

Exploration

Total exploration expenditure amounted to \$46m (\$19m brownfields, \$27m greenfields) during the first quarter of 2008, compared to \$48m (\$22m brownfields, \$26m greenfields) in the previous quarter.

BROWNFIELDS EXPLORATION

In **South Africa**, surface drilling continued in the Project Zaaiploats area, with boreholes MZA9 and MMB5 during the quarter.

Surface drilling in the Moab North area continued with a long deflection of Borehole MCY4 reaching a depth of 2,106m and borehole MCY5 advancing a further 478m during the quarter.

At Tau Lekoa, borehole G54 was completed and borehole G55 is currently drilling and has reached a depth of 1,285m at the end of the quarter.

At Iduapriem in **Ghana**, preparation for Mineral Resource conversion drilling was started at Ajopa, with line cutting and drilling pad development completed and drilling expected to start in the second quarter of the year.

In **Argentina**, at Cerro Vanguardia the 2008 exploration programme commenced in February with 4,731m of diamond drilling and 600m of reverse circulation (RC) drilling being completed. A hyper-spectral survey was completed and is currently being interpreted.

In **Australia**, at Boddington mine, by quarter end there were five rigs employed on Mineral Resource conversion and the near mine exploration diamond drilling programme. During the quarter, nearly 25,756m were drilled from 30 holes.

In **Brazil**, at Córrego do Sítio Sulphide Project, drilling continued with 10,269m being drilled from surface, 2,341m drilled from underground and 860m of underground development. At the Lamego project 4,633m of surface drilling, 3,063m underground drilling and 946m of underground development were completed.

At Siguiri in **Guinea**, exploration activities continued to focus on 50m by 50m of infill RC drilling at Sintroko South (situated 8km south of the mine). Results from reconnaissance air core drilling of the Setiguia anomaly to the north west of the Eureka North pit are awaited. Geochemical soil sampling is ongoing to investigate the western

extensions of the Setiguia and other potassium anomalies on the north-west trending structures related to the Eureka North – Kintinian mineralisation corridor.

Reconnaissance aircore drilling (AC) was completed and results were received for coincident AEM and geochemical anomalies at Kouremale in Block 4, close to the Malian border, and in Block 3 at Kolita-Kounkoun. These will require follow up drilling after the rainy season.

At Geita in **Tanzania**, exploration activities continued to be concentrated in three areas, namely, Area 3 (820m); Nyakabale-Prospect 30 (5,288m) and Kalondwa Hill (331m). Diamond drilling (1,620m) for metallurgical testing was started at the Star and Comet projects during the quarter.

At Morila in **Mali**, a pitting programme was conducted at Sokela (33 pits) and Domba-Bla (9 pits) to define the limits of inferred sediment rafts.

At Sadiola, testing started at the four anomalies, Sekokoto SE (1,562m); Lakanfala East (5,650m); S5 (990m) and S6 (3,272m). In addition, the Phase 9 Deep sulphide drilling programme started in the northern part of the Sadiola Main pit (1,647m) and dedicated mapping was conducted in the FE4 Pit to provide support for the further development of the 3-D geological model.

At Navachab in **Namibia**, drilling focused on ore extension in the Main Pit and North Pit 2 areas with 5,200m drilled. Two new drill access roads were completed at Gecko North. Drilling of 4,780m of exploration infill and advanced grade control holes at Anomaly 16 has been completed.

Following some positive anomalies from the Steenbok-Starling soil survey, the grid was extended southwards. The BLEG stream sediment survey (195 samples) over the Okondura EPL3276 has been completed and the results thus far have been disappointing.

Two new EPLs, Otjombali and Elisnore of approximately 100,000 hectares each, to the northeast of Okahandja, have been applied for.

At Cripple Creek & Victor in the **United States**, exploration and development drilling continued on the north side of the district near Schist Island and Control Point.

GREENFIELDS

Greenfields exploration activities continued in six countries (Australia, Colombia, the DRC, China, the Philippines, and Russia) during the first quarter of 2008. A total of 25,220m of diamond drilling (DDH), reverse circulation (RC), and aircore (AC) drilling were completed during the first quarter of 2008, at existing priority targets and delineating new targets in Australia, the DRC, and Colombia.

In addition to a total of 6.95Moz attributable (9.1Moz on a 100% basis) of JORC Inferred and Indicated Mineral Resource declared by AngloGold Ashanti in 2007 at its greenfields projects, an additional 12.9Moz Inferred Mineral Resource has been defined at AngloGold Ashanti's 100% owned La Colosa project in Colombia.

In **Colombia**, regional exploration and target generation activities continued during the first quarter with diamond drilling on four prospects. A major focus was drilling and resource modelling at La Colosa, where 5,897m of diamond drilling was completed on the Main Porphyry and La Belgica sectors. At the end of the quarter, a total of 17,052m has been drilled from 59 holes throughout the La Colosa area, and an Inferred Mineral Resource of 12.9Moz has been defined in the Main Porphyry, at a gold price of \$1,000/oz, as per table below.

Cut-Off (g/t)	Price \$	Tonnage (Mt)	Grade (g/t)	Ounces (Moz)
0.5	700	293.4	1.03	9.7
0.4	800	351.6	0.95	10.8
0.3	1,000	468.8	0.86	12.9

Table: Mineral Resource (Inferred), constrained within an optimised pit shell at gold prices of \$700, \$800 and \$1000/oz

La Colosa is the second significant greenfields discovery (Gramalote being the first) in Colombia and was discovered by AngloGold Ashanti's Colombian greenfields exploration team during 2006. The Project is 100% owned by AngloGold Ashanti and is located 150km west of Colombia's capital city, Bogota and 30km west of the major town of Ibague in the Department of Tolima.

Since discovery, only 18 months ago, exploration drilling at La Colosa has rapidly defined "porphyry style" mineralization at a grade > 0.3g/t gold 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 and regionally, where at least three quality targets require follow-up.

Included within the pit optimisation are some 0.5Moz of potentially mineralised material that has not yet been drilled. This material was included in the pit optimization, as it lies at the crest of the La Colosa Hill and has not yet been drilled due to logistical constraints. There is strong geological evidence that this material is mineralised, and as it has not been included in the Mineral Resource, it constitutes further near term upside.

Exploration drilling at Colosa is temporarily suspended until a new environmental permit is issued, which is expected within the next few months.

In **Australia** exploration in the Tropicana JV (AngloGold Ashanti 70%, Independence Gold 30%) focussed on the drilling of the Tropicana and Havana resource and infrastructure sterilisation as part of the project pre-feasibility study. On completion of this project at the end of the second quarter 2008, the focus will be directed to the regional programmes on the 12,500km² of tenement held by AngloGold Ashanti in the Tropicana JV and Viking Project (3,500km² and 100% AngloGold Ashanti). Reconnaissance work in the Tropicana JV tenements returned encouraging rock, auger, aircore and diamond drilling results. Auger results defined anomalies at Tropicana Group 4 with sufficient encouragement to follow-up with further sampling and aircore drilling later in the year. Mapping at Black Dragon returned several selective rock chip samples with anomalous grades up to 22.18g/t. Significant aircore results were returned from Black Dragon, Beetlejuice and Screaming Lizard. Diamond drilling at Beachcomber included a 1.8m quartz vein intersection with visible gold. During the first quarter, a total of 258 aircore holes were drilled for 14,291m and 2 diamond holes for 422m.

A restated joint venture agreement was signed with Independence Gold during the quarter. The agreement includes requirements for the future mining operation and the JV partner has agreed to jointly fund all regional exploration and certain other activities outside of the agreed scope of the Pre-feasibility Study.

Along the Albany-Fraser orogenic belt, where AngloGold Ashanti has a first mover advantage, with granted tenements and applications covering an area of 12,500km² dominating a strike length of 600km. The approximate 3,500km² Viking project is southwest of the Tropicana JV within the same Albany-Fraser belt that hosts the Tropicana

deposit. Recent results at Beachcomber and those reported by other explorers add credence to this belt potentially emerging as a new gold province.

Exploration activities in the **DRC** were undertaken at Concession 40 (10,000km²), which covers most of the Kilo greenstone belt and remains virtually unexplored by modern methods. A total of 1,950m of infill drilling for definition of the open-pit Inferred Mineral Resource at Mongbwalu was completed, and the 2007 Mineral Resource estimation of 33Mt at 2.68g/t will be updated with assay results from the twenty holes drilled during the quarter. A further 14,050m of infill drilling spaced at 50m by 50m, adjacent to the open pit resource will focus on defining an underground resource.

Around Mongbwalu, detailed surface mapping and data integration is leading to an enhanced understanding of the potential in the immediate area. Regional exploration activities focused around four main areas including Lodjo; Bunia West; Mont Tsi and Petsi, all located within 50km of the Mongbwalu resource area. The Mont Tsi and Petsi prospects are ready for first phase drilling during the year, and at the Petsi prospect, up to a 30m wide potentially gold mineralised shear zone has been identified by trenches over a distance of 1.8km. Mont Tsi is an historically mined area where an old open pit, which is approximately 1.5km long, exposes strongly deformed and altered mafic granitoid that host gold mineralisation. Assay results from trenches for both Petsi and Mont Tsi are still being awaited. The findings of the DRC Minerals Review Commission have resulted in AngloGold Ashanti and the AGK joint venture engaging the DRC government to seek resolution and agree a way forward to optimally develop Concession 40.

In **Russia** the formation of Zoloto Taigi, the AngloGold Ashanti / Polymetal strategic alliance vehicle, was completed. It is anticipated that through the strategic alliance, AngloGold Ashanti will be in a position to increase its presence in Russia by pursuing new opportunities through participation in licence auctions, acquiring equity in prospective projects and by new project generation in new or less intensely explored areas. In the Krasnoyarsk region, diamond drilling to increase the Ore Reserve by a possible 600,000oz, from 1.8Moz to 2.4Moz, is in progress. A licence wide geochemical survey is also underway on the Aprelkova licence in the Chita region.

In **China**, results from the diamond drilling programme was completed at one of the targets on the tenements held by the Yili-Yunlong CJV, and returned low gold and copper results. Final evaluation of these tenements will be completed by the end of the third quarter of 2008. The CJV is awaiting grant of three exploration licences applications (130km²) in eastern Tianshan. The area was selected for exploration for copper-gold porphyries following a government funded soil sampling programme, which found high levels of gold (30-60ppb) in calcrete. Final approval of the Jinchanggou CJV is expected at the end of the second quarter 2008, with delays caused by changes to government regulations. Low-cost exploration programmes have however confirmed the extension and continuity of gold anomalies. Mapping and sampling of small open-pit and underground workings have characterised both the low and high-grade gold mineralisation. Drilling will commence following the issue of the business licence.

In the **Philippines**, progress was made on the Mapawa MPSA during the quarter with the licence approved for grant by the Manila Mines Geological Bureau (MGB). Final approval/ratification is still awaited from the Department of Environment and Natural Resources (DENR).