

Directors' report

Nature of business

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

Major shareholder

The company's major shareholder is Anglo South Africa Capital (Proprietary) Limited, a wholly-owned subsidiary of Anglo American plc (incorporated in England and Wales). The effective shareholding of Anglo American plc in the issued ordinary share capital of the company at the undermentioned dates was as follows:

	31 January 2007	31 December 2006	31 December 2005
Ordinary shares held			
Number	115,102,929	115,102,929	134,788,099
Percentage	41.67	41.67	50.85

On 20 April 2006, Anglo American plc sold 19,685,170 ordinary shares of AngloGold Ashanti through a secondary public offering, thereby reducing its shareholding to 41.8%. This sale followed the announcement on 26 October 2005 in which Anglo American plc declared its intention to provide AngloGold Ashanti with greater flexibility to pursue its strategy while still remaining a significant shareholder in the medium term.

Share capital

Authorised

The authorised share capital of the company increased during 2006, with the creation of E ordinary shares as approved by shareholders, in general meeting on 11 December 2006. The authorised share capital of AngloGold Ashanti at 31 December 2006 is made up as follows:

● 400,000,000	ordinary shares of 25 South African cents each	R100,000,000
● 4,280,000	E ordinary shares of 25 South African cents each	R1,070,000
● 2,000,000	A redeemable preference shares of 50 South African cents each	R1,000,000
● 5,000,000	B redeemable preference shares of 1 South African cent each	R50,000
		<u>R102,120,000</u>

Share capital cont.

The following are the movements in the issued and unissued capital from the beginning of the accounting period to 31 January 2007:

Issued

Ordinary shares

	2006		2005	
	Number of shares	Rands	Number of shares	Rands
At 1 January	264,938,432	66,234,608	264,462,894	66,115,724
Issued during year				
– \$500 million equity raising (effective 20 April 2006)	9,970,732	2,492,683	–	–
– Bokamoso ESOP transaction (approved by shareholders on 11 December 2006)	928,590	232,147	–	–
– Exercise of options by participants in the AngloGold Share Incentive Scheme	398,399	99,600	475,538	118,884
At 31 December	276,236,153	69,059,038	264,938,432	66,234,608
Issued subsequent to year-end				
– Exercise of options by participants in the AngloGold Share Incentive Scheme	1,618	404		
– Conversion for E ordinary shares in terms of the Bokamoso ESOP	2,627	657		
At 31 January 2007	276,240,398	69,060,099		

E ordinary shares

On 11 December 2006, shareholders in general meeting authorised the creation of a maximum of 4,280,000 E ordinary shares to be issued pursuant to an Employee Share Ownership Plan and a Black Economic Empowerment transaction (BEE transaction).

	2006		2005	
	Number of shares	Rands	Number of shares	Rands
At 1 January	–	–	–	–
Issues during year				
– The Bokamoso ESOP Trust	2,785,770	696,443	–	–
– Izingwe Holdings (Proprietary) Limited	1,400,000	350,000	–	–
At 31 December	4,185,770	1,046,443	–	–
Issued/cancelled subsequent to year-end				
– Issued	–	–		
– Cancelled and exchanged for ordinary shares issued	(21,150)	(5,288)		
At 31 January 2007	4,164,620	1,041,155		

Directors' report cont.

Redeemable preference shares

The A and B redeemable preference shares, all of which are held by a wholly-owned subsidiary Eastvaal Gold Holdings Limited, may not be transferred and are redeemable from the realisation of the assets relating to the Moab Lease area after cessation of mining operations in the area. The shares carry the right to receive dividends equivalent to the profits (net of royalty, ongoing capital expenditure and taxation) from operations in the area. No further A and B redeemable preference shares will be issued.

Further details of the authorised and issued shares, as well as the share premium, are given in note 27 to the group's financial statements.

Unissued

	Ordinary		E ordinary	
	2006 Number of shares	2005 Number of shares	2006 Number of shares	2005 Number of shares
At 1 January	135,061,568	135,537,106	-	-
Authorised during the year	-	-	4,280,000	-
Issued during year	11,297,721	475,538	4,185,770	-
At 31 December	123,763,847	135,061,568	94,230	-
Issued subsequent to year-end	4,245		-	
At 31 January 2007	123,759,602		94,230	

Cancelled

In terms of the authority granted by shareholders, on vesting, E ordinary shares are cancelled in favour of ordinary shares, in accordance with the cancellation formula. All E ordinary shares which are cancelled may not be re-issued and therefore do not form part of the authorised but unissued share capital of the company.

E ordinary

	2006 Number of shares	2005 Number of shares
At 1 January	-	-
Cancelled during the year	-	-
At 31 December	-	-
Cancelled subsequent to year-end	21,150	
At 31 January 2007	21,150	

Unissued ordinary shares under the control of directors

In terms of the authority granted by shareholders at the annual general meeting held on 5 May 2006 10% of the authorised but unissued ordinary share capital remaining at that date, after setting aside so many ordinary shares as may be required to be allotted and issued pursuant to the Share Incentive Scheme and for the purposes of the conversion of the \$1 billion, 2.375% guaranteed convertible bonds, issued by AngloGold Ashanti Holdings plc, are placed under the control of the directors. This authority expires at the next annual general meeting.

The unissued ordinary shares under the control of the directors at 31 December 2006 were as follows:

	Shares	Rands
Authorised ordinary share capital	400,000,000	100,000,000
Ordinary shares in issue at 5 May 2006	275,090,899	68,772,725
Unissued ordinary shares at 5 May 2006	124,909,101	31,227,275
Less: Ordinary shares set aside in terms of:		
– Share Incentive Scheme	7,565,000	1,819,250
– Guaranteed Convertible Bonds	15,384,615	3,846,154
Net unissued ordinary shares at 5 May 2006	101,959,486	25,489,871
Unissued ordinary shares under the control of the directors at 5 May 2006 (10% of net unissued ordinary shares)	10,195,949	2,548,987
Less: Ordinary shares issued at the discretion of the directors	–	–
At 31 December 2006	10,195,949	2,548,987

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

The company has not exercised the general approval granted at the annual general meeting held on 5 May 2006, to buy back shares from its issued ordinary share capital. At the next annual general meeting shareholders will be asked to renew the general authority for the acquisition by the company, or a subsidiary of the company, of its own shares.

American Depositary Shares

At 31 December 2006, the company had in issue through The Bank of New York as Depositary, and listed on the New York Stock Exchange (NYSE), 73,572,341 (2005: 48,702,313) American Depositary Shares (ADSs). Each ADS is equal to one ordinary share. At 31 January 2007, there were 72,504,931 ADSs in issue and listed on the NYSE.

Directors' report *cont.*

Ghanaian Depositary Shares

At 31 December 2006, the company had in issue through NTHC Limited as Depositary, and listed on the Ghana Stock Exchange (GSE), 18,256,500 (2005: 21,848,600) Ghanaian Depositary Shares (GhDSs). Every 100 GhDSs has one underlying AngloGold Ashanti ordinary share and carries the right to one vote. At 31 January 2007, 18,192,900 GhDSs were listed on the GhSE.

AngloGold Share Incentive Scheme

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

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

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

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

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

Time-related

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

Time-related options vest over a five-year period from date of grant and may be exercised in tranches of 20% each in years two, three and four and 40% in year five. As of the date of this report, all options granted and outstanding have vested in full.

Performance-related

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

Performance-related options granted vest in full, three years after date of grant, provided that the conditions under which the options were granted, are met. If the performance condition is not met at the end of the first three-year period, then performance is retested each year over the ten-year life of the option on a rolling three-year basis. Options are normally exercisable, subject to satisfaction of the performance condition, between three and ten years from the date of grant. As of the date of this report the performance criteria under which these options were granted have been met and all options granted and outstanding will vest in full on 1 November 2007.

Bonus Share Plan (BSP)

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

Long-Term Incentive Plan (LTIP)

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

The AngloGold Share Incentive Scheme is summarised as follows:

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

31 January 2007	31 December 2006	31 December 2005
7,596,610	7,596,494	7,285,807

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

31 January 2007	31 December 2006	31 December 2005
379,830	379,824	364,291

Directors' report cont.

As is required to be disclosed in terms of the AngloGold Share Incentive Scheme and stock exchange regulations, the movement in respect of options and rights granted and the ordinary shares issued as a result of the exercise of options and rights during the year 1 January 2006 to 31 January 2007 is:

Options and rights

	Time- related	Performance- related	Bonus Share Plan	Long-Term Incentive Plan	Total	Average exercise price per ordinary share	Ordinary shares issued
At 1 January 2006	864,710	2,897,000	271,945	363,500	4,397,155	216.71	2,715,678
Movement during year							
– Granted	–	–	254,110	316,675	570,785	318.32	–
– Exercised	389,850	4,300	4,249	–	398,399	129.97	398,399
– Lapsed – terminations	1,600	306,900	41,221	20,000	369,721	243.77	–
At 31 December 2006	473,260	2,585,800	480,585	660,175	4,199,820	236.37	3,114,077
Subsequent to year-end							
– Exercised	800	–	818	–	1,618	172.93	1,618
– Lapsed – terminations	–	–	–	–	–	–	–
At 31 January 2007	472,460	2,585,800	479,767	660,175	4,198,202	236.39	3,115,695

Analysis of options and rights outstanding at 31 December 2006:

Holding	Number	Holder's	Total exercise price – R000
1 – 100	30,270	434	9,021
101 – 500	81,372	411	22,734
501 – 1,000	39,905	49	9,609
1,001 – 5,000	1,220,108	380	302,534
5,001 – 10,000	791,333	109	193,661
10,001 – 100,000	1,776,907	85	410,410
Over 100,000	259,925	1	44,730
Total	4,199,820	1,469	992,699

Financial results

The financial statements set out fully the financial position, results of operations and cash flows of the group and the company for the financial year ended 31 December 2006. A synopsis of the financial results for the year is set out in the summarised group financial and operating results on pages 14 to 17.

Review of operations

The performance of the various operations are comprehensively reviewed on pages 44 to 83.

Dividend policy

Dividends are proposed by, and approved by the board of directors of AngloGold Ashanti, based on the interim and year-end financial statements. Dividends are recognised when declared by the board of directors of AngloGold Ashanti. AngloGold Ashanti expects to continue to pay dividends, although there can be no assurance that dividends will be paid in the future or as to the particular amounts that will be paid from year to year. The payments of future dividends will depend upon the board's ongoing assessment of AngloGold Ashanti's earnings, after providing for long term growth, cash/debt resources, the amount of reserves available for dividend using the going concern assessment and restrictions placed by the conditions of the convertible bond and other factors.

Dividends declared since 1 January 2006

	Final dividend number 99	Interim dividend number 100	Final dividend number 101
Declaration date	9 February 2006	26 July 2006	12 February 2007
Last date to trade ordinary shares cum dividend	21 February 2006	11 August 2006	2 March 2007
Record date	3 March 2006	18 August 2006	9 March 2007
Amount paid per ordinary share			
– South African currency (cents)	62	210	240
– United Kingdom currency (pence)	5.79	16.32	16.85
– Ghanaian currency (cedis)	920.018	2,845.50	3,041.21
Amount per CDI* – Australian currency (cents)	2.747	8.076	8.414
Payment date	10 March 2006	25 August 2006	16 March 2007
Amount per GhDS** – Ghanaian currency (cedis)	9.20018	28.455	30.41
Payment date	13 March 2006	28 August 2006	19 March 2007
Amount per ADS*** – United States currency (cents)	9.865	29.407	# 33.37
Payment date	20 March 2006	5 September 2006	26 March 2007

Rounding may result in computational differences

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

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

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

Illustrative value assuming a rate of exchange of R7.19:\$. The actual rate of payment will depend on the exchange rate on the date of payment

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

Directors' report *cont.*

Borrowings

The company's borrowing powers are unlimited. As at 31 December 2006, the group's borrowings totalled \$1,482 million, R10,376 million (2005: \$1,894 million, R12,015 million).

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

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

Significant announcements

On 27 February 2006, AngloGold Ashanti announced that it had signed an agreement with Dynasty Gold Corporation, a Vancouver-based exploration company with projects in China, to acquire an effective 8.7% stake in the company through a \$2 million private placement in shares and warrants. The investment will be used to fund further exploration of the Red Valley and Wild Horse projects, both located in the prospective Quillan metallogenic belt.

On 24 March 2006, AngloGold Ashanti posted to its shareholders, a circular detailing ordinary resolutions to be voted on at a general meeting, together with notice of such meeting. The general meeting which was held on 10 April 2006, at which the ordinary resolutions were passed with the requisite majority, provided authority to the directors to allot sufficient ordinary shares of the company to allow it to raise \$500 million before expenses but after underwriters' fees in a private offering. On 10 April 2006, AngloGold Ashanti announced that its offering of 9,970,732 ordinary shares had been priced at \$51.25 per ADS and R315.19 per ordinary share.

On 1 June 2006, AngloGold Ashanti and Bema Gold Corporation announced that they are to form a new company which will jointly explore a select group of AngloGold Ashanti's mineral opportunities located in Northern Colombia, with initial work focused on the La Mina and El Pino targets. As part of the agreement, AngloGold Ashanti has initially agreed to provide a minimum of eight exploration properties while Bema will provide a minimum of \$5 million in exploration funding.

On 30 June 2006, AngloGold Ashanti (U.S.A.) Exploration Inc. (AngloGold Ashanti), International Tower Hill Mines Ltd (ITH) and Talon Gold Alaska, Inc. (Talon), a wholly-owned subsidiary of ITH, entered into an Asset Purchase and Sale and Indemnity Agreement whereby AngloGold Ashanti sold to Talon a 100% interest in six Alaskan mineral exploration properties and associated databases in return for 5,997,295 ordinary shares of ITH stock, representing an approximate 19.99% interest in ITH. The sales transaction was closed on 4 August 2006. AngloGold Ashanti also granted to ITH the exclusive option to acquire a 60% interest in each of its LMS and Terra projects by incurring \$3 million of exploration expenditure on each project (total of \$6 million) within four years of the grant date of the options. As part of the two option agreements, AngloGold Ashanti will have the option to increase or dilute its stake in these projects, subject to certain conditions.

Significant announcements *cont.*

On 14 July 2006, AngloGold Ashanti announced the signing of a Heads of Agreement with Antofagasta PLC to jointly explore a highly prospective belt in Southern Colombia for new gold and copper deposits. AngloGold Ashanti will include all of its mineral applications, contracts and third party contracts within the area of interest in the new joint venture, while Antofagasta will commit to fund a minimum of \$1.3 million of exploration within 12 months of the signing of the agreement, with an option to invest an additional \$6.7 million within four years in order to earn-in to 50% of the joint venture. Both AngloGold Ashanti and Antofagasta will have the right to increase their interests by 20% in copper-dominant and gold-dominant properties subject to certain conditions.

On 23 August 2006, AngloGold Ashanti announced that it had entered into an agreement with Central African Gold plc (CAG) to sell its entire business undertaking, related to the Bibiani mine and Bibiani North prospecting permit and to transfer all assets, including all of Bibiani's employees, fixed mining and non-mining assets, inventory, trade debtors and intellectual property as well as the Bibiani lease and the Bibiani North prospecting licence, and procure the cessation and delegation of all contracts related to Bibiani to CAG for a total consideration of \$40 million.

On 30 August 2006, AngloGold Ashanti announced that it had been advised by the Volta River Authority (VRA) of potential power shortages at its Ghanaian operations due to water shortages impacting the VRA's power generating facilities. This announcement was followed by an update on 6 September 2006 in which AngloGold Ashanti announced that following discussions between the VRA and the Chamber of Mines in Ghana, the industry had agreed to collaborate with the authority and the government of Ghana in a range of activities designed to minimise the impact of the power shortages on the economy and the mining industry and to provide for a sustainable solution in the future. At the same time, AngloGold Ashanti provided guidance to investors as to the potential impact of the power shortages on production at its three Ghanaian operations should the situation be prolonged.

On 21 September 2006, AngloGold Ashanti announced that it had entered into a 50:50 strategic alliance with Russian gold and silver producer, OAO Inter-Regional Research and Production Association Polymetal (Polymetal) in terms of which, Polymetal and AngloGold Ashanti would co-operate in exploration and the acquisition and development of gold mining opportunities within the Russian Federation.

On 11 December 2006, shareholders in general meeting approved the creation of E ordinary shares and the implementation of an Employee Share Ownership Plan (ESOP) to be introduced at its operations in South Africa. In addition, shareholders approved a Black Economic Empowerment transaction as well as the introduction of an ESOP in countries outside of South Africa. This follows the announcement made on 2 October 2006, in which AngloGold Ashanti advised the imminent finalisation of an employee share ownership plan with the National Union of Mineworkers, Solidarity, United Association and Izingwe Holdings (Proprietary) Limited.

Investments

Particulars of the group's principal subsidiaries and joint venture interests are presented on pages 292 to 295.

Litigation

There are no legal or arbitration proceedings in which any member of the AngloGold Ashanti group is or has been engaged, including any such proceedings which are pending or threatened of which AngloGold Ashanti is aware, which may have, or have had during the 12 months preceding the date of this Annual Report 2006, a material effect on the group's financial position. Non-material litigation and disputes have been disclosed. Refer to note 38.

Directors' report *cont.*

Material change

There has been no material change in the financial or trading position of the AngloGold Ashanti group since the publication of its results for the quarter and year ended 31 December 2006.

Material resolutions

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

	Nature of resolution	Effective date
AngloGold Ashanti Limited	<ul style="list-style-type: none">● Passed at the annual general meeting held on 5 May 2006:<ul style="list-style-type: none">– General approval for the acquisition by the company, or a subsidiary of the company, of its own shares.● Passed at the general meeting held on 11 December 2006:<ul style="list-style-type: none">– Increased the share capital of the company through the creation of 4,289,000 E ordinary shares of R0.25 each;– Amended the company's Memorandum and Articles of Association by inserting a new article containing the rights and privileges attaching to the E ordinary shares;– Approved the implementation of Employee Share Ownership Plans, both in South Africa and in countries other than South Africa where the company has operations; and– Approved the implementation of a Black Economic Empowerment transaction.	<p>25 May 2006</p> <p>12 December 2006</p>
Subsidiaries		
AngloGold Health Service (Pty) Limited	Change of name to AngloGold Ashanti Health (Pty) Limited	23 October 2006
AngloGold Ashanti Exploration Services Limited	Change of name to AngloGold Ashanti International Services Limited	27 November 2006
AngloGold Ashanti Brasil Ltda	Change of name to AngloGold Ashanti Brasil Mineração Ltda	1 September 2006

Annual general meetings

At the 62nd annual general meeting held on 5 May 2006, shareholders passed ordinary resolutions relating to:

- the adoption of the financial statements for the year ended 31 December 2005;
- the re-election of Mr FB Arisman, Mrs E le R Bradley, Mr RP Edey, Mr RM Godsell and Dr TJ Motlatsi as directors of the company;
- the election of Mr RE Bannerman; Mr R Carvalho Silva, Mr R Médori, Mr NF Nicolau and Mr S Venkatakrishnan, who were appointed since the previous annual general meeting, as directors of the company;
- the renewal of a general authority placing 10% of the unissued ordinary shares of the company, after setting aside sufficient shares attributable to the Share Incentive Scheme and guaranteed convertible bonds, under the control of the directors;
- the granting of a general authority to issue ordinary shares in the capital of the company for cash, subject to certain limitations in terms of the Listings Requirements of the JSE; and
- the remuneration for the president of the company, including his remuneration as a director to be R300,000 per annum, effective 6 May 2006.

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

Notice of the 63rd annual general meeting, which is to be held in Johannesburg at 11:00 (South African time) on Friday, 4 May 2007, is enclosed as a separate document with the Annual Report 2006. Additional copies of the notice of meeting may be obtained from the company's corporate contacts and the share registrars or may be accessed from the company's website.

Directorate and secretary

Mr RE Bannerman was appointed to the board on 10 February 2006. Mr JH Mensah and Prof. WL Nkuhlu were appointed to the board on 4 August 2006. Simultaneously, Mr PL Zim, together with his alternate, Mr DD Barber resigned from the board. Dr SE Jonah resigned from the board on 12 February 2007 and Mr SM Pityana was appointed to the board effective 13 February 2007.

The directors retiring by rotation at the forthcoming annual general meeting in terms of the articles of association are Mr FB Arisman, Mr RE Bannerman, Mr WA Nairn, and Mr SR Thompson who, being eligible, offer themselves for re-election. Mr CB Brayshaw and Mr AJ Trahar who retire by rotation have not made themselves available for re-election.

In addition to the abovementioned directors, Mr JH Mensah and Prof. WL Nkuhlu, who were appointed as directors during the year, and Mr SM Pityana, who was appointed a director with effect from 13 February 2007, are due to retire at the annual general meeting and offer themselves for election.

Non-executive directors do not hold service contracts with the company.

The names and biographies of the directors and alternate directors of the company are listed on pages 20 and 24.

Directors' report cont.

There has been no change in the office of the managing secretary, however, Mr CR Bull retired as company secretary on 30 November 2006 and Ms L Eatwell was appointed to the position with effect from 1 December 2006. The names and business and postal addresses of the managing secretary and company secretary are set out on page 24 of this report.

Directors' interests in shares

The interests of the directors and alternate directors in the ordinary shares of the company at 31 December 2006, which did not individually exceed 1% of the company's issued ordinary share capital, were:

	31 December 2006			31 December 2005		
	Beneficial Direct	Indirect	Non- beneficial ⁽¹⁾	Beneficial Direct	Indirect	Non- beneficial ⁽¹⁾
Executive directors						
JG Best (retired 1 August 2005)	-	-	-	-	-	-
R Carvalho Silva	-	-	-	-	-	-
RM Godsell	13,010	-	-	9,177	-	-
DL Hodgson (retired 29 April 2005)	-	-	-	-	430	-
Dr SE Jonah (until 31 July 2005)	-	-	-	-	-	-
NF Nicolau	3,000	-	-	100	-	-
S Venkatakrisnan	652	-	-	652	-	-
KH Williams (retired 6 May 2006)	-	-	-	-	920	-
Total	16,662	-	-	9,929	1,350	-
Non-executive directors						
FB Arisman	-	2,000	-	-	2,000	-
RE Bannerman	-	-	-	-	-	-
E le R Bradley	-	23,423	3,027	-	23,423	3,027*
CB Brayshaw	-	-	-	-	-	-
RP Edey	-	1,000	-	-	1,000	-
SE Jonah	-	18,469	-	6,297	-	-
AW Lea (retired 1 August 2006)	-	-	-	-	-	-
R Médori	-	-	-	-	-	-
JH Menash	-	-	-	-	-	-
TJ Motlatsi	-	-	-	-	-	-
WA Nairn	-	-	-	-	-	-
WL Nkuhlu	-	-	-	-	-	-
SR Thompson	-	-	-	-	-	-
AJ Trahar	-	-	-	-	-	-
PL Zim (resigned 4 August 2006)	-	-	-	-	-	-
Total	-	44,892	3,027	6,297	26,423	3,027*
Alternate directors						
DD Barber (resigned 4 August 2006)	-	-	-	-	-	-
AH Calver	-	-	-	-	46	-
PG Whitcutt	-	-	-	-	-	-
Total	-	-	-	-	46	-
Grand total	16,226	44,892	3,027	16,226	27,819	3,027*

⁽¹⁾ The director derives no personal benefit.

* Restated

There have been no changes in the above interests since 31 December 2006 and Mr SM Pityana, who was appointed a director effective 13 February 2007, holds no interest in the company's ordinary shares.

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

Annual financial statements

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

In preparing the annual financial statements reflected in dollars and South African rands on pages 150 to 291, the group has complied with International Financial Reporting Standards (IFRS) and has used appropriate accounting policies supported by reasonable and prudent judgements and estimates. The directors are of the opinion that these financial statements fairly present the financial position of the company and the group at 31 December 2006, and the results of their operations and cash flow information for the year then ended.

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

Cash and cash equivalents at 31 December 2006 amounted to \$495 million, R3,467 million, together with cash budgeted to be generated from operations in 2007 and the net incremental borrowing facilities available are, in management's view, adequate to fund operating, mine development and capital expenditure and financing obligations as they fall due for at least the next twelve months. Taking these factors into account, the directors of AngloGold Ashanti have formed the judgement that, at the time of approving the financial statements for the year ended 31 December 2006, it is appropriate to use the going concern basis in preparing these financial statements.

The external auditors, Ernst & Young Registered Auditors Inc., are responsible for independently auditing and reporting on the financial statements in conformity with International Standards of Auditing and the Companies Act in South Africa. Their unqualified report on these financial statements appears on page 125.

To comply with requirements for reporting by non-US companies registered with the SEC, the company has prepared a set of financial statements in accordance with US Generally Accepted Accounting Principles (US GAAP) which will be available from The Bank of New York to holders of the company's securities listed in the form of American Depositary Shares on the NYSE. Copies of the annual report on Form 20-F, which must be filed with the SEC by no later than 30 June 2007, will be available to stakeholders and other interested parties upon request to the company's corporate office or its contacts as listed on the inside back cover of this report.

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