

## Review of operations – United States of America

Cripple Creek & Victor is AngloGold Ashanti's sole operation in the United States. In 2007, Cripple Creek & Victor produced 282,000 ounces of gold, 5% of group production.

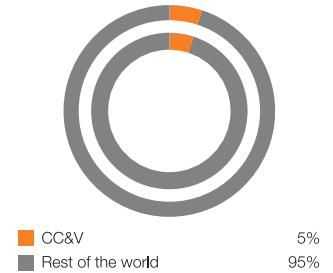
Cripple Creek & Victor		2007	2006	2005
Pay limit	(oz/t)	<b>0.01</b>	0.01	0.01
	(g/t)	<b>0.34</b>	0.34	0.34
Recovered grade	(oz/t)	<b>0.016</b>	0.016	0.018
	(g/t)	<b>0.53</b>	0.54	0.62
Gold production	(000oz)	<b>282</b>	283	330
Total cash costs	(\$/oz)	<b>269</b>	248	230
Total production costs	(\$/oz)	<b>372</b>	356	333
Adjusted gross profit	(\$m)	<b>74</b>	23	17
Capital expenditure	(\$m)	<b>23</b>	13	8
Total number of employees		<b>405</b>	369	357
Employees		<b>338</b>	325	313
Contractors		<b>67</b>	44	44

Cripple Creek & Victor (CC&V) is a joint venture in which AngloGold Ashanti has a 67% interest and Golden Cycle Gold Corporation holds the balance of 33%. AngloGold Ashanti is the manager of CC&V and has a 100% interest in the gold produced by CC&V until the loans extended to the joint venture are repaid. Subsequent to year-end, on 14 January 2008, AngloGold Ashanti announced the execution of an Agreement and Plan of Merger in order to acquire 100% of Golden Cycle Gold Corporation, thus owning 100% of CC&V. The closing of that transaction is anticipated

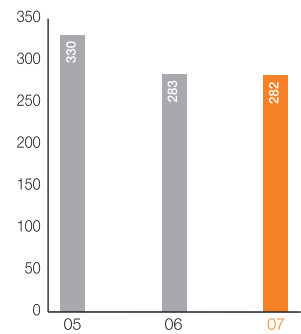




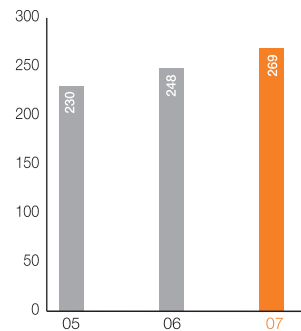
Contribution attributable to group production in 2007 (%)



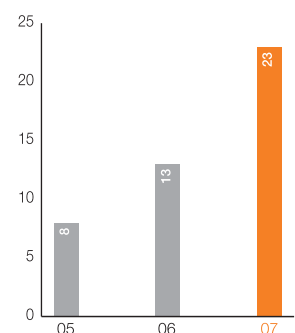
Gold production (000oz) CC&V



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



Capital expenditure (\$m) CC&V



to be completed in the second quarter of 2008 subject to various matters including approval by Golden Cycle Gold Corporation's shareholders, satisfaction of certain closing conditions, and receipt of all necessary regulatory approvals.

### Cripple Creek & Victor

**Description:** Located in the state of Colorado in the United States, CC&V's Cresson mine is a low-cost, open-pit mining operation which treats the ore mined by means of a heap-leach pad, which is one of the largest in the world. Production began here in 1994.

**Safety:** As at March 2007, CC&V had reported 43 months without a single lost-time injury. This record was unfortunately interrupted in the second quarter of the year when there was one lost-time accident. Consequently, the LTIFR for the year was 3.00 per million hours worked (2006: 0.0). No fatalities were recorded this year.

The DuPont Safety Training (STOP) programme implemented in 2003 and the risk-based safety management system implemented in 2005 continue to have very positive safety results. An extension of the STOP programme, called Train the Trainers, was implemented in 2007 to continue to enhance safety at CC&V. The programme is designed to prepare supervisors for peer training prior to crew training.

**Operating review:** In 2007, production at CC&V fell marginally to 282,000 ounces from 283,000 ounces in 2006. A total of 23Mt were placed on the heap-leach pad. The decline in production was a result of the greater distance over which the gold-bearing-leach solution had to be transported from the higher stacked ore to the leach-pad liner. This decline was compounded in the third quarter by delayed production from the leach-pad stacking levels.

## Review of operations – United States of America *continued*

Overall, there was an increase in total cash costs of 8% to \$269/oz from \$248/oz in 2006, principally as a result of rising commodity costs, and of diesel fuel in particular. A decrease in costs due to lower contractor costs was more than made up for by increases in fuel costs as oil prices hit record levels on global markets and creeping inflation in the general US economy.

The higher gold price received contributed to a 222% increase in adjusted gross profit to \$74 million. Capital expenditure for the year amounted to \$23 million (2006: \$13 million).

**Growth prospects:** Development drilling, engineering analysis and permitting requirements for the mine life extension project are currently under review. The proposed extension is to include the development of new sources of ore and an extension to the additional heap leach facility.

**Outlook:** Gold production for 2008 is projected to increase to between 290,000 ounces and 300,000 ounces at a total cash cost ranging from \$298/oz to \$308/oz. Operational initiatives have been taken to minimise growth in the leach-pad gold inventory in 2008. Capital expenditure of \$28 million is scheduled for 2008, to be spent mostly on major mine equipment purchases and the mine life extension project.

