



ANGLOGOLD ASHANTI

USA



Message from Don Ewigleben and Ron Largent

At AngloGold Ashanti North America Inc., and at the Cripple Creek & Victor Gold Mining Company (CC&V) in particular, we are proud to be associated with a long history of gold mining.

The Cripple Creek Mining District is known as a world-class gold producer, having produced gold for over 100 years. A significant gold discovery in Poverty Gulch in the 1890s led to one of the last great gold rushes in the United States. Since that time, the district has produced more than 24 million ounces of gold.

In 2004, CC&V turned in an exemplary performance, producing 329,000 ounces of gold at a total cash cost of US\$220 per ounce. The recently completed expansion project has increased average annual gold production by 40% and extended the life-of-mine from 2008 to at least 2013, yielding an additional 2.8 million ounces of production over this time.

Through our significant investment in recent years we have been able to continue to be part of this proud gold mining tradition.

In 2004, we continued with our successful social investment program, with contributions to groups in the community in the areas of health care; the environment; arts, culture and heritage; youth and education and in the general community. Through these donations CC&V seeks to support community activities and groups which serve the area.

CC&V continued its support of the Pikes Peak Regional Medical Center (PRMC), although funding for construction and start-up costs continue to be a major concern. The Association Board, of which our group is a part, has considered several options and is working on private financing.

CC&V also continued to support the Southern Teller County Focus Group, which sustained its position in the community as a positive force for economic development and historical preservation. The Focus Group manages trails and historic sites on CC&V's land, keeping these areas open to public access.

At our own operations we are committed to working in a manner that assures environmental compliance, protection of the natural environment, and continually improves environmental performance.

We were particularly pleased when both the Denver office and CC&V received "Pollution Prevention Awards" in February 2004 as special recognition for the development of an effective pollution prevention program in accordance with the Colorado Mining Association's Pollution Prevention Code of Practice. The award is endorsed by the Colorado Department of Public Health and Environment and has been recognised by the US Environmental Protection Agency (EPA) through a 2003 Friend of EPA award.

In conclusion, we maintain an open-door policy, both with regard to employees and the communities surrounding our operations. We would welcome any feedback, both on this report and our operations in general.

Don Ewigleben
President and Chief administrative officer

Ron Largent
Vice president/General manager

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About this report:

AngloGold Ashanti is committed to reporting to a broad range of stakeholders. In addition to its operational and financial performance the company also reports on its economic, social and environmental performance – the so-called triple bottom line.

This country profile forms part of a broader group Report to Society, which is available on the company's website, or from the contacts detailed below.

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2 | Introduction

South Africa-based AngloGold Ashanti Limited was formed in April 2004, following the business combination between AngloGold and Ashanti Goldfields.

AngloGold was formed in June 1998 with the merger of the gold operations, mineral rights, and exploration activities of Anglo American Corporation and its associated companies. In March 1999, AngloGold expanded its international holdings, by acquiring the Pikes Peak Mining

Company, and interests in the Cripple Creek & Victor Gold Mining Company (CC&V) and the Jerritt Canyon Joint Venture. AngloGold's stake in the Jerritt Canyon Joint Venture was sold to Queenstake Resources USA Inc. with effect from 30 June 2003. AngloGold Ashanti owns 100% of Big Springs in Nevada, which is currently in the final stages of reclamation and closure.



Cripple Creek & Victor (CC&V)

Ownership: AngloGold Ashanti (Colorado) Corp. holds a 67% interest in the CC&V with a 100% interest in gold produced.

Location: CC&V is located south-west of Colorado Springs in the state of Colorado in the USA.

Geology: The Cripple Creek Mining District is centred on a tertiary-aged diatreme-intrusive complex, approximately circular in shape covering 18.4km², surrounded by older Precambrian rocks. The Precambrian rocks consist of biotite gneiss and granodiorite which occur within a larger quartz monzonite intrusion which is in turn intruded by granite. The intersection of these four units and major faults formed an area of weakness which subsequently facilitated the formation of the tertiary complex. The tertiary intrusives range from syenite to phonolite/ phonotephrite to lamprophyre. Fault structures are generally near vertical and strike north-north-west to north-east.

These structures are commonly intruded by phonolite dykes and appear to have acted as primary conduits for the mineralizing solutions. The north-east structures are more subtle, but appear to control the locations of higher-grade pods of mineralisation which occur at their intersection with the north-north-west system. High-grade gold mineralisation is primarily associated with potassic and pyritic alteration and occurs adjacent to the major structural zones.

The broader zones of disseminated mineralisation occur primarily as halos around the stronger alteration in permeable wall rocks. The average depth of oxidation is 120 metres and is best developed along major structural zones. Individual orebodies can be tabular, irregular or massive.

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 and in 1991, large-scale surface mining began and grew with the start of production at the CC&V

CC&V			
		2004	2003
Gold production	000oz	329	283
Total cash costs	\$/oz	220	199
Total production costs	\$/oz	300	310
Capital expenditure	\$ million	16	24
Total number of employees		411	447
Employees		337	326
Contractors		74	121

Cresson mine 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 crude metal is melted into doré buttons for sale to an external refinery.

Performance in 2004: In 2004, the mine produced 329,000 ounces of gold at a total cash cost of \$220 per ounce. Adjusted operating profit at \$7 million was 13% lower than the previous year, while capital expenditure at \$16 million fell by 33% when compared to the previous year as the expansion project was concluded.

Government remittances: Property tax of \$1.2 million and Colorado severance tax (effectively a royalty payment) of \$620 000 were paid during 2004.

Growth prospects: The recently completed expansion project has increased average annual gold production by 40% and extended the life-of-mine from 2008 to at least 2013, thereby yielding an additional 2.8 million ounces of production over the life-of-mine.

Outlook: Gold production in 2005 is forecast to mirror 2004 levels at about 330,000 ounces, at expected average total cash costs of \$219 per ounce. Decreased levels of capital expenditure are planned at \$10 million for 2005.

3 | Mineral resources and ore reserves

Mineral resources and ore reserves are reported in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code), together with the South African Code for the Reporting of Mineral Resources and Mineral Reserves (the SAMREC Code). Mineral resources include the ore reserve component.

AngloGold Ashanti had mineral resources of 218.2 million ounces and ore reserves of 78.9 million ounces as of 31 December 2004. Of these, the United States operations accounted for mineral resources 7.7 million ounces and ore reserves of 3.9 million ounces.

		Metric			Imperial		
		Tonnes million	Grade g/t	Contained gold tonnes	Tons million	Grade oz/t	Contained gold million oz
Ore reserves (as at 31 December 2004)							
CC&V	Proved	47.9	1.07	51.2	52.8	0.031	1.6
	Probable	73.9	0.94	69.4	81.5	0.027	2.2
	Total	121.8	0.99	120.6	134.3	0.029	3.9

Mineral resources (as at 31 December 2004)

CC&V	Measured	80.6	1.00	80.6	88.8	0.029	2.6
	Indicated	122.8	0.96	117.3	135.4	0.028	3.8
	Inferred	45.3	0.91	41.1	49.9	0.027	1.3
	Total	248.7	0.96	239.0	274.1	0.028	7.7



Community

\$247,400 was spent on social investment initiatives by the US operations in 2004. In the USA, funds are made available at both a corporate and operational level. Specific corporate initiatives during 2004 included support for political organisations, ballot education initiatives, and mining-related educational causes; at CC&V initiatives included health care projects, environmental projects, projects related to arts, culture and heritage, youth and education projects and general community projects.

A specific policy has been developed to ensure that corporate social investment initiatives are indeed sustainable. This includes:

- ensuring that corporate donations are made to projects that will either promote the long-term economic and social benefits of the area, or create a favourable, long-term socio-political environment in support of the company's activities;
- directing corporate donations to those areas where these donations act as seed money for matching grants, resulting in a multiplier effect for its donation
- identifying opportunities in local communities for the development of sustainable ventures where the group's relationship with vendors, company expertise or peer companies' activities can be substantially leveraged; and
- avoiding situations where donations become a continuing, annual expectation.

Engaging with communities



In the USA, AngloGold Ashanti operates in a highly regulated environment. The legal regime encompasses, among others, indigenous people, and archaeological and cultural resources. Permitting procedures for any new developments or expansions are rigorous. In addition to complying with these policies, the mine participates in local initiatives and debates, such as the Southern Teller County Focus Group, which aims to bring tourism to the district through the preservation of historic sites.

Stakeholder identification and engagement are formalised under the National Environmental Policy Act whenever public lands, federal permits or approvals are involved. When not triggered, other community outreach processes are followed. These processes were used in part to explain the recent Cresson mine expansion project to local community stakeholders as well as to engage government agencies. The company also engages with the community informally by encouraging employees to actively participate in community affairs, both in terms of time and leadership roles.

Presentations on mining activities and impact mitigating measures are also presented regularly at both informal meetings and visits, and at formal public gatherings.



Getting the Pikes Peak Regional Medical Center off the ground

CC&V is located in the rural area of southern Teller County in the state of Colorado, in between the small communities of Victor and Cripple Creek. The nearest city of some significant population is about 25 miles away in Woodland Park.

The growing and aging population here has placed increased pressure on the existing health care system in the region, to the detriment of AngloGold Ashanti employees, their families and the community as a whole. To address this need, the Pikes Peak Regional Medical Center Association was formed in 1999 with the aim of establishing a comprehensive health care delivery system to serve the primary needs of the region. Land for the facility was donated and site improvements to bring sewer and water systems to the site were completed in 2001.

CC&V has been involved in the Medical Center since its inception. Current VP/general manager Ron Largent says, "We are involved for two reasons: a full service medical center is clearly needed in the community and such a facility would be very beneficial to CC&V employees and their families."

Since the beginning of the capital campaign in 2000, CC&V has donated \$25,000 annually. These funds were used as matching funds to obtain grants from the State of Colorado – totaling \$750,000 – from the Energy Mineral Impact Assistance Fund. This fund was established by the State to support communities that may be impacted by mining activities. CC&V pays taxes into this fund each year; for example, CC&V paid nearly \$285,000 in 2003. Largent and Jane Mannon, CC&V's manager of community affairs, attended the grant hearings to testify to CC&V's support of the Medical Center and its value to CC&V and the entire region.

During 2004, road improvements, which was the first step in the construction of the full facility, were completed. The association hopes to have full funding in place in 2005 and to begin construction of the facility soon thereafter.

Community initiatives in 2004

Some of the donations made by the group, in the region, in 2004:

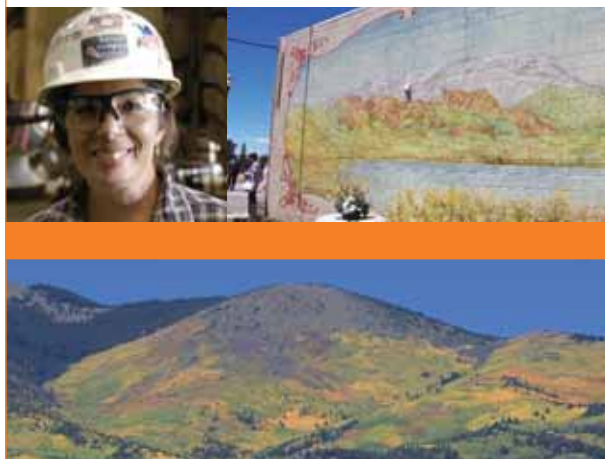
Health and safety – Donation of protective bunker gear to the Timberline Firefighters, a volunteer fire department. At the end of 2004, donations were made to the Pikes Peak Rotary Club for the Salvation Army and to the Aspen Mine Center. Both of these agencies serve the area population with health care and social services that they might not otherwise be able to afford.

Environment – Continued partnership with the Rocky Mountain Elk Foundation for the preservation of elk habitat throughout Colorado. An abandoned mine site was reclaimed voluntarily in conjunction with the State of Colorado.

Arts, culture, heritage – Contribution to the melodrama at Cripple Creek's Butte Opera House.

Youth and education – A major supporter of the Teller County 4-H program, which provides a safe forum in which children can learn about agriculture and home arts, and the Teller County Fair.

General community – The City of Victor restored its City Hall. CC&V donated the cost of a mural of Victor's Bison Reservoir on the outside wall of the adjoining Fire Station. Victor's Mayor views the City Hall project and site improvements as the cornerstone of Victor's revival.



Awards for USA operations



- CC&V and the Southern Teller County Focus Group (which was assisted in its formation by CC&V) received the Wirth Chair Community Award recognizing sustainable community development projects.
- The Denver office and the CC&V mine in North America were recipients of awards for their involvement in the Colorado Mining Association Pollution Prevention Program.

Labour practices

AngloGold Ashanti prides itself on being a responsible and fair employer. Currently the region employs 411 people, including employees and contractors.

The region has extensive employee development and training initiatives in place and encourages the active participation of employees in community affairs.

The USA has a comprehensive legal regime that addresses discrimination. In line with the Civil Rights Act, this region of AngloGold Ashanti has developed an equal employment opportunity policy that prohibits discrimination in terms of age, race, sexual orientation, colour, religion, national origin, marital status, disability, or on any basis protected by law.



Occupational safety and health

In 2004, CC&V achieved a zero lost time injury frequency rate per million man hours (2003: 3.22).

At CC&V, the general manager conducts quarterly all-hands meetings that present an open forum to discuss safety, health and production status, and issues concerning the workforce.

Between eight and 24 hours of safety and health training is conducted immediately following hiring. Eight hours of refresher training is conducted annually for all employees. Task training in the safety and health aspects of a task is conducted whenever an employee is assigned to a new task. Equipment operator skills training is conducted on an ongoing basis for mine operators.

The DuPont STOP programs for Supervisors and Employees continue to yield significant improvements in reported injuries and equipment damage incidents. A significant portion of 2004 annual refresher training was devoted to program skills and requirements.

Overall, program feedback has been positive, both in reducing the occurrence of accidents and in changing attitudes to reflect positive methods of remedial measures. Continuing to improve the STOP program and ensuring utilisation of STOP principles and observations will be a major focus during the year.

CC&V has a limited number of health issues to manage. Despite elevated airborne concentrations of silver in the refinery, blood sampling of refinery personnel has not detected any problems. Nonetheless, reducing silver exposure of refinery personnel to less than a threshold limit value remains a health challenge for 2005 and significant engineering controls have therefore been implemented. Compliance with MSHA regulations relating to silver exposure is pending health sampling conducted by MSHA inspectors. A baseline risk assessment was performed in December 2004. The assessment will be verified with operating groups in early 2005, and a safety plan developed to address significant risks.

Safety and health management in North America: top-down and bottom-up



At CC&V, health and safety is approached from top-down and bottom-up. Health and safety issues start with Ron Largent, vice president and general manager, who relies on Larry Snyder, manager, safety and security, for overall program administration as well as each departmental manager for implementing health and safety policies and programs.

The DuPont STOP programs for Supervisors and Employees have been

implemented and are in use. The STOP program promotes safety observations and positive remedial measures for observed unsafe acts and conditions on all levels, from the vice president and general manager to hourly employees. The programs have been proven to be most valuable for hourly employees by enabling them to correct unsafe acts and conditions directly and immediately without having to go to a supervisor with a report of an unsafe act or condition.

Environment

The USA operations have environmental management systems in place to ensure both legal compliance and the adoption of environmental best-practice.

The total estimated liability for the USA is based on the amounts agreed with the Colorado Division of Minerals and Geology. The company has posted reclamation bonds of some \$44.5 million to cover current rehabilitation obligations and has provided a guarantee for these obligations. Community and other outreach and education programmes specifically regarding environmental issues are conducted routinely. This includes site tours, formal and informal presentations, meetings, fact sheets, brochures, and other written materials addressing a range of subjects.

Closure of the Big Springs Project in north-eastern Nevada is nearly complete. The mine and mill areas are being returned to their prior land use of cattle grazing and wildlife habitat. In 2005 AngloGold Ashanti plans to submit release requests to the applicable state and federal agencies for majority of the posted reclamation bonds in light of the completed work.

The use of cyanide for the recovery of gold is a core issue for the gold mining industry and is critical to its viability. Yet, its potential impact on the environment is one of the most controversial and debated issues for legislators, environmentalists and other groups. AngloGold Ashanti has been actively involved in the development of the International Cyanide

Management Code (Code) and has adopted published protocols and standards of practice for cyanide management. The Code, which is available at www.cyanidecode.org, is a voluntary industry initiative developed under the auspices of the United Nations Environment Programme (UNEP). AngloGold Ashanti is well on its way to compliance with the Code and internal audits are currently being concluded at all operations in anticipation of external auditing. The auditing of the USA operations was completed in late 2004 and they were found to be fully compliant with the Code.

Conservation of natural resources, such as water and energy, is key to many of the company's environmental programs. At CC&V, for example, the decision to bury the drip lines on the valley leach facility will reduce evaporation, thereby conserving valuable water resources especially during seasonal droughts. Moreover, CC&V specifically decided against using sprayers, and instead went with drip lines as an initial means of reducing use of water.

An important aspect of the company's environmental policy is the principle of continuous improvement. Continuous improvement is central to the pollution prevention (P2) programmes implemented at CC&V and corporate offices of AngloGold Ashanti North America Inc. Opportunities and ideas for improved chemical and container management as well as additional recycling, reuse, and conservation are considered regularly.

Used oil fuels boilers at the new truck shop



A part of AngloGold Ashanti's Cresson Expansion Project, undertaken at CC&V between 2001 and 2004, was the construction of a new truck shop to allow for maintaining and repairing 300-ton trucks. During planning, it was determined that the site's used crankcase oil production was going to increase owing to the new and larger truck fleet. In line with the company's waste minimisation approach, a used oil system was installed to fuel the boilers at the new truck shop. This system allows CC&V to burn the used oil generated on site, providing another fuel

source (other than propane, natural gas) for the boilers and eliminating the cost of having the used oil taken off site for proper disposal.

The used oil system has successfully eliminated the need to purchase fossil fuel to heat the truck shop, reduced used oil disposal costs, provided a comfortable working environment, and contributed to overall cost savings. This is just one example of CC&V's continuing efforts at applying technology to provide a net environmental benefit while addressing the project's needs in an efficient and cost effective manner.

Award for contribution to pollution prevention

The Denver office and CC&V both received Pollution Prevention (P2) Awards in February 2004 in special recognition for the development of an effective pollution prevention programme in accordance with the Colorado Mining Association's (CMA) Pollution Prevention Code of Practice. The award is endorsed by the Colorado Department of Public Health and Environment (CDPHE) and has been recognised by the US Environmental Protection (EPA) Agency with a 2003 Friend of EPA award.

The award-winning P2 programmes instituted by both the Denver office and CC&V were designed to exceed the requirements of the CMA P2 protocols that deal with chemical management, container (packaging) management, and conservation, recycling, and re-use of waste materials.

The prevention of environmental pollution is of considerable interest in the United States. In 1998, the EPA expanded the Toxic Release Inventory (TRI) programme to include mining and six other industrial sectors.

The TRI program requires that mines quantify and publish reports on 'releases' of TRI-listed chemicals, including those metals occurring naturally in rock (for example, copper, manganese, zinc) that is excavated and moved. The inclusion of even small quantities of naturally occurring TRI-listed metals in rock results in significantly large 'release' numbers at a typical surface mine given the large tonnage of material that is moved.

The inclusion of naturally occurring metals in rock in the TRI programme resulted in CC&V being at or near the top of the list of reported 'releases' in Colorado. Applying standard pollution prevention at mines to reduce these 'releases' is difficult at best. The CMA worked with CDPHE to develop a P2 program that takes into account the excellent work being done at mines to reduce or prevent pollution.

The P2 Code developed by CMA and the program implemented by CC&V and the Denver office highlight the many positive features of the initiatives that have been adopted voluntarily and help to put TRI reporting into perspective.