

06

Country Report
USA
CC&V





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About this report

AngloGold Ashanti is committed to reporting to a broad range of stakeholders on its operational and financial performance as well as its economic, social and environmental performance.

For the 2006 financial year, AngloGold Ashanti's Annual Report comprises:

- the Annual Financial Statements, which are available on request or at (www.agareports.com); and
- the Report to Society, which is available as a printed document, and a more extensive Report to Society on our website (www.aga-reports.com) which includes additional information, including case studies and country reports, of which this is one. Together these reports seek to present a fair and balanced reflection of the group's operation and performance, its objectives, values, business principles, the major issues and challenges that it is facing

* Throughout this report, dollar or \$ refers to US dollars, unless otherwise stated.



Introduction

In March 1999 AngloGold Ashanti acquired the Pikes Peak Mining Company and its interests in the Cripple Creek & Victor Gold Mining Company (CC&V). AngloGold Ashanti also owns the Big Springs property in Nevada, which is no longer in operation and is currently in the final stages of reclamation and closure.

Message from Ron Largent

AngloGold Ashanti has one operating property in the United States, known as the Cresson Project, which is operated by the Cripple Creek & Victor Gold Mining Company (CC&V). CC&V is a joint venture which AngloGold Ashanti (Colorado) Corp. manages. Production started in 1994 and, under its current permits, mining of the project is expected to continue into late 2012, with gold recovery carrying on for at least another five years, followed by final reclamation and closure. AngloGold Ashanti is engaged in final closure activities at the Big Springs property in Nevada. All major reclamation activities have been completed and ongoing efforts are limited to minor maintenance and finishing work as well as monitoring and agency reporting.

A strategic decision was made to sell certain North American exploration properties in Alaska to a Canadian junior exploration company, International Tower Hill Mines Ltd (ITH). In addition to acquiring various real property interests, ITH hired nearly all of the members of the exploration team thus facilitating a smooth transition. At the closing of the transaction on 4 August 2006, AngloGold Ashanti held a 19.9% interest in ITH. We also entered into option agreements with ITH on the two key Alaska exploration properties, LMS and Terra, which allow ITH to acquire a 60% interest in each of these properties by incurring \$3 million of exploration expenditure on each property within four years of the grant date. If this level is achieved, we have the option to increase or dilute our stake in these properties, subject to certain conditions.

CC&V's gold production was 283,000oz for the year, with 24Mt placed on the leach pad. Total cash costs were \$248/oz, 8% higher than in 2005, principally as a result of rising commodity costs. Gross profit adjusted for the effect of unrealised non-hedge derivatives was \$23 million. Capital expenditure increased to \$13 million (\$8 million in 2005), with the majority being spent on brownfields exploration and mine equipment.

We had yet another very successful year on the safety front. On 7 November 2006, we passed the milestone of three years without a lost-time accident (LTA), which amounts to well over two million hours without a LTA. We take safety very seriously at CC&V.

In 2003 CC&V implemented the DuPont Safety Training Programme (STOP), a behaviour-based programme that trains employees in observation skills for unsafe acts in their work areas. Given the success of the programme throughout 2004, the mine decided to take the next step in accident prevention and adopted a risk-based safety management system as a natural extension of STOP in 2005.

We achieved ISO14001 Environmental Management System certification for both CC&V and the Denver office and continued to prepare for International Cyanide Management Code certification, which should be completed in mid-2007 when an auditing group is appointed. CC&V and the Denver office remain active participants in the Colorado Mining Association Pollution Prevention (P2) Programme.

We have completed a pre-feasibility study related to a mine-life extension which showed favourable results. This paved the way for a feasibility study which will take approximately 18 months to determine if surface mining activities can continue economically in the Cripple Creek Mining District.

Ron Largent
Vice President/General Manager
20 March 2007



CC&V – USA

Country Report 2006

AngloGold Ashanti is one of the world's leading gold producers, with a varied portfolio of assets and orebody types in key gold-producing regions around the world. At the end of 2006, the company had 21 operations located in 10 countries (South Africa, Argentina, Australia, Brazil, Ghana, the Republic of Guinea, Mali, Namibia, Tanzania and the United States) on four continents, together with a substantial project pipeline and a focused, global exploration programme.

AngloGold Ashanti produced 5.6Moz of gold in 2006, of which 2.6Moz (46%) came from deep level hard-rock operations in South Africa and the balance of 3Moz (54%) from the shallower and surface operations around the world. Greenfields exploration is under way in Western Australia, Colombia and the Democratic Republic of Congo (DRC), and through exploration partnerships and joint ventures in Alaska, Russia, China, the Philippines and Laos. The group employed 61,453 people around the world.

The company has one operation in the USA – the CC&V mine in Colorado. In 2006, total gold production at CC&V was 283,000oz. Also, in 2006, this operation employed on average 369 people (325 employees and 44 contractors).

AngloGold Ashanti is a values-driven organisation and our values and business principles underpin all that we do. This applies equally to our approach to sustainable development. Thus, our values guide our relations with all those that have an interest in the business – our stakeholders – and inform our business principles that govern those relationships. We measure our performance against our stated values and business principles and report our progress against these in this document.

ur profile





AngloGold Ashanti's mission, values and business principles were developed in consultation with employees and are reviewed as part of an ongoing process to ensure that they more accurately reflect the group's purpose and the way in which it does business.

Our mission & values

AngloGold Ashanti's mission

Our business is gold. We consistently strive to create value for everyone with a stake in our company, by finding and mining gold and by developing the market for our product.

Our values

AngloGold Ashanti consistently strives to generate competitive shareholder returns. We do this by replacing profitable gold reserves and by continuously improving the performance of our key resources – our people, our assets and our product. We conduct ourselves with honesty and integrity.

We provide our employees with opportunities to develop their skills while sharing risks and rewards in workplaces that promote innovation, teamwork and freedom with accountability. We embrace cultural diversity.

Every manager and employee takes responsibility for health and safety; and together strive to create workplaces that are free of occupational injury and illness.

We strive to form partnerships with host communities, sharing their environments, traditions and values. We want communities to be better off for AngloGold Ashanti having been there. We are committed to working in an environmentally responsible way.

Our business principles

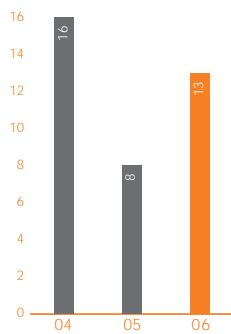
We live our values through our business principles. These principles are applicable across AngloGold Ashanti and in all the countries in which we do business.

They inform the way in which we go about achieving our mission, balancing key economic, social, environmental and ethical values. These business principles which will evolve over time as we interact with our stakeholders, both internal and external, are:

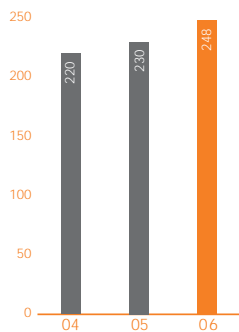
- AngloGold Ashanti – a responsible and ethical corporate citizen
- AngloGold Ashanti and the environment
- AngloGold Ashanti as an employer – safety and health
- AngloGold Ashanti in the community
- AngloGold Ashanti as an employer – labour practice



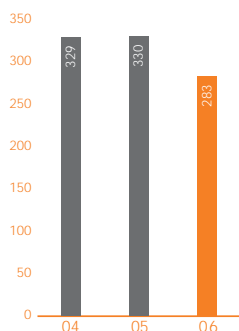
Capital expenditure (\$m)
CC&V



Total cash costs (\$/oz)
CC&V



Gold production (000oz)
CC&V



Background

Ownership: AngloGold Ashanti (Colorado) Corp. holds a 67% interest in CC&V with a 100% interest in the gold produced until loans extended to the joint venture are repaid.

Location: CC&V is situated south-west of Colorado Springs in the state of Colorado in the United States.

Geology: The Cripple Creek mining district is centred on an intensely altered alkaline, Tertiary-aged, diatreme-volcanic, intrusive complex, approximately circular in shape covering 18.4km², and surrounded by Precambrian rocks. The Precambrian rocks consist of biotite gneiss, granodiorite, quartz monzonite and granite.

The intersection of these four units and regional tectonic events formed an area of regional dilation which subsequently localised the formation of the Tertiary-aged volcanic complex. Most of the complex then infilled with the eruptive phase Cripple Creek Breccia host rock. This complex was subsequently intruded by a series of Tertiary-aged intrusive dykes and sills that included syenites, phonolites, phonotephrites and lamprophyres. These intrusives occupy all of the dominant district structural orientations as well as laccoliths and cryptodomes. District structures are generally near vertical and strike north-north-west to north-east. These structures are commonly intruded by phonolite dykes which appear to have also acted as primary conduits for the late-stage, gold mineralising solutions. Higher-grade pods of mineralisation occur at structural intersections and/or as sheeted vein zones along zones of strike deflection. High-grade gold mineralisation is associated with K-feldspar + pyrite +/- carbonate alteration and occurs adjacent to the major structural and intrusive dyke zones. The broader zones of disseminated mineralisation occur primarily as micro-fracture halos around the stronger alteration zones in the more permeable Cripple Creek Breccia wall rocks.

The average depth of oxidation is 120m and is also developed along major structural zones to even greater depths. Individual orebodies can be tabular, pipe-like, irregular or massive. Individual gold particles are generally less than 20 microns in size and occur as broad zones of low-grade gold-pyrite mineralisation or as fracture zones containing high-grade gold-silver tellurides. Gold occurs within hydrous iron and manganese oxides and as gold-silver tellurides. Silver is present but is economically unimportant. Gold mineralisation can be encapsulated by iron and manganese oxides, pyrite, K-feldspar alteration and quartz.

Mining and processing: The Cripple Creek Mining District was mined initially by multiple underground operations until the 1960s. Mining activity then ceased for a decade. Small-scale surface mining using the heap-leach method began in 1971 followed, from 1991, by large-scale surface mining which grew with the start of production at the CC&V Cresson project in 1994. Today, CC&V is a low-grade, open-pit operation. The ore is treated using a valley-type, heap-leach process with activated carbon used to recover the gold. The resulting doré buttons are shipped to a refinery for final processing.

Economic and financial performance

Operating performance: CC&V produced 283,000oz in 2006, 14% less than in 2005, principally as a result of reduced rainfall in the region and the consequent reduction in irrigation of the heap-leach pad.

Total cash costs were \$248/oz, an increase of 8% over those of 2005, primarily as a result of higher prices of consumables and greater mining activity, which resulted in the placement of 14% more tonnes of ore on the leach pad. The impact of the higher costs, however, was partially offset by the associated increase in recoverable ounces placed on the leach pad. By the end of 2006, the water shortage issue had been addressed and gold production had returned to normal levels.

Gross profit adjusted for the effect of unrealised non-hedge derivatives and other commodity contracts increased by 35% to \$23 million for the year, principally as a result of the higher price received.

Capital expenditure of \$13 million was 63% higher than that of the previous year and was spent mainly on increased brownfields exploration and mine equipment.

Growth prospects: CC&V has completed a pre-feasibility study in 2006 and will initiate an 18-month feasibility study starting in 2007 to examine the viability of a proposed mine-life extension project which, as currently conceived, would involve the staged construction of an additional heap-leach facility together with the development of new ore sources. Critical path activities include additional reserve definition drilling, engineering and permitting. The proposed project has the potential to extend the mine life by as much as 10 years at current production rates.

Outlook: In 2007 CC&V gold production is expected to increase to 310,000oz as water levels within the leach pad are optimised. Total cash costs are likely to increase to \$267/oz, mainly owing to the rising cost of commodity inputs. Total capital expenditure is anticipated to be significantly higher at \$25 million, the bulk of which will be spent on the mine-life extension project.





Cripple Creek & Victor		2006	2005	2004
Pay limit †	(oz/t)	0.01	0.01	0.01
	(g/t)	0.34	0.34	0.34
Recovered grade ††	(oz/t)	0.016	0.018	0.018
	(g/t)	0.54	0.62	0.61
Gold production	(000oz)	283	330	329
Total cash costs	(\$/oz)	248	230	220
Total production costs	(\$/oz)	356	333	300
Capital expenditure	(\$ million)	13	8	16
Total number of employees		369	357	387
Employees		325	313	313
Contractors		44	44	74

† The grade of a unit of ore at which the revenue from the recovered mineral content of the ore is equal to the total cash cost including Ore Reserve development and stay-in-business capital. This grade is expressed as an in-situ value in grams per tonne or ounces per short ton (before dilution and mineral losses).

†† The recovered mineral content per unit of ore treated.

Government remittances

A severance tax of \$2.5 million was paid during 2006.

Mineral Resources and Ore Reserves

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

AngloGold Ashanti had Mineral Resources of 181.6Moz and Ore Reserves of 66.9Moz in December 2006. Of these, the United States accounted for Mineral Resources of 7.3Moz and Ore Reserves of 3.8Moz.

Cripple Creek & Victor	Resource category	Metric			Imperial		
		Tonnes (000s)	Grade (g/t)	Contained Gold Grams (000s)	Tons (000s)	Grade (oz/t)	Contained Gold Ounces (000s)
Ore reserves (as at 31 December 2006)	Proved	93,436	0.93	87,016	102,995	0.030	2,798
	Probable	35,595	0.91	32,498	39,237	0.030	1,045
	Total	129,031	0.93	119,514	142,232	0.030	3,842
Mineral resources (as at 31 December 2006)	Measured	180,250	0.82	148,348	198,691	0.02	4,770
	Indicated	95,658	0.75	71,460	105,445	0.02	2,297
	Inferred	14,112	0.59	8,289	15,556	0.02	266
	Total	290,020	0.79	228,097	319,692	0.02	7,333

Occupational safety and health

One of AngloGold Ashanti's core values relates to the safety and health of employees. It states that every manager and employee takes responsibility for health and safety; and all strive to create workplaces that are free from occupational injury and illness.

The company is committed to complying with all relevant occupational health and safety laws, to implementing safety and health systems based on internationally recognised standards, and to providing a working environment conducive to safety and health. While safety and health is regarded as a prime responsibility of management (from executives down to supervisors), AngloGold Ashanti strives for employee involvement and consults with employees to gain their commitment.

All the necessary resources – a system of medical surveillance and the provision of protective equipment, for example – are made available to enable compliance with the company's safety and health principles. Deliberate breaches in standards and procedures are not tolerated and risk assessments are conducted to anticipate, minimise and control occupational hazards.

Performance in terms of safety and health objectives is measured and the effects of the company's operations monitored on a regular basis. AngloGold Ashanti communicates openly on safety and health issues with employees and other stakeholders and ensures that employees receive appropriate training. Contractors are required to comply with the company's safety and at all levels, health principles.

Following the liquidation of the South African-based National Occupational and Safety Association (NOSA), which was used by a number of operations in terms of specifications for safety management systems and external auditing and certification, the company is moving towards the implementation of an alternative specification, Occupational Health and Safety Assessment Series (OHSAS) 18001. The series provides both a framework for identifying business risks associated with safety and health, and guidelines for implementation and achieving certification. The series has international acceptability which facilitates benchmarking.





AngloGold Ashanti's Chief Operating Officer, Roberto Carvalho Silva (left) and Safety Manager, John McEndoo (right) present Larry Snyder, Loss Control Supervisor at CC&V with the company's Global Safety Award trophy.

Managing safety and health

CC&V achieved a Lost Time Injury Rate of zero in 2006. In fact, the mine has operated without a lost-time injury since 7 November 2003 (2.1 million hours in the three-year period to 7 November 2006). The mine won the Dick Fisher Global Safety Award for excellent safety performance in 2006. Employees have worked hard at observing unsafe acts and conditions and fixing them no matter who is carrying out the unsafe act (*see case study on managing risk*).

Participation by employees in safety and health issues is actively encouraged and forms part of their employment.

Regular communication of health and safety issues is effected via a number of communication tools: safety meetings conducted by line supervision in a bottom-up approach, from crew supervisor, general foreman and superintendent up to the vice president and general manager; formal notification of on-site and international incidents via email; site-wide bulletin boards; and an employee handbook which contains personal safety messages from the vice president and general manager.

Risk assessments

Two external risk assessments were carried out in August 2006: one by Zurich North America, CC&V's worker's compensation, business interruption and general liability insurance cover; and the other by International Mining Industry Underwriters (IMIU). Both assessments found that the mine ran an excellent safety programme. In the case of the IMIU report it was noted that in 2006 CC&V showed an improvement in ratings for risk management and insurability.

Emergency procedures

CC&V has several emergency response plans in place:

- a waste management plan;
- a spill prevention countermeasure and contingency (SPCC) plan;
- a cyanide emergency response plan; and
- the code 90 procedures to provide medical response to injuries and accidents.

The first two are carried out by on-site personnel who are trained to deal with a particular emergency. The second two are handled by members of CC&V's mine rescue team, who provide specialised medical assistance for injuries and cyanide exposures.

Awards

CC&V was presented with the Colorado Mining Association/Colorado Division of Minerals & Geology Award for three years and more than two million hours without a lost-time injury.

Case study

Managing risk in North America

Risk management in the North America Region is approached systematically, addressing such issues as training, risk identification, injury management and employee communication. In this multi-disciplinary approach, specific protocols or procedures have been developed in all areas of the workplace. These involve comprehensive safety training (induction and periodic refresher training), risk assessment, DuPont safety observation training, hazard communication, crisis response, industrial hygiene and a complete medical surveillance programme.

Says Vice President and General Manager, Ron Largent, "Programmes such as induction and annual safety training, safety observation training and hearing conservation training are designed to instruct employees in specific hazard areas and safety practices employed at CC&V and to recognise unsafe acts and conditions they may encounter in the workplace, or, indeed, in themselves. Employees are coached and empowered not only to recognise unsafe acts and conditions, but to act on those observations. In doing so, they may approach anyone in the organisation, from co-workers to senior management. Occasions have been recorded of the general manager of CC&V receiving counselling from an employee about an unsafe act."

To ensure a multi-faceted approach to the risk assessment programme, employees, as well as managers and supervisors,

were invited to provide input. Issue-based programmes such as medical monitoring, industrial hygiene and hearing conservation are in place. They monitor employee health in relation to exposure to dust, noise, welding fumes, fire assay lead exposures and (in the case of refinery workers) silver exposures,

Formal emergency procedures which specify how notification of an accident should be made in order to summon emergency medical personnel are an important part of the risk management protocols at CC&V. Announcing a 'Code 90' over the company radio will immediately set off a chain of events designed to restrict movement in the accident area, summon on-site medical personnel as well as off-site paramedics and an ambulance, and when necessary, the air ambulance from Colorado Springs, an hour's drive by road. The hazard communication programme maintains a database of the material safety data sheets for all chemicals used at CC&V. This database is available to all personnel with computer access and provides ready access to information about chemical hazards and first-aid treatment. Other protective policies and procedures such as electrical lockout, personal protective equipment and confined space entry procedures specify actions that must be taken to address specific workplace hazards and in some cases require a permit signed by a supervisor. All these measures, in addition to others, manage and minimise risks workers are or may be exposed to in their daily work.





Human resources

One of AngloGold Ashanti's core business principles is that employees are provided with opportunities to develop their skills while sharing risks and rewards in workplaces that promote innovation, teamwork and freedom with accountability. The company embraces cultural diversity.

AngloGold Ashanti is committed to upholding the Fundamental Rights Conventions of the International Labour Organization (ILO), ensuring the implementation of fair employment practices by prohibiting forced, compulsory or child labour. It is also committed to creating workplaces that are free of harassment and unfair discrimination.

The company seeks to understand the different cultural dynamics in host communities and adapts work practices to accommodate this where doing so is possible.

All employees are given the opportunity to participate in training that will improve their workplace competency. The company is committed to developing motivated, competent and experienced teams of employees through appropriate recruitment, retention and development initiatives. An emphasis is placed on the identification of potential talent, mentoring and personal development planning.

Remuneration systems reward individual and team effort in a meaningful way. AngloGold Ashanti works with stakeholders to ensure minimum standards for company-provided accommodation; assures access to affordable health care for employees and, where possible, for their families; and is committed to prompt and supportive action in response to any major health threats in the regions where the company operates.

In the United States

In 2006 AngloGold Ashanti employed 369 people in the United States: 325 employees and 44 contractors.

The United States has a comprehensive legal regime that addresses discrimination. In accordance with Title VII of the Civil Rights Act, the AngloGold Ashanti North America Equal Opportunity Policy prohibits discrimination on the basis of age, race, sex, sexual orientation, colour, religion, national origin, marital status, disability or any other status protected by federal, state or local law. This prohibition includes unlawful harassment of anyone belonging to any of these protected groups. The company's policy is contained in the employee handbook and is posted on bulletin boards at CC&V and at the Denver office. Violation of this policy results in disciplinary action which can lead to termination of employment. Also prohibited is retaliation against any employee for filing a complaint under this policy or for assisting in a complaint investigation.

Scholarships and bursaries

Scholarships are offered to dependants of eligible employees to assist them with their college education. Some \$42,000 was spent on scholarships for children of employees in 2006. AngloGold Ashanti North America also provided reimbursement, to a maximum amount of \$5,250, for tuition fees to employees wishing to pursue a university degree in a discipline related to their work. The cost of this to the company in 2006 was some \$11,000.

Remuneration and benefits

AngloGold Ashanti North America has a remuneration system that seeks to be competitive, compensates employees for training and experience, and rewards individuals for achievements. Bonuses are awarded for individual and team performance.

The company provides access to health care through the AngloGold Ashanti North America Medical/Dental/Vision Plan. Claims are processed by a third-party administrator.

Environment

AngloGold Ashanti is committed to working in an environmentally responsible way, recognising that the long-term sustainability of its business is dependent upon good stewardship in both the protection of the environment and the efficient management of the exploration and extraction of mineral resources. The company complies with all the applicable environmental laws, regulations and requirements.

Committed to establishing and maintaining management systems to identify, monitor and control the environmental aspects of its activities, AngloGold Ashanti conducts audits to evaluate the effectiveness of these systems and makes sure it has the financial resources available to meet its reclamation and environmental obligations. AngloGold Ashanti works continually to improve its environmental performance and to prevent pollution from its operations.

The company ensures that its employees and contractors are aware of its environmental policy. It communicates and consults with interested and affected parties on the environmental aspects of its activities, and participates in debate on environmental matters at international, national and local levels.

The group environmental policy guides the broad practices of the company while site-specific policies, which are required to be consistent with group policy, direct and regulate each operation in accordance with local conditions, requirements and regulations.

AngloGold Ashanti has formally adopted ISO14001 certification as the standard for the company's environmental management system. The International Standards Organization (ISO) is a voluntary, not-for-profit network of national standards institutes from 146 countries. ISO14001 focuses on environmental management systems. Certification is based on regular auditing by an appropriately accredited external body.



AngloGold Ashanti was party to the development of the International Cyanide Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold and was one of the first signatories to the code in November 2005. Signatories to the code must have their operations audited by an independent third party to demonstrate their compliance by 2008.

Managing environmental issues in the United States

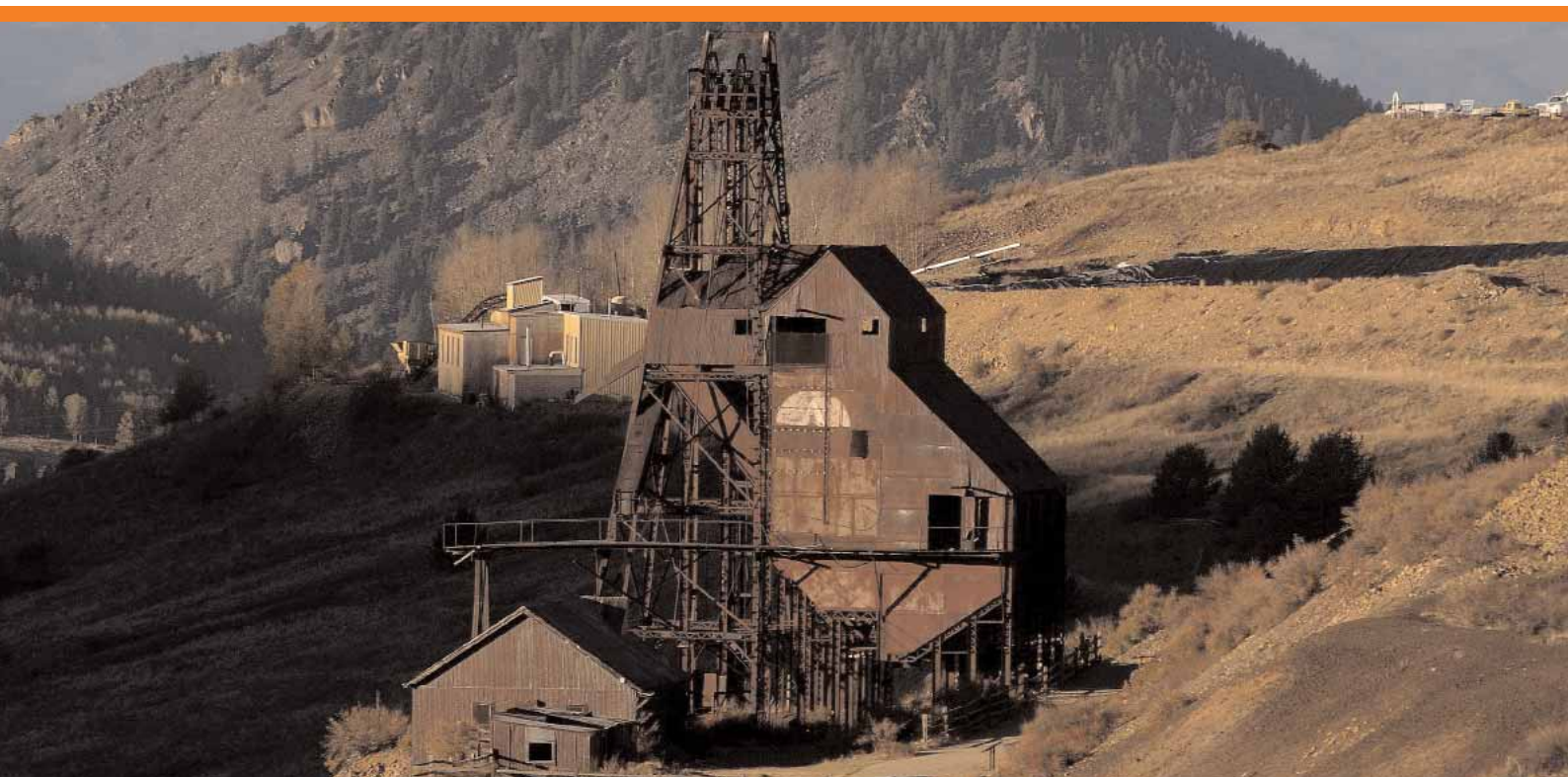
AngloGold Ashanti faces a wide range of environmental challenges, and not purely of an operational nature. At the global level, and particularly in North America, concerns continue to be raised about the environmental impact of mining which need to be addressed through responsible mining and engagement.

CC&V falls under an extensive list of federal, state and county laws, ranging from water and air quality controls to hazardous materials transportation. No major environmental incidents occurred at CC&V during 2006 and the mine recorded no significant areas of non-compliance.

The mine has its own environmental guidelines which restate the AngloGold Ashanti policy but with a site-specific emphasis. In 2006 CC&V underwent an internal audit to verify compliance with ISO14001 and external audits for stages 1 and 2 certification. CC&V obtained certification in 2006.

Outreach to the community and agencies is routinely undertaken at CC&V through site tours, formal and informal presentations, meetings, fact sheets, brochures and other written materials addressing particular subjects. In response to questions and requests for information, briefings are given to elected and appointed officials as well as the general public and employees.

Colorado's Department of Public Health and Environment recently recognised the mine's accomplishment in protecting the environment with an award (*see case study on page 16*).



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The mine is currently investigating various forms of alternative energy including biodiesel and wind (see case study on page 17).

Rehabilitation and closure

Active mining of CC&V is anticipated to be completed in 2012. The mine's closure plans, which comply with the State of Colorado's regulations, will rehabilitate the area so that the pre-mining activities of cattle grazing and serving as a habitat for wildlife can be resumed. To date, of the 2,366ha of land that falls under the operation, 109ha have been rehabilitated.

CC&V makes a point of informing the community about its closure plans through its regular communication channels.

An amount of \$51.1 million (\$48.1 million for rehabilitation; \$3.0 million for decommissioning) has been set aside to cover liabilities for the closure of the mine.

Key indicators

Key indicators of environmental performance for AngloGold Ashanti are:

- the use and management of cyanide;
- efficient use of resources, including water and energy;
- mine closure planning and the rehabilitation of disturbed lands; and
- the prevention of pollution, through proper waste management, and hazardous waste management practices.

In recent years, increasing attention has also been focused on issues relating to:

- climate change and greenhouse gas emissions; and
- biodiversity.

Further information may be found on our website, including a detailed breakdown of environmental performance against the GRI 2002 indicators (www.aga-reports.com/06/GRI.pdf).

CC&V – environmental statistics

	Usage		Efficiency (Usage/oz)	
	2006	2005	2006	2005
Cyanide use – kg	2,562,821	1,995,806	9.06	6.05
Water usage – m ³	2,031,631	1,573,411	7.18	4.77
Energy use – GJ	*1,299,258	1,328,301	4.59	4.03

* Includes energy derived from secondary use of spent oils that were burnt for heating.





Case study

Recognition from the State of Colorado

The state of Colorado's Department of Public Health and Environment (CDPHE) recently acknowledged the efforts of CC&V in protecting the environment with a Bronze Achiever Award in their Environmental Leadership Programme. The award recognises facilities that have made significant achievements in improving the environment of Colorado.

To qualify for the Bronze Achiever, the facility must have had met various environmental criteria including a record of not having incurred serious environmental damage over a period of time. In addition, pollution prevention measures must be in place on the site, beyond those required by regulatory agencies. CC&V was recognised for achievements in three areas – recycling used oil, voluntary reclamation and community programmes.

During the construction of the new truck maintenance shop it was noted that maintenance of the new fleet of 300t capacity haul trucks would result in an increase in used crankcase oil. In addition, the large shop used for maintenance of these vehicles would be expensive to heat. The solution was the installation of boilers capable of burning used oil as a fuel source. The system eliminates the need for purchasing heating fuel, and solves disposal issues for the used oil. The savings will eventually offset the cost of the boilers, which are specially designed to minimise air emissions.

The award also recognises CC&V's efforts to demolish and clean up an abandoned processing facility, the Cameron plant. The site had been abandoned, and reclamation was never completed by the operator. CC&V worked with a local contractor and the Colorado Division of Minerals and Geology Abandoned Mined Land Programme to complete the clean-up. The plant was removed, all salvageable scrap metals were recycled and the site was cleared of other waste, debris and trash that had accumulated over the years.

Ongoing efforts to enhance the long-term sustainability of the region have led to the development of CC&V's relationship with the Southern Teller County Focus Group (STCFG). CDPHE documented the range of projects completed by the STCFG in co-operation with CC&V. It has been shown that the close proximity of historic and active mining could provide sites to attract tourists to the area, and educate them about the changes in mining technology since gold was discovered in 1891. Six trails have been developed on CC&V's property, along with interpretive signage. Several historic structures have been preserved as well.

The Bronze Achiever Award is a one-year award for entities that operate in Colorado and voluntarily seek designation. The applicants, as CC&V has, demonstrated areas of achievement which go beyond compliance. Environmental Resources Manager for CC&V, Gary Goodrich, congratulated the employees of CC&V on their hard work.

Case study

Evaluating wind power

Plans are currently under way to evaluate the possibility of harnessing the energy of the strong wind which always seems to be blowing at CC&V.

Environmental technician Gary Horton recently contacted the United States Department of Energy's Clean Cities Programme to assist the mining company with research. This programme supports the research and implementation of practices that contribute to the reduction of petroleum consumption. Horton gathered information on various forms of alternative energy including biodiesel and wind.

The National Renewable Energy Lab (NREL) and the Department of Energy jointly sponsor the Wind Powering America Programme. Wind is a clean, inexhaustible energy source, and is one of the fastest growing energy sources in the world. The State of Colorado Office of Energy Management and Conservation loaned CC&V anemometers to study the wind potential for CC&V, in co-operation with these and other agencies.

Three towers equipped with recording anemometers and wind direction sensors have been installed along the western edge of the district. The anemometers will gather information for one year in order to provide a representative database for wind energy in the district. The data will be interpreted at the University of North Dakota.

"At the end of one year we will be able to determine if any of the sites are feasible for wind generation. We will need to generate a steady nine miles per hour for our use," Horton explained. "There may even be an opportunity for participation with the community of Victor, Cripple Creek, and Teller County."

"To meet CC&V's needs we'd look at four or five 1MW windmills 300ft tall," he said. "Wind is the easiest way to work with alternative energy; it is easier and cheaper than solar."

As the wind energy project progresses, CC&V continues to explore other sources of alternative energy for the mine site such as solar power and biodiesel.



Community

Introduction

One of AngloGold Ashanti's values relates to the communities in which the company does business. This states that the company strives to form partnerships with host communities, sharing their environments, traditions and values; that it wants communities to be better off for AngloGold Ashanti having been there; and that it is committed to working in an environmentally responsible way.

With respect to communities, the company subscribes to the business principles summarised below. AngloGold Ashanti:

- aims is to have a positive impact on the people, cultures and communities in which it operates. The company will be respectful of local and indigenous people, their values, traditions, culture and the environment;
- strives to ensure that surrounding communities are informed timeously of, and where possible are involved in, developments that affect them, throughout the life cycle of the company's operations;



- undertakes social investment initiatives in the areas of need where the company can make a practical and meaningful contribution, in particular to those areas of education and health care relevant to AngloGold Ashanti's business activities, and those most likely to be sustainable after operations have closed;
- encourages its employees to make themselves available for participatory and leadership roles in the community;
- seeks to acquire and use land in a way that promotes the broadest possible consensus among interested people. Where involuntary resettlement is unavoidable, the company will abide by appropriate guidelines for resettlement, where they exist, and will work with the local communities to develop workable plans for any resettlement; and
- strives to contribute to the sustainable economic development of host communities through procurement activities; the contribution of redundant assets to the community; assistance in the establishment and growth of small- to medium-sized sustainable enterprises; and the outsourcing of goods and services from local vendors where appropriate.

AngloGold Ashanti is committed to engaging with non-governmental organisations (NGOs) and other stakeholders on issues of mutual concern.

The company has developed a Human Rights policy which it has asked several external agencies to comment on prior to approval by its Executive Committee. It is expected that this policy will be implemented in a phased approach by the end of 2007.

Engaging with the community

The cities of Cripple Creek and Victor owe their existence to historical mining operations and, in many ways, this historical relationship has helped CC&V to remain an integral part of its community. Since the start-up of current mining operations 15 years ago, the operation has played a pivotal role in developing constructive community relationships by raising its profile in the community and becoming a point of contact for community members and leaders. The intention has been to create a relationship of trust between the community and the mine, and to foster a positive climate in which mine personnel can discuss with the community matters which may have an impact on the area and its people.

The key stakeholders are the Teller County Commissioners, the Victor Government, the Southern Teller County Focus Group (STCFG), the Cripple Creek Government, residents of the area and the Teller County Planning Departments. Discussions take place both informally and formally, at regular scheduled meetings. CC&V shares information about its community relations activities and its sustainability programmes.

CC&V's Community Affairs Department encourages employees to participate actively in community initiatives and in local structures, and to interact with other local groups. Employees who volunteer for community work are rewarded with paid leave: one hour of paid leave for every three hours spent with community organisations and one hour of paid leave for every two hours spent in local government activities. Employees volunteered nearly 3,500 hours of their time in 2006.

Through this close interaction CC&V seeks to develop a good understanding of community priorities, and to learn how its assistance and support can have an optimal impact (*see case study on page 19*).

In particular, mine management has sought to develop a productive relationship with STCFG. Formed in 1999, this group brings representatives of the community together to create positive projects for preservation and economic development in the area. Major projects in 2006 have included trail maintenance, the development of new brochures and a partnership with the Gold Belt Byway.

Social investment spending

CC&V has a policy in place to ensure that requests for assistance can be thoroughly assessed. Primary consideration is given to projects that are strongly linked with the mine, that aid employees and their families, that benefit organisations with which CC&V works, and that aid the communities of Victor and Cripple Creek.

AngloGold Ashanti's total corporate social investment expenditure in 2006 in the United States was \$190,000, spent mainly in the fields of education, community health care, and arts, culture and heritage. The major projects supported were the Pikes Peak Regional Hospital, where construction has started; the Victor Community Center which is being renovated; the Teller County and Fremont County 4-H fairs; and the restoration of the roofing of the historic Goldfield City Hall.

Recognition

CC&V won the Industry Partner Award at the National Summit of Mining Communities for demonstrating successful collaboration with a mining community resulting in a long-term economic benefit to the community

Case study

Upgrading water system and settling water dispute

In the western United States it is often said that water is as valuable as gold. In the Cripple Creek Mining District, a reliable water supply is vital for CC&V's Cresson mine.

The right to use the precious resource in Colorado is established by the doctrine of 'first in time, first in use'. Those who have been continuously using the water the longest, have the right to continue using it. The city of Victor gained water rights from the slopes of Pikes Peak in the late 1890s, during the heyday of mining in the Cripple Creek District. CC&V has purchased this water from Victor since the inception of modern mining in the 1990s.

Until 2005, Victor was able to supply enough water to CC&V, even after the development of the large-scale Cresson mine in 1995. Problems with Victor's water supply were apparent in 2005 following several years of severe drought in the region. Both Victor and the nearby city of Cripple Creek thought they might be able to supply some additional water, but a decades-old lawsuit over the rights to the water posed a problem.

Victor acquired water rights from the town of Altman (founded in 1890) in the 1970s. The town's water rights had been transferred to the Southern Colorado Power Company in a foreclosure of United Gold Mines, a group of mines that had combined to try to keep the mines open in the district. When they failed, the large debt to the

power company was paid with water rights. Victor purchased the water rights and then filed a claim for the rights, along with a request to change the point of diversion. Cripple Creek objected to the change, and Victor ultimately objected to some of Cripple Creek's water projects as well.

But CC&V needed more water so CC&V Vice President and General Manager Ron Largent initiated negotiations to settle the water disputes between the cities of Victor and Cripple Creek. Ultimately both cities dropped their objections to the other's water cases, and agreed to co-operate on upgrades to each city's water supply system, including – for the first time in memory – linking Victor and Cripple Creek together.

The agreement allowed Cripple Creek to drill two additional wells. CC&V installed a pipeline from the wells to Victor's water supply system; Cripple Creek installed a pipeline to tie the wells to its water supply system. The Cripple Creek water is sold to Victor, which in turn sells water to CC&V. In addition, should Cripple Creek have issues with its water supply, Victor can supply water through the now connected water supply systems.

The improved water supply system supports the CC&V operation now, but will also be an asset for the cities of Victor and Cripple Creek in the future, long after mining operations are over.

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Feedback

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