



Country
Report
Colombia

07



ANGLOGOLD ASHANTI

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Introduction

The main focus of AngloGold Ashanti's exploration programme in 2007 was on greenfields exploration, that is, exploration in new terrains, notably in Colombia, the Democratic Republic of Congo (DRC) and Australia. By the end of December, a total of 6.95Moz had been delineated by greenfields activity at key prospects in these three countries.

Of the group's total exploration expenditure in 2007 of \$167 million, \$92 million was spent on greenfields exploration.

The discovery of new long-life, low-cost mines is the principal objective of the greenfields exploration programme. At the same time the group is committed to maximising shareholder value by exiting or selling those exploration assets that do not meet its growth criteria and to investing opportunistically in prospective junior exploration companies.

AngloGold Ashanti has a strong commitment to exploring and developing mineral resources in a manner that is environmentally and socially responsible.

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

Message from Chris Lodder

AngloGold Ashanti has been actively exploring in Colombia since 2000. Unfortunately, there are some misconceptions regarding our exploration programme: the one is a perception that the group controls a large portion of the mineral rights in the country; the other is that artisanal or informal miners have been displaced through our activities. Before addressing these issues, it is necessary to put AngloGold Ashanti's presence in Colombia into context.

Background

From 2000 to 2003 we were busy with target generation, prospect reviews, database compilation and business strategy development. During this period AngloGold Ashanti invested \$3.6 million in Colombia. There were no other companies carrying out greenfields mineral exploration at this stage.

The year 2004 saw us starting to explore the areas in the country which we thought had the greatest potential for the hosting of gold and base metal deposits. This programme, which is ongoing, involves working in partnership with major base metal companies and mid-tier producers/explorers in order to identify, evaluate and discover any significant deposits in the targeted prospective areas.

Since July 2004, AngloGold Ashanti and its joint venture (JV) partners, Mineros S.A., Glencore and B2Gold Corp, have systematically explored 8.3 million hectares with dense stream sediment sampling (as well as other methods) which has generated more than 550 gold and base metal targets of which about 200 have been followed up with detailed exploration work. This stage has resulted in 34 drill projects to date. By the end of December 2007, a total of 87,000m of drilling had taken place at 17 of these projects. At one site a conceptual economic study had been completed while at another, resource delineation drilling is under way.

From 2004 to the end of December 2007 AngloGold Ashanti and its partners had invested \$80 million in greenfields exploration in Colombia. About \$75 million will be invested in 2008.

Mineral rights

AngloGold Ashanti spent two years (2002 to 2003) studying Colombia's mining code and mining cadastral system, before starting the process of applying for mineral rights and initiating its exploration programme. This was to ensure that the company followed the letter of the law and it continues to do so. The thoroughness with which we applied for tenements may have given the impression that AngloGold Ashanti was being unduly aggressive. The approach had a serious purpose, however, and that was to make sure that first rights would eventually lead to mineral rights. It meant that the company avoided costly dealings with speculators and competitors.

The most important outcome is that AngloGold Ashanti has implemented and conducted a well planned, streamlined greenfields exploration programme in Colombia.

Artisanal mining

It was never the intention to displace artisanal or informal miners and indeed this has not occurred. On the contrary, AngloGold Ashanti has assisted in legalising over 50 small miners and mining co-operatives or associations throughout the country and no conditions were attached to providing this assistance. Joint ventures with two co-operatives, Miraflores and San Martin de Loba, were later negotiated at fair market values in an open and transparent manner.

The issue of artisanal mining is dealt with in greater detail elsewhere in this report.

Areas of exploration

When AngloGold Ashanti moved into the second phase of its exploration programme (from 2004), the company and its partners made applications amounting to 13.0 million hectares in Colombia. Following exploration work, the extent of the land under applications and mineral contracts has been reduced to 3.7 million hectares. Of this total, 1.7 million hectares are situated in areas where our joint venture partners (Glencore, B2Gold Corp and Mineros S.A.) are operating. AngloGold Ashanti's activities are concentrated on the remaining 2.0 million hectares. It is anticipated that the total exploration area, held by AngloGold Ashanti and its partners through contracts and applications, will be reduced to less than 2.5 million hectares by the end of 2008.

Since 2002 AngloGold Ashanti has been a proponent of reforming the mineral cadastral system to allow for a transparent, competitive system that treats all interested parties – be they large, medium or small miners – in a fair and even-handed manner. This would bring Colombia in line with other mining jurisdictions around the world.

Serious about mining

AngloGold Ashanti and its joint venture partners are mining companies of substance, not speculators. Our principal objective is to discover economically viable orebodies and then to develop mining operations in a manner that is socially and environmentally responsible. We are committed to ensuring that when these operations are closed in the future the communities concerned will be better off for our having been there.

Given the internal conflict in Colombia, AngloGold Ashanti was well aware of the risks it faced when it entered Colombia. The company also knew that the country was not accustomed to a modern approach to mineral exploration. Our objective is to find viable projects in Colombia, projects that can be developed into mines which will form an economic hub in the areas where they are situated. It is our hope that this



will lead to other commercial ventures being established, bringing greater stability and improved living standards to the communities concerned.

Wherever AngloGold Ashanti conducts exploration it puts in place a responsible, transparent, social programme which is focused on the communities and is underpinned by respect for human rights and cultural values.

Security

AngloGold Ashanti does not have an armed security division; it has a department that oversees the safety of our employees. When their safety is under threat this department will co-ordinate security but only through the public security forces. The company has never and will never use or deal with any illegal or subversive group for security or any other purposes.

Invitation

When AngloGold Ashanti explores or mines in a country where it has never operated before we see it as our duty to learn about the new environment and the cultures and values that prevail in that society. We invite legitimate activists and groups to visit our sites to form their opinions about what we are doing well and where we can do better. It is through such interventions that we can improve our interactions with the communities in which we work.

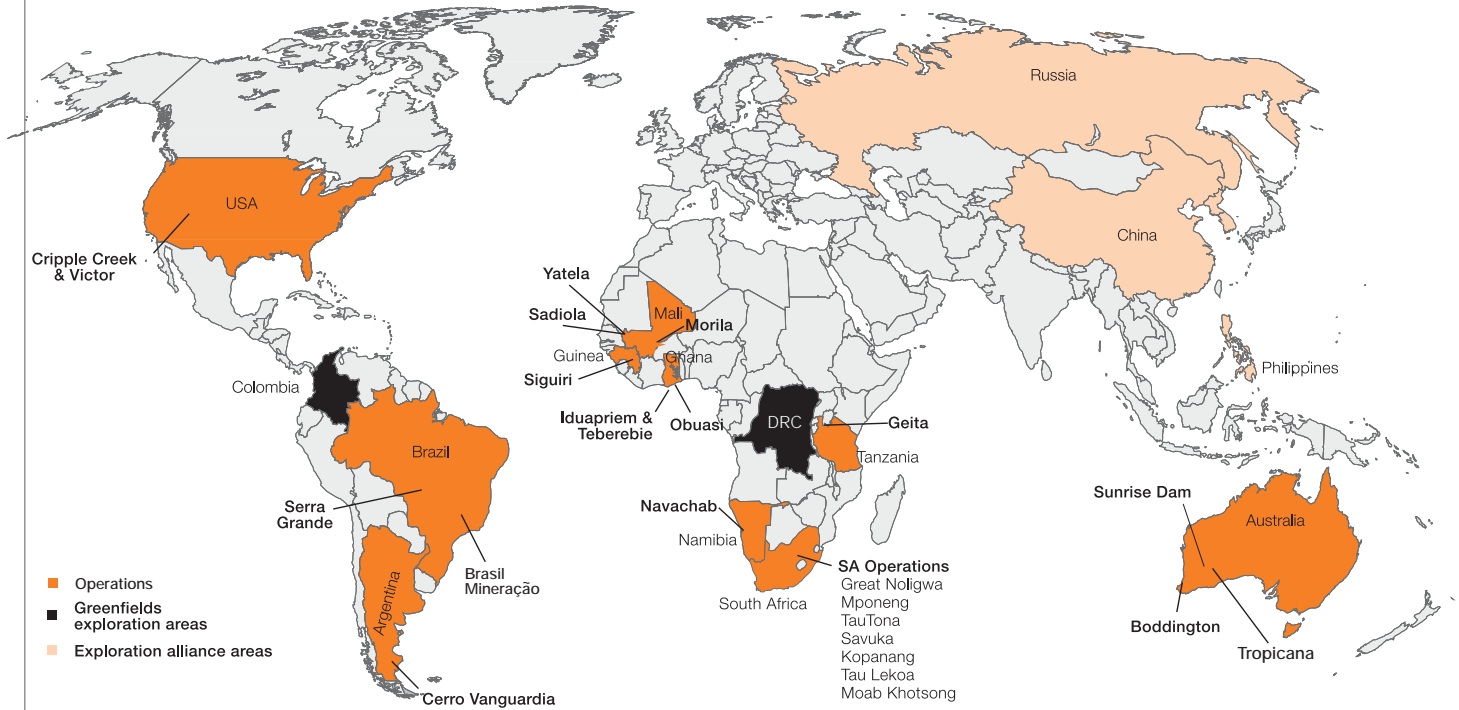
Chris Lodder

President – AngloGold Ashanti Colombia S.A.

Greenfields Exploration Manager: Americas – AngloGold Ashanti Limited

31 March 2008





Corporate profile

AngloGold Ashanti is a leading producer of gold. With its headquarters in Johannesburg, South Africa, the group has 20 operations and a number of exploration programmes in both the established and new gold-producing regions of the world.

In 2007, AngloGold Ashanti produced 5.5Moz of gold from its operations – an estimated 7% of global production – making it the third largest producer in the world. The bulk of its production came from deep-level, underground mines (40%) and surface operations (3%) in South Africa. Contributions from other countries were Australia (11%), Ghana (10%), Mali (8%), Brazil (7%), Tanzania (6%), the United States (5%), Guinea (5%), Argentina (4%) and Namibia (1%).

AngloGold Ashanti's global exploration programme continued to gain momentum in Colombia and the Democratic Republic of Congo (DRC) in particular, and in Australia, Russia, China and the Philippines. Exploration activities are carried out directly by the group or in collaboration with exploration partners and joint ventures.

As at 31 December 2007, the group employed approximately 62,000 people, including contractors, had proven and probable reserves of 73.1Moz of gold and had capital expenditure of \$1,059 million for the year.

In response to an ever-changing socio-economic environment, AngloGold Ashanti has announced its intention to review its current structure and asset base. It remains a values-driven company and these values, the foremost of which is safety, and the group's business principles continue to guide the company, its managers and employees, and form the basis of the company's interaction with all of its business and social partners and other stakeholders – shareholders, employees and their representatives, communities, suppliers, governments and civil society organisations.

AngloGold Ashanti's primary stock exchange listing is on the JSE Limited (Johannesburg). It is also listed on the exchanges in New York, London, Australia and Ghana as well as on Euronext Paris and Euronext Brussels. The group had 277,457,471 ordinary shares in issue and a market capitalisation of \$11.9 billion as at 31 December 2007.

The way we do business

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 accurately reflect the group's purpose and the way in which it does business.

Mission

We create value for:

- Our shareholders
- Our employees
- Our business partners

through the safe and responsible exploring, mining and marketing of our products.

Vision

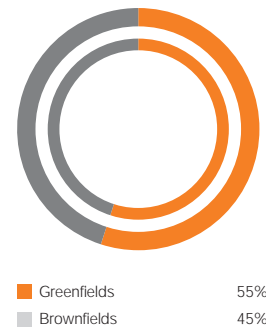
To be a leading, innovative mining company in respect of safety, the environment, operating efficiency, financial returns and the positive impact that we have on the communities in which we operate.

Values

People are our business. We treat each other with integrity, dignity and respect.

- Safety is our first value
- We value diversity and are committed to ensuring that the contribution of every individual is recognised and rewarded
- We take responsibility for our actions and deliver on our commitments
- We strive for continuous improvement and excellence through innovation
- We want communities and the societies in which we operate to be better off for us having been there
- We will respect and protect the environment

Exploration spend 2007



Our primary focus is gold but we will pursue value-creating opportunities in other minerals where we can leverage our existing assets, skills and experience.

Exploration in Colombia

Exploration in Colombia is carried out through AngloGold Ashanti's own exploration programme and through its preferred joint venture partner strategy. Currently activities are focused on regional reconnaissance, drill target definition, permitting, drilling and resource definition. Regional exploration and target generation activities continued during 2007.

In terms of its own projects AngloGold Ashanti has two major drilling projects in central Colombia: Gramalote and La Colosa as well as six early-stage drill projects.

Gramalote

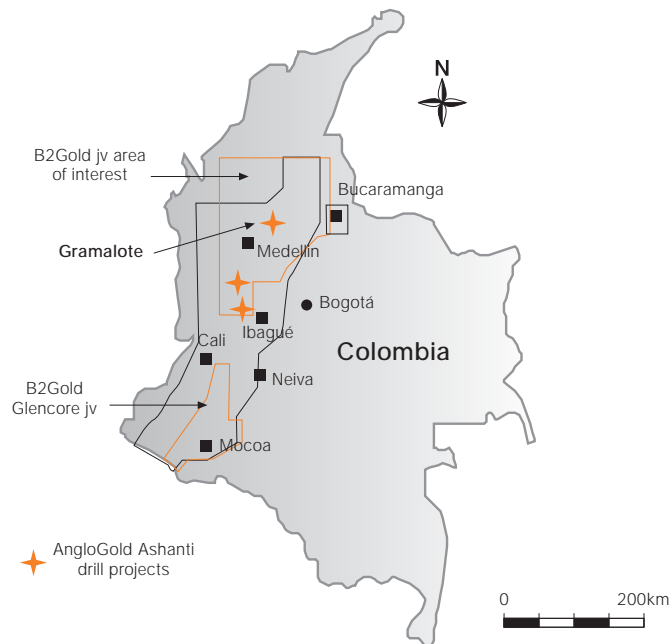
The Gramalote project is joint venture with Vancouver-based B2Gold Corp. The site is situated 120km by road west/north-west of Medellin, the capital of the Antioquia Department. Access is by paved road from Medellin and from Bogotá.

A conceptual economic study was completed on this bulk-tonnage prospect in 2007 with an Inferred Mineral Resource (100% basis) of 57.8Mt @ 1.14g/t (using a 0.5g/t Au cut-off) for a total of 2.12Moz of gold being delineated. The Inferred Mineral Resource was calculated using the assay data derived from 13,060m of diamond drilling (in 43 drill holes), plus adit sampling, and this study was completed by the end of 2007.

On 14 February 2008, AngloGold Ashanti announced the signing of a binding agreement with B2Gold Corp, in which B2Gold will have the option to earn into 51% of the Gramalote project. AngloGold Ashanti will be issued with 25 million shares and 21.4 million warrants in B2Gold in exchange for this additional interest in Gramalote and certain other mineral properties in Colombia.

Geology

The Gramalote area is underlain by medium- to coarse-grained biotite ± hornblende tonalite and



granodiorite of the Paleocene to Cretaceous Antioquian batholith. Magmatism, structural events and mineralisation are intimately related.

The location of drill targets is controlled by N70°-75°E dipping transfer zones, which strike steeply south-east, developed between two sub-regional faults (Rio Nus and Quebrada Socorro).

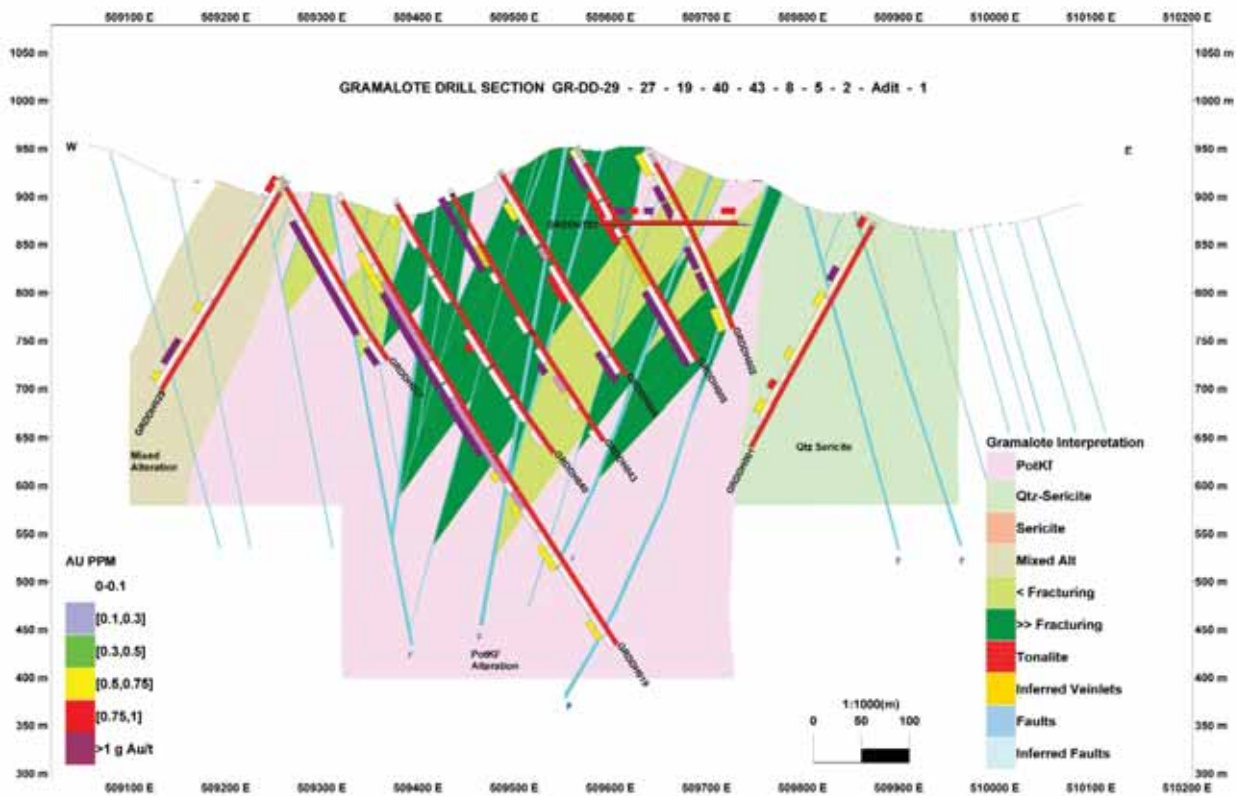
On the local prospect scale, extensional domains with quartz veinlets and compressional domains with shear zones have formed.

There are two principal mineralised sectors at Gramalote: Las Torres and Cerro Gramalote. Both occur in extensional domains striking N20°-30°W and dipping 75°-80°SW. Gold grades (>1g/t) often correlate with increased fracturing (>9 fractures/veinlets per metre) and the dominant alteration is potassic K-feldspar. Quartz-sericite overprints and quartz-pyrite-chalcocopyrite-molybdenite+gold veinlets follow subsidiary structures.

Shear zone domains strike N50°-60°E and dip 75°-80°SE. Individual shear zones are often up to 40m apart and north-south veins follow extension fractures between them. These veins have been targets for small-scale mining at Los Mangos. Alteration in shear zone domains is dominantly (quartz-) sericite with remnant potassic K-feldspar alteration. Veinlets are quartz-molybdenite-chalcocopyrite-pyrite+sphalerite+gold.

In summary, three styles of alteration-mineralisation are distinguished at Gramalote:

- potassic K-feldspar alteration with associated veinlets and sporadic veins;
- quartz-sericite alteration with veins and syn-deformation veinlets; and
- sericite/chlorite-quartz-calcite/illite-smectite alteration on re-activated fault planes.



Gold grades are attractive, especially in areas characterised by potassic K-feldspar dominated alteration and quartz-pyrite-chalcopyrite veinlets. Las Torres and Cerro Gramalote have been drilled on 100m lines. El Barzal has been partially drill tested and the La Concha prospect remains undrilled.

Mineral Resource estimation

The Inferred Mineral Resource estimate for Gramalote is set out in the table below.

Mineral Resource							
As at 31 December 2007	Resource category	Tonnes (000s)	Metric Grade (g/t)	Au (kg)	Tons (000s)	Imperial Grade (oz/t)	Au oz (000s)
Gramalote	Measured	–	–	–	–	–	–
	Indicated	–	–	–	–	–	–
	Inferred	43,394	1.14	49,491	47,833	0.033	1,591
	Total	43,394	1.14	49,491	47,833	0.033	1,591

La Colosa and other sites

AngloGold Ashanti's 100%-owned La Colosa porphyry gold prospect is situated 150km west of Colombia's capital city, Bogota, in the department of Tolima.

During 2007, resource delineation drilling was undertaken and by the end of December, approximately 12,000m of diamond drilling (in 42 drill holes) had been completed. Additional drilling and a conceptual study were undertaken during the first months of 2008.

After year-end, in May 2008, a JORC-compliant resource estimate was completed for the La Colosa deposit and AngloGold Ashanti announced an initial Inferred Resource of 468.8Mt at 0.86g/t for a total of 12.9Moz of gold.

Since discovery 18 months ago, exploration drilling at La Colosa has rapidly defined porphyry-style mineralisation at a grade of more than 0.3g/t, extending over a strike length in excess of 1,500m and a width of 600m. Additional upside potential, which is considered material, remains untested both along strike to the north and south as well as to the east of the drilled portion of the deposit.

AngloGold Ashanti and joint venture partners have also completed first-pass diamond drilling on three other projects, with follow-up drilling taking place on one of these prospects during the first quarter of 2008.

In July 2007, Antofagasta PLC provided AngloGold Ashanti with written notification of its intention to withdraw from the La Vega-Mocoa (Southern Colombia) Joint Venture. While the field programme had been successful in identifying a number of gold anomalies (all of which are currently being followed up by AngloGold Ashanti), no significant base metal anomalies of interest to Antofagasta were identified.

Occupational health and safety

AngloGold Ashanti's foremost value 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 group is committed to:

- complying with all relevant occupational health and safety laws and, in the absence of such standards, to adopting leading practice; and
- providing a working environment that is conducive to safety and health.

Although 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.

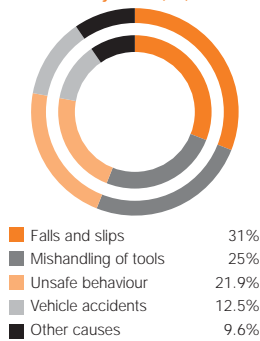
Managing health and safety in Colombia

There are eight laws, 10 resolutions, 11 decrees as well as the Code Substantive Work of 1950 that govern occupational health and safety, mining and emergency planning in Colombia. Apart from Decree 1335 which is not applicable to exploration activities, AngloGold Ashanti is compliant with all of these.

The group is progressing with the implementation of Occupational Health and Safety Assessment Series (OHSAS) 18001 at its operations worldwide. The series provides both a framework for identifying business risks associated with safety and health, and guidelines for implementation and achieving certification. The aim is to have this system in place in Colombia by December 2008.



Causes of lost-time injuries (%)



AngloGold Ashanti meets with its joint venture partners on a monthly basis to report on safety and health issues. A monthly occupational health schedule is submitted to professional risk administrator Colpatría and the company registers occupational health, industrial hygiene and security information with the Social Protection Ministry every second year.

The company has an occupational safety and health policy which is updated regularly. Employees are represented on the Occupational Safety and Health Committee which meets once a month to report on and analyse accidents and to discuss the physical and mental health of workers. Decisions regarding remedial actions are taken at this forum.

Training was intensified during 2007 to raise awareness of safety and health and to create a mindset where employees make safety and health their first consideration. An industrial safety supervisor was appointed as part of this drive. Posters, e-mails and briefs are used to communicate messages about safety and health.

An internal risk assessment was undertaken in 2007 by the occupational health and safety co-ordinator and supervisor. Several primary risk areas were identified and, where necessary, corrective action taken.

Risk identification forms part of overall safety and health planning with the emphasis on prevention. Medical examinations, vaccinations, a surveillance hearing epidemiological system for drilling platforms and water treatment are examples of the measures that are in place to prevent occupational illness and injury.

During 2007, more than 1,000 medical surveillance examinations (pre-employment, periodical and exit) of employees were carried out in Colombia.

In the year under review, Colombia recorded a lost-time frequency injury rate (LTIFR) of 33.82. Falls and slips because of ground conditions were responsible for 31% of these injuries, followed by the mishandling of tools (25%) and engaging in unsafe behaviour (21.9%). The latter occurred because workers had allowed themselves to be distracted.



Employment

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 group 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 group seeks to understand the different cultural dynamics in host communities and adapts work practices to accommodate this where possible.

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

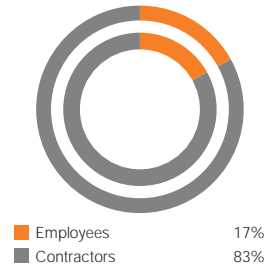
Employment in Colombia

In 2007, there were 143 employees and around 700 contractors and consultants working for AngloGold Ashanti in Colombia. Women make up 37% of the workforce.

During the year under review, a total of \$53,000 was spent on training employees, 70% of whom underwent technical training.

Health care, life insurance and study assistance (100%) are provided to all employees. The cost of health care to the company in 2007 was \$24,000.

Employees and contractors/
consultants in Colombia 2007



Community

One of AngloGold Ashanti's values relates to the communities in which the group does business. This states that: '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.'

At a corporate level, AngloGold Ashanti engages with international industry and voluntary bodies, such as the International Council for Mining and Metals (ICMM) and the International Organization for Standardization, to develop standards and best practice. The group is also supportive of and has participated in discussions and programmes initiated by the Council for Responsible Jewellery Practice, the World Gold Council, the Initiative for Responsible Mining Assurance, and the Communities and Small-scale Mining Initiative (CASMI).

International standards for social responsibility

The International Organization for Standardization (ISO) has launched the development of an international standard providing guidelines for social responsibility. The guidance standard will be published in 2010 as ISO 26000 and its use will be voluntary. It will not include requirements and will thus not be a certification standard.

The ISO is looking for a middle way that promotes respect and responsibility based on known reference documents without stifling creativity and development. Its aim is to encourage voluntary commitment to social responsibility that will lead to common guidance on concepts, definitions and methods of evaluation.

Industry, government, labour, consumers, non-governmental organisations (NGOs) and other stakeholder groups are participating in the social responsibility working group to develop ISO 26000. Joint leadership is being provided by the Swedish Standards Institute (SIS) and the Brazilian Association of Technical Standards (ABNT). AngloGold Ashanti plays an active role on this forum.

AngloGold Ashanti is committed to engaging with NGOs and other stakeholders on issues of mutual concern. The over-arching strategy is to develop relationships based on a mutual recognition of each other's legitimate right to operate. The focus of the strategy is to reach agreements and understandings with organisations, whether AngloGold Ashanti shares their interests or not.

The group is active in a number of countries where security considerations make it necessary for operations to rely on special support, on a fee-for-services basis, from the police and/or army. This is the case in Colombia. It is a complex issue that raises moral and social concerns and requires ongoing management, monitoring and attention.

Following AngloGold Ashanti's admission to the Voluntary Principles on Security and Human Rights (see accompanying box), a range of activities is under way to harmonise the group's activities with this international good practice guideline, including the finalisation of the group Human Rights and Security policy.

A management standard and accompanying guidance note, a training programme and a toolkit to assist operations and exploration sites in aligning their security practices with the Voluntary Principles have been developed. These materials will also assist managers to establish and maintain regular contact with stakeholders.

Voluntary Principles



The Voluntary Principles were developed out of a multi-stakeholder process involving governments, resource companies and NGOs in late 2000. They were drawn up with the objective of helping companies in the extractive sector to improve their performance in relation to security risk assessment and the control of security operatives, and to improve relations with communities over security issues. Accordingly, they focus on three main areas:

- risk assessment;
- interactions between companies and public security; and
- interactions between companies and private security.

Human rights toolkit

As part of the implementation of the Voluntary Principles on Security and Human Rights, AngloGold Ashanti has produced a guideline and toolkit for employees and contractors that will be implemented in 2008.

The guidelines elaborate on the group's policy on security and human rights, explain what human rights and human rights abuses are, what the Voluntary Principles are and what they are designed to do, and provide implementation guidelines for the group's operations.

Included in guidelines are operating standards for asset protection employees and contractors covering issues such as screening of employees, use of technology, privacy, carrying of firearms, use of force, dogs and firearms, and dealing with arrest, among other issues.

Attention is being paid to putting in place appropriate structures to deal with the concerns of local communities. And ongoing pressure for mining companies to meet local economic and more general development aspirations is an increasing challenge.

AngloGold Ashanti recognises the need for constructive relations with national and local government, and with civil society. Broader strategic aims include:

- advancing and furthering democracy, particularly in post-conflict and developing economies;
- ensuring that the group has the capacity to exert a positive influence on public policy and legislative reform; and
- promoting a culture of public-private partnership in the areas of infrastructure, tax, and social and human resource development.

Engaging with communities in Colombia

AngloGold Ashanti's community relations in Colombia are handled by the Department of Social Development under the leadership of the manager of social development. The department is supported by the national field co-ordinator and social supervisors, located at each of the projects. Relations with the communities are based on mutual respect and recognition and, in most cases, co-operation. Community members are encouraged to approach the company with any complaints and grievances and these are attended to promptly.

There is regular contact with the representatives of rural communities, landowners, local government, regional government and local NGOs. One of the ways in which this happens is through the Committee of Social and Environmental Responsibility, which has been established in each municipality where there is an

exploration project under way. Delegates from local government and local institutions and community representatives participate in the meetings of this committee which take place twice a month.

The leaders of community groups and organisations are kept informed about progress, through workshops and meetings, with respect to the progress of exploration projects. They are also involved in identifying social programmes to be implemented.

As exploration projects get under way, AngloGold Ashanti carries out an economic study to determine the potential impacts of mining, local development and work opportunities for local people.

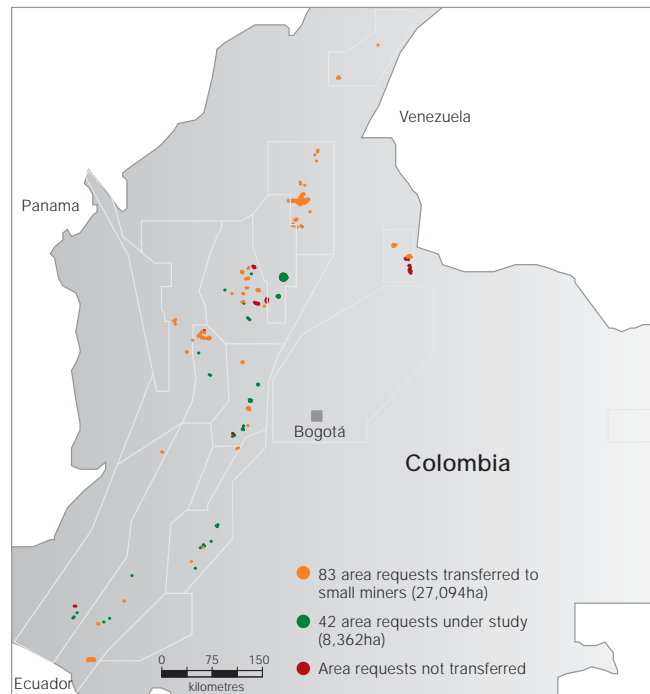
Artisanal and small-scale mining

The presence of artisanal and small-scale mining (ASM) at AngloGold Ashanti's exploration sites in Colombia as well as at its exploration sites in the DRC and its operations in Ghana, Guinea and Tanzania, poses one of the most significant and multi-faceted community-related challenges facing the group.

The strategy, which is evolving, takes into consideration local issues and regulations and, increasingly, site-specific practices and policies will be driven through consultation with the miners themselves. AngloGold Ashanti's view is one that permits co-existence and promotes the development of orderly, viable small-scale mining sectors in collaboration with host communities and governments as a *quid pro quo* for respecting the security of the operations. However, the issues that present themselves are complex. (See case study in the Report to Society 2006: AngloGold Ashanti's approach to artisanal and small-scale mining, at www.aga-reports.com)

In Colombia, a 'Good Friends and Neighbours' policy has been developed that provides for the establishment of contracts and collaborative agreements, in the interests of promoting legal and commercial mining activity. At the heart of the programme is the allocation of ground to ASM miners, giving them legal mining title over the property. In return for this, the miners have to register in terms of the local mining regulatory framework and comply with some basic health and safety and environmental requirements.

Good friends and neighbours programme



For the most part, the property identified for disposal to small-scale operators is restricted to narrow high-grade veins or alluvial-colluvial deposits, which are generally not of interest to AngloGold Ashanti in the short term. However, one of the main advantages of the approach is that it gives the operators a real, value-based, commercial interest in the property and, should the company wish to incorporate it into a larger-scale mining operation, it gives AngloGold Ashanti the opportunity to re-acquire the land.

What is ASM?

Artisanal and small-scale mining is a global phenomenon in mineral-rich, predominantly less economically developed countries. The World Bank's Communities and Small-scale Mining Initiative (CASMI) estimates that there are 13 to 20 million people in over 30 developing countries actively engaged in ASM and a further 80 to 100 million people depending on the sector for their livelihood. (Source:www.casmsite.org).

ASM is largely a socio-economic issue that often traps its practitioners into a spiral of inter-generational poverty. It is a labour-intensive activity, which frequently exposes the miners to unsafe working circumstances and processes and brings them into conflict with landowners and regulators. ASM miners typically work in groups and can be highly organised, with certain people specialising in specific activities. But with low levels of mechanisation, poor productivity and rudimentary processes for recovery, the ASM miners themselves are at the lowest end of a complex value chain which, typically, comprises several layers of middlemen and they earn low, often subsistence, levels of income.

The sector often includes a large proportion of people from vulnerable groups such as women, children and migrants.



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 group complies with all applicable environmental laws, regulations and requirements.

Environmental issues and practices in Colombia

There is one over-arching environmental law in Colombia, the 99th law of 1993. All decrees and regulations relating to the environment fall under this law. In the past year some important initiatives have started for the creation of special zones of forest reserves. Should these zones be proclaimed, they could limit AngloGold Ashanti's current exploration areas.

The company has an environmental manager in the country who has overall responsibility for the function and there is one environmental co-ordinator assigned to every drilling programme. AngloGold Ashanti's group Exploration Department intends implementing an integrated health, safety and environmental management system at all its sites worldwide.

Representatives of environmental authorities visit the company's sites in Colombia regularly and give their recommendations in accordance with the country's laws. AngloGold Ashanti has not been in breach of any laws or regulations since it started exploring in Colombia.

Risk identification forms part of the management of the sites. During 2007, the primary risks identified were: contamination of water or soil by fuels or chemical additives during drilling; causing damage during the building of platforms; and having an adverse effect on fauna during drilling operations. Raising awareness of risks helps employees to work in such a way that their activities have as little impact as possible on the environment. Affected land is restored as soon as a drilling programme ends.

Regular internal audits are held into procedures and practices. In addition, during 2007 there were four external audits conducted by Corantioquia (the regional environmental authority for the Antioquia Department), Carder (the regional environmental authority for the Risaralda Department), Cortolima (the regional environmental authority for the Tolima Department) and Cornare (Corporación Autónoma Regional Rionegro-Nare).

The company shares and discusses environmental information – for example, the results of baseline studies into water and vegetation – with stakeholders during workshops and meetings. Community representatives raise issues at these sessions and are encouraged to make suggestions.

The most significant concern to be raised by communities during the year was that of water management. However, since AngloGold Ashanti started its drilling programmes in Colombia it has used less than 250m³ of water. All the water used is treated and returned to source.

With a view to reducing greenhouse gas emissions, the company is looking to use hydraulic energy produced by small hydroelectric generating plants at several of the sites.

About this report

AngloGold Ashanti reports to a wide range of stakeholders and business partners, including shareholders, employees, community members and many other interested parties in all of the countries and regions in which it operates. For this reason the Annual Report comprises several documents, in a number of formats.

For the 2007 financial year, AngloGold Ashanti Annual Report comprises:

- the Annual Financial Statements, a printed version of which is available on request;
- the Report to Society, a web-based document, which may be requested on a CD-ROM. A summarised version of the Report to Society is also available in a printed format; and
- country reports of which this is one. These reports cover every operation within the group and provide a level of detail not possible in the group report. These are available as printed documents on request.

All of these reports are available on the corporate website www.anglogoldashanti.com or at www.aga-reports.com

Feedback

We welcome feedback on this country report and its contents. A feedback form may be found on the AngloGold Ashanti website at www.aga-reports.com or you may e-mail your comments to afine@anglogoldashanti.com.

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