Review of operations

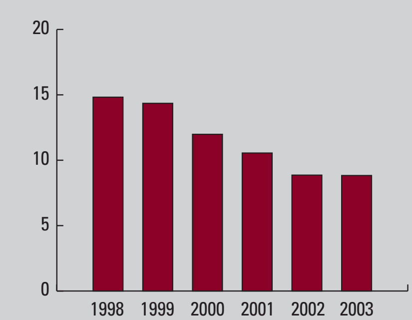
Introduction

Overall gold production for 2003 declined by 5% to 5.62Moz, largely as a result of lower grades in some operating regions, a trend which is not expected to continue in 2004. This, combined with the effect of the stronger operating currencies against the US Dollar, resulted in total cash costs increasing substantially by $68/oz to $229/oz. Adjusted operating profit decreased by 12% to $559 million.

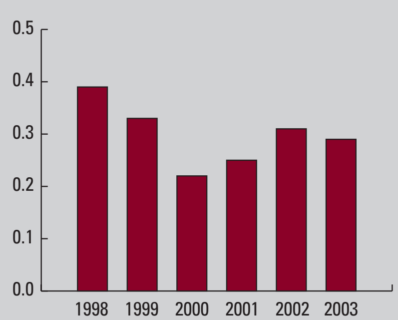
Safety, health, HIV/AIDS and sustainable development

Detailed discussions relating to safety, health, HIV/AIDS and sustainable development may be found in AngloGold's Report to Society 2003. This report is a fully-interactive web-based report and can be found at the company's website at www.anglogold.com. This report covers issues pertaining to social development in line with AngloGold's values and business principles, the Global Reporting Initiative Guidelines, and on a regional basis. Sections of this report may be downloaded and printed. A summarised overview on safety is presented below, while a summarised discussion on health issues in the South African region (in terms of the reporting required by the South African Mine Health and Safety Act) is reported under the discussion on that region.

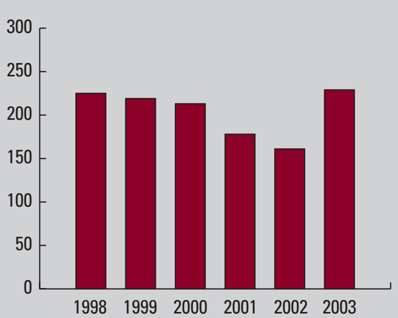
LTIFR – AngloGold (per million man hours)



FIFR – AngloGold (per million man hours)



Total cash costs – AngloGold ($/oz)



The safety and health of employees has remained a key area of focus for AngloGold. Performance in 2003 was, however, disappointing. While the gains made over the past five years have been maintained, there has not been the much-desired step-change in improving safety and health performance. The long-term downward trend in lost time injuries has been maintained, although the year-on-year figure has increased marginally to 8.83 per million man hours. There was more pleasing progress in respect of the fatal injury frequency rate (FIFR) during the year – this decreased by 6% to 0.29 per million man hours worked.

Regrettably, 43 employees lost their lives in the course of work during the year: 40 of these employees were employed in the South Africa region where the majority of AngloGold's workforce is employed.

There were, however, a number of excellent safety performances:

- Serra Grande in Brazil was recognised by NOSA, an organisation specialising in safety, health and environment auditing, as the winner in the Underground Hard Rock Deep Mine category in its world-wide auditing programme.
- Morila mine in Mali was nominated overall winner in the Dynamic Health and Safety Competition in May 2003. The competition is open to all industries in Mali and had 150 entrants. Sadiola mine achieved second place.
- The Colorado Division of Minerals and Geology and the Colorado Mining Association jointly recognised the Cripple Creek & Victor mine (CC&V) and Safety, Health and Environment Manager, Larry Snyder, for the mine's continued exemplary safety record during the recent two-year Cresson expansion project.
- In August 2003, the Namibian Chamber of Mines recognised Navachab as the safest mine in Namibia, based on the number of fatality-free employee hours worked in 2002.
- Ergo, the surface retreatment operation in South Africa, achieved one million fatality-free shifts on 22 June 2003, while Moab Khotsong mine – which is currently under development – also achieved a million fatality-free shifts on 18 November 2003.

- The Sunrise Dam Gold Mine was recognised for excellence in safety when it was awarded AngloGold's Global Safety Award for 2003. Mponeng mine won the South Africa region Safety Shield competition for 2003, with an improvement of 13% in its serious injury frequency rate compared with its best performance over the previous four years.

Further details on performance and the strategies and programmes that have been and are being put in place to address safety at work can be found in the AngloGold Report to Society 2003.

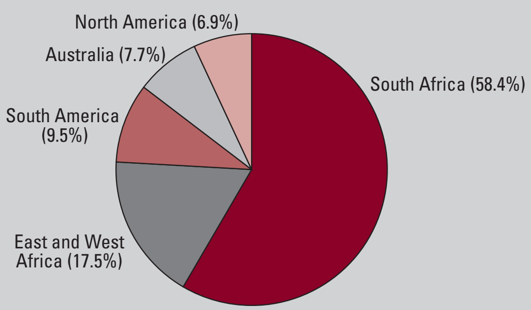
LTIFR (per million man hours)

Region	2003	2002
South Africa	**10.40**	9.98
East and West Africa	**1.77**	2.93
South America	**4.48**	4.21
Australia	**5.54**	11.22
North America	**2.91**	4.95
AngloGold	**8.83**	8.86

Operating performance and outlook

Production for the year was 5.62Moz, a decrease of 5% from the previous year, mainly a result of lower grades achieved at several of the operating regions. The East and West Africa region, now contributes some 17% in terms of gold produced and 21% of cash operating profit in Dollar terms.

Contribution to production (%) by region



AngloGold's drive for geographic and orebody diversity will be boosted in the coming year should the merger of AngloGold-Ashanti be concluded. AngloGold in its current form has nonetheless continued to make good progress in meeting this objective, with gold production outside of South Africa – principally from low-cost surface and shallow mines – rising to 42%, and contributing 43% to adjusted operating profit and 52% to cash operating profit.

Overall, total cash costs rose by 42% to $229/oz, as the performance of the Rand against the Dollar undermined the good cost control initiatives at the South African operations. By way of example, total cash costs in Dollar terms rose by 60% to $253/oz, while in Rand terms this increase was held to 15% at R61,011/kg. Consequently, adjusted operating profit decreased by 12% to $559 million.

Capital expenditure for the year rose to $363 million from $271 million in the previous year. Of this, 58% was for maintenance capital expenditure and 42% on expansion – mainly at Moab Khotsong, Mponeng and TauTona in South Africa.

AngloGold expects production in 2004 to decrease to around 5.32Moz following the closure in 2003 of Union Reefs and the sale of its interest in the Jerritt Canyon Joint Venture. (In 2003, Union Reefs and Jerritt Canyon collectively contributed 180,000oz towards AngloGold's total production of 5.62Moz.) The merged group's[1] production is expected to be in the region of 6.47Moz.

Capital expenditure is forecast to be $477 million (merged group[1]: $596 million), which includes Moab Khotsong ($60 million), Mponeng ($58 million), TauTona ($63 million) and Sunrise Dam ($29 million).

Total cash costs per region ($/oz)

Region	2003	2002	Variance %
South Africa	**253**	158	60
East and West Africa	**171**	126	36
South America	**147**	126	17
Australia	**243**	193	26
North America	**223**	222	–
AngloGold	**229**	161	42

Contribution to cash operating profit by region ($m)

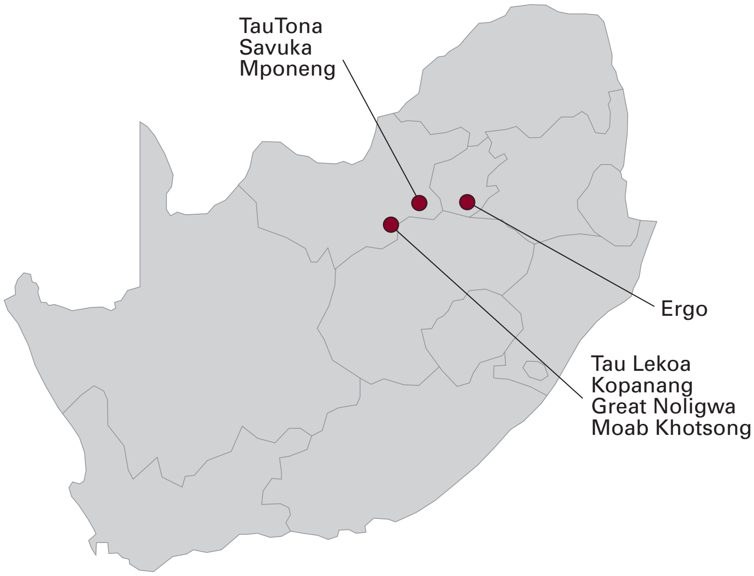
Region	2003	2002	Variance %
South Africa	**379**	450	(16)
East and West Africa	**170**	190	(11)
South America	**142**	126	13
Australia	**53**	56	(5)
North America	**47**	61	(23)
AngloGold	**791**	883	(10)

[1] The merged group in the event of the Ashanti transaction being successfully concluded.

Review of operations

South Africa

The South Africa region comprises seven underground mines – the Great Noligwa, Kopanang, Tau Lekoa and Moab Khotsong mines, near the towns of Klerksdorp and Orkney, and the Mponeng, Savuka and TauTona mines near Carletonville. A surface reclamation project – Ergo – is located near Johannesburg.



Key statistics

	2003	2002
Tonnes treated (Mt)		
Underground	**11.3**	11.3
Surface (incl Ergo)	**36.8**	38.4
Average grade (g/t)		
Underground	**8.13**	8.40
Surface (incl Ergo)	**0.27**	0.30
Gold production (000oz)	**3,281**	3,412
Total cash costs ($/oz)	**253**	158
Number of employees*	**46,274**	45,772
Efficiencies (g/TEC)	**214**	218
Capital expenditure ($ million)	**242**	106

* Including contractors.

LTIFR/FIFR (per million man hours)

	LTIFR 2003	LTIFR 2002	FIFR 2003	FIFR 2002
Great Noligwa	**9.83**	11.06	**0.32**	0.47
Kopanang	**14.08**	12.91	**0.41**	0.22
Tau Lekoa	**25.96**	17.94	**0.09**	0.51
Savuka	**17.57**	17.12	**0.47**	1.06
Mponeng	**9.81**	10.91	**0.33**	0.47
TauTona	**8.24**	7.67	**1.1**	0.08
Ergo	**1.75**	1.53	**0.00**	0.00
Moab Khotsong	**7.11**	6.82	**0.00**	0.19
South Africa	**10.40**	9.98	**0.34**	0.34

Safety and health

Regrettably, 40 employees died in work-related accidents on the South African operations during the year in 31 separate accidents. The most significant of these was a seismic-related fall of ground incident, in which five employees lost their lives at TauTona mine on 1 April 2003. A further four deaths were caused in a second seismic event at the mine on 26 May 2003.

The primary cause of fatal accidents remains falls of ground (72%), with seismically-induced falls of ground alone responsible for 47% of fatalities. Particular emphasis has been placed on preventing falls of ground, and a new Falls of Ground Management System has been initiated.

Overall, the FIFR for the year on the South African operations was 0.34, unchanged from 2002, and the LTIFR was 10.40, up 4% on the 2002 rate of 9.98.

The primary challenges in respect of occupational health remain noise-induced hearing loss (NIHL), tuberculosis (TB) and occupational lung disease (OLD).

Occupational health services are provided to employees at two occupational health centres that conduct risk-based medical surveillance programmes. During 2003, these centres conducted 5,733 initial, 804 transfer, 38,528 periodical and 4,143 exit medical examinations.

- 774 new cases of NIHL were reported during the year, a rate of 18 per 1,000 employees, compared with 26 per 1,000 employees the previous year.
- 167 cases of OLD were reported, four per 1,000 employees, the same as reported the previous year.
- 469 new cases of TB were treated during the year, a rate of 24 per 1,000 employees, which is unchanged from the previous year. The relatively high rates of TB infection are a consequence of a high prevalence of HIV-84% of new TB patients are HIV-positive.

Further information on safety and health performance and the various initiatives undertaken in this region can be found in the Report to Society 2003.

HIV/AIDS

AngloGold's comprehensive HIV/AIDS programme has four components:

- Restricting the disease through education, the provision of condoms and the effective treatment of sexually transmitted infections;
- Care for employees infected with the virus through comprehensive hospital benefits and the company's Wellness Clinics, including the provision of anti-retroviral therapy (ART) to employees where this is medically indicated;
- Support for employees no longer able to fulfil their roles in the company through ill-health retirement programmes linked to home-based care programmes; and
- Fundamental research into the disease and its treatment conducted by Aurum Health, a world-class research facility.

More than 500 employees entered the ART programme rolled out by AngloGold in South Africa in 2003. This represents 18% of AngloGold's employees for whom ART is medically indicated.

A detailed discussion on the latest statistics, programmes and initiatives undertaken by the company can be found in the Report to Society.

Operating performance and outlook

Overall production fell by 4% to 3.28Moz with increased volumes mined being offset by planned reductions in yield of 3%. Cash costs rose by 60% to $253/oz, mainly because of the stronger Rand (45%) and the inflationary pressures of the two-year wage agreement which resulted in a 9% increase for the majority of employees coming into effect from July. Consequently operating profit declined to $318 million.

Capital expenditure for the year was $242 million, primarily at Moab Khotsong ($67 million), which remains under development, the Mponeng shaft deepening project ($55 million), and TauTona ($65 million).

Great Noligwa: Volumes mined increased by 1% despite difficulties experienced in the SV4 section. Grade fell by 4% following the lower face values experienced during the year, resulting in an 8% reduction in gold output to 812,000oz. Reduced gold production, increased wages and the effect of the strong Rand contributed to a significant rise in total cash costs to $218/oz. Operating profit declined to $121 million. Capital expenditure for the refurbishment of infrastructure and the No 8 plant mills amounted to $22 million.

Production is expected to increase marginally to 821,000oz in 2004, at a total cash cost of $216/oz in 2004. Capital expenditure is expected to be of the order of $29 million.

Kopanang: The 5% improvement in volumes mined can be attributed to the impact of the "power team" training initiatives that were undertaken during the year as productivity (measured in terms of m^2/employee) rose by 8%. However, generally lower grades were encountered in the first half of the year and resulted in a 3% reduction in gold production to 497,000oz. Total cash costs rose by 61% to $266/oz. Operating profit decreased by 18% to $46 million. Capital expenditure on infrastructure refurbishment and expansion development amounted to $12 million.

In 2004, gold production is expected to decrease to 468,000oz at a total cash cost of $288/oz. Capital expenditure will be in the region of $31 million.

Tau Lekoa: Gold production increased to 322,000oz as volumes mined improved. This was offset by lower grades that were impacted by the mining mix. Total cash costs were $294/oz, 53% higher than those of the previous year. Operating profit fell by 35% to $15 million.

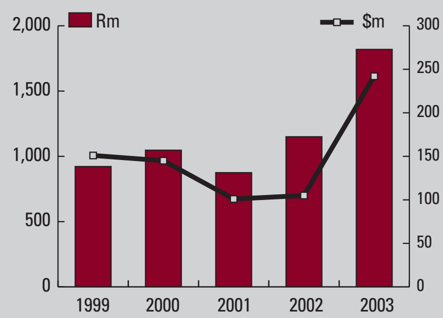
Total cash costs are expected to rise to $310/oz, for production of 326,000oz, in 2004. Capital expenditure should be in the region of $23 million.

Mponeng: Volumes mined improved by 9% as a result of additional stope crews, extra equipped face length and improved face advance. This, together with the higher than planned face values, resulted in gold production rising by 7% to 499,000oz. Total cash costs rose marginally in R/kg terms but increased by 39% to $247/oz, mainly as a result of the stronger Rand. Operating profit increased by 30% to $39 million as a result of the improved production and a reduced amortisation charge from the review of the LOM plan. Capital expenditure on the sub-shaft deepening, ore reserve development and infrastructural refurbishment amounted to $55 million.

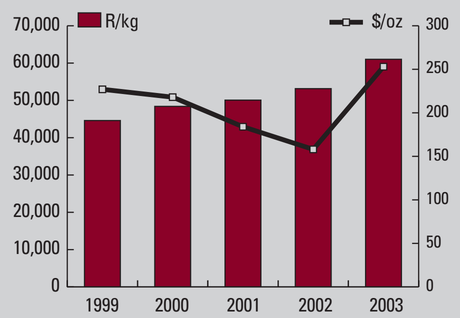
Production in 2004 should fall to 442,000oz at a total cash cost of $309/oz, with capital expenditure $58 million.

Review of operations (continued)

Capital expenditure



South African operations – Total cash costs



Savuka: Safety-related concerns continued to require the replanning of areas available for mining, which led to a 15% decrease in the volumes mined. This was also affected by a decision to stop mining uneconomic Ventersdorp Contact Reef (VCR) panels. At the same time cost-saving initiatives began to show results, as both the number of people employed and the number of contractors were reduced in line with the level of production. Grade decreased by 18% to 5.81g/t, relative to the high grades achieved in 2002 as a result of the mining of a high-grade pillar. Gold production decreased by 21% to 187,000oz. Total cash costs rose by 83% as a result of the lower gold production and stronger Rand. Operating results reflected a loss of $21 million for the year. Capital expenditure on access development, ore reserve development and infrastructural refurbishments amounted to $14 million in 2003.

The continued operating difficulties at Savuka led to a review of the mine. As a result of this, Savuka has been put into closure mode. AngloGold has impaired the Savuka assets and has, as a result, charged profits with an amount of R135 million ($18 million) in respect of this impairment, net of tax. The carrying value of Savuka was nil as at 31 December 2003.

Production is expected to decrease to 172,000oz in 2004, at a total cash cost of $407/oz in 2004. Capital expenditure is forecast at $7 million.

TauTona: Volume mined decreased as production delays were experienced following two significant seismic incidents in the second quarter and a fire in the third quarter. There was a release of high grade locked-up gold in the stopes which led to the 4% improvements in grade. Gold production increased by 1% to 646,000oz and total cash costs rose by 47% to $194/oz. Operating profit increased by 2% to $100 million. Capital expenditure on the declines, pillar removal, technology and infrastructural refurbishments amounted to $23 million. A further $48 million was allocated to the acquisition of mineral rights from Driefontein (an area known as 1C11).

In 2004, production is set to decrease to 620,000oz, while total cash costs will rise to $218/oz. Capital expenditure should amount to $63 million.

Ergo: Tonnes treated – at 30.9 million tonnes – were 6% lower because of an increased proportion of "clean-up" tonnes which restricted incoming tonnages and the ability to recover from down-time events, as well as the large number of water and slurry pipeline failures. As a result, production decreased to 203,000oz. The grade, although 20% lower, was in line with planned levels as Ergo's accessibility to higher grade dams diminished. An increased loss on acid by-products from the lower-than-planned sulphur grades and the impact of the decreased production as the operation enters its final years, led to total cash costs rising to $349/oz. This resulted in an operating loss of $3 million.

Although the operation is due to close at the end of 2004, discussions are being held with prospective buyers with a view to the sale of the operation.

Production in 2004 is expected to be 168,000oz, at a total cash cost of $452/oz.

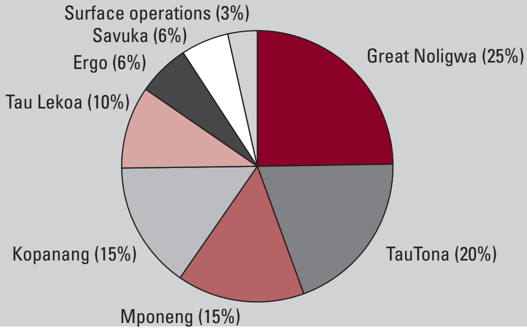
Organic growth projects

Five major growth projects are currently in progress in South Africa – at Mponeng, TauTona and Moab Khotsong – at a capital cost of approximately R7.1 billion ($1.1 billion at current year's closing exchange rate).

Mponeng shaft deepening project

The scope of the project is to deepen the sub-shaft system and provide access tunnels to the VCR horizon on 113, 116 and 120 levels (ranging from 3,172m to 3,372m below surface). The project is expected to produce 4.25Moz of

Contribution to South African operations (000oz) to region's production



South Africa – Total cash costs (R/kg and $/oz)

	2003	2002	2003	2002
	R/kg		$/oz	
Great Noligwa	**52,515**	41,658	**218**	124
Kopanang	**64,164**	55,001	**266**	165
Tau Lekoa	**70,702**	64,234	**294**	192
Savuka	**108,219**	82,111	**448**	245
Mponeng	**59,536**	59,504	**247**	178
TauTona	**46,790**	44,465	**194**	132
Ergo	**84,455**	61,810	**349**	184
South Africa	**61,011**	53,146	**253**	158

gold over a period of five years. The total capital expenditure for the project is R1.3 billion ($200 million at the current year's closing exchange rate), with some R129 million remaining ($19 million at the current year's closing exchange rate). Average project cash cost over the life-of-mine (LOM) should be in the region of $270/oz.

The in-circle development was completed in February 2003. Access development on 113 level was completed ahead of schedule, while that on 116 level was completed in November 2003. It is anticipated that development on 120 level will be completed by February 2004. Stoping operations are due to commence in April 2004.

TauTona expansion project

The scope of the project is to access the Carbon Leader Reef (CLR) shaft pillar to allow for stoping operations up to the infrastructural zone of influence, as well as accessing a mining area east of the Bank Dyke on 100, 104, 107 and 109 levels. The project is expected to produce 2.3Moz of gold over a period of 10 years, at a capital cost of R432 million ($65 million at current year's closing exchange rate). R233 million ($35 million at current year's closing exchange rate) has been spent to date. The average project cash cost is expected to be of the order of $187/oz.

The proposed mining east of the Bank Dyke is under review owing to seismicity experienced in the development towards this area, the amount of water that could be encountered, and the added flexibility that the purchase of the block of ground from Driefontein allows. Changes will be implemented if they improve the overall value of TauTona.

TauTona VCR development project

The scope of the project is to access two distinct reserve blocks on the VCR horizon. One reserve block is situated north-east of the shaft complex, while the VCR pillar area of interest consists of two mining blocks situated outside the zone of influence. The project will add some 0,33Moz to production with project capital expenditure at R192 million ($29 million at current year's closing exchange rate).

Progress on both the VCR reserve blocks is ahead of schedule, with production due to start in January 2005.

TauTona below 120 level project

The CLR reserve block below 120 level will be accessed by sinking a twin decline system into its geographical centre, down to 125 level. The project is expected to produce 1.8Moz of gold over a period of seven years, with a project capital cost of R982 million ($147 million at current year's closing exchange rate). The average project cash cost is expected to be of the order of $203/oz. Progress is on schedule and production is due to start in January 2007.

Moab Khotsong mine

The scope of the project is to sink, construct and equip the shaft systems to a depth of 3,130m below surface, provide access tunnels to the reef horizon on 85, 95 and 101 levels, and develop the necessary ore reserves. The project is expected to produce 4.1Moz of gold over 12 years from 7.75 million tonnes of milled ore. The project capital cost is estimated at R4.2 billion ($629 million at current year's closing exchange rate), of which R3.3 billion ($495 million at current years' closing exchange rate) has been spent to date.

The main shaft extension has been completed, and the shaft was commissioned to its full depth in June 2002. The Rock Ventilation shaft has been sunk and equipped to its final depth, and was commissioned in March 2003. Access development is progressing to plan. The first raise line has been established and stoping operations commenced in November 2003. Moab Kotsong is forecast to reach commercial production in 2006, and full production, at an average of 15.6 tonnes (502,000oz) per annum, is expected by 2008.

Review of operations (continued)

East and West Africa

The East and West Africa region comprises five operations – the Yatela (40% stake), Sadiola (38%) and Morila (40%) mines in Mali, the Geita mine (50%) in Tanzania and the Navachab mine (100%) in Namibia.

Key statistics

	2003	2002
Tonnes treated (Mt) (attributable)	**8.4**	8.0
Average grade (g/t)	**3.6**	4.2
Gold production (000oz) (attributable)	**981**	1,085
Total cash costs ($/oz)	**171**	126
Number of employees*	**2,724**	2,276
Efficiencies (g/TEC)	**1,443**	1,855
Capital expenditure (attributable) ($m)	**26**	27

* Including contractors.

Safety and health

The region's safety performance continued to improve during the year, with the overall LTIFR decreasing to 1.77, from 2.93 in the previous year. One fatal accident occurred at Morila mine and one at Sadiola mine during the year, marring the latter's zero FIFR record. The FIFR for the region was 0.11.

A more detailed discussion on safety, health, HIV/AIDS and sustainable development issues can be found in the Report to Society 2003.

Operating performance and outlook

Overall production decreased by 10% to 981,000oz, while total cash costs rose by 36% to $171/oz. Capital expenditure for the region decreased marginally to $26 million. Adjusted operating profit declined by 10% to $116 million.

Geita: Production at Geita (50% attributable) went up by 14% to 331,000oz as the increased plant capacity was utilised and the grade improved from 2.70g/t in the first half of the year to 4.53g/t during the second half. The leach capacity at the mine was raised towards mid-year to maximise recovery from these high grades. Total cash costs were well-contained as a result of the increased production in the second half, rising by only 5% to $183/oz. As a result, adjusted operating profit rose from $20 million to $34 million. Capital expenditure was maintained at $10 million.

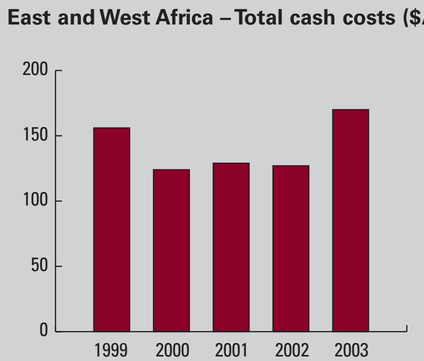
Production is set to increase to 345,000oz in 2004, at a total cash cost of $199/oz. Capital expenditure is likely to be in the region of $10 million.

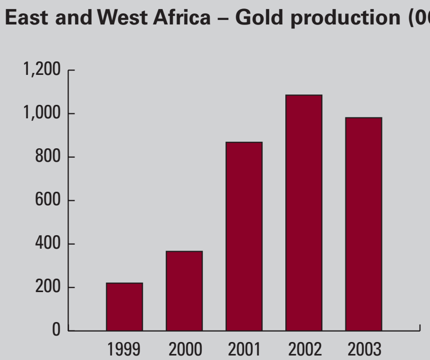
Morila: As expected, grades at the Morila mine decreased to 7.56g/t for the year, resulting in gold production (40% attributable) declining by 24% to 318,000oz. Throughput increased by 19% to 1,440 tonnes. Lower grade, a stronger Euro and higher fuel prices caused total cash costs to rise by 46% to $108/oz. Adjusted operating profit fell by 24% to $53 million. Capital expenditure decreased to $5 million, from $7 million the previous year.

In 2004, production is expected to be 228,000oz, at a total cash cost of $177/oz. Capital expenditure is expected to be in the region of $3 million.

East and West Africa LTIFR/FIFR (per million man hours)

	2003	2002	2003	2002
	LTIFR		FIFR	
Geita	**0.79**	2.11	**0.00**	0.49
Morila	**3.78**	6.27	**0.31**	0.33
Navachab	**3.60**	3.05	**0.00**	0.00
Sadiola	**0.31**	1.54	**0.31**	0.00
Yatela	**2.92**	2.07	**0.00**	0.00
East & West Africa	**1.77**	2.93	**0.11**	0.26





Navachab: Production at the Navachab mine decreased by 14% to 73,000oz, as both the tonnage throughput and recovered grades declined. The former was adversely affected by plant down-time caused by a transformer failure and damage to a mill girth gear. Total cash costs rose significantly to $274/oz, as a result of the lower production and a higher LOM stripping ratio as mining commenced on the Eastern Pushback project. Despite a lower amortisation charge (relating to the longer LOM as a result of the project), adjusted operating profit decreased by 42% to $7 million. Capital expenditure for the year was $2 million.

Owner mining, rather than contractor mining, will be implemented at Navachab in 2004. Production for 2004 is expected to be in the region of 66,000oz, at a total cash cost of $295/oz.

Capital expenditure is forecast at around $18 million and includes the purchase of a new mining fleet.

Sadiola: Production at Sadiola (38% attributable) declined by 5% to 172,000oz as a result of a 6% decrease in recovered grade. Total cash costs were up by 29% to $210/oz. This increase is largely attributable to lower production, higher fuel costs and the impact of the stronger Euro. Adjusted operating profit increased to $16 million, as a result of higher received price. Capital expenditure for the year decreased to $4 million.

Production is expected to rise to 177,000oz in 2004 at a total cash cost of $214/oz. Capital expenditure is likely to be of the order of $4 million.

Yatela: Production at Yatela (40% attributable) decreased by 19% to 87,000oz. Tonnage stacked in the second half of the year was negatively affected by problems experienced with the commissioning of the new crushing circuit. Total cash costs rose to $235/oz as a result of lower gold production, increased mining contractor costs and the impact of the stronger Euro and Rand. Adjusted operating profit decreased to $3 million.

Construction of the 10km road between Yatela and Alamoutala was completed during the third quarter. The mining fleet was ordered in the second quarter; stripping began in the third quarter and the first ore was delivered in the final quarter, with the hauling of the higher grade ore exceeding the original plan. Capital expenditure for the year was $6 million.

In 2004, production is expected to rise to 111,000oz, at a total cash cost of $217/oz with capital expenditure of around $1 million.

Review of operations (continued)

South America

The South America region comprises the Morro Velho and Serra Grande (50% attributable) operations in Brazil, and Cerro Vanguardia (92.5% attributable) in Argentina.

Key statistics

	2003	2002
Tonnes treated (Mt) (attributable)	**2.4**	1.9
Average grade (g/t)	**6.96**	7.78
Gold production (000oz) (attributable)	**532**	478
Total cash costs ($/oz)	**147**	126
Number of employees*	**3,356**	2,660
Efficiencies (g/TEC)	**672**	684
Capital expenditure (attributable) ($m)	**39**	24

* Including contractors.

South America – Total cash costs ($/oz)

	2003	2002
Cerro Vanguardia (92.5%)	**143**	104
Morro Velho	**141**	131
Serra Grande (50%)	**109**	100

South America – LTIFR/FIFR (per million man hours)

	2003	2002	2003	2002
	LTIFR		FIFR	
Morro Velho	**4.04**	5.73	**0.20**	0.0
Serra Grande	**1.94**	0.70	**0.0**	0.0
Cerro Vanguardia	**7.95**	3.72	**0.0**	0.93
South America	**4.48**	4.21	**0.12**	0.16

Safety and health

Regrettably, one employee died at Morro Velho's Cuiabá mine in Brazil during the year. The FIFR for the year decreased to 0.12, while the LTIFR rose marginally to 4.48 from 4.21.

A more detailed discussion on safety, health and sustainable development issues can be found in the Report to Society 2003.

Operating performance and outlook

Attributable production in the region rose by 11% to 532,000oz, as a result of the increased stake held in Cerro Vanguardia for the first full year (AngloGold acquired an additional 46.25% stake in Cerro Vanguardia in July 2002), as well as a rise in production at Morro Velho and Serra Grande. The recovered grade decreased by 10% to 6.96g/t mainly due to operational problems at Cerro Vanguardia, while total cash costs increased by 17% to $147/oz, owing largely to the appreciation of both the Real and the Peso against the US Dollar.

Capital expenditure rose by 63% to $39 million, $8 million at Morro Velho on the Cuiabá expansion project and improvements to the mine ventilation and backfill systems, and $8 million at Cerro Vanguardia on projects and exploration. Adjusted operating profit rose by 11% to $93 million.

Attributable production is expected to decrease by 3% to 517,000oz in 2004, primarily due to the closing of Mina

Velha in 2003 and Engenho d'Água in mid-2004. This will be partially offset by higher production at both the Cuiabá and Córrego do Sítio mines. Total cash costs are expected to increase by 5% to $155/oz due to inflation, lower production and a higher stripping ratio at Cerro Vanguardia.

Morro Velho: Production rose by 11% to 228,000oz with an increased contribution from Cuiabá mine. The mine engaged a fourth team of employees early in the year, enabling operations to move to a seven-hour shift to improve efficiency. Increased contributions were achieved from Córrego do Sítio mine (in its first full year of production) and Morro do Galo, a dump that is being treated. This offset the closure of Mina Velha at the end of October and lower production from Engenho d'Água. The recovered grade decreased by 1% to 6.66g/t as a result of the addition of ore from the Córrego do Sítio open-pit mine.

Total cash costs increased by 8% to $141/oz, primarily because of the Real appreciation, higher inflation levels, the annual wage agreement reached with unions in August, as well as higher energy costs and contractor costs at Córrego do Sítio mine associated with the higher stripping ratio. Adjusted operating profit rose by 28% to $37 million. Capital expenditure went up to $25 million.

Attributable production is expected to decrease by 3% to 222,000oz in 2004 as a result of the closure of Mina Velha in 2003 and Engenho d'Água in mid 2004, partially offset by higher production at both the Cuiabá and Córrego do Sítio mines. Total cash costs are forecast at $150/oz. Capital expenditure is expected to increase to $72 million, which includes expenditure on the Cuiabá expansion (due to start in the second half of 2004) and the Lamego and Córrego do Sítio sulphide projects.

Serra Grande: Attributable (50%) gold production rose by 1% to 95,000oz due to increases in both grade and volumes treated. Total cash costs increased by 9% to $109/oz, primarily because of the appreciation in the Real, higher inflation, the annual wage agreement reached with the union in November and increased services and materials costs.

Adjusted operating profit rose by 12% to $19 million due to a higher received price. Capital expenditure was maintained at $3 million.

Production at Serra Grande is expected to decrease by 7% to 88,000oz owing to lower grades and an expected decrease in throughput. Total cash cost is forecast at $131/oz. Capital expenditure is expected to be maintained at $3 million.

Cerro Vanguardia: Attributable (92.5%) gold production rose by 17% to 209,000oz as a result of the increased stake held for the first full year (AngloGold acquired an additional 46.25% stake in July 2002). If that is excluded production was 13% lower owing to operational problems caused by large amounts of water in the pits which restricted the amount of high-grade material delivered to the plant for processing. As a result, the plant was fed with lower-grade dry ore (grades were 25% lower than previous year) from a contingency stockpile, which affected production levels. A full range material scrubber was commissioned in late September enabling the treatment of wet, higher-grade material.

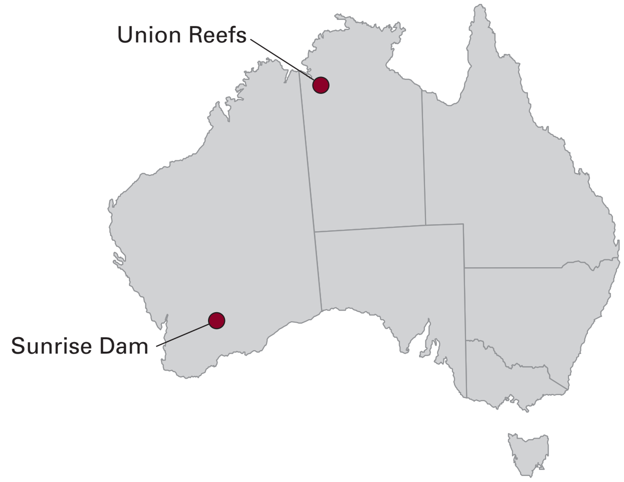
Total cash costs rose by 38% to $143/oz, largely due to the Peso appreciation and operational problems which led to lower production and higher costs. These were partially offset by a 68% increase in silver by-product credit.

Adjusted operating profit decreased by 15% to $23 million due to operational problems and higher costs.

In 2004, attributable production is expected to be slightly lower at 207,000oz, at a cash cost of $166/oz. Capital expenditure is expected to increase to $11 million in 2004.

Review of operations

(continued)



Australia

The Australia region comprises two operations: Sunrise Dam in Western Australia and Union Reefs in the Northern Territory, which ceased operations in October 2003, with clean-up activities continuing to year-end. The Boddington operation in Western Australia is currently on a care-and-maintenance programme, pending a decision to proceed with the Boddington expansion project. The Tanami plant in the Northern Territory has been leased for third party processing.

Key statistics

	2003	2002
Tonnes treated (Mt)	**5.6**	6.1
Average grade (g/t)	**2.39**	2.56
Gold production (000oz)	**432**	502
Total cash costs $/oz	**243**	193
Number of employees*	**540**	600
Efficiencies (g/TEC)	**2,311**	2,437
Capital expenditure ($ million)	**21**	31

* Including contractors.

Australia – LTIFR (per million man hours)

	2003	2002
Sunrise Dam	**6.0**	11.0
Union Reefs	**0.0**	0.0
Australia	**5.5**	11.2

Safety and health

Safety performance at Sunrise Dam mine improved and it was awarded the AngloGold Global Safety Award for 2003 in recognition of this performance. The Union Reefs mine continued its excellent performance, recording another year without a lost time injury.

Overall, the LTIFR for the region was 5.5, a significant improvement on that of the previous year.

Operating performance and outlook

As forecast, production in the Australia region decreased by 14% to 432,000oz, while total cash costs rose to $243/oz. Capital expenditure decreased by 32% to $21 million. Adjusted operating profit decreased by 15% to $28 million.

Sunrise Dam: Production at Sunrise Dam decreased by 6% to 358,000oz. Remodelling of the orebody indicated a significant increase in ore tonnes within the open-pit design shell; this has been the major contributor to the increase in open-pit reserves from 2.29Moz at the end of 2002 to 2.72Moz at the end of 2003, which will result in an increased open-pit mine-life of about two years.

Total cash costs for the year rose to $228/oz, while adjusted operating profit decreased to $29 million. Capital expenditure for the year amounted to $20 million, down from $26 million in the previous year.

With the first ore being produced from underground reserves during the second quarter, gold production for 2004 is expected to be in the region of 405,000oz at a total cash cost of $237/oz. Capital expenditure will be $29 million, the majority of which will be on the Sunrise Dam underground feasibility study.

Union Reefs: Mining continued in its final stages for the first half of the year, with small, dispersed resources being mined and processed, along with low-grade stockpiles. Mining ceased in the third quarter and the milling operations shut down in October 2003. Gold production decreased to 74,000oz for the year. Total cash costs rose marginally to $272/oz while adjusted operating profit increased to $4 million.

Clean-up work and minor residual gold production commenced in the third quarter. In November, AngloGold announced that it had reached a conditional agreement with Greater Pacific Gold Limited to sell the Union Reefs mine, associated assets and tenements for a staged consideration of A$6 million.

Organic growth projects

Sunrise Dam Underground Project: Following a scoping study that was completed in the first half of the year, underground development commenced in the fourth quarter. The three-year underground project, involving the development of two declines and 125,000m of drilling from surface and underground, will enable the underground potential of the Sunrise Dam orebody to be fully explored. Declines are being developed in the vicinity of defined underground reserves, which will be mined through the course of the project. Deep drilling to date has indicated that the sub-vertical, high-grade zones that have been a feature of open-cut mining at Sunrise Dam continue at depth. It is expected that the project will add significantly to underground reserves and a decision on whether to proceed to full-scale underground mining will be made in early 2007.

Boddington Expansion Project: Negotiations with AngloGold's partners in respect of the Boddington Expansion Project continued during the year. The joint venture partners have committed to an update on the November 2000 Expansion Project feasibility study.

North America

The North America region comprises the Cripple Creek & Victor Gold Mining Company (CC&V). Although AngloGold holds a 67% interest, it has a 100% interest in the gold produced until loans made to the project are repaid. AngloGold's 70% stake in the Jerritt Canyon Joint Venture was sold to Queenstake Resources USA Inc, with effect from 30 June 2003.

Key statistics

	2003	2002
Tonnes treated/placed (Mt) (attributable)		
Underground	**0.5**	0.9
Heap leach	**17.1**	12.4
Average grade (g/t)		
Underground	**7.15**	7.91
Heap leach*	**0.67**	0.82
Gold production (oz 000) (attributable)		
Underground	**107**	237
Heap leach	**283**	225
Total cash costs ($/oz)	**223**	222
Number of employees**	**740**	910
Efficiencies (g/TEC)	**2,149**	1,979
Capital expenditure ($ million)	**27**	74

* Gold placed/tonnes placed.
** Including contractors.

North America – LTIFR (per million man hours)

	2003	2002
CC&V	**3.22**	4.36
Jerritt Canyon	**2.32**	5.74
North America	**2.91**	4.95

Note that the statistics above include Jerritt Canyon until the end of June 2003.

Safety and health

The North America region's excellent safety performance continued, with the LTIFR decreasing to 2.91 for the year.

Operating performance and outlook

Production decreased in this region to 390,000oz, primarily as a result of the sale of AngloGold's 70% interest in the Jerritt Canyon JV to Queenstake Resources following an unsolicited offer received from Queenstake. Total cash costs were held at $223/oz. The adjusted operating profit for the region decreased from $3 million to $2 million during the year.

Capital expenditure decreased to $27 million, from $74 million, as the Cresson expansion project was completed.

CC&V: Production at the CC&V operation improved towards year-end to reach 283,000oz for the year. Leach solution chemistry problems and lower irrigation flows (caused by drought) improved during the second half of 2003. Total cash costs rose to $199/oz due to higher reagent consumption to correct leach pad chemistry. Adjusted operating profit increased to $8 million owing to higher production volumes.

Processing facility and haulage fleet production achieved budgeted levels by year-end. Phase 4B of the leach pad construction was completed ahead of schedule with stacking having commenced in the second quarter.

Jerritt Canyon: As expected, production at this operation continued to decline during the first six months of the year to 107,000oz, while total cash costs rose to $270/oz. An adjusted operating loss of $5 million was incurred for the period.

In 2004, North American production is expected to decrease to 349,000oz with the sale of Jerritt Canyon. However, total cash costs are also expected to decline to $210/oz. Capital expenditure of $17 million is planned in 2004.