaction costs included in trade and other receivables.

2.7 *Cash*

Represents the cash effects of share options being cancelled for cash, warrants being converted to shares and transaction costs.

2.8 *Deferred taxation*

The increase in the deferred tax liability is the result of adjusting deferred tax for the fair value of the Ashanti ore reserves, calculated at the applicable rate of 30 per cent.

2.9 *Share price*

The pro forma financial information has been compiled using an AngloGold share price of US\$40.63 a share, being the closing price of an AngloGold ADS on the NYSE on 19 February 2004.

3. **Equity Adjustment to Subsidiary**

Ashanti has a 50 per cent interest in the Geita joint venture in which AngloGold holds the other 50 per cent interest. As a result of the Merger, the Combined Group will hold 100 per cent of Geita. Accordingly, adjustments have been made in the pro forma income statements and balance sheet, this results in the Geita operation being fully consolidated by the Combined Group.

4. **Subsequent Events**

No account has been taken of events after balance sheet date of the pro forma financial information.

All of the above adjustments will have a continuing effect.

The Directors and Sam Esson Jonah
AngloGold Limited
11 Diagonal Street
Johannesburg 2001
PO Box 62117
Marshalltown 2107
South Africa

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

3 March 2004

Dear Sirs

We report on the unaudited pro forma income statements for the year ended 31 December 2003, the unaudited pro forma balance sheet as at 31 December 2003 and the unaudited pro forma per share information for the year ended 31 December 2003 set out in Part VI of the AngloGold Ashanti information memorandum dated 3 March 2004, which has been prepared, for illustrative purposes only, to provide information about how the proposed recommended merger between AngloGold Limited and Ashanti Goldfields Company Limited might have affected the financial information presented.

Responsibility

It is solely the responsibility of the directors of AngloGold Limited to prepare the pro forma financial information in accordance with paragraph 12.29 of the Listing Rules of the UK Listing Authority.

It is our responsibility to form an opinion, as required by the Listing Rules of the UK Listing Authority, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards and the Bulletin 1998/8 "Reporting on pro forma financial information pursuant to the Listing Rules" issued by the Auditing Practices Board of the United Kingdom. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the directors of AngloGold Limited.

Our work has not been carried out in accordance with auditing standards generally accepted in the United States of America and, accordingly, should not be relied upon as if it had been carried out in accordance with such standards.

Opinion

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of AngloGold Limited in accordance with IFRS; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 12.29 of the Listing Rules of the UK Listing Authority.

Yours faithfully

Ernst & Young
Registered Accountants and Auditors
Chartered Accountants (SA)

Comments for United States readers on Differences between United Kingdom and United States Reporting Standards

The above report, provided solely pursuant to United Kingdom requirements, is expressed in accordance with standards of reporting generally accepted in the United Kingdom. Such standards contemplate the expression of an opinion with respect to the compilation of pro forma financial statements. United States standards do not provide for the expression of an opinion on the compilation of pro forma financial statements. To report in conformity with United States standards on the reasonableness of the pro forma adjustments and their application to the pro forma financial statements requires an examination which would be substantially greater in scope than the work we have conducted. Consequently, under United States standards we would be unable to express any opinion with respect to the compilation of the accompanying unaudited pro forma consolidated balance sheet as at 31 December 2003, the unaudited consolidated pro forma income statement or per share information for the year ended 31 December 2003.

Part VII: Additional Information

1. RESPONSIBILITY

The AngloGold Directors, whose names are set out in paragraph 2.1 below, and Sam Esson Jonah accept responsibility for the information contained in this document, other than (except in the case of Sam Esson Jonah who as an Ashanti Director also accepts responsibility for the information related to Ashanti, the Ashanti Directors and their interests) that relating to Ashanti, the Ashanti Directors and their interests (save as described in paragraph 2 of Part V of this document). To the best of the knowledge and belief of the AngloGold Directors and Sam Esson Jonah (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Ashanti Directors, whose names are set out in paragraph 2.6 below, accept responsibility for the information contained in this document relating to Ashanti, the Ashanti Directors and their interests (save as described in paragraph 2 of Part V of this document). To the best of the knowledge and belief of the Ashanti Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. DIRECTORS OF ANGLOGOLD ASHANTI

2.1 Board of Directors

AngloGold Ashanti will have a unitary board structure, which will comprise five executive directors and thirteen non-executive directors, three of whom are alternates. The directors are committed to the principles of corporate discipline, transparency, independence, accountability, responsibility, fairness and social responsibility.

All directors are subject to retirement by rotation and re-election by shareholders at least once every three years. In addition, all directors are subject to re-election by shareholders at the first annual general meeting following their appointment. The appointment of new directors is approved by the AngloGold Board as a whole.

Currently, five of the ten non-executive directors (excluding alternate directors) of AngloGold are affiliated with AngloGold's major shareholder, AA plc, namely Messrs A W Lea, W A Nairn, N F Oppenheimer, J Ogilvie Thompson and A J Trahar. The five remaining non-executive directors, being Mr R P Edey, Dr T J Motlatsi, Mr F B Arisman, Mrs E le R Bradley and Mr C B Brayshaw, are all independent of management and free from any business relationship which could materially interfere with the exercise of their independent judgement.

Following completion of the Merger, Russell Edey, the current Chairman of AngloGold, will continue to be Chairman of AngloGold Ashanti. Sam Jonah, the current Chief Executive of Ashanti, will, in addition to joining the AngloGold Ashanti Board, play a leading role in the executive management of AngloGold Ashanti in the position of President. In this new position, Mr Jonah will share responsibility with AngloGold Ashanti's CEO, Bobby Godsell, for strategy formulation, the identification and development of new business opportunities and managing AngloGold Ashanti's relationships with governments, securityholders and other stakeholders. Mr Jonah will join a five-person Executive Committee of AngloGold Ashanti, to be chaired by Mr Godsell. In addition, in accordance with the Government Support Deed, the Government will be entitled to recommend two Ghanaian citizens to the AngloGold Board and AngloGold will appoint such persons as non-executive directors upon the Merger becoming effective (subject to such persons being acceptable to the AngloGold Board and to Ashanti in accordance with the relevant applicable company laws). As at 27 February 2004 (being the latest practicable date prior to publication of this document), AngloGold has not received any recommendation from the Government in relation to such appointments. The existing directors of AngloGold and the AngloGold executive team will otherwise continue in their current roles in AngloGold Ashanti.

AngloGold's current directors are:

Name	Position	Year first appointed ⁽¹⁾
Robert (Bobby) M Godsell ⁽²⁾	Director and chief executive officer	1989 ⁽³⁾
Jonathan G Best ⁽⁴⁾	Executive director, finance	1994 ⁽³⁾
David (Dave) L Hodgson ⁽⁵⁾	Executive director and chief operating officer	2001
Kelvin H Williams ⁽⁶⁾	Executive director, marketing	1990 ⁽³⁾
Russell P Edey ⁽⁷⁾⁽⁸⁾	Non-executive director and chairman	1998
Dr Thokoana J (James) Motlatsi ⁽⁹⁾	Non-executive director and deputy chairman	1998
Frank B Arisman ⁽⁷⁾	Non-executive director	1998
Elisabeth le R Bradley ⁽⁷⁾	Non-executive director	1998
Colin B Brayshaw ⁽⁷⁾	Non-executive director	1997 ⁽³⁾
Anthony (Tony) W Lea	Non-executive director	2001
William (Bill) A Nairn ⁽¹⁰⁾	Non-executive director	2001
Julian Ogilvie Thompson	Non-executive director	1998
Nicholas F Oppenheimer ⁽¹¹⁾	Non-executive director	1998
Anthony (Tony) J Trahar	Non-executive director	2000
David D Barber	Alternate director	2002
Arthur H (Harry) Calver	Alternate director	2001
Peter G Whitcutt	Alternate director	2001

Notes:

- (1) Directors serve for a period of three years unless re-elected. At each annual general meeting, directors appointed since the previous annual general meeting are required to retire, but are eligible for re-election. In addition, one-third of the AngloGold Board must retire according to seniority or by lot but may be re-elected.
- (2) Appointed to the AngloGold Board in 1989, appointed as chief executive officer in April 1998 and chairman in December 2000. Resigned as chairman on 30 April 2002 but remains chief executive officer and an executive director.
- (3) Date appointed to the board of Vaal Reefs Exploration and Mining Company Limited, prior to the formation of AngloGold Limited.
- (4) Appointed as finance director in 1998.
- (5) Appointed as chief operating officer in 2001.
- (6) Appointed as marketing director in 1998.
- (7) Member of the audit and corporate governance committee.
- (8) Appointed as chairman with effect from 1 May 2002.
- (9) Appointed as deputy chairman with effect from 1 May 2002.
- (10) Appointed to AngloGold Board in January 2000, resigned from AngloGold Board and appointed as alternate in October 2000. Re-appointed to the AngloGold Board in May 2001.
- (11) Resigned as non-executive chairman in 2000 but remains a non-executive director.

The business address of each AngloGold Director is AngloGold Limited, 11 Diagonal Street, Johannesburg, 2001 (PO Box 62117, Marshalltown, 2107) South Africa.

The AngloGold Board comprises executive, non-executive and alternate directors, the details for each of whom are listed below in paragraphs 2.2, 2.3 and 2.4. The details for Sam Esson Jonah, to be appointed to the AngloGold Ashanti Board pursuant to the Merger, are set out in paragraph 2.5.

2.2 Executive Directors

Robert (Bobby) M Godsell, BA, MA. Mr Godsell was appointed to the AngloGold Board as chief executive officer in April 1998 and as chairman in December 2000. He relinquished his role as chairman of AngloGold in May 2002. He has in excess of 30 years of service with companies associated with the mining industry, and has served as a non-executive director of AA plc since March 1999. He has also served as a chairman of the World Gold Council.

Jonathan G Best, ACIS, ACIMA, MBA. Mr Best was appointed finance director in April 1998. He has had 35 years of service with companies associated with the mining industry.

David (Dave) L Hodgson, BSc (Mining Engineering), BSc (Civil Engineering), BCom, AMP (Harvard). Mr Hodgson was appointed to the AngloGold Board in November 2001 as chief operating officer. He was previously executive officer responsible for AngloGold's South Africa region. He has more than 30 years of mining experience.

Kelvin H Williams, BA. Mr Williams was appointed marketing director in April 1998. He has 28 years of service with companies associated with the mining industry, is the chairman of Rand Refinery and is a director of the World Gold Council.

2.3 Non-executive Directors

Russell P Edey, FCA. Mr Edey was appointed to the AngloGold Board in April 1998 and as deputy chairman in December 2000. In May 2002, he was appointed chairman of AngloGold when Bobby Godsell relinquished this office. Based in the United Kingdom, he is deputy chairman of N M Rothschild Corporate Finance and a director of a number of other companies.

Thokoana J (James) Motlatsi, Hon D Soc Sci (Lesotho). Dr Motlatsi was appointed to the AngloGold Board in April 1998 and as deputy chairman of AngloGold in May 2002 upon Russell Edey being appointed chairman. He has been associated with the South African mining industry since 1970, and is a past president of the National Union of Mineworkers (NUM). He is chief executive officer of TEBA Limited.

Frank B Arisman, MSc (Finance). Mr Arisman was appointed to the AngloGold Board in April 1998. He resides in New York and recently retired, after 32 years of service, from JP Morgan Chase, where he held the position of managing director.

Elisabeth le R Bradley, BSc, MSc. Mrs Bradley was appointed to the AngloGold Board in April 1998. She is non-executive chairman of Wesco Investments Limited, of Metair Investments Limited and of Toyota SA Limited, and a director of a number of other companies. She is also deputy chairman of The South African Institute of International Affairs.

Colin B Brayshaw, CA(SA), FCA. Mr Brayshaw was appointed to the AngloGold Board in January 1997. He is a retired managing partner and chairman of Deloitte & Touche, and is a non-executive director of a number of other companies including Anglo Platinum Corporation, Datatec Limited and Johnnic Holdings Limited.

Anthony (Tony) W Lea, BA (Hons). Mr Lea was appointed a director of AngloGold in July 2001. He is finance director of AA plc.

William (Bill) A Nairn, BSc (Mining Engineering). Mr Nairn has been a member of the AngloGold Board since January 2000. He was re-appointed a director in May 2001, having previously been alternate director to Tony Trahar. He is group technical director of AA plc.

Julian Ogilvie Thompson, MA. Mr Ogilvie Thompson was appointed to the AngloGold Board in April 1998. He resigned as executive chairman of AA plc in November 2002 and is a non-executive director of both Anglo American Corporation (a wholly-owned South African subsidiary of AA plc) and De Beers Consolidated Mines, and a director of a number of other companies.

Nicholas F Oppenheimer, MA. Mr Oppenheimer was appointed to the AngloGold Board in April 1998 and is a former non-executive chairman of AngloGold. He is chairman of De Beers Consolidated Mines, a non-executive director of AA plc and a director of a number of other companies.

Anthony (Tony) J Trahar, BCom, CA (SA). Mr Trahar was appointed to the AngloGold Board in October 2000. He is chief executive officer of AA plc.

2.4 Alternate Directors

David D Barber, FCA, AMP (Harvard). Mr Barber was appointed alternate director to Julian Ogilvie Thompson in April 2002. He is finance director of Anglo American Corporation.

Arthur H (Harry) Calver, BSc (Hons) Engineering, MDP (UNISA), PMD (Harvard). Mr Calver was appointed alternate director to Bill Nairn in May 2001. He is Head of Engineering of AA plc.

Peter G Whitcutt, BCom (Hons), CA(SA), MBA. Mr Whitcutt was appointed alternate director to Tony Lea in October 2001. He is Head of Finance of AA plc.

2.5 Proposed Directors

Sam Esson Jonah, KBE. Mr Jonah is Chief Executive and Group Managing Director of Ashanti. He joined Ashanti in 1969 and was appointed Managing Director in 1986. He is a non-executive director of Lonmin and Commonwealth Africa Investment Fund Limited and is also Chancellor of the University of Cape Coast, Ghana. He is a member of the UN Global Compact on Governance. Mr Jonah is also a member of the International Investment Advisory Council of the President of South Africa and a similar body in Ghana, and a Fellow of the Ghana Institution of Engineers.

Details of the two other proposed directors, being Ghanaian citizens, recommended by the Government and acceptable to AngloGold's Board and to Ashanti (and in accordance with the relevant applicable company laws) to be appointed to become non-executive directors of AngloGold upon completion of the Merger, will be made available once such directors have been nominated.

2.6 Ashanti Directors

The Ashanti Directors are Mr. Michael Beckett, Theophilus Anin, Merene Botsio-Phillips, The Rt Hon Baroness Chalker of Wallasey PC, Chester Crocker, Thomas Gibian, Gordon Edward Haslam, Sam Esson Jonah, Dr Michael Martineau, Nicholas Morrell and Srinivasan Venkatakrisnan.

3. INTERESTS OF ANGLOGOLD DIRECTORS

The interests of the AngloGold Directors, and Mr Sam Jonah, as a proposed director, and their respective connected persons (within the meaning of section 346 of the UK Companies Act 1985), the existence of which is known to, or could with reasonable diligence be ascertained by, such directors whether or not held through another party in AngloGold Shares as at 27 February 2004 (being the latest practicable date prior to the publication of this document) are set out in the table below.

	SHARES			OPTIONS ⁽²⁾		
	Beneficial		Non-beneficial ⁽¹⁾	Total options outstanding	Average issue price per option	Latest expiry date
	Direct	Indirect				
Executive directors						
R M Godsell	460	–	–	210,300	131.27	2 May 2013
K H Williams	–	920	–	61,100	159.17	2 May 2013
J G Best	–	–	–	58,800	171.38	2 May 2013
D L Hodgson	–	430	–	84,600	166.27	2 May 2013
Sub-total	460	1,350	–	414,800	148.20	
Non-executive directors						
R P Edey		1,000				
T J Motlatsi	–	–	–	–	–	–
F B Arisman	–	2,000	–	–	–	–
Mrs E le Bradley	–	23,432	33,027	–	–	–
C B Brayshaw	–	–	–	–	–	–
A W Lea	–	–	–	–	–	–
W A Nairn	–	–	–	–	–	–
J Ogilvie Thompson	–	–	478	–	–	–
N F Oppenheimer	–	–	8,726	–	–	–
A J Trahar	–	–	–	–	–	–
Sub-total	–	26,423	42,231	–	–	–
Alternates						
D D Barber	–	–	–	–	–	–
A H Calver	–	46	–	–	–	–
P G Whitcutt	–	–	–	–	–	–
Sub-total	–	46	–	–	–	–
Proposed Director						
Sam Jonah	–	–	–	–	–	–
Sub-total	–	–	–	–	–	–
TOTAL	460	27,819	42,231	414,800	148.20	–

Notes:

(1) The director derives no personal benefit from the ordinary shares declared, for example by holding the shares in trust for another.

(2) One option will convert, on exercise, into one AngloGold Share.

The above interests do not, individually or in the aggregate, exceed one per cent of issued share capital of AngloGold. None of the AngloGold Directors currently has any interest in Ashanti Shares.

Non-executive directors are not eligible to participate in the AngloGold Share Incentive Scheme and therefore own no options.

Save as disclosed above, none of the AngloGold Directors, Sam Esson Jonah, or their respective connected persons (within the meaning of section 346 of the UK Companies Act 1985) have any interest in the share or loan capital of AngloGold, the existence of which is known to, or could with reasonable diligence be ascertained by, such directors whether or not held through another party.

4. SERVICE AGREEMENTS AND EMOLUMENTS OF ANGLOGOLD DIRECTORS

4.1 Compensation and Service Agreements of Executive Directors of AngloGold

Compensation of the executive directors comprise the following elements:

- salary;
- annual performance bonus;
- participation in the AngloGold Share Incentive Scheme; and
- benefits, including pension, disability and death cover and healthcare.

Salary

All salaries are reviewed annually, with the salaries of executive directors being set with reference to external market surveys, in particular South African survey information, where all of the executive directors are based.

Annual performance bonus

All executive directors participate in an annual performance bonus scheme which is based on a combination of company and individual performance targets, with the company performance element comprising 70 per cent and individual performance 30 per cent of the bonus payable. Maximum bonus, for the full achievement of company targets set in advance by the AngloGold Board, and individual performance targets agreed to by each executive director at the beginning of the review period, is expressed as a percentage of salary, with the chief executive officer's performance bonus set at a maximum of 70 per cent of annual salary and the other three executive directors at 50 per cent of annual salary.

Company performance measures include earnings per share, return on capital and cost control. AngloGold's overall safety performance is also taken into account after review of the above targets. The Remuneration Committee retains the right to alter bonuses in the light of exceptional individual performance.

AngloGold Share Incentive Scheme

The scheme provides for executive directors to be granted options annually, subject to the approval of the Remuneration Committee. The annual value of AngloGold Shares over which options are currently granted is up to a maximum equivalent to the annual salary for any executive director. Each tranche of options can only be exercised if earnings per share increase by five per cent plus US inflation per year, over a three-year period. Options must be exercised within 10 years from date of grant. Until 31 December 2001, the scheme allowed for options to be granted in three tranches over a five-year period, subject to a maximum of 200,000 in respect of the chief executive officer and 100,000 for other executive directors.

Pensions

All executive directors are members of the AngloGold Pension Fund, a defined benefit fund which guarantees a pension on retirement equivalent to two per cent of final salary per year of service. Death and disability cover is reflective of best practice amongst comparable employers in South Africa.

Other Benefits

Executive directors are members of the AngloGold Medical Scheme, which covers the director and his immediate family. Executive directors are also reimbursed for reasonable business expenses which they incur, including travel expenses.

Executive Directors' Service Contracts

Each of the executive directors, R M Godsell, J G Best, D L Hodgson and K H Williams, has entered into a service contract with AngloGold. The contractual notice period in respect of Mr R M Godsell, as chief executive officer, is 12 months, and for the other three executive directors, six months.

The service contracts provide for benefits if the executive director's appointment is terminated or if he resigns in circumstances contemplated by section 186(e) of the South African Labour Relations Act, namely where an employee terminates a contract of employment with or without notice because the employer made continued employment intolerable for the employee, within twelve months of a change of control of the company. Each executive director's contract entitles him to payment of 12 months' gross salary (24 months' gross salary in the case of Mr Godsell), less tax and national insurance contributions, and the value of any pension contributions that would have been made to him by AngloGold in the six months following his date of termination.

The following table presents the aggregate compensation paid by AngloGold to its executive directors during 2003 and 2002. Executive directors have elected not to receive payment of directors fees, committee fees and travel allowances.

US\$ thousands ⁽¹⁾	Remuneration	Pre-tax gains on share options exercised	Total
2003	2,822	936	3,758
2002	1,684	691	2,375

Note:

⁽¹⁾ Directors' compensation is paid principally in South African rand. However, for the purposes of this document, the South African rand values have been converted to US dollars using the following rate of exchange: 2003: US\$1 = ZAR7.5516; 2002: US\$1 = ZAR10.4835.

4.2 Compensation of Non-Executive Directors

Non-executive directors receive no compensation from AngloGold other than their fees which are determined by shareholders in general meeting. Under AngloGold's Articles of Association, the annual fees payable to directors, with effect from 1 May 2002, are ZAR100,000 for each director other than the chairman and deputy chairman (previously ZAR50,000), ZAR200,000 for the chairman and ZAR150,000 for the deputy chairman (previously ZAR80,000 each). Remuneration of non-executive directors for their services on the committees concerned is determined by the AngloGold Board. Currently, this comprises in the case of each committee: Chairman ZAR50,000 per annum; members ZAR30,000 per annum each. In addition, payment of a travel allowance of US\$2,000 per meeting is made to non-executive directors who travel internationally to attend board meetings. AngloGold is also liable for the payment of all travel costs.

No benefits in kind were granted to the non-executive directors during 2003 and 2002.

There are no contracts of service between the non-executive directors and AngloGold or any of its subsidiaries. All directors are subject to retirement by rotation and re-election by shareholders at least once every three years.

4.3 Proposed Service Contract of Sam Esson Jonah

Sam Esson Jonah is only to be appointed to the AngloGold Board upon the implementation of the Merger. In that event he will enter into a service contract with AngloGold, the terms of which will be in accordance with the service contracts for the existing executive directors of AngloGold as set out in 4.1 above.

4.4 Other

The total emoluments receivable by the AngloGold Directors will not be varied as a consequence of the Merger.

Neither any AngloGold Director, nor Sam Jonah, has or has had any interest in any transactions which are or were unusual in their nature or conditions or are or were significant to AngloGold's business or any of AngloGold's subsidiary undertakings and which were effected by AngloGold or any of AngloGold's subsidiary undertakings during the current or immediately preceding financial year or during an earlier financial year and which remain in any respect outstanding or unperformed.

There are no outstanding loans granted by any member of the AngloGold Group to the directors and also there are no guarantees provided by any member of the AngloGold Group to or for their benefit or Sam Jonah as a proposed director.

5. SUBSTANTIAL SHAREHOLDINGS

5.1 General

In so far as is known to AngloGold, as at 27 February 2004 (being the latest practicable date prior to publication of this document), except as indicated below, the following parties are interested directly or indirectly, in three per cent or more of AngloGold's issued ordinary share capital:

Shareholder	Percentage of issued AngloGold shares	Number of AngloGold shares
AA plc	55.52%	123,938,730
The Bank of New York*	15.86%	35,414,816
JP Morgan Chase Bank**	5.40%	12,063,027
Public Investment Commissioners**	4.54%	10,134,377

Note:

* AngloGold Shares held through various custodians in respect of AngloGold ADSs issued by The Bank of New York. As at 27 February 2004 the number of persons who were registered holders of AngloGold ADSs was reported at 4,980. AngloGold is aware that many AngloGold ADSs are held of record by brokers and other nominees, and accordingly the above numbers are not necessarily representative of the actual number of persons who are beneficial holders of AngloGold ADSs or the number of AngloGold ADSs beneficially held by these persons.

** These interests are stated as at 30 January 2004. These shareholders have not made any notification to AngloGold as to their holdings of AngloGold Shares. Only persons beneficially holding, directly or indirectly, in excess of five per cent of the issued ordinary share capital of AngloGold are required to disclose their interests to AngloGold. 30 January 2004 is the most recent practicable date as of which AngloGold has been able to obtain information as to the interests of these shareholders.

All the issued A and B redeemable preference shares of AngloGold are held by Eastvaal Gold Holdings Limited, AngloGold's wholly-owned subsidiary. The Articles of Association of AngloGold provide that the A redeemable preference shares and the B redeemable preference shares are not transferable.

Save as disclosed in this paragraph 5.1, AngloGold is not aware of any interest which as at 27 February 2004 (being the latest practicable date prior to publication of this document) represented three per cent or more of the issued ordinary share capital of AngloGold.

The following table shows the persons who are expected to be interested, directly or indirectly, in three per cent or more of the issued share capital of AngloGold Ashanti following completion of the Merger, based on the issued share capital of AngloGold and Ashanti as at 27 February 2004 (being the latest practicable date prior to publication of this document), except as indicated below, and assuming that:

- each Ashanti Shareholder will receive 0.29 AngloGold Ashanti Shares for each Ashanti Share and the Government of Ghana will receive 2,658,000 Shares under the Stability Agreement;
- there is no increase in the issued share capital of AngloGold or Ashanti after 27 February 2004 (being the latest practicable date prior to the publication of this document) and completion of the Merger save in connection with the Scheme and the Merger; and
- there are no dealings in AngloGold Shares or Ashanti Shares after 27 February 2004 (being the latest practicable date prior to the publication of this document).

Shareholder	Percentage of issued AngloGold Ashanti Shares
AA plc	46.96
The Bank of New York*	13.42
JP Morgan Chase Bank**	4.57
Lonmin	3.96
Public Investment Commissioners**	3.84
The Government of Ghana	3.42

* Shares held through various custodians in respect of AngloGold ADSs issued by the Bank of New York. As at 27 February 2004, the number of persons who were registered holders of ADSs was reported at 4,980. AngloGold is aware that many AngloGold ADSs are held of record by brokers and other nominees, and accordingly the above numbers are not necessarily representative of the actual number of persons who are beneficial holders of ADSs or the number of ADS beneficially held by these persons.

** This is based on the interests of these shareholders as at 30 January 2004. These shareholders have not made any notification to AngloGold as to their holdings of AngloGold Shares. Only persons beneficially holding, directly or indirectly, in excess of five per cent of the issued ordinary share capital of AngloGold are required to disclose their interests to AngloGold. 30 January 2004 is the most recent practicable date as of which AngloGold has been able to obtain information as to the interests of these shareholders.

Save as described above, AngloGold is not aware of any person who, immediately following the Merger becoming effective, will be interested, directly or indirectly, in three per cent or more of AngloGold Ashanti's issued share capital.

5.2 AA plc

AA plc is the largest shareholder of AngloGold with an equity interest and voting rights of approximately 55.52 per cent as at 27 February 2004 (being the latest practicable date prior to publication of this document) and is therefore regarded as a controlling shareholder of AngloGold for purposes of the UK Listing Rules. Currently, five AngloGold Directors are affiliated with AA plc.

AngloGold is an important strategic investment for AA plc, as it represents AA plc's principal investment in the global gold industry. AngloGold is an operating gold company independent of AA plc. In this regard:

- AngloGold has a fully dedicated and entirely independent management. This includes its chief executive officer. The management is remunerated by AngloGold and incentivised by an AngloGold share incentive scheme;
- following completion of the Merger and the appointment of the three proposed directors not affiliated with AA plc to the AngloGold Board (see paragraph 2.1 of this Part VII), the majority of the non-executive directors will not be affiliated with AA plc;
- AngloGold has the management, financial capacity and resources to carry out all aspects of its ongoing business activities independent of AA plc; and
- where appropriate, AngloGold may purchase selected specialised services from AA plc on normal commercial and arm's length terms. However, any such contract with AA plc is subject to the approval of a board sub-committee consisting entirely of AngloGold Directors independent of AA plc.

The AngloGold Directors believe that, for the above reasons, the AngloGold Group is able to carry on its business independently of AA plc.

Save as detailed above, AngloGold is not aware of any person who, immediately following the Merger becoming effective, will exercise, or could exercise, directly or indirectly, jointly or severally, control over AngloGold Ashanti.

6. DESCRIPTION OF ANGLOGOLD ASHANTI SHARES AND SHARE CAPITAL

6.1 AngloGold Shares and Preference Shares

AngloGold's authorised share capital is ZAR101,050,000, consisting of three classes of shares: AngloGold Shares, A redeemable preference shares of par value ZAR0.50 each, and B redeemable preference shares of par value ZAR0.01 each. The AngloGold Shares and the A redeemable preference shares have voting rights, while the B redeemable preference shares have voting rights only under certain circumstances and, in respect of each of these classes of shares, there is no provision in the Articles of Association for cumulative voting. There is no limitation imposed by the Articles of Association or by South African law on the rights of any persons, including non-residents, to own AngloGold Shares or to exercise voting rights in respect of AngloGold Shares. The authorised and issued share capital of AngloGold at 27 February 2004 (being the latest practicable date prior to the publication of this document) is set out below:

Title of Class	Authorised	Issued
AngloGold Shares	400,000,000	223,242,042
AngloGold A redeemable preference shares	2,000,000	2,000,000
AngloGold B redeemable preference shares	5,000,000	778,896

All of the issued AngloGold Shares, AngloGold A redeemable preference shares and AngloGold B redeemable preference shares are fully paid and are not subject to further calls or assessment by AngloGold.

All of the AngloGold A redeemable preference shares and AngloGold B redeemable preference shares are held by Eastvaal Gold Holdings Limited, AngloGold's wholly-owned subsidiary. AngloGold's Articles of Association provide that the AngloGold A redeemable preference shares and AngloGold B redeemable preference shares are not transferable.

AngloGold is incorporated under the laws of South Africa and the rights of AngloGold Shareholders are governed by the South African Companies Act 61 of 1973 as amended, the South African Securities Regulation Code and the Listings Requirements of the JSE, as well as AngloGold Ashanti's Articles of Association.

6.2 New AngloGold Ashanti Shares

The allotment of New AngloGold Ashanti Shares, New AngloGold Ashanti ADSs and AngloGold Ashanti GhDSs to Ashanti Securityholders will be implemented in full in accordance with the terms of the Transaction Agreement, the Scheme and the Stability Agreement. The New AngloGold Shares issued pursuant to the Scheme will be issued credited as fully paid.

Based on the issued ordinary share capital of Ashanti as at 27 February 2004 (being the latest practicable date prior to publication of this document), being 131,186,968, Ashanti Shares, and on the assumption that no further Ashanti Shares are issued between 27 February 2004 and the Effective Date, the aggregate number of New AngloGold Ashanti Shares to be issued pursuant to the Scheme is 38,044,220. In addition, under the Stability Agreement, 2,658,000 New AngloGold Ashanti Shares are to be issued to the Government on the Effective Date. The authorised, issued and fully paid share capital of AngloGold Ashanti immediately following the completion of the Merger, based on the issued share capital of AngloGold as at 27 February 2004 (being the last practicable date prior to the publication of this document) and following the issue by AngloGold of New AngloGold Ashanti Securities to Ashanti Securityholders and to the Government, in accordance with the Scheme and the Stability Agreement, assuming no issue of AngloGold Shares or Ashanti Shares between that date and the Effective Date, will be as follows:

Authorised number	Authorised amount	Type	Issued number	Issued amount
400,000,000	ZAR100,000,000	AngloGold Ashanti Shares	263,944,262	ZAR65,986,066
2,000,000	ZAR1,000,000	AngloGold Ashanti A redeemable preference shares	2,000,000	ZAR1,000,000
5,000,000	ZAR50,000	AngloGold Ashanti B redeemable preference shares	778,896	ZAR7,789

The New AngloGold Ashanti Shares to be issued pursuant to the Merger will be issued credited as fully paid and will rank *pari passu* in all respects with the existing issued AngloGold Shares, including the right to receive any dividends made, declared or paid after the Effective Date, and will be issued free and clear from all liens.

No fractional interests in New AngloGold Ashanti Shares or New AngloGold Ashanti ADSs will be issued pursuant to the Merger, and Ashanti Securityholders who would otherwise receive fractional interests will instead receive a cash payment in respect of their fractional interests. However, Ashanti Shareholders resident in Ghana will, unless they elect to receive cash, receive AngloGold Ashanti GhDSs, in exchange for their fractional interest.

The New AngloGold Ashanti Shares have not been sold and are not being made available to the public in conjunction with the application for admission to the Official List of the UKLA and admission to trading on the LSE's market for listed securities.

No temporary documents of title will be issued in connection with the Merger.

6.3 Convertible Bonds

In February 2004, AngloGold Holdings plc (the "Issuer"), a wholly-owned subsidiary of AngloGold, issued US\$1,000,000,000, 2.375 per cent Guaranteed Convertible Bonds due 2009. As at 27 February 2004 (being the latest practicable date prior to publication of this document) all of the Guaranteed Convertible Bonds were outstanding. The Convertible Bonds are convertible into AngloGold ADSs on the basis described below.

Subject to certain restrictions, each Convertible Bond entitles the holder (such right a "Conversion Right") to convert such Bond into AngloGold ADSs at the then applicable Conversion Price (as defined below). Conversion Rights may be exercised at any time from 8 April 2004 to the close of business (at the place where the relevant bond is deposited for conversion) on (i) the date falling seven business days prior to 27 February 2009 (the "Final Maturity Date") (both dates inclusive) or (ii) if the Convertible Bonds are called for redemption prior to the Final Maturity Date, the seventh business day prior to the relevant date fixed for redemption.

The initial Conversion Price is US\$65.00 per AngloGold ADS. Under the terms and conditions of the Convertible Bonds, the Conversion Price is subject to adjustment in certain circumstances as specified in such terms and conditions, including in the event of (i) alterations to the nominal value of the AngloGold Shares as a result of consolidation or subdivision, (ii) certain issues of AngloGold Shares by way of capitalisation of profits or reserves, (iii) certain capital distributions by AngloGold, (iv) certain issues of AngloGold Shares, or the grant of rights to subscribe for or purchase AngloGold Shares, to AngloGold Shareholders as a class. In the event that (i) an offer is made to AngloGold Shareholders to acquire all or a majority of the issued ordinary share capital of AngloGold and, following such offer or scheme becoming wholly unconditional, the right to cast more than 50 per cent of the votes which may ordinarily be cast on a poll at a general meeting of AngloGold has or will become unconditionally vested in the offeror and/or any of its concert parties or (ii) any person and/or any of its concert parties owns, acquires or controls 70 per cent or more of the issued AngloGold Shares or the right to cast more than 70 per cent of the votes which may ordinarily be cast on a poll at a general meeting of AngloGold, then, for a specified period following the occurrence of such event, the Conversion Price will be adjusted.

A Bondholder may exercise the conversion right in respect of a Convertible Bond by delivering such bond, together with a notice of conversion, to the specified office of any paying, transfer or conversion agent in accordance with the terms and conditions of the Convertible Bonds. Upon due exercise of the conversion rights, the relevant Convertible Bonds will be redeemed at their principal amount and the proceeds applied in subscribing and paying up in full the number of AngloGold Shares to be issued and AngloGold will accordingly issue, register and deliver the relevant number of AngloGold Shares and procure the issue and delivery of the relevant AngloGold ADSs in accordance with the terms and conditions of the Convertible Bonds.

The Issuer may redeem all (but not some only) of the Bonds at their principal amount together with accrued interest (if any) up to but excluding the redemption date (i) at any time on or after 14 March 2007 if the trading price of an AngloGold ADS has exceeded 130 per cent of the then Conversion Price during a specified period or (ii) at any time if conversion rights have been exercised or purchases and cancellations effected in respect of 85 per cent or more in principal amount of the Convertible Bonds originally issued.

The Convertible Bonds are not redeemable at the option of the Bondholders.

Unless previously purchased and cancelled, redeemed or converted, the Convertible Bonds will be redeemed on the Final Maturity Date at their principal amount.

The maximum number of AngloGold Ashanti Shares issuable pursuant to the Convertible Bonds (on the assumption that no adjustments are made to the initial Conversion Price) is 15,384,615.

7. DESCRIPTION OF ANGLOGOLD ASHANTI ADSs AND ANGLOGOLD ASHANTI GHDSs

This paragraph 7 gives a summary description of the AngloGold Ashanti ADSs and AngloGold Ashanti GhDSs, as if the Scheme had become effective.

7.1 Description of AngloGold Ashanti ADSs

The Bank of New York, as the depositary in respect of the AngloGold Ashanti ADSs, will issue the AngloGold Ashanti ADSs. Each AngloGold Ashanti ADS represents one AngloGold Ashanti Share. It is possible to hold AngloGold Ashanti ADSs either directly or indirectly through a broker or other financial institution.

AngloGold Ashanti Shares are deposited with The Bank of New York's custodians in South Africa: The Standard Bank of South Africa Limited, Société Générale South Africa Limited, FirstRand Bank Limited, National Australia Bank Limited and Australia and New Zealand Banking Group Limited. Each AngloGold Ashanti ADS also represents securities, cash or other property deposited with The Bank of New York but not distributed to AngloGold Ashanti ADS holders. The Bank of New York's Corporate Trust Office is located at 101 Barclay Street, New York, NY 10286. The principal executive office of The Bank of New York is located at One Wall Street, New York, NY 10286.

Because The Bank of New York actually holds the AngloGold Ashanti Shares, holders of AngloGold Ashanti ADSs may, in certain circumstances, not be treated by AngloGold as AngloGold Shareholders. The rights of ADS holders and the rights of AngloGold Ashanti Shareholders and obligations of The Bank of New York as depositary are set out in the ADS Depositary Agreement amongst AngloGold Ashanti, The Bank of New York and the registered holders and beneficial owners of AngloGold Ashanti ADSs. The AngloGold Ashanti ADS Depositary Agreement and the AngloGold Ashanti ADSs are generally governed by the laws of the State of New York. A summary of the AngloGold Ashanti ADS Depositary Agreement is set out in Part IX of the Listing Particulars.

7.2 Description of the AngloGold Ashanti GhDSs and Summary of Deposit Agreement

NTHC Limited, as the depositary in respect of the AngloGold Ashanti GhDSs, will issue the AngloGold Ashanti GhDSs. Each AngloGold Ashanti GhDS represents the ownership of one one-hundredth of an AngloGold Ashanti Share. Each AngloGold Ashanti GhDS also represents securities, cash or other property deposited with NTHC Limited but not distributed to AngloGold Ashanti GhDS holders. It is possible to hold AngloGold Ashanti GhDSs either directly or indirectly through a broker or other financial institution.

NTHC Limited will hold on trust (or under equivalent arrangements) for the sole benefit of the holders of AngloGold Ashanti GhDSs all rights pertaining to the deposited securities and all money and benefits that it may receive in respect of them. Neither the deposited securities nor any such rights, money or benefits may be, or be liable to be treated as, assets of NTHC Limited under the laws (including insolvency law) of Ghana or South Africa.

AngloGold Ashanti Shares represented by AngloGold Ashanti GhDSs will be deposited with NTHC Limited's custodian in Ghana, Barclays Bank Ghana Limited (the "GhDS Custodian"), to be held on behalf of NTHC Limited. Because NTHC Limited actually holds the AngloGold Ashanti Shares, holders of AngloGold Ashanti GhDSs must rely on this bank to exercise the rights of an AngloGold Ashanti Shareholder (subject to the AngloGold Ashanti GhDS Depositary Agreement) (the "GhDS Depositary Agreement"). The obligations of NTHC Limited and the GhDS Custodian are set out in the GhDS Depositary Agreement amongst AngloGold Ashanti, NTHC Limited and the GhDS Custodian. The GhDS Depositary Agreement and the AngloGold Ashanti GhDSs are generally governed by the laws of Ghana. The following is a summary of the GhDS Depositary Agreement.

Dividends and Other Cash Distributions

Whenever NTHC Limited receives any cash dividend or other cash distribution on AngloGold Ashanti Shares or other deposited securities in a currency other than Cedis, it will convert such dividend or distribution as promptly as practicable into Cedis. It will distribute the amount, less applicable withholding taxes (see "Payment of Taxes" below), to the holders of AngloGold Ashanti GhDSs in proportion to the number of AngloGold Ashanti GhDSs held, rounding such amount to the nearest whole Cedi. NTHC Limited will only distribute whole Cedis.

If NTHC Limited determines that any foreign currency received by it is not convertible on a reasonable basis in whole or in part into Cedis, or if any approval or license of any government or agency is needed and not obtained within a reasonable time, it may distribute the foreign currency (or an appropriate documents evidencing the right to receive such foreign currency), or, make the distribution in US dollars or hold such foreign currency uninvested and without liability for interest for the account of holders of AngloGold Ashanti GhDSs who have not been paid, provided that NTHC Limited will remain liable to the holder for the amount of such dividend or distribution, and, if requested in writing by the holder, NTHC Limited will distribute the foreign currency to such holder as promptly as practicable.

Distributions of AngloGold Ashanti Shares

NTHC Limited may distribute to holders of AngloGold Ashanti GhDSs additional AngloGold Ashanti GhDSs representing AngloGold Ashanti Shares that AngloGold Ashanti distributes as a dividend or free distribution, less applicable withholding taxes (see "Payment of Taxes" below). In lieu of distributing fractional AngloGold Ashanti GhDSs, NTHC Limited will sell on the GSE the amount of AngloGold Ashanti Shares represented by the aggregate of such fractions and deliver the net proceeds in the same way as it distributes cash. If NTHC Limited does not distribute additional AngloGold Ashanti GhDSs, each AngloGold Ashanti GhDS will also represent the new AngloGold Ashanti Shares.

Rights to Subscribe for Additional AngloGold Ashanti Shares

If AngloGold Ashanti offers holders of any deposited securities any rights to subscribe for additional AngloGold Ashanti Shares or any other rights, NTHC Limited, after consultation with AngloGold Ashanti, may make these rights available to holders of AngloGold Ashanti GhDSs or sell the rights and distribute the proceeds in the same way as it distributes cash. If NTHC Limited cannot do either of these things for any reason, it may, after consultation with AngloGold Ashanti, allow these rights to lapse. If NTHC Limited determines that it may lawfully and feasibly make such rights available to some holders of AngloGold Ashanti GhDSs but not to others, it may do so as it deems appropriate.

In circumstances in which rights would otherwise not be distributed, if a holder of AngloGold Ashanti GhDSs requests warrants or other instruments in order to exercise the rights, NTHC Limited will make such rights available to such holder upon written notice from AngloGold Ashanti to NTHC Limited that (a) AngloGold Ashanti has elected in its sole discretion to permit such rights to be exercised and (b) such holder has executed such documents as AngloGold Ashanti has determined in its sole discretion are reasonably required under applicable law.

If NTHC Limited distributes warrants or other instruments for rights to all or certain holders of AngloGold Ashanti GhDSs, it will exercise the rights upon instruction from such holders pursuant to such warrants or other instruments and upon payment by such holders of: (i) an amount equal to the purchase price of the AngloGold Ashanti Shares to be received upon the exercise of the rights; (ii) the fees of NTHC Limited; and (iii) any other charges as set forth in the warrants or other instruments. Upon the exercise of such rights, NTHC Limited will purchase such AngloGold Ashanti Shares on behalf of such holder and cause the AngloGold Ashanti Shares to be delivered to NTHC Limited for deposit pursuant to the GhDS Depositary Agreement and will execute and deliver AngloGold Ashanti GhDSs to such holder.

Other Distributions

When NTHC Limited receives any other distribution, it will as promptly as practicable cause the securities or property received by it to be distributed (after the deduction of any withholding taxes) to the holders of AngloGold Ashanti GhDSs in any manner that NTHC Limited may deem equitable and practicable. If, in the opinion of NTHC Limited, the distribution cannot be made proportionately or if for any other reason NTHC Limited deems the distribution not to be feasible, it may after consultation with AngloGold Ashanti adopt such method as it may deem equitable and practicable for the purpose of effecting the distribution. Otherwise, NTHC Limited will make the distribution in any manner it may deem equitable and practicable for accomplishing the distribution including the sale of the securities or property and distribution of the net proceeds thus received. No distribution will be unreasonably delayed by NTHC Limited or its agents. To the extent that such securities or property or the net proceeds thereof are not distributed to holders of AngloGold Ashanti GhDSs, each AngloGold Ashanti GhDS will also represent the additional securities or property distributed in respect of the AngloGold Ashanti Shares represented by such AngloGold Ashanti GhDSs representing such AngloGold Ashanti Shares prior to such distribution.

Deposit, Withdrawal and Cancellation

NTHC Limited will issue 100 AngloGold Ashanti GhDSs in respect of each underlying AngloGold Ashanti Share delivered to NTHC Limited for deposit with the GhDS Custodian. Holders of AngloGold Ashanti GhDSs have the right to cancel their AngloGold Ashanti GhDSs and withdraw the underlying AngloGold Ashanti Shares at any time except when: (a)(i) temporary delays arise because NTHC Limited or AngloGold Ashanti has closed its transfer books, (ii) underlying AngloGold Ashanti Shares are deposited in connection with voting at a shareholder's meeting, or (iii) AngloGold Ashanti is paying a dividend on the underlying AngloGold Ashanti Shares; (b) such holders owe fees, taxes and similar charges; or (c) it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to AngloGold Ashanti GhDSs or to the withdrawal of AngloGold Ashanti Shares or other deposited securities. This right of withdrawal may not be limited by any other provision of the GhDS Depositary Agreement.

Upon cancellation of his AngloGold Ashanti GhDSs, a holder of AngloGold Ashanti GhDSs will receive one fully paid up AngloGold Ashanti Share in respect of every 100 AngloGold Ashanti GhDSs (or other such number of AngloGold Ashanti GhDSs as may come to represent an interest in one AngloGold Ashanti Share) cancelled, and a cash payment in the amount of the market value of any AngloGold Ashanti GhDSs held by a holder of AngloGold Ashanti GhDSs which number less than 100 and which are cancelled, less any fees and expenses incurred by NTHC Limited in connection with such cancellation.

Voting Rights

A holder of AngloGold Ashanti GhDSs will not be entitled to vote at any general meeting of AngloGold Ashanti, but may, in respect of every 100 AngloGold Ashanti GhDSs (or other such number of AngloGold Ashanti GhDSs as may come to represent an interest in one AngloGold Ashanti Share) held by such holder, direct NTHC Limited in writing to attend any general meeting and to vote on his behalf in the manner directed. Upon receipt of notices of any meeting of holders of AngloGold Ashanti Shares, NTHC Limited will, as soon as practicable thereafter, mail to the holders of AngloGold Ashanti GhDSs a notice including a statement that the holders of AngloGold Ashanti GhDSs as of the close of business on a specified record date will be entitled, subject to any applicable provision of South African Law, of the Memorandum and Articles of Association of the AngloGold Ashanti, and of the AngloGold Ashanti Shares and any applicable rule of the JSE Securities Exchange South Africa, to instruct NTHC Limited as to the exercise of the voting rights, if any, pertaining to the amount of AngloGold Ashanti Shares represented by their respective AngloGold Ashanti GhDSs.

Upon the written request of a holder of AngloGold Ashanti GhDSs on such record date, NTHC Limited will endeavour, in so far as practicable, to vote or cause to be voted the amount of AngloGold Ashanti Shares represented by the AngloGold Ashanti GhDSs held in accordance with the instructions set forth in such request.

If and when a vote is required but NTHC Limited does not receive the voting request of a holder of AngloGold Ashanti GhDSs, it will give a proxy to vote the AngloGold Ashanti Shares underlying that holder's AngloGold Ashanti GhDSs to a person designated by AngloGold Ashanti; provided that no such discretionary proxy will be given with respect to any matter as to which AngloGold Ashanti informs NTHC Limited that: (i) AngloGold Ashanti does not wish such proxy to be given; (ii) substantial opposition exists; or (iii) such matter materially and adversely affects the rights of holders of AngloGold Ashanti GhDSs.

Neither AngloGold Ashanti nor NTHC Limited can give any assurance that holders of AngloGold Ashanti GhDSs generally or any holder in particular will receive the notice described above in time to instruct NTHC Limited to vote as described above. Other than in the case of negligence or bad faith on the part of the NTHC Limited or its agent, NTHC Limited will not be responsible for failing to carry out voting requests or for the manner of carrying out voting requests.

Meetings of Holders of AngloGold Ashanti GhDSs

NTHC Limited or the holders of AngloGold Ashanti GhDSs may call meetings in respect of any issues pertaining to the GhDS Depositary Agreement. A meeting of holders of AngloGold Ashanti GhDSs may be called at any time by NTHC Limited on its own account or on the request of holders of AngloGold

Ashanti GhDSs holding not less than 25 per cent of the AngloGold Ashanti GhDSs then in issue. Not less than 21 days notice of a meeting of holders of AngloGold Ashanti GhDSs, inclusive of the day on which the notice is served or is deemed to be served and of the day for which the notice is given, will be given to the holders of AngloGold Ashanti GhDSs and NTHC Limited.

At any meeting all resolutions put to the vote of the meeting shall be decided on a show of hands unless a poll is, before or on the declaration of the result of the show of hands, demanded by the Chairman or by one or more holders of AngloGold Ashanti GhDSs present in person or by proxy and holding or representing 25 per cent of the number of issued AngloGold Ashanti GhDSs. On a poll votes may be given either personally or by proxy. On a show of hands every holder of AngloGold Ashanti GhDSs, who, being an individual, is present in person or by proxy or, being a corporation, is present by its duly authorised representative or its proxy, shall have one vote for every AngloGold Ashanti GhDS held by him or it, and on a poll every holder of AngloGold GhDSs Ashanti who is present in person or by proxy shall have one vote for every AngloGold Ashanti GhDS held by him.

A meeting of holders of AngloGold Ashanti GhDSs duly convened and held in accordance with the GhDS Depository Agreement shall be competent to: (i) ratify any amendment, alteration or addition to the provisions of the GhDS Depository Agreement, which has been agreed by NTHC Limited and AngloGold Ashanti; and (ii) require the termination of the appointment of NTHC Limited pursuant to a resolution duly adopted by the holders of AngloGold Ashanti GhDSs.

Payment of Taxes

Dividend payments and other distributions made by AngloGold Ashanti to persons resident in Ghana for Ghanaian tax purposes will be subject to withholding tax. The rate applicable to dividend payments and other distributions will depend upon whether AngloGold Ashanti is regarded as a company domiciled in Ghana or not. Dividend payments and other distributions made by companies domiciled in Ghana will be subject to a withholding tax at the rate of 10 per cent. In the case of non-resident companies' dividend payments and distributions to shareholders resident in Ghana, the dividend amount is added to the "assessable income" of the shareholder and the appropriate mainstream tax rates applied. In such cases, the tax liability of the resident shareholder could be higher (up to 32.5 per cent depending on the income of the resident shareholder). AngloGold has submitted an application to the Minister of Finance in Ghana to obtain approval for all distributions of AngloGold Ashanti to Ghanaian residents holding AngloGold Ashanti Securities to be subject to withholding tax at the rate applicable to dividend payments and distributions made by resident companies (currently 10 per cent) and that such withholding tax be deemed the final tax payable on the dividends and other distributions received from AngloGold Ashanti by the holders of AngloGold Ashanti Securities resident in Ghana. NTHC Limited will be responsible, upon the receipt of the payment of any dividend or other distribution by AngloGold Ashanti upon the AngloGold Ashanti Shares held by NTHC Limited or the GhDS Custodian, to deduct withholding tax at the rate applicable to dividend payments made by companies domiciled in Ghana and then pay such amount immediately to the Internal Revenue Service.

Holders of AngloGold Ashanti GhDSs will be responsible for any taxes or other governmental charges payable on their AngloGold Ashanti GhDSs or on the AngloGold Ashanti Shares underlying the AngloGold Ashanti GhDSs. NTHC Limited may refuse to transfer their AngloGold Ashanti GhDSs or to refuse to allow withdrawal of AngloGold Ashanti Shares underlying the AngloGold Ashanti GhDSs until such taxes or other charges are paid. It may apply payments owed to holders of AngloGold Ashanti GhDSs or sell AngloGold Ashanti Shares underlying the AngloGold Ashanti GhDSs to pay any taxes and holders of AngloGold Ashanti GhDSs will remain liable for any deficiency. If it sells deposited securities, it will, if appropriate, reduce the number of AngloGold Ashanti GhDSs to reflect the sale and pay to holders of AngloGold Ashanti GhDSs any proceeds, or send to them any property remaining after it has paid the taxes.

Amendment and Termination

AngloGold Ashanti may agree with NTHC Limited to amend the GhDS Depository Agreement and the AngloGold Ashanti GhDSs for any reason, without the consent of holders of AngloGold Ashanti GhDSs. If the amendment adds or increases fees or charges (except for taxes and other governmental charges or registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses)

or if the amendment prejudices an important right of AngloGold Ashanti GhDS holders, it will only become effective 30 days after NTHC Limited notifies holders of AngloGold Ashanti GhDSs of the amendment. At the time an amendment becomes effective, holders of AngloGold Ashanti GhDSs are considered, by continuing to hold their AngloGold Ashanti GhDSs, to agree to the amendment and to be bound by the AngloGold Ashanti GhDSs and the agreement as amended.

The GhDS Depositary Agreement may be terminated by NTHC Limited if requested by AngloGold Ashanti to do so or if NTHC Limited informs AngloGold Ashanti of its intention to resign and no new depositary has been appointed by AngloGold Ashanti within 180 days of such notice or information.

In any event of termination, NTHC Limited will on giving 30 days' notice in writing to all holders of AngloGold Ashanti GhDSs, terminate the GhDS Depositary Agreement and require the exchange of all AngloGold Ashanti GhDSs then outstanding for one fully paid up AngloGold Ashanti Share in respect of every 100 AngloGold Ashanti GhDSs (or other such number of AngloGold Ashanti GhDSs as may come to represent an interest in one AngloGold Ashanti Share) exchanged, and the market value of any AngloGold Ashanti GhDSs held by a holder of AngloGold Ashanti GhDSs which number less than one hundred (or other such number of AngloGold Ashanti GhDSs as may come to represent an interest in one AngloGold Ashanti Share) and which are exchanged.

After termination, NTHC Limited and its agents will be required to do only the following: (i) advise a holder of AngloGold Ashanti GhDSs of the termination of the GhDS Depositary Agreement; (ii) collect distributions on the deposited securities; and (iii) upon cancelling the AngloGold Ashanti GhDSs, deliver AngloGold Ashanti Shares and other deposited securities. A year after the date of termination or later, NTHC Limited may sell any remaining deposited securities by public or private sale and will hold the proceeds of the sale, as well as any other cash it is holding under the GhDS Depositary Agreement, for the *pro rata* benefit of the holders of AngloGold Ashanti GhDSs who have not surrendered their AngloGold Ashanti GhDSs. It will not be obligated upon termination to invest the money realised and will not be liable for interest. Its only obligations will be to account for the proceeds of the sale and other cash.

After termination, AngloGold Ashanti will be discharged and released from all further obligations under the GhDS Depositary Agreement except for its obligations to NTHC Limited with respect to indemnification of and payment of certain amounts to NTHC Limited.

8. EXCHANGE CONTROLS AND OTHER LIMITATIONS AFFECTING ANGLOGOLD ASHANTI AND ANGLOGOLD ASHANTI SECURITYHOLDERS

8.1 South Africa

The following is a general outline of South African exchange controls only. Investors should consult a professional adviser as to the exchange control implications of their particular investments. In particular, the principles summarised below may not apply in the same way to former residents of South Africa.

South African law provides for exchange control regulations, which restrict the export of capital from the South African Common Monetary Area. The exchange control regulations, which are administered by the Exchange Control Department of the SARB, are applied throughout the South African Common Monetary Area, and regulate transactions involving South African residents, including natural persons and legal entities.

South African Government officials have from time to time stated their intentions to lift South Africa's exchange control regulations when economic conditions permit such action. In his budget speech in March 1997, the South African Minister of Finance announced that restrictions relating to offshore investments by South African companies and individuals subject to South African exchange control would, to a limited extent, be lifted. Since then, the South African Government has incrementally relaxed aspects of exchange control for financial institutions and individuals. However, it is impossible to predict with any certainty when the South African Government will remove exchange controls in their entirety.

The comments below relate to exchange controls in force at the date of this document. These controls are subject to change at any time without prior notice.

Investments in South African Companies

A foreign investor may invest freely in shares in a South African company. Any foreign investor may also sell shares in a South African company and transfer the proceeds out of South Africa without restriction. All shares acquired by a foreign investor must be endorsed or marked "Non-resident" upon acquisition by the foreign investor. Acquisitions of shares of South African companies by non-South African purchasers are not generally subject to review by the SARB when the consideration is in cash. Prior SARB approval is required in all other circumstances, including when the consideration is paid in the form of equity in a non-South African company or when the acquisition is financed by means of a loan from a South African lender.

Dividends

The payment of dividends to foreign shareholders is not subject to the approval by the SARB; however, the annual financial statements of the South African company paying the dividends and an auditor's certificate may be required to be furnished to the company's authorised dealer (a bank licensed to deal in foreign exchange) in order to pay such dividend. Dividends are freely transferable to foreign shareholders from both trading and realised non-trading profits earned in South Africa by publicly listed companies.

Interest and Loans

Interest on foreign loans is freely remittable abroad, provided the acceptance of the terms, including the interest rate payable and the repayment terms, received prior SARB approval. All capital repayments are subject to the prior SARB approval.

Voting Rights

There are no limitations imposed by South African law or by the Memorandum and Articles of Association of AngloGold Ashanti on the rights of non-South African shareholders to vote the AngloGold Ashanti Shares.

Overseas Financing and Investments

AngloGold and its South African subsidiaries require SARB approval to raise debt from and repay debt to non-residents of the South African Common Monetary Area.

Debt raised outside the South African Common Monetary Area by AngloGold's non-South African subsidiaries is not restricted under South African exchange control regulations and can be used for overseas investment, subject to any conditions imposed by the SARB in connection with establishing such a subsidiary. AngloGold and its South African subsidiaries would, however, require SARB approval in order to provide guarantees for the obligations of any of its subsidiaries with regard to funds obtained from non-residents of the South African Common Monetary Area.

Debt raised outside the South African Common Monetary Area by AngloGold's non-South African subsidiaries must be repaid or serviced by AngloGold's foreign subsidiaries.

A listing by a South African company on any stock exchange, other than the JSE, in connection with raising capital requires permission from the SARB.

Under current exchange control regulations, offshore investments by AngloGold and its South African subsidiaries, financed by cash or the issue of AngloGold securities, require the approval of the SARB. On application to the SARB, use of South African funds for such investments may be allowed for up to ZAR2 billion for each investment within the African continent and up to ZAR1 billion for each investment elsewhere. Any amount in excess of the above limits must be financed overseas.

8.2 Ghana

Ghana has a system of exchange control. The Exchange Control Act, 1961 and the Exchange Control Regulations, 1961 provide the general statutory framework for Ghanaian exchange control. Through them the Government of Ghana exercises its policy of exchange control with respect to all dealings by residents of Ghana in securities with non-residents and in foreign currency. The Mining Law modifies the exchange control provisions that apply to holders of mining leases in Ghana. Holders of mining leases, if permitted by the Bank of Ghana, have limited rights to retain certain foreign exchange earnings

overseas and to use such earnings for the acquisition of mining inputs, which would not otherwise be readily available without the use of such earnings. Where the net earnings of a holder of a mining lease are in foreign currency, the holder is permitted (by the Minister of Finance and Economic Planning in consultation with the Minister of Mines acting on the advice of the Minerals Commission) to retain not less than 25 per cent of foreign exchange earnings in an external account for acquiring machinery and equipment, spare parts and raw materials as well as for certain other payments, including dividend and debt service payments. Ashanti's operations in Ghana are permitted to retain either 60 per cent or 80 per cent of their foreign exchange earnings in such an account. In accordance with the Stability Agreement, Ashanti's operations in Ghana will be permitted to retain 80 per cent of their foreign exchange earnings in such an account with effect from the Effective Date.

9. POST-MERGER TAXATION

9.1 Ghana

The following is a summary of certain Ghanaian tax consequences of the holding and disposal of AngloGold Ashanti Shares or AngloGold Ashanti ADSs. This information is not a substitute for independent advice pertaining to a shareholder's particular circumstances. It is intended as a general guide only, and is based on current Ghanaian legislation and practice, both of which are subject to change. It relates only to the position of a holder of AngloGold Ashanti Shares or AngloGold Ashanti ADSs who is the absolute beneficial owner of those AngloGold Ashanti Shares or AngloGold Ashanti ADSs and who owns those AngloGold Ashanti Shares or those AngloGold Ashanti ADSs as a capital investment. It is not intended to apply to certain classes of shareholders such as brokers or dealers. If a holder is in any doubt as to its tax position, or a holder is resident or subject otherwise to tax in any jurisdiction other than the Ghana, such holder should consult its own tax adviser.

Dividends

An individual or corporate holder of AngloGold Ashanti Shares, AngloGold Ashanti ADSs or AngloGold Ashanti GhDSs who is resident in Ghana for Ghanaian tax purposes and who receives a dividend from AngloGold Ashanti will generally be liable to Ghanaian income tax in respect of the amount of that dividend. This tax is known as a withholding tax. A non-Ghanaian source dividend is taxable in Ghana only when brought into or received in Ghana. Income is deemed to be brought into or received in Ghana where it is (a) remitted to or transmitted into Ghana (b) applied wholly or partially towards the payment of a debt incurred in Ghana or (c) applied towards the acquisition of a movable property that is brought into Ghana. Dividends received by residents in Ghana from a company resident in Ghana are taxable, currently at a rate of 10 per cent. No further Ghanaian tax is payable on dividends received by resident shareholders from resident companies.

With respect to non-resident companies' dividend payments to resident shareholders, the dividend amount is added to the "assessable income" of the shareholder and the appropriate mainstream tax rates applied. In such cases, the tax liability of the resident shareholder could be higher (up to 32.5 per cent depending on the income of the resident shareholder).

AngloGold has made an application to the Minister of Finance in Ghana to obtain approval for all dividends and distributions of AngloGold Ashanti to Ghanaian residents holding AngloGold Ashanti Securities to be subject to withholding tax at the rate applicable to dividend payments made by resident companies (currently 10 per cent) and that such withholding tax be deemed the final tax payable on the dividends received by the holders of AngloGold Ashanti Securities resident in Ghana.

The share registrar in Ghana will automatically deduct the withholding tax from dividends and distributions received by holders of AngloGold Ashanti Shares resident in Ghana (other than the custodian holding the AngloGold Ashanti Shares underlying the AngloGold Ashanti GhDSs). The depositary agent for the AngloGold Ashanti GhDSs will automatically deduct the withholding tax from dividends and distributions received on the AngloGold Ashanti Shares, underlying the AngloGold Ashanti GhDSs, as held by the custodian for the AngloGold Ashanti GhDSs. Holders of AngloGold Ashanti ADSs resident in Ghana will be responsible for paying the applicable withholding tax directly to the Internal Revenue Service in Ghana.

Double tax relief for foreign tax suffered directly or by deduction in respect of non-Ghanaian source dividend income is only available where there is a double taxation arrangement between the Ghanaian Government and the source country. At present there is no treaty between Ghana and South Africa.

Chargeable Gains

Capital gains arising on a disposal of securities listed on the GSE are presently exempt from Ghanaian capital gains tax until 11 November 2005.

Stamp Duty

No Ghanaian stamp duty should generally be payable on future transfers of AngloGold Ashanti Shares or AngloGold Ashanti ADSs.

9.2 South Africa

General

The following is a summary of certain South African tax consequences relating to the holders of AngloGold Ashanti Shares or AngloGold Ashanti ADSs. This information is not a substitute for independent advice pertaining to a shareholder's particular circumstances. It is intended as a general guide only, and is based on current South African tax legislation and practice in force as of the date of this memorandum. It relates only to the dividends declared by AngloGold Ashanti to, and the disposal by, a holder of AngloGold Ashanti Shares or AngloGold Ashanti ADSs who is the absolute beneficial owner of those AngloGold Ashanti Shares or AngloGold Ashanti ADSs, and who owns those AngloGold Ashanti Shares or those AngloGold Ashanti ADSs as a capital investment. It is not intended to apply to certain classes of shareholders such as brokers or dealers. If a holder is in any doubt as to its tax position, or a holder is resident or subject otherwise to tax in any jurisdiction other than the Republic of South Africa, such holder should consult its own tax adviser.

Dividends

South Africa imposes a corporate tax known as a "Secondary Tax on Companies" ("STC"), *inter alia*, on the distribution of earnings in the form of dividends. Each distribution declared by a company is subject to STC. The receipt of dividends from a South African company by holders of shares is exempt from South African tax. Under the terms of an option granted to gold mining corporations, AngloGold has elected not to be subject to STC and to pay corporate tax at a slightly higher rate than would otherwise have been the case. This election has resulted in the overall tax paid by AngloGold being lower than the overall tax that AngloGold would have paid had it been subject to STC.

South Africa does not impose any withholding tax or any other form of tax on dividends paid to holders of shares or ADSs in South African companies. Accordingly, holders of AngloGold Ashanti Shares or AngloGold Ashanti ADSs will not be subject to withholding tax on dividends paid to them by AngloGold Ashanti.

Capital Gains Tax

The disposal by a South African resident of AngloGold Ashanti Shares or AngloGold Ashanti ADSs held as a capital asset is subject to Capital Gains Tax ("CGT") in respect of capital gains on such disposal. A capital gain will be equal to the excess of the proceeds on the disposal of the AngloGold Ashanti Shares or AngloGold Ashanti ADSs over the acquisition price of the AngloGold Ashanti Shares or AngloGold Ashanti ADSs ("the base cost"). Where the AngloGold Ashanti Shares or AngloGold Ashanti ADSs (previously AngloGold Shares or AngloGold ADSs) were acquired and not disposed of prior to 1 October 2001 (the date on which CGT was introduced in South Africa) the base cost in respect of the AngloGold Ashanti Shares or the AngloGold Ashanti ADSs will, subject to certain conditions and elections made by the holder, be determined by the holder thereof as:

- the market value of the AngloGold Shares (as published by the South African Revenue Service) or the AngloGold ADSs on the last business day preceding 1 October 2001;
- 20 per cent of the proceeds realised from the disposal of the AngloGold Ashanti Shares or the AngloGold Ashanti ADSs; or
- the time-apportionment base cost of the AngloGold Ashanti Shares or the AngloGold Ashanti ADSs.

In circumstances where the AngloGold Ashanti Shares or the AngloGold Ashanti ADSs were acquired in exchange for the Ashanti Shares or Ashanti GDSs, subject to certain conditions, the base cost in respect of the AngloGold Ashanti Shares or the AngloGold Ashanti ADSs will be the acquisition cost of the Ashanti Shares or the Ashanti GDSs. These rules will not, however, apply to a trust (other than testamentary trusts and trusts established in terms of the Mental Health Act, 1973 (Act No. 18 of 1973) (as amended)). In the event that the Ashanti Shares or the Ashanti GDSs were acquired and not disposed of prior to 1 October 2001, the base cost will, subject to certain conditions and elections made by the holder, be determined by the holder thereof as:

- the market value of the Ashanti Shares or the Ashanti GDSs on the last business day preceding 1 October 2001;
- 20 per cent of the proceeds realised from the disposal of the AngloGold Ashanti Shares or the AngloGold Ashanti ADSs; or
- the time-apportionment base cost of the Ashanti Shares or the Ashanti GDSs.

Save in respect of certain transactions involving a direct or indirect interest in immovable property, including property holding companies, CGT in South Africa applies only to South African residents. Accordingly, it is unlikely that non-residents of South Africa will be subject to South African CGT in respect of the disposal of AngloGold Ashanti Shares or AngloGold Ashanti ADSs.

Stamp Duty and Uncertificated Securities Tax

The transfer of AngloGold Ashanti Shares, in the event that such AngloGold Ashanti Shares are sold through or by a member of any recognised stock exchange or transfer of beneficial ownership is effected by a participant as defined in the Uncertificated Securities Tax Act, is subject to uncertificated securities tax (“UST”) of 0.25 per cent of the consideration payable in respect of the AngloGold Ashanti Shares. In the event that the sale does not take place through a member of a recognised stock exchange or transfer of beneficial ownership of the AngloGold Ashanti Shares is not effected by a participant as defined in the Uncertificated Securities Tax Act, the transfer will be subject to stamp duty of 0.25 per cent of the higher of the market value and the consideration received on disposal of the AngloGold Ashanti Shares. The UST or stamp duty is payable by a purchaser of AngloGold Ashanti Shares, unless otherwise agreed.

In terms of the South African Stamp Duties Act, 1968 (Act No. 77 of 1968) (as amended) (the “Stamp Duties Act”) in certain circumstances, the transfer of securities issued by any South African company or body corporate is exempt from South African stamp duty, if the instrument of transfer is executed outside South Africa and the registration of transfer is effected in any branch register kept by such company or body corporate outside the Republic, provided that the other conditions required have been complied with and the Commissioner for Inland Revenue has issued an appropriate notice in confirmation of such exemption. The transfer of AngloGold Ashanti ADSs will not be subject to South African stamp duty, provided the Commissioner for Inland Revenue has issued an appropriate notice in confirmation of an exemption under the Stamp Duties Act.

Subject to the applicability of the exemption above, the transfer of AngloGold Ashanti Shares or AngloGold Ashanti ADSs outside South Africa generally will not be subject to South African stamp duty and/or UST.

9.3 United States

General

The following is a general summary of the material US federal income tax consequences to US holders (as defined below) of the ownership and disposition of AngloGold Ashanti Shares or AngloGold Ashanti ADSs that are held as capital assets following the Merger. This summary is based on applicable South African, Ghanaian and US tax laws, including the US Internal Revenue Code of 1986, as amended, US Treasury regulations promulgated thereunder, rulings, judicial decisions, administrative pronouncements, and the Convention between the Government of the United States of America and South Africa for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains, signed 17 February 1997 (the “US-South Africa income tax treaty”), all as currently in effect, and all of which are subject to change or changes in interpretation, possibly with retroactive effect.

This summary does not address all aspects of US federal income taxation that may apply to holders that are subject to special tax rules, including but not limited to, US expatriates, insurance companies, banks, tax-exempt entities, financial institutions, persons subject to the alternative minimum tax, securities broker-dealers, investors that own (directly, indirectly or by attribution) five per cent or more of the outstanding share capital or voting power of AngloGold Ashanti, persons holding their AngloGold Ashanti Shares or AngloGold Ashanti ADSs as part of a straddle, hedging or conversion transaction, persons who acquired their AngloGold Ashanti Shares or AngloGold Ashanti ADSs pursuant to the exercise of employee stock options or otherwise as compensation, or persons whose functional currency is not the US dollar (any such other currency hereinafter referred to as a “foreign currency”). Such holders may be subject to US federal income tax consequences different from those set forth below and should consult their own tax advisers.

As used in this section, the term “US holder” means a beneficial owner of AngloGold Ashanti Shares or AngloGold Ashanti ADSs who is:

- an individual who is a citizen or resident of the United States for US federal income tax purposes;
- a corporation (or certain other entities treated as corporations for US federal income tax purposes) created in or organised under the laws of the United States or any state thereof;
- an estate the income of which is subject to US federal income taxation regardless of its source; or
- a trust if a US court can exercise primary supervision over the administration of the trust and one or more US persons are authorised to control all substantial decisions of the trust.

If a partnership (including for this purpose any entity treated as a partnership for US federal income tax purposes) holds AngloGold Ashanti Shares or AngloGold Ashanti ADSs, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If a US holder is a partner in a partnership that holds AngloGold Ashanti Shares or AngloGold Ashanti ADSs, the holder is urged to consult its own tax adviser regarding the specific tax consequences of the ownership and disposition of AngloGold Ashanti Shares or AngloGold Ashanti ADSs.

All holders of AngloGold Ashanti Shares or AngloGold Ashanti ADSs should consult their own tax advisers concerning the specific South African and US federal, state and local tax consequences of owning and disposing AngloGold Ashanti Shares or AngloGold Ashanti ADSs in light of their particular situations as well as any consequences arising under the laws of any other relevant taxing jurisdiction. In particular, US holders are urged to consult their own tax advisers concerning whether they are eligible for benefits under the US-South Africa income tax treaty.

For US federal income tax purposes and for purposes of the US-South Africa income tax treaty, a US holder will be treated as owning the underlying shares represented by AngloGold Ashanti ADSs. The following discussion (except where otherwise expressly noted) applies equally to US holders of AngloGold Ashanti Shares, on the one hand, and to US holders of AngloGold Ashanti ADSs, on the other.

Deposits and withdrawals of AngloGold Ashanti Shares by US holders in exchange for AngloGold Ashanti ADSs generally will not be taxable transactions for US federal income tax purposes.

Taxation of Dividends

The gross amount of distributions (including the amount of any South African withholding tax thereon) paid to a US holder generally will be taxable as ordinary income to the US holder for US federal income tax purposes to the extent paid out of the current or accumulated earnings and profits of AngloGold Ashanti, as determined for US federal income tax purposes, based on the US dollar value of the distribution calculated by reference to the spot rate in effect on the date the distribution is actually or constructively received by a US holder, in the case of AngloGold Ashanti Shares, or by the depository, in the case of AngloGold Ashanti ADSs. Distributions by AngloGold Ashanti in excess of its current and accumulated earnings and profits will be treated first as a tax-free return of capital to the extent of the US holder’s adjusted tax basis in the AngloGold Ashanti Shares, thus reducing the US holder’s adjusted tax basis in such AngloGold Ashanti Shares and, thereafter, the balance of the distribution in excess of the adjusted tax basis will be taxed as a capital gain recognised on a sale or exchange. US corporate holders will not be eligible for the dividends-received deduction in respect of dividends paid by AngloGold Ashanti. For foreign tax credit limitation purposes, dividends paid by AngloGold Ashanti will be income from

sources outside the United States. At present, South Africa does not impose any withholding tax on dividends. If withholding tax were to be imposed as a result of a change in South African law, US holders who are eligible for benefits under the US-South Africa income tax treaty would be subject to withholding at a maximum rate of tax of 15 per cent on dividend distributions paid by AngloGold Ashanti.

The amount of any distribution paid in a foreign currency will be included in the gross income of a US holder of AngloGold Ashanti Shares in an amount equal to the US dollar value of the foreign currency calculated by reference to the spot rate in effect of the date of receipt, regardless of whether the foreign currency is converted into US dollars. If the foreign currency is converted into US dollars on the date of receipt, a US holder of AngloGold Ashanti Shares generally will not be required to recognise foreign currency gain or loss in respect of the distribution. If the foreign currency received in the distribution is not converted into US dollars on the date of receipt, a US holder of AngloGold Ashanti Shares will have a basis in the foreign currency equal to its US dollar value on the date of receipt. Any gain or loss recognised upon a subsequent conversion or other disposition of the foreign currency will be treated as ordinary income or loss. In the case of a US holder of AngloGold Ashanti ADSs, the amount of any distribution paid in a foreign currency will be converted into US dollars by the depository upon its receipt. Accordingly, a US holder of AngloGold Ashanti ADSs generally will not be required to recognise any foreign currency gain or loss in respect of the distribution.

Recent US Tax Legislation Applicable to Individuals

Under 2003 US tax legislation, individual US holders (and some trusts and estates) are eligible for reduced rates of US federal income tax (currently a maximum of 15 per cent) in respect of “qualified dividend income” received in taxable years beginning after 31 December 2002 and beginning before 1 January 2009 provided that the holders meet certain holding period and other requirements. For this purpose, qualified dividend income generally includes dividends paid by non-US corporations if, among other things (i) the shares with respect to which the dividend has been paid are readily tradable on an established securities market in the United States (ii) the non-US corporation is eligible for the benefits of a comprehensive US income tax treaty (such as the US-South Africa income tax treaty) which provides for the exchange of information. AngloGold Ashanti currently believes that dividends paid with respect to its AngloGold Ashanti Shares and AngloGold Ashanti ADSs should constitute qualified dividend income for US federal income tax purposes. Some of the eligibility requirements for non-US corporations are not entirely clear, however, and further guidance from the IRS is anticipated. In addition, the IRS is expected to issue certification procedures for 2004 whereby a non-US corporation will have to certify as to the eligibility of its dividends for the reduced US federal income tax rates.

Taxation of Capital Gains

If a US holder is a resident of the United States, for purposes of the US-South Africa income tax treaty, the US holder will not be subject to South African tax on any capital gain if the holder sells or exchanges AngloGold Ashanti Shares. Special rules apply to individuals who are residents of more than one country.

In general, upon a sale, exchange or other disposition of AngloGold Ashanti Shares, a US holder will recognise capital gain or loss for US federal income tax purposes in an amount equal to the difference between the US dollar value of the amount realised on the disposition and the US holder’s adjusted tax basis, determined in US dollars, in the AngloGold Ashanti Shares. Such gain or loss generally will be US source gain or loss, and will be treated as long-term capital gain or loss if the US holder’s holding period in the AngloGold Ashanti Shares exceeds one year at the time of disposition. If the US holder is an individual, any capital gain generally will be subject to US federal income tax at preferential rates as compared to most items of ordinary income if specified minimum holding periods are met. The deductibility of capital losses is subject to significant limitations.

If a US holder receives foreign currency upon the sale of AngloGold Ashanti Shares, that US holder may recognise ordinary income or loss as a result of currency fluctuations between the date of the sale of the AngloGold Ashanti Shares and the date the sales proceeds are converted into US dollars, as described above in connection with the receipt of dividends.

Passive Foreign Investment Company Status

A non-US corporation will be classified as a Passive Foreign Investment Company (a “PFIC”) for any taxable year if at least 75 per cent of its gross income consists of passive income (such as dividends, interest, rents or royalties (other than rents or royalties derived in the active conduct of a trade or business

and received from an unrelated person), or gains on the disposition of certain minority interests), or at least 50 per cent of the average value of its assets consists of assets that produce, or are held for the production of passive income. AngloGold Ashanti believes that it will not be classified as a PFIC for the 2004 taxable year for US federal income tax purposes, but this conclusion is a factual determination that must be made annually as of the close of the taxable year and is a function of all the facts and circumstances. If AngloGold Ashanti were to become a PFIC, the tax on distributions on its ordinary shares and on any gains realised upon the disposition of ordinary shares may be less favourable than as described herein. Furthermore, in such case dividends paid by AngloGold Ashanti would not be qualified dividend income and would be taxed at the higher rates applicable to other items of ordinary income. US holders should consult their own tax advisers regarding the application of the PFIC rules to their ownership of AngloGold Ashanti Shares.

US Information Reporting and Backup Withholding

Dividend payments made to a holder and proceeds paid upon the sale, exchange or other disposition of a holder's AngloGold Ashanti Shares may be subject to information reporting to the IRS, and possible US federal backup withholding at a current rate of 28 per cent. Backup withholding will not apply to a holder who furnishes a correct taxpayer identification number or certificate of foreign status and makes any other required certification, or who is otherwise exempt from backup withholding. US persons who are required to establish their exempt status generally must provide IRS Form W-9 (Request for Taxpayer Identification Number and Certification). Non-US holders generally will not be subject to US information reporting or backup withholding. However, such holders may be required to provide certification of non-US status (generally on IRS Form W-8BEN) in connection with payments received in the United States or through certain US-related financial intermediaries. Holders should consult their own tax advisers regarding their qualification for exemption from information reporting and backup withholding and the procedures for obtaining such an exemption.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a holder's US federal income tax liability, and a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS in a timely manner and furnishing any required information.

9.4 United Kingdom

General

The following is a summary of certain UK taxation consequences of the holding and disposal of AngloGold Ashanti Shares or AngloGold Ashanti ADSs. It is intended as a general guide only, and is based on current UK legislation and UK Inland Revenue published practice as at the date of this document, both of which are subject to change. It relates only to the position of a holder of AngloGold Ashanti Shares or AngloGold Ashanti ADSs who is the absolute beneficial owner of those AngloGold Ashanti Shares or AngloGold Ashanti ADSs and who owns those AngloGold Ashanti Shares or AngloGold Ashanti ADSs as a capital investment. It is not intended to apply to certain classes of shareholder such as brokers or dealers. If you are in any doubt as to your tax position, or you are or may be resident or otherwise subject to tax in any jurisdiction other than the United Kingdom, you should consult your own professional advisers.

Dividends

No UK tax is required to be withheld from dividends paid by AngloGold Ashanti.

An individual holder of AngloGold Ashanti Shares or AngloGold Ashanti ADSs who is resident in the United Kingdom for UK tax purposes and who receives a dividend from AngloGold Ashanti will generally be liable to UK income tax in respect of the amount of that dividend. Dividends will be subject to UK income tax at the rate of 10 per cent on the amount of the dividend in the hands of a UK-resident individual holder who is liable to UK income tax at the starting, lower or basic rate. A UK-resident individual holder who is liable to UK income tax at the higher rate will generally be subject to UK income tax at the rate of 32.5 per cent on the amount of the dividend. Whether a UK-resident individual holder is liable to UK income tax at the starting, lower, basic or higher rate will depend on the particular circumstances of that holder. A UK-resident individual holder is generally not entitled to set off or receive payment of a tax credit in the United Kingdom in respect of that dividend, except to the extent that the holder has paid tax under the laws of South Africa, whether directly or by deduction, in respect of that dividend (excluding tax payable in respect of the profits out of which the dividend is paid) when that

amount of tax may (subject to certain limitations) be credited against that holder's liability to UK income tax in respect of that dividend.

A corporate holder of AngloGold Ashanti Shares or AngloGold Ashanti ADSs who is resident in the United Kingdom for UK tax purposes will generally be liable to UK corporation tax on any dividend received from AngloGold. To the extent that such a holder has paid tax under the laws of South Africa, whether directly or by deduction, in respect of that dividend, that holder should (subject to certain limitations) be entitled to claim relief in respect of such tax (excluding tax payable in respect of the profits out of which the dividend is paid unless the holder controls directly or indirectly 10 per cent or more of the voting power of AngloGold Ashanti).

Chargeable Gains

A disposal of AngloGold Ashanti Shares or AngloGold Ashanti ADSs by a holder who is resident (or, in the case of an individual, ordinarily resident) in the United Kingdom for UK tax purposes may, depending on the holder's particular circumstances and subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for the purposes of UK capital gains tax or (in the case of a corporate holder) UK corporation tax on chargeable gains.

An individual holder of AngloGold Ashanti Shares or AngloGold Ashanti ADSs who ceases to be resident or ordinarily resident in the United Kingdom for UK tax purposes for a period of less than five years and who disposes of AngloGold Ashanti Shares or AngloGold Ashanti ADSs during that period may be liable on returning to the United Kingdom for UK tax on capital gains (subject to any available exemption or relief) notwithstanding that the individual may not be resident or ordinarily resident in the United Kingdom for UK tax purposes at the time of the disposal.

Stamp Duty and SDRT

AngloGold Ashanti Shares registered in a UK register. It is understood that certain of the AngloGold Ashanti Shares issued pursuant to the Merger will be registered in a register kept in the United Kingdom. The conveyance or transfer on sale of such AngloGold Ashanti Shares will generally be subject to *ad valorem* UK stamp duty on the instrument of transfer at the rate of 0.5 per cent of the amount or value of the consideration given. UK stamp duty is normally the liability of the purchaser or transferee of such AngloGold Ashanti Shares. An unconditional agreement to transfer such AngloGold Ashanti Shares will normally give rise to a charge to UK SDRT at the rate of 0.5 per cent of the amount or value of the consideration for such AngloGold Ashanti Shares. However, where within six years of the date of the agreement an instrument of transfer is executed and duly stamped, the UK SDRT liability will be cancelled and any UK SDRT which has been paid will be repaid. UK SDRT is normally the liability of the purchaser or transferee of such AngloGold Ashanti Shares.

Where such AngloGold Ashanti Shares are transferred (a) to, or to a nominee for, a person whose business includes the provision of clearance services or (b) to, or to a nominee or agent for, a person whose business is or includes issuing depository receipts, no UK SDRT liability should arise. *Ad valorem* UK stamp duty (at the rate of 0.5 per cent of the amount or value of the consideration given) or fixed UK stamp duty of £5 may, however, be payable on an instrument of transfer.

AngloGold Ashanti Shares not registered in a UK register ("Other Shares") and AngloGold Ashanti ADSs. Subject to the comments which follow, a paperless transfer on sale of Other Shares within a clearance system, or of AngloGold Ashanti ADSs, should not be subject to UK stamp duty.

On a sale of Other Shares or AngloGold Ashanti ADSs an instrument of transfer of those Other Shares or AngloGold Ashanti ADSs which is, amongst other things, executed in the United Kingdom, will generally be subject to *ad valorem* UK stamp duty at the rate of 0.5 per cent of the amount or value of the consideration given. Provided, however, that if the instrument of transfer is not executed in the United Kingdom, and provided also that such instrument does not relate to any property in the United Kingdom, or to any matter or thing done or to be done in the United Kingdom, no UK stamp duty will be payable on that instrument.

Generally, the Other Shares are not expected to be "chargeable securities" for UK SDRT purposes (since (a) no Other Shares are or are expected to be registered in a register kept in the United Kingdom by or on behalf of AngloGold Ashanti and (b) the Other Shares are not paired with shares issued by a body corporate incorporated in the United Kingdom), and so no UK SDRT is expected to be payable in respect of an agreement to transfer Other Shares. For similar reasons the same is true in respect of an agreement to transfer AngloGold Ashanti ADSs.

10. WORKING CAPITAL

AngloGold is of the opinion that the working capital available to the AngloGold Group, as enlarged by the Merger, is sufficient for its present requirements, that is for at least the next 12 months from the date of publication of this document.

11. MATERIAL CONTRACTS

Save for the Transaction Agreement referred to in Part I of this document and described in further detail in paragraph 14 of this Part VII and the Subscription Agreement described in further detail below, no contract, not being a contract entered into in the ordinary course of business, has been entered into (a) by a member of the AngloGold Group within the two years immediately preceding the date of this document and which is material or (b) at any time by a member of the AngloGold Group and which contains provisions under which a member of the AngloGold Group has an obligation or entitlement which is material to the AngloGold Group as at the date of this document.

Under a subscription agreement (the "Subscription Agreement") dated 19 February 2004 between AngloGold Holdings plc (the "Issuer"), AngloGold Limited, and the various managers named therein (together, the "Managers"), the Managers agreed to subscribe themselves, or procure subscribers for, the Convertible Bonds at a price equal to 100 per cent of their principal amount, and the Issuer agreed to issue the Convertible Bonds to the subscribers procured by the Managers or, failing which, to the Managers. The Subscription Agreement contains a number of representations and warranties given by the Issuer and AngloGold, a number of undertakings given by the Issuer and AngloGold and an indemnity from the Issuer and AngloGold, in each case in favour of the Managers. The obligations of the Managers were subject to certain conditions which were satisfied and the Convertible Bonds were duly issued and subscribed for pursuant to the Subscription Agreement on 19 February 2004. Under the Subscription Agreement the Issuer also granted the Managers an option (the "Manager's Option") to subscribe up to an additional US\$100 million principal amount of the Convertible Bonds to be exercised on one occasion in the period ending on 28 March 2004 to cover over-allotments, if any, and for the purposes of covering short positions resulting from stabilisation transactions. The Manager's Option was exercised on 25 February 2004. The Managers were entitled to certain commissions and expenses pursuant to the Subscription Agreement which are estimated to amount in total to approximately US\$9 million. AngloGold has guaranteed all payments and agreed to procure the fulfilment of the conversion rights in respect of the Convertible Bonds.

12. LITIGATION

There are no legal or arbitration proceedings in which any member of the AngloGold Group is or has been engaged, including any such proceedings which are pending or threatened of which AngloGold is aware, which may have, or have had during the 12 months preceding the date of this document, a significant effect on the financial position of the AngloGold Group or, following the Merger, the Combined Group.

Save as disclosed below, there are no legal or arbitration proceedings in which any member of the Ashanti Group is or has been engaged, including any such proceedings which are pending or threatened of which Ashanti is aware, which may have a significant effect on the financial position of the Combined Group following the Merger.

Ashanti, Sam Jonah and Mark Keatley (Ashanti's former Chief Financial Officer) have been named as defendants in a consolidated class action under the United States federal securities laws in the United States District Court for the Eastern District of New York alleging nondisclosures and misstatements concerning Ashanti's hedging position and programme. The plaintiffs contend that Ashanti's and the individual defendants' actions violated Sections 10(b) and 20(a) of the Securities Exchange Act and Rule 10b-5 promulgated thereunder. Two of the proposed class actions that were consolidated purported to be brought on behalf of investors who purchased Ashanti Shares during the period 28 July 1999 through 5 October 1999, the 1999 Class Period, while the third purported to be brought on behalf of investors who purchased Ashanti Shares during the period 21 April 1997 through 5 October 1999, the 1997–1999 Class Period. The plaintiffs seek unspecified damages, attorneys' and experts' fees and other relief.

The three actions were consolidated for all purposes by the court and the court appointed lead plaintiffs and lead counsel under the US Private Securities Litigation Reform Act of 1995. A consolidated amended class action complaint was filed on 27 October 2000. Pursuant to a Stipulation and Order signed by the court, the claims in the 1997–1999 Class Period were stayed.

The damages sought by the plaintiffs have not yet been specified, as is common practice in US litigation at the current stage of the proceedings.

Ashanti is vigorously defending the claims. Depositions of key witnesses have been taken and currently, certain pre-trial motions filed by both parties have yet to be resolved by the trial court. Although Ashanti cannot make any assurances regarding the ultimate outcome of this litigation, based on its current knowledge, Ashanti believes that the outcome will have no material adverse affect on its financial position.

13. EXPENSES

The costs, charges and expenses of, and incidental to, the Merger, including stamp duty, printing and publishing expenses and fees payable to professional advisers, and the costs of the listing on the LSE, the GSE, the JSE, the NYSE and Euronext Paris of the New AngloGold Ashanti Shares, New AngloGold Ashanti ADSs and the AngloGold Ashanti GhDSs are estimated to amount to approximately US\$85 million.

14. SUMMARY OF THE TRANSACTION AGREEMENT

14.1 The Transaction Agreement (as amended) was entered into on 4 August 2003 between Ashanti and AngloGold, and sets out the terms and conditions subject to which the Merger is to be effected. Under the Transaction Agreement, and subject to the terms and conditions thereof, among other things:

- (a) AngloGold agreed to appear by Counsel at the Court Hearing and to comply with all reasonable procedures and processes imposed by the High Court in connection with the Scheme and agreed to be bound by the Court Order to the extent that the Scheme is not amended or modified by the High Court in a manner detrimental to AngloGold without the prior written consent of AngloGold. Subject to the terms and conditions of the Transaction Agreement, if required, AngloGold will provide an undertaking to the High Court to be bound by the Scheme;
- (b) each of Ashanti and AngloGold agreed to cooperate and consult with each other in the preparation and publication of this document and any other document or filing which is required or which Ashanti and AngloGold (as the case may be) reasonably consider to be necessary or appropriate for the purposes of implementing the Merger;
- (c) subject to their respective directors' fiduciary duties and to the provisions of the Transaction Agreement relating to its termination and subject further to AngloGold (i) not being required to dispose of any of its assets or those of Ashanti's or their respective subsidiaries (save in respect of certain assets) or (ii) not being limited in its actions in respect of (or in its ability to retain any assets or portions thereof) of the Combined Group, each of Ashanti and AngloGold agreed to take all appropriate action to consummate and make effective the Scheme and the Merger;
- (d) until the Effective Date Ashanti has agreed not to directly or indirectly without the prior written consent of AngloGold:
 - (i) issue any authorised but unissued shares of any class of its share capital other than pursuant to the exercise of Ashanti Warrants and Ashanti Options and awards under the Ashanti Option Plan and the Ashanti Incentive Schemes;
 - (ii) issue or grant options of any unissued shares of any class of its share capital;
 - (iii) create or issue, or permit the creation or issue of, any securities carrying rights of conversion into or subscription for shares of any class of its share capital;
 - (iv) sell, dispose of or acquire or agree to sell, dispose of or acquire any assets for consideration in excess of US\$50 million in the aggregate;
 - (v) enter into any contracts otherwise than in the ordinary course; or
 - (vi) enter into any hedging transaction or restructuring of any hedging transaction (other than for working capital purposes) that would have a negative impact on marked-to-market of more than US\$5 million at the time immediately after entering into such hedging transaction or restructuring (except for the close out or termination of any hedging transaction that is within six months of the maturity date);

- (e) Ashanti has agreed not to solicit any alternate acquisition proposals but is not prevented from receiving and considering or providing any information in relation to new proposals provided that it notifies AngloGold of the receipt of any acquisition proposal and the material terms thereof and discloses any information regarding Ashanti made available to persons in connection with such alternate acquisition proposals to AngloGold;
- (f) the entitlements of Ashanti directors and employees are as follows:
 - (i) if any director or employee of Ashanti is given notice of termination of contract between the Effective Date and 18 months from the Effective Date then AngloGold has agreed that such director or employee shall receive their contractual entitlement on termination and, in certain circumstances, certain employees shall receive an amount greater than their contractual entitlement;
 - (ii) if, within three months after the Effective Date, any executive director is not offered a position as an executive director of AngloGold Ashanti or another position that is reasonably acceptable to that executive director in the Combined Group then AngloGold shall give notice of termination of that executive director's employment and the executive director will receive their contractual entitlement on termination;
 - (iii) the directors and employees have no obligation to mitigate their losses; and
 - (iv) prior to completion of the Merger, bonuses payable to the executive directors will be determined by the Management Development and Remuneration Committee of Ashanti, in a maximum aggregate amount of US\$1.5 million and such bonuses will be paid to the executive directors upon completion of the Merger;
- (g) except as provided below, the Ashanti Board may not withdraw, or propose to withdraw, its recommendation. If, at any time prior to the Effective Date, the Ashanti Board receives an acquisition proposal that the Ashanti Board determines to be a superior proposal to the Merger, the Ashanti Board will be permitted to withdraw its recommendation if, after providing written notification to AngloGold of such proposal and of the Ashanti Board's intent to withdraw its recommendation, AngloGold does not, within six business days of such notification, increase the consideration offered or otherwise improve the terms of the Merger or, if after such increase or improvement, the Ashanti Board still determines in good faith (after having received a written opinion of a financial adviser of the fairness of the superior proposal from a financial point of view) that the superior proposal is still superior to the revised AngloGold offer;
- (h) in addition, if the Ashanti Board determines, in its good faith judgement after having received advice of outside legal counsel, that the failure to withdraw its recommendation would constitute a breach of its fiduciary duties under applicable law, the Ashanti Board may withdraw its recommendation upon notice to AngloGold; provided, however, that in making such determination, the Ashanti Board may not take into account any acquisition proposal or inquiry that is reasonably likely to result in an acquisition proposal;
- (i) should the Ashanti Board receive a superior proposal and withdraw its recommendation and either AngloGold or Ashanti terminates the Transaction Agreement because of such withdrawal, Ashanti will be required to pay to AngloGold, upon such termination, a termination fee of US\$15,000,000. In the event that Ashanti determines, after having taken advice from legal counsel, that the payment of such termination fee to AngloGold would violate Ghanaian law, Ashanti will promptly deposit US\$15,000,000 into an escrow account pending the determination of a court of competent jurisdiction in Ghana that the payment of such termination fee to AngloGold would not violate Ghanaian law. Ashanti has also agreed to procure that any third party that makes a superior proposal agrees to pay the termination fee of US\$15,000,000 upon consummation of that superior proposal if it has not been paid earlier by Ashanti;
- (j) if AngloGold wrongfully terminates the Transaction Agreement in breach of its obligations to complete the Merger, it will be committed to pay Ashanti US\$75,000,000 to compensate it for the damages Ashanti will have suffered as a result of the breach. If Ashanti wrongfully terminates the agreement in breach of its obligations, it will be liable for all damages incurred by AngloGold, which, in that event, will not be subject to any limit. The rights of third parties to enforce the Transaction Agreement have been excluded;

- (k) the Transaction Agreement may be terminated and the Scheme and other transactions contemplated by the Transaction Agreement may be abandoned in the following circumstances at any time prior to the Effective Date notwithstanding any requisite approval of the Scheme by Ashanti Shareholders:
- (i) by mutual written consent of AngloGold and Ashanti duly authorised by the board of directors of AngloGold and the Ashanti Board; or
 - (ii) by either AngloGold or Ashanti, if the Effective Date does not occur by 31 May 2004 or such later date as may be agreed by the parties in writing (such date being referred to as the “End Date”); or
 - (iii) by either AngloGold or Ashanti, if any Governmental Authority enacts or issues or promulgates any injunction, order, decree or ruling which has become final and non appealable and which makes the consummation of the Scheme illegal or otherwise prevents or prohibits consummation of the Scheme; or
 - (iv) by either AngloGold or Ashanti, if the Scheme fails to receive the requisite vote of Ashanti Shareholders at the Scheme Meeting; or
 - (v) by either AngloGold or Ashanti, if the High Court does not issue the Court Order and issues an order to this effect; or
 - (vi) by AngloGold if (i) the Ashanti Board withdraws its recommendation or (ii) the terms and conditions of the Scheme are modified without the prior written consent of AngloGold; or
 - (vii) by AngloGold if AngloGold determines that any condition of the Scheme (as set out in the Transaction Agreement) is incapable of being satisfied or remedied prior to 31 May 2004 (or such later date as is agreed between the parties) provided that AngloGold cannot assert that there has been a material adverse effect relating to Ashanti as the basis for the termination unless certain requirements are satisfied by AngloGold; or
 - (viii) by AngloGold on the date on which the order of the High Court of Ghana confirming the Scheme is issued, prior to 10:00 a.m. (GMT), or on the previous day if there has been a failure to satisfy certain conditions to the Scheme; or
 - (ix) by Ashanti if the Ashanti Board has withdrawn its recommendation in accordance with the Transaction Agreement; and
- (l) the Transaction Agreement is governed by the laws of England, and any disputes arising under the agreement will be submitted to the exclusive jurisdiction of the courts of England.

15. MISCELLANEOUS

- 15.1** AngloGold was incorporated on 29 May 1944 in South Africa as Vaal Reefs Exploration and Mining Company Limited. The change of name to AngloGold Limited occurred on 30 March 1998.
- 15.2** Ernst & Young has given and has not withdrawn its written consent to the inclusion in this document of its name, reports and references thereto, in the form and context in which they appear and has authorised the contents of its report for the purposes of Regulation 6(1)(e) of the UK Financial Services and Markets Act (Official Listing of Securities) Regulations 2001.
- 15.3** UBS Limited has given and not withdrawn its written consent to the inclusion in this document of its name in the form and context in which it appears.
- 15.4** First Africa Group Holdings (Pty) Ltd has given and not withdrawn its written consent to the inclusion in this document of its name in the form and context in which it appears.
- 15.5** CIBC World Markets plc has given and not withdrawn its written consent to the inclusion in this document of its name in the form and context in which it appears.
- 15.6** Save for the issue of the Convertible Bonds described in paragraph 6.3 of Part VII of this document, there has been no significant change in the financial or trading position of AngloGold since 31 December 2003, being the date to which AngloGold’s unaudited results for the year ended 31 December 2003 were prepared.

16. ADDITIONAL INFORMATION

AngloGold and Ashanti are (and following the Merger, AngloGold Ashanti will continue to be) subject to the information requirements of the US Securities Exchange Act applicable to foreign private issuers having securities registered under Section 12 thereof and, in accordance therewith, file annual reports with and furnish other information to the SEC. The annual reports and other information filed or furnished by AngloGold and Ashanti (and following the Merger, by AngloGold Ashanti) can be inspected and copied at the public reference rooms maintained by the SEC at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. You may also obtain copies of this information by mail from the Public Reference Section of the SEC at the above address, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 800-732-0330 (within the US) or +1-202-942-8090 (outside the US). The SEC also maintains an internet worldwide web site that contains reports and other information about issuers, like AngloGold and Ashanti, who file electronically with the SEC. In addition, you may also inspect reports and other information about AngloGold and Ashanti at the offices of the NYSE at 20 Broad Street, New York, New York 10005.

Neither AngloGold nor Ashanti has authorised anyone to give any information or make any representation about the Merger that is different from, or in addition to, that contained in this document, or the Ashanti Scheme Document. Therefore, if anyone does give you information of this sort, you should not rely on it. If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or sell, the securities offered by this document are unlawful, or if you are a person to whom it is unlawful to direct these types of activities, then the Scheme and the resolutions to be proposed at the Ashanti Extraordinary General Meeting as presented in the Ashanti Scheme Document do not extend to you. The information contained in this document speaks only as of the date of this document unless the information specifically indicates that another date applies.

17. ADDITIONAL INFORMATION FOR CANADIAN ASHANTI SECURITYHOLDERS

No technical report, as defined under National Instrument 43-101 Standards for Disclosure of Mineral Projects, will be provided in connection with the Merger or filed with any of the Canadian securities regulatory authorities.

The scientific and technical information relating to AngloGold contained in this document was prepared in compliance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code) and the South African Code for Reporting of Mineral Resources and Ore Reserves (SAMREC Code). The information relating to Ashanti's ore reserves and mineral resources was prepared in accordance with the JORC Code and presented in compliance with the UKLA Listing Rules.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the corporate headquarters of AngloGold at 11 Diagonal Street, Johannesburg 2001, PO Box 62117, Marshalltown 2107, Republic of South Africa, at the office of JLD Legal Consultancy Services, #865A/3 Kanda Highway, North Ridge, Accra, Ghana, or at the offices of Shearman & Sterling LLP, Broadgate West, 9 Appold Street, London EC2A 2AP, United Kingdom until the Effective Date:

- (a) the Memorandum and Articles of Association of AngloGold;
- (b) the audited consolidated financial statements of AngloGold for the financial years ended 31 December 2002, 31 December 2001 and 31 December 2000, and the unaudited preliminary financial statement of AngloGold for the financial year ended 31 December 2003;
- (c) the audited consolidated financial statements of Ashanti for the financial years ended 31 December 2003, 31 December 2002 and 31 December 2001;
- (d) the service contracts of Robert M Godsell, Jonathan G Best, David L Hodgson and Kelvin H Williams;
- (e) the Transaction Agreement and the Subscription Agreement;

- (f) the letter from Ernst & Young in relation to pro forma financial information as set out in Part VI of this document;
- (g) the letter from Ernst & Young in relation to the IFRS reconciliation statement as set out in Part V of this document;
- (h) the written consents referred to in paragraph 15 of Part VII of this document;
- (i) the Listing Particulars;*
- (j) the Ashanti Scheme Document;*
- (k) the AngloGold Ashanti GhDS Depositary Agreement; and
- (l) the AngloGold Ashanti ADS Depositary Agreement.

*These documents are also available for inspection at the times stated above at the Document Viewing Facility, UK Listing Authority, Financial Services Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS.