ASHANTI GOLDFIELDS CO LTD
Form F-1/A
March 26, 2003

As filed with the Securities and Exchange Commission on March 26, 2003

Registration Statement No. 333-101682

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 2 TO

FORM F-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ASHANTI GOLDFIELDS COMPANY LIMITED
(Exact name of Registrant as specified in its charter)

Not applicable
(Translation of the Registrant's name in English)

Republic of Ghana	1041	Not applicable
(State or other jurisdiction of Incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

Gold House
Patrice Lumumba Road
Roman Ridge
P.O. Box 2665
Accra, Ghana
+ 233 21 772190
(Address and telephone number of Registrant's principal executive offices)

CT Corporation System
111 Eighth Avenue
New York, New York 10011
(212) 894-8940
(Name, address and telephone number of agent for service)

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Approximate date of commencement of proposed sale to public:
As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), check the following box.[X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.[_]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.[_]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.[_]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.[_]

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered(1)	Amount to be registered	Proposed maximum offering price per security(2)	Proposed maximum aggregate offering price(2)
Ordinary shares, no par value per share(1)	16,509,060	US$5.40	US$89,148,924
Rights to purchase ordinary shares	(3)	None.	None.

(1) Global depositary receipts evidencing global depositary securities issuable upon deposit of ordinary shares registered hereby have been registered pursuant to a separate registration statement on Form F-6 (Registration No. 333-101900).

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended.

(3) Includes rights issued upon exchange of rights to purchase global depositary securities. No separate consideration will be received for the rights offered hereby.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

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SUBJECT TO COMPLETION, DATED ______, 2003

Ashanti Goldfields Company Limited

(a company incorporated with limited liability and registered under the laws of the Republic of Ghana, Registered No. 7094, ARBN 074 370 862)

Prospectus relating to the

proposed rights issue of up to _____ new ordinary shares

in the form of ordinary shares or global depositary securities

If you own ordinary shares:

- You will receive _____ share rights for every _____ ordinary shares you own of record on _____, 2003.
- You may transfer the rights we are offering to you separately from the ordinary shares you own.
- You will need one share right to purchase one new ordinary share.
- Each new ordinary share will cost you US$_____.
- You must exercise your rights before _____, 2003. Rights not exercised by that time will lapse.
- Outstanding ordinary shares are quoted on the London Stock Exchange, or

LSE, under the symbol "ASN" and on the Ghana Stock Exchange, or GSE, under the symbol "AGC".

If you own GDSs:

- You will receive _____ GDS rights for every _____ GDSs you own of record on _____, 2003.
- You may transfer the rights we are offering to you separately from the GDSs you own.
- You will need one GDS right to purchase one new GDS. One GDS represents one ordinary share.
- Each new GDS will cost you US$_____.
- You must exercise your rights before _____, 2003. Rights not exercised by that time will lapse.
- Outstanding GDSs are quoted on the New York Stock Exchange, or NYSE, under the symbol "ASL" and on the LSE under the symbol "ASND".

We expect to deliver the new ordinary shares and new GDSs purchased through the exercise of rights on _____, 2003 or as soon thereafter as checks have cleared.

CIBC World Markets Inc. and Investec Bank (UK) Limited, acting through its division Investec Investment Banking ("the Managers"), are acting for us in connection with the rights issue and are not acting for any person other than us and will not be responsible to any person other than us for providing the protections afforded to their customers or for providing advice to any other person in connection with the rights issue.

The Managers are not required to sell any specific number or dollar amount of new ordinary shares or new GDSs offered in the rights offering but will use their reasonable endeavors to sell any unsubscribed ordinary shares or GDSs. The Managers have severally agreed to underwrite _____ new ordinary shares and/or new GDSs to be offered in the rights offering at the rights issue price.

See "Risk Factors" on page _____ to read about certain factors you should consider before buying new ordinary shares or new GDSs.

Assuming that all rights are exercised in full (excluding approximately _____% of the rights of Lonmin and the Government of Ghana), we will receive approximately US$_____ from the offering of the new ordinary shares and new GDSs (before the deduction of fees and expenses). We estimate that our expenses in connection with the rights offering, including fees and commissions of the Managers and sub-underwriters, will be approximately US$_____. As a result the maximum net proceeds to us will be approximately US$_____, or US$_____ per ordinary share or GDS. Taking into account the underwriting by the Managers of _______ new ordinary shares and/or new GDSs, the minimum net proceeds to us will be approximately US$_________.

Neither the United States Securities and Exchange Commission nor any US state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offence.

The new ordinary shares to be offered to holders on the International Register, the GDSs, the provisional allotment letters and the GDS right certificates have not been and will not be registered under the securities law of any province or territory of Australia, France, Japan, Zimbabwe, South Africa or the ECOWAS countries and, accordingly, they may not, directly or indirectly, be offered, sold, renounced, taken up or delivered in Australia, France, Japan, Zimbabwe, South Africa or the ECOWAS countries or to or by any national, resident or citizen of such countries. The rights offering of new ordinary shares is being extended to holders of ordinary shares on the Ghanaian (Principal) Register (other than nationals, residents or citizens of Australia, France, Japan, Zimbabwe, South Africa or the ECOWAS countries (other than Ghana)) only by means of a separate prospectus complying with Ghanaian securities laws.

CIBC World Markets   Investec Investment Banking

_____ , 2003

This document constitutes a draft prospectus which has been prepared solely in connection with the proposed rights offering of new ordinary shares of Ashanti Goldfields Company Limited in the form of ordinary shares or ordinary shares represented by new GDSs. The information in this document, which is in draft form, is confidential and subject to updating, completion, revision, further verification and amendment. We may not sell these securities until the registration statement filed with the United States Securities and Exchange Commission, of which the final form prospectus will form a part, is declared effective. In addition, although it is intended that the prospectus in its final form will be approved by the UK Listing Authority as a prospectus prepared in accordance with the listing rules made under section 74 of the Financial Services and Markets Act 2000, this document has not been so approved. Similarly, although it is intended that the prospectus in its final form will be delivered for registration to the Registrar of Companies pursuant to section 83 of that Act, this document has not been so delivered.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any new ordinary shares or new GDSs, nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor. In particular, this document refers to certain events as having occurred that have not occurred at the date it is made available but which are expected to occur prior to publication of the prospectus.

The distribution of this document and the offering and sale of the new ordinary shares and new GDSs in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions could result in a violation of the laws of such jurisdiction. In particular, this document is not for distribution in or into Australia, France, Japan, Zimbabwe, South Africa, or the ECOWAS countries.

Recipients of this document who intend to acquire new ordinary shares or new GDSs in the proposed rights offering are reminded that any such acquisition may only be made on the basis of the information contained in the final form prospectus and any supplementary prospectus, which may be different from the information contained in this document. No reliance may be placed for any purpose whatsoever on the completeness, accuracy or fairness of the information contained in this document.

No representation or warranty, express or implied, is made or given by or on behalf of Ashanti Goldfields Company Limited, CIBC World Markets Inc., or Investec Bank (UK) Limited or any of their respective affiliates or any of such person's directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this document.

We are offering to our shareholders the right to buy new ordinary shares and the holders of our global depositary securities, or GDSs, the right to buy new GDSs. This prospectus provides you with information about the rights offering to holders of our shares on our International Register and to holders of our GDSs. The rights offering is being extended to holders of our ordinary shares on the Ghanaian (Principal) register by means of a separate prospectus complying with Ghanaian securities law.

If you have sold or otherwise transferred all of your interests in our ordinary shares or GDSs, please forward this document together with the accompanying documents at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee.

This document, which includes the prospectus filed with the United States Securities and Exchange Commission relating to us, is prepared in accordance with the UK Listing Rules made under section 74(4) to the Financial Services and Markets Act 2000 and has been delivered to the Registrar of Companies in England and Wales for registration as required by section 83 of that Act.

Ordinary Shares:

- On _____, 2003, the latest practicable date prior to the public announcement of this offering, the closing price for the ordinary shares quoted on the LSE was US$_____.

- Applications have been made to the UK Listing Authority and to the LSE for the new ordinary shares to be admitted to (i) the Official List of the UK Listing Authority and (ii) trading on the LSE's market for listed securities. Dealings in the rights to buy new ordinary shares on the LSE are expected to commence on _____, 2003.

- Application has been made to the GSE for the new ordinary shares to be traded on the GSE. Dealings in the rights to buy new ordinary shares on the GSE are expected to commence on _____, 2003.

GDSs:

- On _____, 2003, the latest practicable date prior to the public announcement of this offering, the closing price for the GDSs quoted on the NYSE was US$_____.

- Applications have been made to the UK Listing Authority and to the LSE for the new GDSs to be admitted to (i) the Official List of the UK Listing Authority and (ii) trading on the LSE's market for listed securities. Dealings in the rights to buy new GDSs on the LSE are expected to commence on _____, 2003.

- Application has been made to the NYSE to list the new GDSs. Dealings in the rights to buy new GDSs on the NYSE are expected to commence on _____, 2003.

If the rights are exercised in full (other than as to approximately _____% of the entitlements of our major shareholders, Lonmin Plc and the Government of Ghana, who have already contractually agreed not to exercise these rights as consideration for the issuance by us of other exchangeable securities), up to _____ new ordinary shares will be issued by us and up to _____ new GDSs will be deposited in our GDS program.

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In this prospectus, references to "we," "us," "our," the "Group," the "Company" and "Ashanti" refer to Ashanti Goldfields Company Limited and its subsidiaries, except where it is clear from the context that such terms mean only Ashanti Goldfields Company Limited.

PRESENTATION OF FINANCIAL INFORMATION

We are a company incorporated under the laws of Ghana and all of our mining operations are located in Africa. We earn our revenues in US dollars and the majority of our transactions are in US dollars or based on US dollars. Our books of account are maintained in US dollars and our annual and quarterly financial statements are prepared under the historical cost convention and in accordance with accounting principles generally accepted in the United Kingdom, or UK GAAP. UK GAAP differs in significant respects from generally accepted accounting principles in the United States, or US GAAP. This prospectus includes our consolidated balance sheets as of December 31, 2002, 2001 and 2000, and the related consolidated profit and loss accounts, cash flow statements, statements of total recognized gains and losses and the reconciliation of movements in shareholders' funds for each of the years then ended, or our consolidated financial statements. Note 32 to our consolidated financial statements sets forth a reconciliation from UK to US GAAP of shareholders' equity as of December 31, 2002, 2001 and 2000 and the profit/loss attributable to shareholders for each of the years then ended.

FORWARD-LOOKING INFORMATION

This prospectus, including the sections entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and

Results of Operation," and "Description of Business," contains forward-looking information. In some cases you can identify forward-looking statements by phrases such as "in our view," "we cannot assure you," as well as by terminology such as "may," "will," "should," "expects," "intends," "plans," "objectives," "goals," "aims," "projects," "forecasts," "possible," "seeks," "could," "might," "likely," "enable," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of these terms or other comparable terminology. These statements generally constitute statements of expectation, intent and anticipation and may turn out to be inaccurate.

We can give you no assurances that the results, including the actual production or commencement dates, construction completion dates, costs or production output or anticipated life of the projects and mines, projected cashflows, debt levels, and marked-to-market values of and cashflows from the hedgebook will not differ materially from the forward-looking statements contained in this prospectus. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause actual results to differ materially from those expressed in the forward-looking statements contained in this prospectus. These risks include those relating to leverage, gold price volatility, changes in interest rates, hedging operations, reserves estimates, exploration and development, mining, yearly output, power supply, Ghanaian political risks, environmental regulation, labor relations, general political risks, control by principal shareholders, Ghanaian statutory provisions, dividends and litigation. For example, future revenues from projects or mines will be based in part upon the market price of gold, which may vary significantly from current levels. Any variations, if materially adverse, may impact the timing or feasibility of the developments of a particular project or the expansion of specified mines.

Other factors that may affect the actual construction or production commencement dates, costs or production output and anticipated lives of mines include the ability to profitably produce and transport gold to applicable markets, the impact of foreign currency exchange rates, the impact of any increase in the costs of inputs, and activities by governmental authorities where such projects or mines are being explored or developed, including increases in taxes, changes in environmental or other regulations and political uncertainty. Likewise marked-to-market values of and cashflows from the hedgebook can be affected by, amongst other things, gold price volatility, US interest rates, gold lease rates and active management of the hedgebook.

Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events, except as required by law, or unless required to do so by the Listing Rules of the UK Listing Authority.

Actual events or results may differ materially from any forward-looking statement. In evaluating these statements you should specifically consider various factors including the risks outlined under "Risk Factors". Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

PROSPECTUS SUMMARY

This summary highlights the material information contained elsewhere in this prospectus. You should read the entire prospectus carefully before deciding to buy our ordinary shares or GDSs. To facilitate an understanding of the descriptions of gold mining and the gold mining industry that appear in this prospectus, including descriptions of geological formations, exploration activities and mining processes, we have included a glossary of mining terms under the heading "Glossary of Defined Terms".

Ashanti Goldfields Company Limited

Our Business

We are engaged in the mining and processing of gold ores and the exploration and development of gold properties in Africa and in hedging activities in connection with our gold production. We have interests in major gold mines in Ghana, Guinea, Tanzania and Zimbabwe. In 2002, our gold production was 1.62 million ounces. As at December 31, 2002, we had proven and probable contained gold reserves of approximately 27.8 million ounces, before making any allowance for minority and joint venture interests.

We occupy a position of strategic significance within the Ghanaian economy. We are a major contributor of foreign exchange earnings to Ghana, Guinea, Tanzania and Zimbabwe. In addition, we are one of the largest companies listed on the Ghana Stock Exchange and a major employer, particularly in the Ashanti region of Ghana.

Our priority is to explore for, develop and operate gold mines in Africa and to remain a leading mining company in Africa, managed largely by Africans. We are currently focusing on developing the potential of our existing mines and increasing the efficiency of their operations. As part of this strategy, we are engaged in development projects to be completed over the next 15 months at three of our existing mines, Geita, Iduapriem/Teberebie and Siguiri, each of which will be funded from internal resources or through our revolving credit facility. At Geita and Iduapriem/Teberebie, processing throughput is planned to be increased by 40% and 50% respectively to between 5.5 million and 6.0 million tonnes per year and 4.5 million tonnes per year respectively. At Siguiri, the current heap leach operation has a capacity of 9.0 million tonnes per year (with a metallurgical recovery of some 80%). It is planned to construct a 9.0 million tonnes per year CIP plant which will have a metallurgical recovery of some 93% and to continue to use the heap leach plant but at a reduced rate of around 1.5 million tonnes per year.

We also continue to explore consolidation opportunities in the gold sector. As a leading mining company operating solely in Africa we are offered the opportunity to participate in a number of projects and properties throughout Africa, such as the platinum group metal project located in South Africa in which we recently acquired an exploration interest. We will continue to review opportunities which have low entry costs and high expected returns and allow us to apply our technical expertise.

Our History

In 1897, an English company named Ashanti Goldfields Corporation Limited, or Ashanti Goldfields, was founded and began to develop a mining concession in the area of our current operations at Obuasi. Several years later, underground mining began at the site and has continued to the present. In 1969, Ashanti Goldfields became a wholly owned subsidiary of Lonrho Plc, now called Lonmin Plc, or Lonmin, a UK listed company which at that time had interests in mining, hotels and general trade in Africa. Following the Lonmin acquisition in 1969, the Government of Ghana acquired 20% of Ashanti Goldfields from Lonmin in exchange for the Government of Ghana's agreement to extend the term of Ashanti Goldfields' mining lease over the concession area.

In 1972, the Government of Ghana formed us as a Ghanaian company to take over the assets, business and functions formerly carried out by Ashanti Goldfields. The Government of Ghana then held 55% of our outstanding shares, with Lonmin holding the remaining 45%.

In 1994, as part of its divestiture policy, the Government of Ghana sold part of its holding in us in a global offering. In connection with that offering, we were reorganized as a Ghanaian public limited company. As at March 12, 2003, the Government of Ghana owned approximately 17.2% and Lonmin owned approximately 28.1% of our outstanding shares.

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In 1996, we expanded our operations through the acquisition of companies holding interests in the Ayanfuri, Bibiani, Iduapriem, Siguiri, and Freda-Rebecca properties, which were already or were subsequently developed as mines, and acquired an interest in what was then the Geita exploration concession in Tanzania. In 1998, we acquired SAMAX Gold Inc., the principal asset of which was the other part of the interest in the Geita exploration concession adjacent to our existing license area. In 1999 and 2000, we developed the Geita mine and in 2000 sold a 50% equity interest in it to AngloGold Limited. In 2000, we acquired our interest in the Teberebie mine, which is adjacent to the Iduapriem mine.

Through the period from the end of 1999 to June 2002, commencing with a sharp rise in the price of gold which led initially to a liquidity crisis, we were engaged in a process of financial restructuring with our banks, hedge counterparties and noteholders.

Recent Restructuring

In June 2002, we completed a financial restructuring which involved:

- entering into a new enlarged revolving credit facility of US$200 million;
- raising approximately US$41.8 million from the early exercise of 70.3% of our warrants (which were previously issued to some of our banks and hedge counterparties and which were exchangeable for our shares);
- agreement with our hedge counterparties for continued margin-free trading; and
- raising US$75.0 million through the issue to our largest shareholder, Lonmin, of mandatorily exchangeable notes, or MENs, which convert into our

ordinary shares upon the completion of this rights issue.

The Government of Ghana has a call option in respect of approximately US$28.4 million of these MENs. Lonmin and the Government of Ghana have both contractually agreed that the MENs represent approximately _____% of their entitlements under the rights issue and neither party will be exercising or dealing in this percentage of their rights.

Current Trading and Prospects

In 2003 we commenced the commissioning of the expanded CIL plant at Iduapriem/Teberebie and, although we have experienced unexpected delays in commissioning, currently anticipate that it will be completed during the second quarter of the year. The Bibiani mine experienced a slope failure on the western wall of the pit at the beginning of the fourth quarter of 2002. This is not expected to materially impact gold production, but will add approximately US$3 million to costs over the first two quarters of 2003. At Siguiri, we have completed a feasibility study to assess the viability of converting the mine's processing plant to a hybrid, combining CIP and heap leach, and expect the conversion to be completed, at a total cost of US$32 million, in the second quarter of 2004. At the Geita mine, we anticipate that production will be lower for at least the first two quarters of 2003 as compared to 2002, due to lower mined grades as waste stripping continues in cut 3 at Nyankanga.

Rising fuel prices, increases in power costs and wages, depreciation of the US dollar in which our revenues are denominated, the appreciation in currencies of countries from which we source our major inputs and rising costs of reagents will impact adversely on our cash operating costs this year. We are taking steps to minimise this impact but it is still likely that cash operating costs will increase by approximately 10% this year.

Our group production target for the year is approximately 1.6 million ounces, broadly in line with last year's actual production. This assumes that the stripping schedule for cut 3 at Nyankanga is completed by the end of July and that the CIL plant at Iduapriem/Teberebie is fully commissioned by the end of June. We expect our production for the first quarter of 2003 to be in the region of 375,000 ounces. This is 8% below the pro-rata figure for our annualised production target, primarily due to lower mined grades as waste stripping continues in Geita, and unexpected delays caused by the commissioning of the plant expansion at Iduapriem/Teberebie. Due to these factors, group production for the second quarter is likely to continue at the same level as for the first quarter, with the shortfall planned to be made up in the second half of the year. The reduced production levels anticipated for the first two quarters will have a consequential adverse impact on our unit cash operating costs for these quarters, as compared to the annualised level. However, our directors believe that the long term prospects of the business are good.

The Rights Offering

We are issuing to our holders of ordinary shares transferable rights to buy new ordinary shares and, through The Bank of New York, our depositary and GDS rights agent, we are issuing to holders of our global depositary securities, or GDSs, transferable rights to subscribe for new GDSs.

The subscription price per new ordinary share (of no par value) held on our International Register and per new GDS is US$_____.

We will offer up to _____ new ordinary shares in the rights offering, in the form of ordinary shares or ordinary shares represented by GDSs.

We expect to have a maximum of _____ ordinary shares, in the form of ordinary shares or ordinary shares represented by GDSs, issued and outstanding after completion of the rights offering and exchange of the MENs. This is an expected increase of up to approximately _____% based on the number of our ordinary shares currently in issue and assuming all rights are exercised under the rights offering (other than the rights agreed by Lonmin and the Government of Ghana not to be exercised by them).

The Managers have severally agreed to underwrite a total of _____ new ordinary shares and/or new GDSs at the rights issue price. Certain of our existing institutional securityholders have agreed to sub-underwrite all of such underwritten shares, on terms that such securityholders may reduce their sub-underwriting participation by the number of new ordinary shares and/or new GDSs which they subscribe for pursuant to the rights offering.

The rights offering is conditional upon:

o admission of the new ordinary shares "nil paid" (meaning without the subscription price being paid up for the shares), and the transferable rights to subscribe for new GDSs, to the Official List of the UK Listing Authority and to trading on the London Stock Exchange, or LSE, by not later than 8.00am, London time, on _____, 2003, or at such other time or date as we may agree, being not later than _____, 2003, and

o authorization for listing the transferable rights to subscribe for new GDSs on the New York Stock Exchange, or NYSE, subject to official notice of issuance, being received by not later than admission to listing on the UKLA and to trading on the LSE.

The rights issue agreement (which we have entered into with the Managers in respect of the underwriting and other matters relating to the rights issue) or the Managers' underwriting obligations under the agreement may be terminated in the event of certain material breaches of the agreement prior to admission (as described above). The agreement may also be terminated in the event of certain force majeure events occurring prior to [5.00 p.m.], London time, on __, 2003. If the rights issue agreement were to be terminated prior to admission, we reserve the right to proceed with the rights issue.

Detailed timetables of the rights offering with respect to ordinary shareholders and holders of GDSs appear in this prospectus under the heading "The Rights Offering".

Rights Offering to Holders of GDSs

Rights offering	You have the right to buy _____ new GDSs for every _____ GDSs you own. We have arranged for our GDS depositary, The Bank of New York, to send to each record holder of GDSs a GDS rights certificate showing the number

	of new GDSs the record holder is entitled to buy.
GDS rights agent and depositary	The Bank of New York.
Record date	_____, 2003.
Ex-rights date	9.30am, New York City time, on _____, 2003. If you sell or otherwise transfer all of your existing GDSs before 9.30am, New York City time, on _____, 2003, you will not be entitled to participate in the GDS rights offering.

GDS subscription price	You will need to pay the GDS rights agent the GDS subscription price of US$_____ for each new GDS that you want to subscribe for. The GDS subscription price may only be paid in US dollars. Payment in US dollars must be made by certified check, bank draft drawn on a US bank or US postal or express money order, made payable to "The Bank of New York".
Exercise period	From _____, 2003 through 3.00pm, New York City time, on _____, 2003.
Trading period in the GDS rights	From _____, 2003 through _____, 2003 (on the NYSE) and _____ , 2003 (on the LSE).
Rights expiration date	3.00pm, New York City time, on _____,2003
Unexercised GDS rights	New GDSs representing unexercised GDS rights or new ordinary shares underlying unexercised GDS rights may be sold through arrangements with ____. If they are sold at a price above the aggregate of the new GDS subscription price and expenses of sale (including any tax), any premium attributable to the unexercizing GDS holders will be paid to the depositary. The depositary will pay any amounts received by it, net of expenses (including a fee not in excess of US$0.02 per GDS you hold) and any tax, to unexercizing holders of GDS rights pro rata to their unexercised GDS rights.
Delivery	If you exercise your GDS rights, the depositary will provide you with global depositary receipts evidencing your new GDSs as soon as practicable after _____, 2003. The depositary will charge you a fee not in excess of US$5.00 per 100 GDSs issued to you pursuant to the rights issue.

Listing	GDSs trade on the NYSE under the symbol "ASL". We expect the GDS rights will trade on the NYSE under the symbol "_____". GDSs trade on the LSE under the symbol "ASND". We expect the GDS rights will trade on the LSE under the symbol "ASNDN".
US Information Agent	_____
Toll-free Helpline Number	_____
Rights Offering to Holders of Ordinary Shares on the International Register	
Rights offering	You have the right to buy _____ new ordinary shares for every _____ ordinary shares you own. A provisional allotment letter, or PAL, which accompanies this document, shows the number of new ordinary shares you are entitled to buy.
Ordinary share subscription price	US$_____ per ordinary share, payable in US dollars.
Record date	_____, 2003.
Ex-rights date	8.00am, London time, on _____, 2003. If you sell or otherwise transfer all of your existing ordinary shares before 8.00am, London time, on _____, 2003, you will not be able to participate in the ordinary share rights offering.
Exercise period	From _____, 2003 through 10.00am, London time, on _____, 2003.
Trading period in the nil paid rights	From _____, 2003 through _____, 2003 on the LSE.
Rights expiration date	10.00am, London time, on _____, 2003.
Unexercised ordinary share rights	New ordinary shares relating to unexercised share rights or new GDSs representing unexercised share rights may be sold through arrangements

with _____. If they are sold at a price above the aggregate of the ordinary share subscription

	price and expenses of sale (including any tax), any premium will be paid to the unexercizing holders of share rights pro rata to their unexercised ordinary share rights, so long as such premium exceeds US$_____. (Note that Lonmin and the Government of Ghana, who have undertaken not to deal in or take up approximately _____% of their rights, will not have shares representing this percentage of their unexercised rights sold for their benefit.)
Receiving Agents	Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, UK, BR3 4TU.
Delivery	We expect to mail definitive certificates for new ordinary shares subscribed for pursuant to the exercise of ordinary share rights by _____, 2003.
Listing	Ordinary shares trade on the LSE under the symbol "ASN ". We expect the share rights will trade on the LSE under the symbol "ASNN ".
Information Agent	_____
Helpline Number	_____

Rights Offering in Ghana

The rights offering is being extended to holders of ordinary shares on the Ghanaian (Principal) register by means of a separate prospectus complying with Ghanaian securities laws. Holders of our shares on this register will also be sent a separate Ghanaian provisional allotment letter. Neither this document, nor the PALs or GDS rights certificates, will be sent to such holders. The offer to holders on the Ghanaian register will differ from this offer in that it will be made at a fixed price in cedis (the currency of Ghana) referable to the US dollar offer price. Such fixed price is _____ cedis (which represented US$_____ on _____, 2003). The Ghanaian offer will constitute an offer of an aggregate of _____ ordinary shares and will remain open for _____ days after the offer set out in this document closes (to compensate for timing delays with distribution of documents in Ghana).

Issued Share Capital

We are offering a total of up to _____ new ordinary shares in the form of ordinary shares or GDSs. At March 12, 2003, we had 128,103,824 ordinary shares issued and outstanding (and one special rights redeemable preference share, or golden share) and we expect to have a maximum of approximately _____ ordinary shares issued and outstanding after completion of the rights offering. (This includes _____ ordinary shares which will be issued on exchange of the MENs, and assumes full take up under the rights offering other than in respect of the rights which Lonmin and the Government of Ghana have agreed not to take up.) This is an expected maximum increase of approximately _____% based on the number of our ordinary shares currently outstanding.

Summary Consolidated Financial and Operating Data

The following summary consolidated financial data presented below as of December 31, 2002, 2001 and 2000 and for each of the years then-ended have been derived from our audited consolidated financial statements and the notes thereto that are included elsewhere in this prospectus. The summary consolidated financial data presented below as of December 31, 1999 and 1998 and for the years then-ended has been derived from our audited consolidated financial statements and the notes thereto that are not included in this prospectus. We encourage you to read this summary in conjunction with the more detailed information contained in the financial statements that appear in this prospectus, including notes to the financial statements. We prepare our consolidated financial statements in accordance with UK GAAP, which differs in certain significant respects from US GAAP.

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	12 Months to Dec. 31, 2002	12 Months to Dec. 31, 2001 (Restated)(5)	12 Months to Dec. 31, 2000 (Restated)(5)
		(in US$ millions e	
		dividend and per share	
PROFIT AND LOSS ACCOUNT DATA(1) Amounts in accordance with UK GAAP:			
Group revenue	467.5	477.7	582.2
Total revenue	552.2	554.4	582.2
Group operating profit/(loss)	66.4	76.6	(126.1)
Total operating profit/(loss)	74.3	96.8	(126.1)
Profit/(loss) attributable to shareholders	56.2	59.9	(119.5)
Earnings/(loss) per share(2)	0.47	0.53	(1.06)
Diluted earnings/(loss) per share	0.44	0.52	(1.52)
Dividends per share - (US$)(3)	--	--	--
- (cedi)(3)	--	--	--
Amounts in accordance with US GAAP:			
Revenue	492.4	474.5	582.2
Operating (loss)/profit	(135.1)	61.4	(407.9)
Net (loss)/profit before cumulative effect of an accounting change	(182.8)	33.1	(349.1)
Net (loss)/profit	(182.8)	65.4	(349.1)
Earnings per share (US$):			
Basic:			
(Loss)/earnings per share before cumulative effect of an accounting change	(1.53)	0.30	(3.11)
Cumulative effect of an accounting change	--	0.28	--
(Loss)/earnings per share	(1.53)	0.58	(3.11)
Diluted:			
(Loss)/earnings per share before cumulative effect of an accounting change	(1.53)	0.29	(3.11)
Cumulative effect of an accounting change	--	0.28	--
(Loss)/earnings per share	(1.53)	0.57	(3.11)

	As of Dec. 31,(4) 2002	As of Dec. 31, 2001 (Restated)(5)	As of Dec. 31, 2000 (Restated)(5)
		(in US$ millions exc dividend and share num	
BALANCE SHEET DATA(1)			
Amounts in accordance with UK GAAP:			
Total assets	884.5	897.7	937.9
Long-term borrowings	254.2	300.6	358.5
Net assets	447.5	349.1	290.4
Equity shareholders' funds	446.3	347.1	286.3
Stated capital	588.2	545.2	544.3
Number of ordinary shares as adjusted to reflect changes in capital (million shares)	119.1	112.1	112.4
Amounts in accordance with US GAAP:			
Total assets	698.4	887.3	878.0
Long-term borrowings	254.2	300.6	358.5
Net assets	110.3	310.5	182.4
Shareholders' equity	109.1	308.5	178.3

NOTES:

(1) Our consolidated financial statements are prepared in accordance with UK GAAP, which differs in certain significant respects from US GAAP. Details of the principal differences between UK GAAP and US GAAP relevant to us are set out in note 32 to our audited consolidated financial statements which is included elsewhere in this prospectus.

(2) Based on profit after tax and minority interests and weighted average number of shares outstanding of 119.1 million shares for the 12 months to December 31, 2002, 112.1 million shares for the 12 months to December 31, 2001, 112.4 million for the 12 months to December 31, 2000, 111.4 million for the 12 months to December 31, 1999 and 108.7 million for the 12 months to December 31, 1998.

(3) No interim dividend was paid in respect of the years ended December 31, 2002, 2001, 2000, 1999 and 1998. No final dividend was paid for 2002 (2001: Nil, 2000: Nil, 1999: Nil, 1998: US$0.10). The local currency equivalents have been converted at the then prevailing cedi exchange rates.

(4) Amounts shown in accordance with US GAAP as of and for the year ended December 31, 2002 reflect the adoption of Statement of Financial Accounting Standards ("SFAS") No. 142, Goodwill and Other Intangible Assets ("SFAS 142") on January 1, 2002. Consequently, the financial information presented for comparative periods has not been prepared on a consistent basis in this regard. The effects of adoption of SFAS 142 are discussed in note 32 to our consolidated financial statements.

(5) Amounts presented for comparative periods in accordance with UK GAAP have been restated for the adoption of Financial Reporting Standard 19, Deferred Taxation ("FRS 19"). The restated deferred tax assets/ (liabilities) were US$6.9 million, US$1.7 million, US$(19.1) million and US$(131.2) million as of December 31, 2001, 2000, 1999 and 1998

respectively. Amounts presented for comparative periods in accordance with US GAAP have been restated for the adoption of SFAS No. 145 Rescission of FASB statements 4, 44 and 64, Amendment of FASB Statement No. 13 and Technical Conditions ("SFAS 145") on January 1, 2002. On adoption, extraordinary items of US$0.8 million and US$4.8 million for the years ended December 31, 1999 and 1998, respectively, were reclassified to non-operating income.

RISK FACTORS

Because we have significant amounts of debt, our ability to exploit new business opportunities and to avail ourselves of other funding options may be constrained.

We remain highly leveraged. In our recent restructuring US$218.6 million exchangeable notes and the balance of US$48 million of the previous credit facility were replaced by an enlarged US$200 million credit facility, of which US$149.0 million was drawn as of December 31, 2002, and US$75.0 million of mandatorily exchangeable notes, or MENs. The MENs will be treated as debt until their exchange into our ordinary shares. The MENs automatically exchange into our ordinary shares upon the completion of this rights offering. If our leverage remains high, the availability of other financing options will be limited, our business will be vulnerable to shortfalls in production and we may be unable to pursue other business opportunities including further development of our existing properties. In addition, because we have replaced the fixed interest rate existing notes with variable rate bank debt and because of the fees payable pursuant to the early exercise of some of our warrants, we are more exposed to an increase in general interest rates than before that replacement. Furthermore, we have given our lenders security interests over substantially all our assets. If they become entitled to enforce these interests, they may liquidate our assets without our consent.

Because our business is tied to the international market price of gold, and that price has been volatile in the recent past, our success may fluctuate based upon this price. Fluctuations of the gold price are not within our control.

Our profitability, viability, cash flow, ability to make capital expenditure and carry out expansion plans can be significantly affected by changes in the market price of gold as our revenues from mining are a product of gold production and price.

Historically, gold prices have fluctuated and are affected by numerous industry factors, such as sales and purchases of gold by central banks, demand for precious metals, forward selling by producers, and production and cost levels in major gold-producing regions. Moreover, gold prices are also affected by macroeconomic factors such as expectations for inflation, interest rates, currency exchange rates and global or regional political and economic situations.

The price of gold is affected by supply and demand factors. However, these factors may not influence the price of gold as markedly as they do in other commodity markets owing to non-market related sales by central banks. The potential supply of gold consists of new mine production plus existing stocks of bullion and fabricated gold held by governments, central banks, financial institutions, industrial organizations and individuals. The demand for gold stems from jewelry demand, investment and industrial uses.

The price of gold has on occasion been subject to rapid short-term changes because of a number of factors including actions taken by central banks and financial institutions, economic conditions, announcements made by and in respect of gold producers, movements in US interest and gold lease rates, fluctuations in the US dollar, movements in stock market indices, speculative activities and market concerns about peace and stability. If gold prices should decline below our cash costs of production and remain at such levels for any sustained period, we could determine that it is not economically feasible to continue the commercial production of gold.

The following table sets forth the annual high, low and average of the afternoon gold price fixed by the London Gold Market for the previous six years.

Year	High US$	Low US$	Average US$
1997	368	281	330
1998	313	273	294
1999	326	253	279
2000	313	264	279
2001	293	256	271
2002	349	278	310

As at March 12, 2003, the afternoon gold price fixed by the London Gold Market was US$346.

We conduct hedging operations to reduce the risk associated with gold price volatility, but there is a risk that our hedging strategy will not be successful.

Our hedging operations, which are intended to protect us against falling gold prices, may cause us to lose the benefit of an increase in the price of gold or obligate us to make payments to our hedge counterparties.

We engage in hedging transactions. We use various types of instruments in our hedging activities, which include forward sales, options, and lease rate swaps. We may not fully participate in increases in the spot price of gold on the portion of our production that is hedged.

The cash flows from and marked-to-market values of our hedge book can be affected by factors such as the market price of gold, gold price volatility, US interest rates and gold lease rates, which are not under our control. In some circumstances, we could have to make substantial payments to our hedge counterparties.

Cash payments in respect of hedging transactions (other than those of our Geita joint venture) will be made by our treasury company or us. Monies from the sale of gold will be received by the mines. Where the mine is held through a subsidiary company that has limitations on its ability to make distributions or loans to us then, in the event of a rise in the price of gold, we may not always be able to access the difference between the spot price of gold and the price at which payments in respect of related hedging contracts are triggered.

Our hedging agreements can be terminated in limited circumstances. This could require us to make substantial cash payments.

Our hedging transactions are now entitled to continuing margin-free trading arrangements. Any existing rights to call for margin have been canceled and we have agreed that, subject to limited exceptions, no new hedging agreements will benefit from rights to call for margin. If these provisions and others are breached by us, or if we are no longer in compliance with the hedge policy which is currently in place or if the hedge policy is amended other than with the approval of an appropriate majority of our hedge counterparties, then our hedge counterparties will have a right to terminate their hedging agreements with us. We cannot assure you that our affairs can be managed to prevent an event in the future which gives rise to the right of the hedge counterparties to terminate the hedging agreements.

Our hedging agreements also contain, among other things, events of default and termination events which could lead to early close-outs of our hedges. These include failure to pay, breach of the agreement, misrepresentation, default under our loans or other hedging agreements, bankruptcy, merger without assumption of our obligations and merger where the creditworthiness of the resulting, surviving or transferee entity is materially weaker than us. Our hedging agreements do not make express provisions for who would determine whether the creditworthiness of the resulting, surviving or transferee entity in a merger was materially weaker than us or the factors that would be taken into consideration in such a determination. If we and the relevant hedge counterparty or counterparties were unable to agree in this respect, the issue would be decided by a court or arbitrator applying English law. Some of our hedging contracts also contain optional early termination provisions pursuant to which the relevant hedge counterparty can unilaterally elect to terminate the relevant hedging contracts on specified dates. The first of these early termination provisions which can apply can be exercised on June 30, 2008 and each subsequent anniversary of the execution of the hedging contracts to which the option applies.

In the event of an early termination of our hedging agreements, the cash flows from the affected hedge instruments would cease and we and the relevant hedge counterparty would settle all of our obligations at that time. In that event, there could be a lump sum payment to be made either to or by us. The magnitude and direction of such a payment would depend upon, among other things, the characteristics of the particular hedge instruments that were terminated and the market price of gold and gold price volatility, US interest rates and gold lease rates at the time of termination. If we were required to make a sufficiently large payment, it could materially adversely affect our financial condition.

If the negative marked-to-market value of the Geita hedgebook exceeds a specified level, we will not be able to receive any cash from the Geita joint venture.

Our Geita joint venture also engages in hedging transactions in respect of production from the Geita mine. This hedging is carried out on a margin-free basis. However, if at any time the aggregate marked-to-market value of the Geita hedge book exceeds US$132.5 million (negative), then we will be restricted from receiving

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cash from the joint venture until the marked-to-market value reduces below that threshold. The hedging arrangements also provide for events of default and termination events which could lead to early close-outs or lead to a default in Geita's US$135.0 million project finance facility. The threshold of US$132.5 million will increase during the life of the Geita facility as principal repayments are made and additional coverage becoming available under the political risk insurance.

Our reserve estimates may be revised downward in the future, as a result of re-assessment or because of a fall in the price of gold, which would materially harm our business.

We have prepared the ore reserve figures presented in accordance with industry practice. However, these figures are estimates and there is a risk that the indicated amount of gold might not be recovered. Reserve estimates may require revisions based on, among other things, actual production experience, changes to mining methods or processing techniques and changes in costs. Further, a decline in the market price of gold may render ore reserves containing relatively lower grades of gold mineralization uneconomical to recover and could ultimately result in a restatement of our reserves. In recent years, we have restated our reserves as a result of the decrease in the gold price. There is a risk that we will have to restate our reserve estimates in the future as a result of further decreases in the gold price or increases in costs. A downward restatement of reserve estimates could have a negative impact on the lives of our mines and/or future production levels which in turn could reduce future income and our earnings.

Gold exploration is frequently unsuccessful, so we may not be able to discover and exploit new reserves to replace those we are currently mining.

To maintain gold production into the future beyond the life of the current reserves or to increase production materially above planned levels, we will be required to discover further reserves. Exploration for gold is speculative in nature, involves many risks and frequently is unsuccessful. Any gold exploration program entails risks relating to the location of economic orebodies, the development of appropriate metallurgical processes, the receipt of necessary governmental permits and the construction of mining and processing facilities at any site chosen for mining. There is a risk that our exploration efforts will not result in the discovery of gold mineralization or that any mineralization discovered will not result in an increase of our reserves. If we develop our reserves, it can take a number of years and substantial expenditures from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. There is a risk that we will not be able to fund future expenditure through debt or equity issues for major developments to maintain production levels in future years. Our current proven and probable contained gold reserves as at December 31, 2002 were approximately 27.8 million ounces, prior to making allowance for minority and joint venture interests. There is a risk that our exploration programs will not result in the replacement of current production with new reserves, or that our development programs will not be able to extend the life of our existing mining operations or result in any new commercial mining operations.

Our mines are subject to environmental and geological risks which could shut down our operations.

The business of gold mining is subject to risks, including environmental hazards (which could occur, for example, on the collapse of a tailings dam), geological uncertainties and operating issues (for example, the collapse of a pit wall as occurred at Obuasi and the collapse of the slope in the pit wall as occurred at Bibiani), industrial accidents, discharge of toxic chemicals (such as cyanide), fire, earthquakes and extreme weather conditions. At Obuasi, we are heavily reliant on the availability of the KMS shaft and to a lesser extent KRS and GCS shafts. Any serious damage to these shafts or any major mechanical failure would have a significant impact on our revenues and any repair work could also require significant expenditure. In Guinea, our Siguiri mine is responsible for shipping cyanide to the mine site over land, including part of the journey by ferry crossing over a river. Any spillage could cause environmental damage, expose us to liability and/or slow our production at the mine. Any of these hazards could delay production, increase production costs and result in liability for us.

We may sustain expenses related to mining risks that either exceed the values of, or are outside the scope of, our current insurance policies.

We insure against certain risks of mining and processing. Our ability to continue to obtain insurance at an economic price is largely dependent on the state of the insurance market. Our insurance has monetary limits

on the amount that can be claimed and the deductibles. We may not be able to maintain the current level of deductibles and may not be able to cover certain types of risk currently insured. We do not currently insure against non-accidental and some other environmental liabilities and are not able to obtain insurance for some movements of bullion. We may become subject to liability for pollution or other hazards against which we have not insured or cannot insure, including those in respect of past mining activities. Additionally, a large proportion of our insurance, including our main Property and Business Interruption policy, is placed in, and re-insured with, the African insurance market. These insurers may not have the same financial resources as our European or American insurers and so may not be able to pay a large claim in full. Additionally, if a Ghanaian insurance company was to become insolvent, then due to provisions of the Ghanaian insurance and insolvency laws, we may not be able to take full advantage of re-insurance placed in respect of our policies.

Because we use mining contractors, we may face delays or suspensions of mining activity that are beyond our control.

We use mining contractors to mine and deliver ore to the processing plants at a number of our mines. We do not own all the mining equipment at these sites. We may face disruption and incur costs and liabilities in the event any of the mining contractors has financial difficulties or should we encounter a dispute in renegotiating a mining contract or a delay in replacing an existing contractor.

Our actual gold production may be below target in any given year as a result of any one or more of numerous factors beyond our control. If so, we may have to fund hedging payments.

Our gold production in any year will be affected by a number of factors, including:

- our ability to produce the required tonnages of ore;
- the grade and type of ore available to be mined;
- our ability to control the grade of ore;
- the amenability of the ore to processing methods;
- our ability to obtain the required recovery from processing;
- availability of power;
- disturbances affecting mining and processing (such as industrial strikes, fire, drought, floods and disturbances in fuel supply); and
- delays in procurement of supplies and equipment and equipment failure.

In the past our annual gold production has been affected by these and other factors and, as a result, there is a risk that we will not be able to produce at budgeted levels in any financial year. In particular, a shortage of rainfall may impact on power supplies and also lead to insufficient water to maintain full production at our plants. Heavy rainfall, on the other hand, can adversely impact our heap leach operations, including those at Siguiri. We might also lose some gold through theft by employees and others. Production could be severely disrupted by the breakdown of, or where unscheduled maintenance is required on, certain items of mining or processing equipment.

Our hedging policy defines targeted commitment levels that are calculated as a percentage of forecast production. If the mines suffer significant production shortfalls then we may have to fund hedging payments which will reflect the gold price at that time but not receive any cash from lost gold production.

Our power supplies are unreliable and have on occasion forced us to halt or curtail activities at our mines.

Substantial portions of our mining operations in Ghana are dependent for their electricity supply on hydroelectric power supplied by the Volta River Authority, or VRA, an entity controlled by the Government of Ghana, although we also have access to VRA electricity supply from a recently constructed smaller thermal plant. The VRA's principal electricity generating facility is the Akosombo Dam and during periods of below average inflows from the Volta reservoir electricity supplies from the Akosombo Dam may be curtailed, as occurred in 1998. In addition, this electricity supply has been subject to voltage fluctuations, which can damage our equipment. Other than short-term stand-by generators, which are not sufficient to allow us to continue mining operations, we have no means of obtaining alternative power in the event of a supply shortage from the VRA. The VRA also obtains power from neighboring Cote d'Ivoire, which has recently

experienced some political instability and civil unrest. These factors may cause interruptions in our power supply or result in increases in the cost of power even if they do not interrupt supply.

Our mining operations in Guinea and Tanzania are dependent on power supplied by outside contractors and for supplies of fuel being delivered by road. Our power supply has been disrupted in the past and we have suffered resulting production loss as a result of equipment failure. At Geita we entered into agreements under which Rolls-Royce agreed to supply power to the mine and to sell generators to Geita and operate them. From inception, the generators proved unreliable, resulting in disruptions to the Geita operations and causing us to rely on Rolls-Royce's provision of alternative power generation, at their cost.

AIDS poses risks to us in terms of productivity and costs.

The incidence of AIDS in Africa poses risks to us in terms of potentially reduced productivity. The exact extent to which our workforce is infected is not known. Recently, 20% of the workforce at our Freda-Rebecca mine who agreed to voluntary testing, tested positive for HIV. Significant increases in the incidence of AIDS infection and AIDS-related diseases among members of our workforce in the future could adversely impact our operations and financial condition.

If Ghana's recent political and economic stability ends, our assets may be nationalized or our business may otherwise be harmed.

We are a Ghanaian company. Our principal operations and headquarters are in Ghana and a substantial portion of our gold production is mined in Ghana. Although political conditions in Ghana have been stable in comparison with those in many other African states, it has a history of instability in both the economy and the political system. Although presidential and parliamentary elections were conducted under the present constitution in 1992, 1996 and 2000, the possibility that a Ghanaian government may adopt substantially different policies in the future, which might extend to the renationalization of privatized assets and the adverse modification of the regulatory or fiscal regime governing mining companies in Ghana, or the withdrawal or modification of consents in respect of the retention and use of proceeds from the sale of gold outside Ghana, cannot be ruled out.

Several other countries in Africa in which we operate are currently politically and economically unstable, which may result in sudden, unpredictable change that may be harmful to our business.

Outside Ghana, we are actively engaged in exploration projects throughout Africa and in mining and exploration projects in Zimbabwe, Tanzania, Guinea and the Democratic Republic of Congo. These countries may offer relatively high risk of political and economic instability. In these countries, government policy may be unpredictable, and the institutions of government may be unstable and may be subject to rapid and not necessarily peaceful change. Our activities in these countries might also be adversely affected by any sanctions against the country, new rules against foreign investors and worker unrest as a result of any political change. At the moment Zimbabwe is going through substantial political upheaval and economic difficulties. This upheaval may also affect us in another way. Over the last year the price realized on the sale of gold from our Freda-Rebecca mine to the Government of Ghana was substantially higher than the prevailing market price due to a price support mechanism set by the Government of Zimbabwe. If this price support mechanism were withdrawn or substantially reduced, the financial results of our Freda-Rebecca mine would be harmed. Due to conflict in the Democratic Republic of Congo, we are currently unable to access our mine site there.

Because several of our mines are located in countries which are either currently politically unstable, such as Zimbabwe, or which lack a long tradition of political stability, we face the risk that our property and equipment may be damaged or destroyed by general civil unrest or by sabotage, whether directed at us or not.

Any existing or new mining project carried on by us outside Ghana will be subject to various national and local laws, policies and regulations governing the prospecting, developing and mining of mineral resources, taxation, exchange controls, employee relations, health and safety, the environment and other matters. Any investment by us outside Ghana will also require approval under Ghanaian exchange control regulations. Any necessary permits, authorizations and agreements to implement planned projects, to remit monies and to maintain foreign currency in offshore accounts may not be obtained under conditions or within time frames that make such plans economical. Also, applicable laws or the governing political authorities may change, having a material adverse effect on us.

If current environmental regulations are made more stringent, we may incur expenses associated with remediation or may be prohibited from mining in some areas.

The countries in which we operate do not currently have fully developed systems of environmental regulation. These countries may adopt more stringent regulations in the future which could adversely affect our operational flexibility and costs. Additionally, we could be required to provide for reclamation in the form of a cash deposit or financial guarantee, as we have had to do at our Ghanaian mines, or new environmental rules could restrict us from mining certain areas, particularly mining in designated forest areas. Furthermore, our lenders are increasingly requiring us to comply with higher international environmental standards and practices.

If labor strikes are held again by our workforce or the workforce of our mining contractors, our business will be harmed.

We and our mining contractors rely to a large degree on a unionized work force. In 1999 we experienced strikes at our Obuasi mine, and in 2000 at our Freda-Rebecca mine, and there is a risk that strikes or other types of conflict with unions or employees may occur in the future.

If our wage costs and other expenses, like those of fuel and disposables, increase, our financial performance will be harmed.

We have in the past experienced increases in some of our costs, including the wages of our employees, the costs of fuel, power and of consumables necessary to our business, like cyanide, cement and lime. Ghana recently experienced a 100% increase in fuel costs and we therefore anticipate difficult negotiations over wages with our labor unions in 2003. Also, our agreement with a power supplier, the Volta River Authority, expires in May 2003 and we expect a significant increase in the applicable tariff upon renewal of that agreement. We cannot predict when, if or how much these costs may increase, but they have historically risen when the price of gold has risen, among other things.

Our principal shareholders have substantial control over us, which they may exercise in their own interests as opposed to those of all shareholders.

Approximately 28.1% of our current issued share capital is held by Lonmin and approximately 17.2% is held by the Government of Ghana. The Government of Ghana also has a veto right in respect of some specified changes regarding us. If Lonmin and the Government of Ghana vote in the same manner on any matter requiring approval of a simple majority of the outstanding ordinary shares, they will materially influence whether that matter will be approved or defeated. In addition, Lonmin and the Government of Ghana may be able to prevent any take-over of us. The interests that the Government of Ghana may seek to protect may at times differ from those of our other shareholders.

Additionally, through the Ghanaian Mining Law, the Government of Ghana has the power to object to any person becoming or remaining a "shareholder controller," "majority shareholder controller" or an "indirect shareholder controller" of us if they consider that the public interest would be prejudiced. Relations with the Government of Ghana were strained during the period of our liquidity crisis in late 1999 and early 2000. The Government of Ghana has had substantial influence over and continues to take a keen interest in us.

Following exchange of the MENs and as a result of outstanding put options entered into by Lonmin with warrantholders who agreed to exercise their warrants for our ordinary shares, there is a possibility that (if there is no take-up of rights under the rights issue) Lonmin's shareholding could rise to a maximum of approximately _____%. We have also entered into undertakings with Lonmin restricting our ability to complete some share issues without shareholder approval and restricting our ability to effect this rights issue at more than US$5.40 per share or, if the rights issue is effected at less than US$5.40 per share, at more than a 5% discount to the then-current market value of an ordinary share.

Following this rights issue, our directors will only have a maximum of _____ of our ordinary shares authorized for issuance without the need for prior approval of our shareholders by means of a special resolution. To pass a special resolution, it must be approved by holders of three quarters of the shares voted on it.

If we are unable to attract and retain key personnel our business may be harmed.

Our ability to operate our mines and to explore our portfolio of mineral rights will depend upon the skills and efforts of a small group of management and technical personnel, including Sam Jonah, our Chief Executive and Group Managing Director. Factors critical to retaining our present staff and attracting additional highly qualified personnel include our ability to provide these individuals with competitive compensation arrangements and other benefits. If we are not successful in attracting highly qualified individuals in key management positions, or if we lose any of our key personnel, our business may be harmed. We do not maintain "key man" life insurance policies on members of our executive team.

The Ghana Company Law which regulates our activities and the Ghanaian courts that enforce this law may not yield results predictable by the standards of English or US law and these results may harm our business.

We are a Ghanaian company and thus regulated by Ghana law and subject to the jurisdiction of the Courts of Ghana. Although this law is based substantially on English company law, the decisions of the English Courts may not be followed in reaching the judgment of an issue in Ghana. In early 2000, a legal action was commenced against us with a view to a general meeting being convened at short notice so as to replace the then board of directors; an injunction was also sought to prevent us from, among other things, entering into a US$100 million bank financing. Although initial orders made by the Ghanaian High Court to convene an extraordinary general meeting and the grant of an injunction prohibiting us from entering into the bank financing were later withdrawn, rescinded and revoked by the Court, we cannot guarantee that a similar action might not be brought in the future. In the event that another similar action is brought, we cannot guarantee you that we will be able to defend it successfully.

If currently pending securities litigation in the US is resolved against us, our business will be harmed if we are forced to pay substantial sums in compensatory and punitive damages.

We are subject to litigation, including a consolidated class action lawsuit pending in the US alleging misstatements and non-disclosures in connection with SEC filings and other public statements made in 1999 concerning our hedging program. The plaintiffs are seeking unspecified damages. These matters may adversely affect our business and financial condition. The outcome of this litigation may not be known for some time.

Our ability to obtain desirable mineral exploration projects in the future will be adversely affected by competition from other exploration companies.

In conducting our exploration activities, we compete with other mining companies in connection with the search for and acquisition of properties producing or possessing the potential to produce gold. Many of these companies have significantly greater resources than us. Existing or future competition in the mining industry could materially and adversely affect our prospects for mineral exploration and success in the future.

We have not paid dividends for the last several years and may not do so in the future.

We did not pay dividends with respect to the financial years 1999, 2000, 2001 or 2002, and we currently have a substantial deficit on distributable reserves. In light of this deficit, we do not anticipate paying dividends for the foreseeable future.

In some cases, The Bank of New York may not make subsequent rights offerings or other distributions to GDS holders.

If we make a subsequent rights offering to holders of securities, The Bank of New York may make these rights available to you after we instruct it to do so and provide it with evidence that it is legal to do so. If we fail to do this and The Bank of New York determines that it is impractical to sell the rights, it may allow these rights to lapse. In that case, you may receive no value for them.

Additionally, The Bank of New York is not responsible if it decides that it is unlawful or impractical to make a distribution available to any GDS holder and we have no obligation to take any other action to permit a distribution. This means that you may not receive the distribution we make on ordinary shares or any value for it if it is illegal or impractical for us to make them available to you.

The consolidated net asset value of each ordinary share is substantially lower than the rights offering price.

The rights offering price is substantially higher than the consolidated net asset value per share after this rights offering. If you purchase our ordinary shares in this rights offering, you will experience immediate and substantial dilution in consolidated net asset value per share with regard to your new investment. The ordinary shares owned by existing shareholders will receive an increase in the consolidated net asset value per share. Based on the rights offering price of US$_____ per share, the dilution to investors in this rights offering will be approximately US$_____ per share.

It may be difficult for you to effect service of process and enforce legal judgments against us or our affiliates.

We are incorporated in Ghana and our directors and senior executives other than two non-executive directors are not residents of the United States. Virtually all of our assets and the assets of those persons are located outside the United States. As a result, it may not be possible for you to effect service of process within the United States upon those persons or us, although we have submitted to the jurisdiction of New York State and the United States federal courts sitting in New York City.

The principal statute governing proceedings before the Ghanaian courts is the Courts Act, 1993, which includes provisions relating to the enforcement of foreign judgments in Ghana. Under the Courts Act, it is possible to enforce a judgment obtained outside Ghana if, among other things, the courts of the country in which the judgment was given have been specifically recognized for the purposes of the Courts Act. The courts of the United States are not recognized for the purposes of the Courts Act. Apart from the legislative provisions, at common law a judgment obtained outside Ghana, not registrable under the Courts Act, may be enforced by bringing an action in Ghana based on that judgment. In that case, the right to bring the action would not depend on whether or not the foreign court in which the judgement was given has been specifically recognized under the Courts Act. However, we have been advised by our Ghanaian counsel that the Ghanaian courts would not directly enforce any judgment obtained before a court in the United States. A separate action must be brought before the Ghanaian courts in order to give effect to a United States judgement. Furthermore, it is doubtful whether you could bring an original action based on United States Federal securities laws in a Ghanaian court.

USE OF PROCEEDS

Assuming full take up of the rights offering (other than as to approximately _____% of their rights by Lonmin and the Government of Ghana, who have contractually committed not to take up these rights), we expect the maximum net proceeds to us from the offering to be US$_____ after deducting estimated offering expenses of US$_____. We plan to use the net proceeds from this offering inititally to repay borrowings under our new US$200.0 million five year revolving credit facility dated June 28, 2002, and/or repay in whole or in part several other loan facilities under which our subsidiaries Ghanaian --Australian Goldfields Limited and Teberebie Goldfields Limited are borrowers. On December 31, 2002, borrowings outstanding under the revolving credit facility were US$149.0 million. We have used these borrowed funds to refinance previously existing indebtedness. Interest accrues on amounts outstanding under the revolving credit facility for the first two years at the London Interbank Offer Rate plus 175 basis points (becoming 200 basis points after two years). We would use any additional net proceeds to finance exploration and development activities and to fund working capital requirements by re-drawing our revolving credit facility.

The Managers have agreed to underwrite _____ of the new ordinary shares and/or GDSs offered pursuant to the rights offering. Other than in respect of the issue of such shares, which at the rights offering price will raise US$_____, we will only receive proceeds from the rights offering to the extent that the share rights and the GDS rights are exercised or through the sale of new GDSs or new ordinary shares representing unexercised GDS or share rights.

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DIVIDENDS

We are continuing to strengthen our financial position. However, under Ghanaian law we are unable to consider paying dividends until we have positive reserves on our balance sheet. Our individual company accounts currently show a substantial deficit. Unless we are able to restructure our balance sheet, we will not be able to pay dividends in the foreseeable future.

The new ordinary shares and new GDSs, when issued and fully paid, will rank equally in all respects with the existing ordinary shares and GDSs, respectively, including the right to receive any dividends or other distributions made, paid or declared after the date of this prospectus.

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CAPITALIZATION AND INDEBTEDNESS

The following table sets forth our consolidated capitalization and indebtedness computed in accordance with UK GAAP, as of December 31, 2002: (i) on an actual basis and (ii) as adjusted for the rights offering and the application of the estimated maximum net proceeds of US$____ as described above under "Use of Proceeds."

You should read this information in conjunction with "The Rights Offering," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Description of Our Share Capital."

	As of December 31, 2002	
	Actual	As adjusted
	(amounts in US$ millions)	
Short-term debt (including current maturities)(1)	2.7	
Long-term debt (excluding current maturities)		
US$200.0 million revolving credit facility(2), (4)	149.0	
Project finance loans(3)	23.4	
MENs	75.0	
Other loans and overdrafts(1)	11.3	
Total long-term debt	258.7	
Total debt	261.4	
Capital and reserves		
Stated capital	588.2	
Reserves	(141.9)	
Equity shareholders' funds	446.3	
Total capitalization	707.7	

Indebtedness excludes our 50% share of the US$113.4 million non-recourse Geita project finance loan.

Security

(1) Of the short term debt and other loans totaling US$14.0 million, US$5.8 million is secured over certain of our assets.

(2) The lenders under the revolving credit facility, or RCF, have security over all the hedging contracts entered into by Ashanti Treasury Services Limited and Geita Treasury Services Limited, gold refining and purchasing agreements, insurance contracts, gold in transit and bank accounts.

Security has also been granted over substantially all the assets of Ashanti Goldfields Company Limited and Ashanti Goldfields (Bibiani) Limited located in Ghana including the mining leases relating to the Obuasi and Bibiani mines. We have also agreed to use our best endeavors to give security over our shares in Cluff Resources Limited, which owns the Geita Mine. In addition, we have effected a political risk insurance policy, or PRI, of up to US$131.0 million in relation only to Ghana for the benefit of the lenders who, prior to the closing of syndication, elected to take the benefit of PRI.

(3) The project finance loans are secured by fixed and floating charges over the related project assets.

Guarantees

(4) The RCF is guaranteed jointly and severally by us (as parent), Ashanti

Treasury Services Limited, Geita Treasury Services Limited, Societe Ashanti Goldfields de Guinee S.A., and Ashanti Goldfields (Bibiani) Limited.

DILUTION

Our consolidated net asset value as of December 31, 2002 was US$447.5 million, or US$3.51 per ordinary share. Consolidated net asset value per share represents the total amount of our consolidated tangible assets reduced by the amount of our consolidated liabilities and divided by the number of ordinary shares outstanding on December 31, 2002. Our consolidated net asset value at December 31, 2002 after giving effect to the sale of ____ ordinary shares, or their GDS equivalents, in the rights offering and exchange of the MENs at a price of US$____ per ordinary share, and after deducting estimated offering expenses, would be US$____ million, or US$_____ per share. This represents an immediate increase in pro forma net asset value of US$____ per ordinary share to existing shareholders and an immediate dilution of US$____ per ordinary share to purchasers of ordinary shares or GDSs in the offering.

Assuming all existing shareholders exercise 100% of their share or GDS rights (other than Lonmin and the Government of Ghana in respect of ____% of their rights), there will be no dilution per share to existing shareholders.

Dilution per share represents the difference between the price per share to be paid by new investors for the ordinary shares, or GDS equivalents, sold in the offering and the pro forma consolidated net asset value per share immediately after the offering and exchange of the MENs. The following table illustrates this per share dilution:

Price per share in the rights offering	
Consolidated net asset value per share as of December 31, 2002	3.51
Increase in consolidated net asset value per share attributable to investors in the offering	
Consolidated net asset value per share after the offering	
Dilution per share to new purchasers in the offering	

The following table presents the differences between the total consideration paid to us by investors purchasing ordinary shares and GDSs in the offering and the average price per share paid by shareholders:

	Shares Purchased		Total Consideration		Avg. Price/
	Number	Percent	Amount	Percent	Share
Shareholders					
Investors in the offering					
Total					

Between January 1, 1998 and the present, our directors and officers acquired our ordinary shares upon exercise of outstanding share purchase options at a weighted share purchase option exercise price of US$____.

Existing shareholders who do not subscribe to the offering will experience dilution. The following table illustrates that dilution for a shareholder holding 1% of our share capital prior to the offering:

Shareholding prior to this rights offering	1%
Shareholding following this rights offering	%

THE RIGHTS OFFERING

The discussion that follows is divided into four sections. The first section concerns subscription by holders of GDSs. The second section concerns subscription by holders of ordinary shares. The third section concerns exchange privileges. The last section concerns employee share plans. In this discussion, unless we state otherwise, references to global depositary securities, or GDSs, include direct registration statements in respect of those GDSs.

Introduction

We are offering up to ____ new ordinary shares, in the form of new ordinary shares or new GDSs, in a pre-emptive rights offering to holders of our ordinary shares on our International Register and holders of our GDSs. The subscription price per new ordinary share (of no par value) held on our International Register and per new GDS is US$____.

We will, through our depositary and GDS rights agent, The Bank of New York, make available to holders of GDSs transferable rights to subscribe for new GDSs. The

Bank of New York will send holders of record of GDSs transferable GDS rights certificates evidencing GDS rights and instructions relating to the exercise of these GDS rights. We are sending eligible holders of ordinary shares (including those whose registered addresses are in the United States) a transferable provisional allotment letter, or PAL, evidencing ordinary share rights. Holders of GDSs or ordinary shares on ____, 2003 will be eligible to participate in the rights offering.

We expect that GDS rights certificates will be sent to holders of record of GDSs on or about ____, 2003, and PALs are being sent to eligible holders of ordinary shares with this document.

The Managers have severally agreed to underwrite a total of _____ new ordinary shares and/or new GDSs at the rights issue price. Certain of our existing institutional securityholders have agreed to sub-underwrite all of such underwritten shares, on terms that such securityholders may reduce their sub-underwriting participation by the number of new ordinary shares and/or new GDSs which they subscribe for pursuant to the rights offering.

The rights offering is conditional upon:

- admission of the new ordinary shares "nil paid" (meaning without the subscription price being paid up for the shares), and the transferable rights to subscribe for new GDSs, to the Official List of the UK Listing Authority and to trading on the London Stock Exchange, or LSE, by not later than 8.00am, London time, on _____, 2003, or at such other time or date as we may agree, being not later than _____, 2003, and

- authorization for listing the transferable rights to subscribe for new GDSs on the New York Stock Exchange, or NYSE, subject to official notice of issuance, being received by not later than admission to listing on the UKLA and to trading on the LSE.

The rights issue agreement (which we have entered into with the Managers in respect of the underwriting and other matters relating to the rights issue) or the Managers' underwriting obligations under the agreement may be terminated in the event of certain material breaches of the agreement prior to admission (as described above). The agreement may also be terminated in the event of certain force majeure events occurring prior to [5.00 p.m.], London time, on __, 2003. If the rights issue agreement were to be terminated prior to admission, we reserve the right to proceed with the rights issue.

Position of Lonmin and the Government of Ghana

Lonmin and the Government of Ghana have contractually agreed not to take up or deal in approximately ____% of the rights offered to them in connection with the rights issue. Lonmin was issued with US$75.0 million of mandatorily exchangeable notes, or MENs, in connection with our recent financial restructuring. The Government of Ghana has a call option in respect of approximately US$28.4 million of those MENs. The MENs will automatically convert into ____ of our ordinary shares upon completion of the rights issue, at the rights issue price of US$____. Lonmin and the Government of Ghana agreed at the time of the issue of the MENs that the MENs represented their entitlements under this rights issue to the extent that the number of shares offered to them under this offering equaled the number of shares to be issued to them on exchange of the MENs. Therefore, as the number of shares offered to Lonmin and the Government of Ghana under the rights issue (in accordance with their pro rata entitlements) is slightly larger than the number of shares into which the MENs exchange, Lonmin and the Government of Ghana are entitled to take up or otherwise deal in approximately ____% of their rights issue entitlements.

Subscription by Directors

Our directors intend to take up an aggregate of ____% of their entitlements to new ordinary shares in respect of their own beneficial holdings of ordinary shares.

Rights Offering in Ghana

The rights offering is being extended to holders of ordinary shares on the Ghanaian (Principal) register by means of a separate prospectus complying with Ghanaian securities laws. Holders of our shares on such register will also be sent a separate Ghanaian provisional allotment letter. Neither this document, nor the PALs or GDS rights certificates, will be sent to such holders. The offer to holders on the Ghanaian register will differ from this offer in that it will be made at a fixed price in cedis (the currency of Ghana) referable to the US dollar offer price. Such fixed price is ____ cedis (which represented US$____ on ____, 2003). The Ghanaian offer will constitute an offer of an aggregate of ____ ordinary shares and will remain open for ____ days after the offer set out in this document closes (this is to compensate for timing delays with distribution of documents in Ghana).

Issued Share Capital

We are offering a total of up to ____ new ordinary shares in the form of ordinary shares or GDSs. At March 12, 2003, we had 128,103,824 ordinary shares issued and outstanding (and one special rights redeemable preference share, or golden share) and we expect to have a maximum of approximately ____ ordinary shares issued and outstanding after completion of the rights offering. (This includes ____ ordinary shares which will be issued on exchange of the MENs and assumes full take up under the rights offering other than in respect of the rights which Lonmin and the Government of Ghana have agreed not to take up.) This is an expected maximum increase of approximately ____% based on the number of our ordinary shares outstanding at ____, 2003.

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Subscription by Holders of GDSs

This section applies to you if you hold GDSs. If you are a holder of ordinary shares see "Subscription by Holders of Ordinary Shares" below.

The timetable below lists certain important dates relating to the rights offering to holders of GDSs, which may be adjusted upon public notice to the NYSE, the LSE, the GDS rights agent and, where appropriate, to our GDS holders.

All times referred to in this timetable and this section are New York City times unless stated otherwise.

Record date for GDS rights	12.00am on	__, 2003
GDS rights certificates sent to eligible GDS holders	Commencing on	__, 2003
GDS ex-rights date	9.30am on	__, 2003
Trading in GDS rights on the NYSE commences	9.30am on	__, 2003
Trading in GDS rights on the LSE commences	8.00am on London time	__, 2003
Latest time for exchanging GDS rights for share rights	12.00pm on	__, 2003
Trading in GDS rights on the NYSE ends	5.00pm on	__, 2003
Trading in GDS rights on the LSE ends	Close of Business London time	__, 2003
Latest time to complete a transfer of a GDS right on the books of the GDS rights agent	2.15pm on	__, 2003
GDS rights expiration date (latest time for acceptance and payment and delivery of a notice of guaranteed delivery)	3.00pm on	__, 2003
Latest date for delivery of GDS rights certificate pursuant to a notice of guaranteed delivery	3.00pm on	__, 2003
Expected date for evidencing new GDSs	Commencing on or about	__, 2003

The eligible holders of GDSs may subscribe for new GDSs representing new ordinary shares as follows:

GDS Rights Record Date

The record date for determining those holders of GDSs who are eligible to participate in the GDS rights offering is 12.00am on __, 2003. This date was announced on __, 2003.

GDS Rights Certificates

GDS rights are evidenced by transferable GDS rights certificates. The GDS rights agent, The Bank of New York, will mail the GDS rights certificate together with a letter of instructions and this prospectus on or about __, 2003, to all holders of record of GDSs.

Every _____ GDSs held of record on the GDS rights record date will entitle the holder to ____ GDS rights. The holder of one GDS right is entitled to subscribe for one new GDS at the GDS subscription price.

The GDS rights are to be issued under the terms of a rights agency agreement relating to the rights offering between us and The Bank of New York. The Bank of New York is the GDS rights agent and the depositary for the GDSs. We have filed copies of both the GDS deposit agreement and the rights agency agreement as exhibits to this document and copies are available for inspection at the offices of The Bank of New York at _____.

If you lose your GDS rights certificate, please call The Bank of New York on _____. All other inquiries in relation to the GDS rights certificate or the rights offering in relation to GDS rights should be addressed to _____ on _____.

If there is a discrepancy between this prospectus and the GDS rights certificate, please rely on the GDS rights certificate and the accompanying instruction form.

GDS Ex-Rights Date

If you sell or otherwise transfer, or have sold or otherwise transferred, all of your existing GDSs between 12.00am on __, 2003 and 9.30am on __, 2003, (the GDS ex-rights date), you will not be entitled to participate in the GDS rights offering. The purchaser or transferee of your GDSs between 12.00am on __, 2003 and 9.30am on __, 2003 is entitled to participate in the rights offering in your place. Therefore, please send this document and accompanying documentation immediately to the purchaser or transferee or to the bank, broker or other agent through whom you sell or transfer, or have sold or transferred, your GDSs for delivery to the purchaser or transferee.

GDS Rights Agent

The Bank of New York, the depositary for our GDSs, is acting as GDS rights agent to accept subscriptions for new GDSs.

Fractional Entitlements

The GDS rights agent will not allot GDS rights for fractions of new GDSs in making the initial allocations of GDS rights. These fractional GDS rights will be aggregated and the new GDSs or new ordinary shares underlying these GDS rights will be sold in the market through an arrangement with the Managers. If the GDSs/ordinary shares are sold at a price which, net of the expenses of sale, including any tax, is above the ordinary share subscription price, any premium will be paid to the GDS rights agent. The GDS rights agent will forward such premium (net of any depositary fees) for payment to each GDS holder entitled to the proceeds from such sale.

GDS Subscription Price

You will need to pay the GDS rights agent the GDS subscription price of US$__ for each new GDS that you wish to subscribe for. For information on how to pay, see "Procedure for exercising GDS rights" below.

Procedure for Exercising GDS Rights

The exercise of GDS rights is irrevocable and may not be canceled or modified. You may exercise your GDS rights as follows:

Subscription by DTC participants:

If you hold GDS rights through The Depositary Trust Company, or DTC, you can exercise your GDS rights by delivering completed subscription instructions for new GDSs through DTC's PSOP Function on the "agent subscriptions over PTS" procedure and instructing DTC to charge your applicable DTC account for the GDS subscription payment for the new GDSs and to deliver such amount to the GDS rights agent. DTC must receive the subscription instructions and the payment of the GDS subscription payment for the new GDSs by the GDS rights expiration date.

Subscription by registered GDS holders:

If you are a registered holder of GDSs, you can exercise your GDS rights by delivering to the GDS rights agent a properly completed GDS rights certificate and paying in full the subscription payment for the new GDSs. You may make such payment by certified check or bank draft, payable to "The Bank of New York", as GDS rights agent.

The properly completed GDS rights certificate and payment should be delivered to:

By Mail:	By Hand or Overnight Courier:
The Bank of New York	The Bank of New York
Tender & Exchange Dept.	Tender & Exchange Dept.
P.O. Box 11248	101 Barclay Street
Church Street Station	New York, NY 10286
New York, NY 10286-1248	

For additional information, contact:
The Bank of New York
by telephone (800-507-9357) or
by fax (for eligible institutions only) (212-815-6433)
for confirmation of fax (212-815-6212)

The GDS rights agent must receive the GDS rights certificate and payment of the GDS subscription price on or before the GDS rights expiration date. Deposit in the mail will not constitute delivery to the GDS rights agent. The GDS rights agent has discretion to refuse to accept any improperly completed or unexecuted GDS rights certificate.

Subscription by beneficial owners:

If you are a beneficial owner of GDSs and wish to subscribe for new GDSs, but are neither a registered holder of GDSs nor a DTC participant, you should timely contact the securities intermediary through which you hold GDS rights to arrange for their exercise and to arrange for payment of the GDS subscription payment in US dollars.

The GDS rights agent will determine all questions about the timeliness, validity, form and eligibility of exercising GDS rights. We, in our sole discretion, may waive any defect or irregularity, or permit you to correct a defect or irregularity within the time we determine. GDS rights certificates will not be considered received or accepted until we have waived all irregularities or you have cured them in time. Neither we nor the GDS rights agent has to notify you of any defect or irregularity in submitting GDS rights certificates. We and the GDS rights agent will not incur any liability for failing to do so.

You will elect the method of delivering GDS rights certificates and notices of guaranteed delivery and paying the subscription price to the GDS rights agent, and you will bear any risk associated with it. If you send GDS rights certificates, notices of guaranteed delivery or payments by mail, you should use registered mail, properly insured, with return receipt requested, and allow sufficient time to ensure delivery to the GDS rights agent and clearance of payment before the appropriate time.

Guaranteed Delivery Procedures

If you desire to subscribe, but time will not permit your GDS certificate to reach the GDS rights agent before the time the GDS rights expire, you may still subscribe if, at or before the GDS rights expiration date, the GDS rights agent has received a properly completed and signed notice of guaranteed delivery, substantially in the form provided with the instructions distributed with the GDS rights certificates, from a financial institution that is a participant in the Securities Transfer Agents Medallion Program, or STAMP, the Stock Exchange Medallion Program, or SEMP, or the New York Stock Exchange Inc. Medallion Signature Program, or MSP. These institutions are commonly referred to as eligible institutions. Most banks, savings and loan associations and brokerage houses are participants in these programs and therefore are eligible institutions. The GDS rights agent must also receive payment in good funds of the GDS subscription payment on or before the GDS rights expiration date. The notice of guaranteed delivery must state your name and the number of new GDSs you are subscribing for and must irrevocably guarantee that the GDS rights certificate will be:

- properly completed and signed, and
- delivered by one of the financial institutions listed above to the GDS rights agent before 3.00pm (New York City time) on __, 2003.

You may deliver the notice of guaranteed delivery by hand, transmit it by facsimile or mail it to the GDS rights agent. If you hold your GDS rights through DTC, your DTC participant must deliver the notice of guaranteed delivery to the GDS rights agent through DTC's confirmation system. If the financial institution fails to deliver a properly completed and signed GDS rights certificate before 3.00pm on __, 2003, the GDS rights agent will refund to you the total GDS subscription payment you paid to the GDS rights agent, without interest, after deducting any loss and expenses it incurred from the failed guarantee.

GDS Rights Expiration Date

GDS rights will expire at 3.00pm on __, 2003. If unexercised, your GDS rights will be void but you may receive net proceeds from the sale of the new GDSs or new ordinary shares representing your unexercised GDS rights as described below.

Dealings in GDS Rights

We expect dealings on the NYSE and the LSE in the GDS rights to commence on __, 2003.

Transfer and Partial Exercise of GDS Rights

GDS rights may be exercised, sold, transferred or assigned to others. GDS rights may be bought or sold on the NYSE until 5.00pm (New York time) on __, 2003 and on the LSE until close of business London time on __, 2003, or through banks or brokers until close of business (London time) on __, 2003.

If you wish to subscribe for a portion of your new GDSs or to transfer a portion of your GDS rights to more than one person, you must follow the instructions that will be included with your GDS rights certificate.

Non-US and Non-UK Holders of GDSs

Due to restrictions under the securities laws of Australia, France, Japan, Zimbabwe, South Africa, and the ECOWAS countries, neither this prospectus nor the GDS rights certificate in relation to new GDSs will be sent to GDS holders with registered addresses in Australia, France, Japan, Zimbabwe, South Africa or the ECOWAS countries. In addition, the new GDSs may not be transferred or sold to or delivered in any of these countries. Accordingly, no offer of new GDSs is being made under this prospectus to GDS holders with registered addresses in Australia, France, Japan, Zimbabwe, South Africa, or the ECOWAS countries, and these GDS holders will be treated as unexercizing holders and thus the Managers will endeavor to procure subscribers for the new GDSs or the new ordinary shares underlying the new GDSs. Copies of the prospectus received by any of these GDS holders are for their information only.

For the purposes of this prospectus, the Economic Community of West African States, or the ECOWAS countries, comprises Benin, Burkina Faso, Cape Verde, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo.

This prospectus and any accompanying GDS rights certificate in respect of the new GDSs are being sent to holders of GDSs with registered addresses in Canada pursuant to an exemption from the rules and policies applicable to rights offerings in Canada including the requirement to send a rights offering circular compliant with applicable Canadian securities laws.

Unexercised GDS Rights

If an entitlement to new GDSs is not validly taken up by 3.00pm on __, 2003, that entitlement to new GDSs will be deemed to have been declined and will lapse. The Managers will use reasonable endeavors to procure, on behalf of the non-exercising holders, by not later than 4.30pm, London time, on __, 2003, subscribers for the new GDSs or the new ordinary shares underlying the new GDSs, at a price at least equal to the subscription price per new ordinary share.

New GDSs or new ordinary shares for which subscribers are procured on this basis will be allotted to those subscribers. GDS holders who do not exercise all or part of their rights will be entitled to receive only the aggregate premium, if any, of the amount paid by the subscribers after deducting the GDS subscription price and the expenses of procuring the subscribers (including any tax and a depositary commission not in excess of US$0.02 per GDS you hold). The aggregate premium will be paid (without interest) to those persons entitled

to it in proportion to the relevant lapsed GDS rights and share rights (excluding any lapsed share rights in relation to the rights offering to holders on the Ghanaian Register, which will be treated separately).

Any transactions undertaken pursuant to unexercised GDS rights will be deemed to have been undertaken at the request of the persons whose rights have lapsed (if a premium to the subscription price plus costs of sale is achieved) and otherwise at our request. None of the Managers, the GDS depositary, the GDS rights agent, ourselves or any other person procuring new subscribers will be responsible for any loss arising from the terms or timing of the subscription or the failure to procure subscribers on the basis described above. Checks for the amount due will be sent at the risk of the entitled person(s) to their registered addresses (the registered address of the first named in the case of joint holders).

The Managers may cease to use reasonable endeavors to procure subscribers as described above at any time after 9.30am, London time, on __, 2003 if, in their opinion, there is no reasonable likelihood that any subscribers could be procured on the basis described above at a price at least equal to the subscription price per share, by not later than 4.30pm, London time, on __, 2003.

The Managers do not have any liability to you if new GDSs or new ordinary shares representing unexercised GDS rights are not sold, or with respect to the price at which they may be sold.

Delivery of GDSs

The depositary will be credited with fully paid rights to receive ordinary shares representing your entitlement to new GDSs on or about __, 2003. The depositary will then provide you with new GDSs as soon as practicable thereafter, provided that your payment of the GDS subscription price has cleared. The depositary will charge you a fee not in excess of US$5.00 per 100 new GDSs issued to you pursuant to the rights issue.

We will announce the results of the rights issue, including the number of new securities taken up and the results of any sale of any unexercised rights, by __, 2003.

Ranking

The new GDSs, when issued and fully paid, will rank equally in all respects with existing issued GDSs, including the right to receive dividends or other distributions made, paid or declared after the date of this prospectus.

The Information Agent and GDS Holder Helpline

_____ is acting as information agent for the rights offering. If you have any questions about the offering of GDS rights, please telephone _____ at _____. This helpline is available from 8.30am to 11.00pm, Monday to Friday.

Please note that this helpline will only be able to provide you with information contained in this prospectus, and will not be able to give advice on the merits of the rights offering or to provide financial or investment advice.

Subscription by Holders of Ordinary Shares

This section applies to you if you hold ordinary shares and not GDSs.

The timetable below lists certain important dates relating to the offering to holders of ordinary shares, which may be adjusted upon public notice to the UK Listing Authority and to the LSE.

All times referred to in this timetable and this section are London times unless stated otherwise.

Record date for ordinary share rights	5.00pm on	__, 2003
Mailing of PALs		__, 2003

Ordinary share ex-rights date	8.00am on	__, 2003
Dealings in nil paid rights on the LSE expected to commence	8.00am on	__, 2003
Latest time and date for exchanging a share right for a GDS right	5.00pm on	__, 2003
Latest time and date for splitting PALs	10.00am on	__, 2003
Dealings in nil paid rights on the LSE ends	Close of business on	__, 2003
Ordinary share rights expiration date (latest time and date for acceptance and payment in full)	10.00am on	__, 2003
Dealings in fully paid rights on the LSE expected to commence	8.00am on	__, 2003
Expected date for mailing of definitive certificates for new ordinary shares		By __, 2003

The eligible holders of ordinary shares may subscribe for new ordinary shares as follows:

Ordinary Share Rights Record Date

The record date for determining which holders of ordinary shares are eligible to participate in the rights offering is 5.00pm on __, 2003. This date was announced on __, 2003.

PALs

Nil paid rights are evidenced by transferable provisional allotment letters, or PALs, which we will mail, together with this prospectus, to shareholders eligible to participate in the rights offering. Every ______ ordinary shares held on the share rights record date will entitle the holder to ______ ordinary share rights.

All inquiries in relation to the PALs or the rights offering in relation to share rights should be addressed to ______. If you lose your PAL, please call ______ on ______, who will refer you, as necessary, to the shareholder helpline in the United Kingdom or the United States.

In the event there is a discrepancy between the terms of your PAL and this prospectus, you should refer to your PAL.

Ordinary Share Ex-rights Date

If you sell or otherwise transfer, or have sold or otherwise transferred all of your existing ordinary shares between 5.00pm on __, 2003 and 8.00am on __, 2003 (the ordinary share ex-rights date), you will not be entitled to participate in the rights offering. The purchaser or transferee of your ordinary shares between 5.00pm on __, 2003 and 8.00am on __, 2003 is entitled to participate in the rights offering in your place. Therefore, please send this prospectus together with any accompanying PAL (with Form X completed), immediately to the purchaser or transferee or to the bank, broker or other agent through whom you sell or transfer, or have sold or transferred, your ordinary shares, for delivery to the purchaser or transferee.

Fractional Entitlements

We will not issue fractions of new ordinary shares to holders of ordinary shares. The number of new ordinary shares available to holders of ordinary shares eligible to participate in the offering will be rounded down to

the nearest whole number of new ordinary shares. We have made arrangements to aggregate and sell, on our behalf, any fractions of new ordinary shares (or GDSs representing fractions of such new ordinary shares). Any proceeds received from such sale will be retained for our benefit.

Ordinary Share Subscription Price

The ordinary share subscription price is US$______ per new ordinary share.

Ordinary Share Rights Expiration Date

Ordinary share rights will expire at 10.00am on __, 2003. If you do not exercise your ordinary share rights by that time, you will not be able to take up new ordinary shares but you may receive proceeds from the sale of the new ordinary shares or GDSs attributable to your unexercised ordinary share rights.

Procedure for Exercising Share Rights

The PAL will explain how to accept and pay for the new ordinary shares if you wish to take up part or all of your rights. To subscribe in whole or in part, you should send the PAL in accordance with its instructions, together with the full amount payable, as described below:

By Mail Or By Hand
During Normal Business Hours
to our Receiving Agent
Capita IRG Plc,
Corporate Actions,
PO Box 166,
The Registry,
34 Beckenham Road,
Beckenham, Kent
BR3 4TH,
United Kingdom

The PAL must be received no later than 10.00am on __, 2003. If payment is not received in full by 10.00am on __, 2003, the provisional allotment will be deemed to have been declined and will lapse.

We may, in our sole discretion, treat a PAL as valid and binding even if it is not submitted complete or in accordance with the relevant instructions or not accompanied by a valid power of attorney, where required. In addition, we reserve the right, but shall not be obliged, to treat as valid (1) PALs and accompanying payments which are received through the post not later than 10.00am on __, 2003 (the cover bearing a legible postmark not later than 10.00am on __, 2003) and (2) applications in respect of which payments are received prior to 10.00am on __, 2003 from an authorized person, as defined in Section 31(2) of the UK Financial Services and Market Act 2000, specifying the number of new ordinary shares to be acquired and undertaking to submit the relevant PAL duly completed in due course.

If you have any further questions about completing the PAL, you may call Capita IRG Plc at 0870 162 3100 (or, if calling from outside the UK, on +44 208 639 2157).

All subscription payments must be in US dollars and you should make your check or bank draft payable to "Capita IRG Plc, New Issues re Ashanti Goldfields Company Limited" and crossed "A/C payee only." Checks or bank drafts must be drawn on (i) a US dollar account at a bank or branch of a bank in the United States or (ii) on a US dollar account of a bank or building society or branch of a bank or building society in the United Kingdom that falls into one of the following categories:

- is a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited; or
- is a member of either of the committees of the Scottish or Belfast Clearing Houses; or
- has arranged for its checks and bank drafts to be cleared through the facilities provided by any of the companies or committees above.

In all cases, the checks or bank drafts must bear the appropriate sort code in the top right hand corner. Checks or bank drafts will be presented for payment upon receipt. We reserve the right to instruct

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Capita IRG Plc to seek special clearance of checks or bank drafts to allow us to obtain the payments at the earliest opportunity. We will not pay interest if your payment is made early. Checks not honored on first presentation may be treated as invalid acceptances.

Dealings in Nil Paid Rights

We expect dealings on the LSE in nil paid rights to commence at 8.00am on __, 2003. Nil paid rights represent your entitlement to purchase new ordinary shares, subject to your paying for them, in accordance with the terms of the rights offering.

You can transfer nil paid rights by transferring your PAL in accordance with the instructions printed on it and delivering the PAL to the transferee. We expect dealings in nil paid rights to end on __, 2003.

Dealings in Fully Paid Rights

Once you have accepted the allotment of new ordinary shares allocated to you and paid in accordance with the applicable requirements, you will be able to deal in the fully paid rights. We expect dealings on the LSE in fully paid rights to commence by 8.00am on __, 2003. A transfer of fully paid rights can be made by transferring your fully paid PAL in accordance with the instructions printed on it and delivering the PAL to Capita IRG Plc at the above address by not later than 10.00am on __, 2003. However, fully paid PALs will not be returned to subscribers unless such return is requested by ticking Box 4 on page 1 of the PAL. For further information regarding renunciation and transfer of fully paid rights, see the instructions printed on the PAL.

Transfer and Partial Exercise of PALs

You may transfer your share rights by properly executing your PAL in accordance with its instructions and delivering the PAL to the transferee.

If you wish to subscribe for only a portion of the new ordinary shares represented by your share rights or to transfer a portion of your share rights to one or more people, which we refer to as "splitting", you must first apply for split PALs by completing Form X on page 4 of the PAL and returning it to Capita IRG Plc at the above address by 10.00am on __, 2003. If you wish only to take up some of your rights, but not sell the rest yourself, you should also follow the procedure to apply for split PALs. The last time for splitting a PAL is 10.00am on __,2003.

Purchase and Sale of Share Rights and New Ordinary Shares

Share rights may be exercised, sold or transferred to others in accordance with the terms of the PAL. New ordinary shares may be bought or sold through banks or brokers and will be traded on the LSE and the GSE.

Your exercise of share rights is irrevocable and may not be cancelled or modified.

Ashanti Depositary Interests

The rights offering will be processed entirely outside CREST. Accordingly, those shareholders who hold ordinary shares as Ashanti Depositary Interests will receive a PAL in respect of the underlying shares. Those shareholders who hold ordinary shares both in certificated form and also in the form of Ashanti Depositary Interests will be sent a separate PAL in respect of each holding. The new ordinary shares will be initially in certificated form. Any person wishing to hold his new ordinary shares as Ashanti Depositary Interests following the rights offering will need to comply with the relevant procedure for the conversion of such shares into Ashanti Depositary Interests following receipt of his definitive share certificates.

Unexercised Share Rights

If an entitlement to new ordinary shares is not validly taken up by 10.00am on __, 2003, that provisional allotment of ordinary shares will be deemed to have been declined and will lapse. The Managers will use reasonable endeavors to procure, by not later than 4.30pm on __, 2003, subscribers for those new ordinary shares (or GDSs representing such new ordinary shares), at a price at least equal to the subscription price per share. Lonmin and the Government of Ghana, who have undertaken not to deal in or take up approximately __% of their rights, will not have shares representing this percentage of their unexercised rights sold for their benefit.

New ordinary shares or GDSs for which subscribers are procured on this basis will be re-allotted to those subscribers. Shareholders (other than Lonmin and the Government of Ghana in respect of __% of their entitlements) who do not exercise part or all of their rights will be entitled to receive only the aggregate premium, if any, of the amount paid by the subscribers after deducting the ordinary share subscription price and the expenses of procuring the subscribers (including any tax). The aggregate premium will be paid (without interest) to those persons entitled to it in proportion to the relevant lapsed provisional allotments (excluding any lapsed provisional allotments in relation to the rights offering to holders on the Ghanaian Register, which will be treated separately) and lapsed GDS rights. Amounts of less than US$______ per holding will not be so paid to unexercising shareholders but will be aggregated and retained for our benefit.

Any transactions undertaken pursuant to unexercised share rights will be deemed to have been undertaken at the request of the persons whose rights have lapsed (if a premium to the subscription price plus costs of sale is achieved) and otherwise at our request. None of us, the Managers or any other person procuring new subscribers will be responsible for any loss arising from the terms or timing of the subscription or the failure to procure subscribers on the basis described above. Checks for the amount due will be sent at the risk of the entitled persons to their registered address (the registered address of the first named in the case of joint holders).

The Managers may cease to use reasonable endeavors to procure subscribers as described above at any time after 9.30am on __, 2003 if, in their opinion, there is no reasonable likelihood that any subscribers could be procured on the basis described above at a price at least equal to the subscription price per share, by not later than 4.30pm on __, 2003.

The Managers do not have any liability to you if new ordinary shares or new GDSs representing unexercised share rights are not sold, or with respect to the price at which they may be sold.

Ranking

When issued and fully paid, new ordinary shares will rank equally in all respects with existing issued ordinary shares including the right to receive all dividends or distributions made, paid, or declared after the date of this prospectus.

Money Laundering Regulations

If the value of your subscription exceeds US$______ (which represented 'E' 15,000 on __, 2003) (or is one of a series of linked subscriptions, the aggregate value of which exceeds that amount) and either you do not pay by a check drawn on an account in your own name and/or the account from which payment is to be made is not held within an institution that is authorized in the United Kingdom by the Financial Services Authority under the UK Financial Services and Markets Act 2000 or by the Building Societies Commission under the UK Building Societies Act 1986 or that is a European Union authorized credit institution, then the verification of identity requirements of the UK Money Laundering Regulations 1993, or the Money Laundering Regulations, will apply. Capita IRG Plc is entitled to require, at its absolute discretion, verification of identity from any person submitting a PAL including, without limitation, any person who appears to Capita IRG Plc to be acting on behalf of some other person. Submission of a PAL will constitute a warranty and undertaking by you to provide promptly to Capita IRG Plc such information as may be specified by Capita IRG Plc as being required for the purpose of the applicable money laundering regulations. Pending the provision of evidence satisfactory to Capita IRG Plc as to identity, Capita IRG Plc may retain a PAL lodged by you for new ordinary shares and/or the check, bank draft or other remittance relating to it and/or not enter the new ordinary shares to which it relates on the register of members or issue any share certificate in respect of them. If satisfactory evidence of identity has not been provided within a reasonable time, then the acceptance will not be valid but will be without prejudice to our right to take proceedings to recover any loss suffered by us as a result of your failure to provide satisfactory evidence. In that case, the monies (without interest) will be returned to the bank or building society account from which payment was made.

The following guidance is provided in order to reduce the likelihood of difficulties, delays and potential rejection of an application (but does not limit the right of Capita IRG Plc to require verification of identity as stated above).

o You are urged if possible to make your payment by your own check. If this is not practicable and you use a check drawn by a building society or other third party or a bank draft, you should:

  (i) write your name and address on the back of the building society check, bank draft or other third party check and, in the case of an individual record your date of birth against your name; and

  (ii) if a building society check or bank draft is used, ask the building society or bank to print on the check your full name and account number of the person whose building society or bank account is being debited or to write those details on the back of the check and add their stamp.

- If an application is delivered by hand you should ensure that you have with you evidence of identity bearing your photograph, for example, a valid full passport.

If you are making an application as agent for one or more persons and you are not a UK or European Union regulated person or institution (e.g. a UK financial institution), irrespective of the value of the application, Capita IRG Plc is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf the application is being made. Applicants making an application as agent should specify on the PAL if they are a UK or European Union regulated person or institution.

Delivery of New Ordinary Shares

We expect to dispatch all definitive certificates for new ordinary shares subscribed for pursuant to the exercise of ordinary share rights by __, 2003. After such dispatch, PALs will cease to be valid for any purpose whatsoever. No temporary documents of title will be issued and, pending dispatch of definitive share certificates, instruments of transfer will be certified by Capita IRG Plc against the register.

We will announce the result of the rights issue, including the number of new securities taken up and the results of any sale of unexercised rights, by __, 2003.

Non-US and Non-UK Holders of Ordinary Shares

Due to restrictions under the securities laws of Australia, France, Japan, Zimbabwe, South Africa, and the ECOWAS countries, neither this prospectus nor the accompanying PAL in relation to the new ordinary shares will be sent to shareholders with registered addresses in Australia, France, Japan, Zimbabwe, South Africa, or the ECOWAS countries. No offer of new ordinary shares is being made under this prospectus to our shareholders with registered addresses in Australia, France, Japan, Zimbabwe, South Africa, or the ECOWAS countries, and these shareholders (other than shareholders on the Principal Register with registered addresses in Ghana) will be treated as unexercizing holders and thus the Managers will endeavor to procure subscribers for the new ordinary shares or GDSs representing new ordinary shares. Copies of this prospectus received by any of these shareholders are for their information only.

This prospectus and any accompanying PAL in relation to new ordinary shares are being sent to shareholders with registered addresses in Canada pursuant to an exemption from the rules and policies applicable to rights offerings in Canada including the requirement to send a rights offering circular compliant with applicable Canadian securities laws.

Shareholder Helpline

If you are a holder of ordinary shares and you have any questions on the offering of share rights, please phone ______ on ______. This helpline is available from ____am to ____pm, Monday to Friday.

Please note that the helpline will only be able to provide you with information contained in this prospectus and will not be able to give advice on the merits of the rights offering or to provide financial advice.

Exchange Privilege

If you deliver a GDS rights certificate or a PAL pursuant to the exchange privilege, you must pay any associated taxes or levies.

Exchange of GDS Rights for Ordinary Share Rights

At any time prior to 12.00pm, New York City time, on __, 2003, you may surrender a GDS rights certificate representing GDS rights to the GDS rights agent either by hand, courier or mail to The Bank of New York at Tender & Exchange Department, 101 Barclay Street, 11W, New York, NY 10286. No surrender will be deemed received by the GDS rights agent until it is actually received by it at the above address. You or your assignee will receive a PAL from Capita IRG Plc. Your PAL will represent the right to subscribe for the appropriate number of new ordinary shares at the subscription price for new ordinary shares.

Exchange of Ordinary Share Rights for GDS Rights

At any time prior to 12.00pm, New York City time, on __, 2003, you may surrender to the GDS rights agent a PAL representing any amount of rights to subscribe for new ordinary shares. The GDS rights agent will then deliver to you or your broker, agent or assignee, GDS rights representing the right to subscribe for the appropriate number of new GDSs at the GDS subscription price.

Share Plans

The AGC Senior Management Share Option Scheme

Options granted under this plan will (subject to any local legal restrictions) be adjusted so that the number of ordinary shares in respect of which they may be exercised and the price at which those ordinary shares may be acquired takes account of the rights offering.

In addition, the class and/or number of shares which may be issued under this plan shall also be adjusted to take account of the rights offering. Any such adjustments shall be made by the Management Development and Remuneration

Committee in the manner it determines.

The AGC 1994 Employee Share Scheme

The net proceeds of the sale, nil paid, of the rights attributable to the trustee in respect of a participant's award shall either (at the trustee's election):

- be retained in cash and invested in an interest-bearing account which will then be transferred to the awardholder when the award vests; or
- be invested in ordinary shares which will form part of the awardholder's award and will be deemed to have been awarded to him when his award was first made.

The Ashanti Performance Share Plan

Awards under this plan will be adjusted as the trustee deems to be appropriate.

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LISTING AND PRICE HISTORY

Our ordinary shares and/or GDSs are listed on the following international stock exchanges and trade under the symbols shown:

Ghana	AGC (shares)
London	ASN (shares), ASND (GDSs)
New York	ASL (GDSs)
Zimbabwe	No symbol

Our GDSs are traded on the London Stock Exchange, or LSE, and the New York Stock Exchange, or NYSE, by way of a sponsored global depositary receipt, or GDR, facility with The Bank of New York as depositary. The ratio of our GDSs to our ordinary shares is 1:1.

On the Zimbabwe Stock Exchange, our shares are also traded by way of a sponsored Zimbabwe depository receipt, or ZDR, facility. The ratio of ZDRs to our shares is 100:1.

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The table below sets forth for the periods indicated, the reported high and low sales prices for our ordinary shares on the Ghana Stock Exchange.

	Cedis per ordinary share		Translated into US Dollars		Average daily trading volume (number of ordinary shares)
	High	Low	High	Low	
Financial Year					
1997					
January 1 - March 31, 1997	22,500	20,510	11.89	10.84	234
April 1 - June 30, 1997	22,050	21,300	11.30	10.88	185
July 1 - September 30, 1997	22,050	19,900	10.08	9.10	418
October 1 - December 31, 1997	21,100	15,400	9.40	6.85	348
1998					
January 1 - March 31, 1998	17,000	16,500	7.42	7.20	564
April 1 - June 30, 1998	18,000	18,000	7.80	7.80	70
July 1 - September 30, 1998	18,000	15,300	7.74	6.58	65
October 1 - December 31, 1998	18,000	16,500	7.73	7.03	150
1999					
January 1 - March 31, 1999	19,000	18,000	7.45	7.86	57
April 1 - June 30, 1999	18,700	18,700	7.39	7.39	49
July 1 - September 30, 1999	18,700	18,700	7.00	7.00	--
October 1 - December 31, 1999	18,700	18,700	5.34	5.34	40
2000					
January 1 - March 31, 2000	18,700	18,700	4.57	4.57	57
April 1 - June 30, 2000	18,700	18,600	3.46	3.44	6
July 1 - September 30, 2000	18,600	18,600	2.85	2.85	--
October 1 - December 31, 2000	18,600	18,600	2.76	2.69	--
2001					
January 1 - March 31, 2001	18,600	18,500	2.67	2.60	2
April 1 - June 30, 2001	18,600	18,500	2.57	2.56	--
July 1 - September 30, 2001	18,800	18,500	2.60	2.57	2,805
October 1 - December 31, 2001	18,800	18,500	2.61	2.57	1,772
2002					
January 1 - March 31, 2002	18,800	18,800	2.55	2.50	28
April 1 - June 30, 2002	18,800	18,800	2.46	2.40	22
July 1 - September 30, 2002	18,807	18,800	2.33	2.23	36
October 1 - December 31, 2002	18,807	18,807	2.28	2.28	2,764
2003					
January, 2003	28,100	27,000	3.34	3.21	36
February, 2003	28,500	28,100	3.35	3.30	250

NOTES:

1. In April 1994, our ordinary shares and GDSs were listed in Ghana and London. In 1996, our GDSs were listed in New York, and our ordinary shares were listed in Australia and Toronto. We delisted from Toronto and Australia in 2002. In 1997, we listed Zimbabwean depositary receipts on the

Zimbabwe Stock Exchange, one hundred of which represent one ordinary share.

2. The cedi prices have been translated into US dollars using the average of the buy and sell rates of the Bank of Ghana on the date of each such high and low amount.

Our shares are traded on the NYSE in the form of global depository securities, or GDSs, which are evidenced by GDRs. Each GDS represents one share. The closing price of our GDSs on March 12, 2003, was US$5.81 per GDS. The table below sets forth, for the periods indicated, the reported high and low trading prices for our GDSs on the NYSE.

	Per GDS		Average daily
Year	High US$	Low US$	trading volume (number of shares)
1997			
January 1 - March 31, 1997	15.63	11.88	148,772
April 1 - June 30, 1997	13.63	11.50	124,570
July 1 - September 30, 1997	12.00	9.63	96,355
October 1 - December 31, 1997	12.13	6.50	156,116
1998			
January 1 - March 31, 1998	10.00	6.63	143,725
April 1 - June 30, 1998	11.00	7.13	138,675
July 1 - September 30, 1998	9.25	5.25	225,073
October 1 - December 31, 1998	12.00	7.50	197,045
1999			
January 1 - March 31, 1999	10.69	7.69	189,316
April 1 - June 30, 1999	9.69	6.69	231,381
July 1 - September 30, 1999	10.13	5.63	243,425
October 1 - December 31, 1999	9.38	2.44	561,308
2000			
January 1 - March 31, 2000	3.75	1.63	296,614
April 1 - June 30, 2000	2.56	1.38	114,986
July 1 - September 30, 2000	3.06	1.50	154,510
October 1 - December 31, 2000	2.94	1.56	97,310
2001			
January 1 - March 31, 2001	3.05	1.88	64,066
April 1 - June 30, 2001	3.31	1.93	156,360
July 1 - September 30, 2001	4.18	2.99	152,220
October 1 - December 31, 2001	4.30	3.10	75,642

2002			
January 1 - March 31, 2002	5.45	3.51	253,683
April 1 - June 30, 2002	6.50	4.57	403,968
July 1 - September 30, 2002	6.30	3.81	345,484
October 1 - December 31, 2002	6.58	4.91	383,555
2003			
January, 2003	6.84	5.56	527,686
February, 2003	6.75	5.75	534,016

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The table below sets forth the closing midmarket quotations for a GDS as derived from the Daily Official List as published by the LSE for the first dealing day in each of the six months prior to the date of this prospectus and for the last dealing day before the announcement of the rights issue.

Date	Ordinary share price (US$)
September 2, 2002	4.88
October 1, 2002	5.55
November 1, 2002	5.50
December 2, 2002	5.25
January 2, 2003	5.60
February 3, 2003	6.05
March 3, 2003	6.25
March __, 2003	

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SELECTED FINANCIAL DATA

The selected consolidated financial data presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operation" and our historical consolidated financial statements and the notes to those statements included elsewhere in this prospectus.

The selected consolidated financial data presented below as of December 31, 2002, 2001 and 2000 and for each of the years then-ended, have been derived from our audited consolidated financial statements and the notes thereto that are included elsewhere in this prospectus. The selected consolidated financial data presented below as of December 31, 1999 and 1998 and for the years then-ended has been derived from our audited consolidated financial statements and the notes thereto that are not included in this prospectus. The selected consolidated financial data presented below does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985 in the United Kingdom. We prepare our consolidated financial statements in accordance with UK GAAP, which differs in certain significant respects from US GAAP.

	12 Months to Dec. 31, 2002	12 Months to Dec. 31, 2001 (Restated)(5)	12 Months to Dec. 31, 2000 (Restated)(5)	t (R
		(in US$ millions except dividend and per share numb		
PROFIT AND LOSS ACCOUNT DATA(1)				
Amounts in accordance with UK GAAP:				
Group revenue	467.5	477.7	582.2	
Total revenue	552.2	554.4	582.2	
Group operating profit/(loss)	66.4	76.6	(126.1)	
Operating profit/(loss)	74.3	96.8	(126.1)	
Profit/(loss) attributable to shareholders	56.2	59.9	(119.5)	
Earnings/(loss) per share(2)	0.47	0.53	(1.06)	
Diluted earnings/(loss) per share	0.44	0.52	(1.52)	
Dividends per share - (US$)(3)	--	--	--	
- (cedi)(3)	--	--	--	
Amounts in accordance with US GAAP:				
Revenue	492.4	474.5	582.2	
Operating (loss)/profit	(135.1)	61.4	(407.9)	
Net (loss)/profit before cumulative effect of an accounting change	(182.8)	33.1	(349.1)	
Net (loss)/profit	(182.8)	65.4	(349.1)	
Earnings per share (US$):				
Basic:				
(Loss)/earnings per share before cumulative effect of an accounting change	(1.53)	0.30	(3.11)	
Cumulative effect of an accounting change	--	0.28	--	
(Loss)/earnings per share	(1.53)	0.58	(3.11)	
Diluted:				
(Loss)/earnings per share cumulative effect of an accounting change	(1.53)	0.29	(3.11)	
Cumulative effect of an accounting change	--	0.28	--	
(Loss)/earnings per share	(1.53)	0.57	(3.11)	

	As of Dec. 31, 2002(4)	As of Dec. 31, 2001 (Restated)(5)	As of Dec. 31, 2000 (Restated)(5)	As of Dec. 31, 1999 (Restated)(
	(in US$ millions except dividend and share numbers)			
BALANCE SHEET DATA(1)				
Amounts in accordance with UK GAAP:				
Total assets	884.5	897.7	937.9	1,337.4
Long-term borrowings	254.2	300.6	358.5	423.2
Net assets	447.5	349.1	290.4	382.3
Equity shareholders' funds	446.3	347.1	286.3	381.2
Stated capital	588.2	545.2	544.3	544.3
Number of ordinary shares as adjusted to reflect changes in capital (million shares)	119.1	112.1	112.4	111.4
Amounts in accordance with US GAAP:				
Total assets	698.4	887.3	878.0	1,560.3
Long-term borrowings	254.2	300.6	358.5	445.2
Net assets	110.3	310.5	182.4	528.4
Shareholders' equity	109.1	308.5	178.3	527.3

NOTES:

(1) Our consolidated financial statements are prepared in accordance with UK GAAP, which differs in certain significant respects from US GAAP. Details of the principal differences between UK GAAP and US GAAP relevant to us are set out in note 32 to our audited consolidated financial statements, which are included elsewhere in this prospectus.

(2) Based on profit after tax and minority interests and weighted average number of shares outstanding of 119.1 million shares for the 12 months to December 31, 2002, 112.1 million shares for the 12 months to December 31, 2001, 112.4 million for the 12 months to December 31, 2000, 111.4 million for the 12 months to December 31, 1999 and 108.7 million for the 12 months to December 31, 1998.

(3) No interim dividend was paid in respect of the years ended December 31, 2002, 2001, 2000, 1999 and 1998. No final dividend was paid for 2002 (2001: Nil, 2000: Nil, 1999: Nil, 1998: US$0.10). The local currency equivalents have been converted at the then-prevailing cedi exchange rates.

(4) Amounts shown in accordance with US GAAP as of and for the year ended December 31, 2002 reflect the adoption of SFAS 142 on January 1, 2002. Consequently, the financial information presented for comparative periods has not been prepared on a consistent basis in this regard. The effects of adoption of SFAS 142 are discussed in note 32 to our consolidated financial statements.

(5) Amounts presented for comparative periods in accordance with UK GAAP have been restated for the adoption of FRS 19. The restated deferred tax assets/(liabilities) were US$6.9 million, US$1.7 million, US$(19.1) million and US$(131.2) million as of December 31, 2001, 2000, 1999 and 1998 respectively. Amounts presented in accordance with US GAAP for comparative periods have been restated for the adoption of SFAS No. 145, Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections ("SFAS 145") on January 1, 2002. On adoption, extraordinary items of US$0.8 million and US$4.8 million for the years ended December 31, 1999 and 1998, respectively, were reclassified to non-operating income.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion and analysis together with our consolidated financial statements, including the related notes, appearing elsewhere in this prospectus.

We are engaged in the mining and processing of gold ores and the exploration and development of gold properties in Africa and in hedging activities in connection with our gold production. We have interests in major gold mines in Ghana, Guinea, Tanzania and Zimbabwe. In 2002, we produced 1.62 million ounces of gold. As at December 31, 2002, we had proven and probable reserves of 27.8 million ounces, before making any allowance for minority and joint venture interests.

We occupy a position of strategic significance within the Ghanaian economy. We are a major contributor of foreign exchange earnings to Ghana, Guinea, Tanzania and Zimbabwe. In addition, we are one of the largest companies listed on the Ghana Stock Exchange and a major employer, particularly in the Ashanti region of Ghana.

Our History

In 1897, an English company named Ashanti Goldfields Corporation Limited, or Ashanti Goldfields, was founded and began to develop a mining concession in the area of our current operations at Obuasi. Several years later, underground mining began at the site and has continued to the present. In 1969, Ashanti Goldfields became a wholly owned subsidiary of Lonrho Plc, now called Lonmin Plc, or Lonmin, a UK listed company which at that time had interests in mining, hotels and general trade in Africa. Following the Lonmin acquisition in 1969, the Government of Ghana acquired 20% of Ashanti Goldfields from Lonmin in exchange for the Government of Ghana's agreement to extend the term of Ashanti Goldfields' mining lease over the concession area.

In 1972, the Government of Ghana formed us as a Ghanaian company to take over the assets, business and functions formerly carried out by Ashanti Goldfields. The Government of Ghana then held 55% of our outstanding shares, with Lonmin holding the remaining 45%.

In 1994, as part of its divestiture policy, the Government of Ghana sold part of its holding in us in a global offering. In connection with that offering, we were reorganized as a Ghanaian public limited company. As at March 12, 2003, the Government of Ghana owned approximately 17.2% and Lonmin owned approximately 28.1% of our outstanding shares.

In 1996, we expanded our operations through the acquisition of companies holding interests in the Ayanfuri, Bibiani, Iduapriem, Siguiri, and Freda-Rebecca properties, which were already or were subsequently developed as mines, and acquired an interest in what was then the Geita exploration concession in Tanzania. In 1998, we acquired SAMAX Gold Inc., the principal asset of which was the other part of the interest in the Geita exploration concession adjacent to our existing license area. In 1999 and 2000, we developed the Geita mine and in 2000 sold a 50% equity interest in it to AngloGold Limited. In 2000, we acquired our interest in the Teberebie mine, which is adjacent to the Iduapriem mine.

Through the period from the end of 1999 to June 2002, commencing with a sharp rise in the price of gold which led initially to a liquidity crisis, we were engaged in a process of financial restructuring with our banks, hedge counterparties and noteholders.

Recent Restructuring

In June 2002, we completed a financial restructuring which involved:

- entering into a new enlarged revolving credit facility of US$200 million;
- raising approximately US$41.8 million from the early exercise of 70.3% of our warrants (which were previously issued to some of our banks and hedge counterparties and which were exchangeable for our shares);
- agreement with our hedge counterparties for continued margin-free trading; and

- raising US$75.0 million through the issue to our largest shareholder, Lonmin, of mandatorily exchangeable notes, or MENs, which convert into our ordinary shares upon the completion of this rights issue.

The Government of Ghana has a call option in respect of approximately US$28.4 million of these MENs. Lonmin and the Government of Ghana have both contractually agreed that the MENs represent approximately _________% of their entitlements under the rights issue and neither party will be exercising or dealing in this percentage of their rights.

Current Trading and Prospects

In 2003 we commenced the commissioning of the expanded CIL plant at

Iduapriem/Teberebie and, although we have experienced unexpected delays in commissioning, currently anticipate that it will be completed during the second quarter of the year. The Bibiani mine experienced a slope failure on the western wall of the pit at the beginning of the fourth quarter of 2002. This is not expected to materially impact gold production, but will add approximately US$3 million to costs over the first two quarters of 2003. At Siguiri, we have completed a feasibility study to assess the viability of converting the mine's processing plant to a hybrid, combining CIP and heap leach, and expect the conversion to be completed, at a total cost of US$32 million, in the second quarter of 2004. At the Geita mine, we anticipate that production will be lower for at least the first two quarters of 2003 as compared to 2002, due to lower mined grades as waste stripping continues in cut 3 at Nyankanga.

Rising fuel prices, increases in power costs and wages, depreciation of the US dollar in which our revenues are denominated, the appreciation in currencies of countries from which we source our major inputs and rising costs of reagents will impact adversely on our cash operating costs this year. We are taking steps to minimise this impact but it is still likely that cash operating costs will increase by approximately 10% this year.

Our group production target for the year is approximately 1.6 million ounces, broadly in line with last year's actual production. This assumes that the stripping schedule for cut 3 at Nyankanga is completed by the end of July and that the CIL plant at Iduapriem/Teberebie is fully commissioned by the end of June. We expect our production for the first quarter of 2003 to be in the region of 375,000 ounces. This is 8% below the pro-rata figure for our annualised production target, primarily due to lower mined grades as waste stripping continues in Geita, and unexpected delays caused by the commissioning of the plant expansion at Iduapriem/Teberebie. Due to these factors, group production for the second quarter is likely to continue at the same level as for the first quarter, with the shortfall planned to be made up in the second half of the year. The reduced production levels anticipated for the first two quarters will have a consequential adverse impact on our unit cash operating costs for these quarters, as compared to the annualised level. However, our directors believe that the long term prospects of the business are good.

Impact of Sale of 50% Interest in Geita

In December 2000, we sold 50% of our interest in the Geita joint venture to AngloGold Limited for US$335 million (including US$130 million from the project financing loan). The cash received from this disposal enabled us to restructure our balance sheet and repay some of our loans. The impact of the disposal is that we will now only share in 50% of the profits and surplus cash flows from Geita and we have a joint venture partner who will share the cost of funding any further Geita expansion projects.

General

We earn all of our revenues in US dollars and the majority of our transactions and costs are denominated in US dollars or based on US dollars. We also have cedi and other currency denominated costs, primarily wages and local material purchases.

Impact of Economic and Political Environment in Main Countries in Which We Operate

Our current significant operations are primarily located in Ghana, Tanzania and Guinea, and are therefore subject to various economic, fiscal, monetary and political factors that affect companies operating in Ghana, Tanzania and Guinea, as discussed elsewhere in this prospectus.

Changes in Accounting Policy

We have implemented FRS 19 in our financial statements for the year ended December 31, 2002. Under FRS 19, a basis of "full" rather than "partial" provision is adopted for all deferred tax liabilities and assets, with assets being recognized where it is considered more likely than not that they will be recovered. Adoption of FRS 19 required the UK GAAP comparative figures for the tax on operating profit on ordinary activities for 2001 and 2000 to be restated from the previously reported charges of US$6.8 million and US$8.8 million to a charge of US$9.6 million and a credit of US$12.8 million, respectively. For the year ended December 31, 2002, there was a tax credit under FRS 19 of US$3.7 million compared to a tax charge of US$9.6 million in 2001.

We adopted SFAS 142 with effect from January 1, 2002. SFAS 142 requires that goodwill and other intangible assets that have an indefinite useful life no longer be amortized but rather be tested at least annually for impairment. SFAS 142 also required us to perform a transitional assessment of whether there is an indication that goodwill was impaired at the date of initial application, January 1, 2002. We are also required to review other intangible assets for impairment and to reassess the useful lives of such assets and make necessary adjustments. No write-down of goodwill has been made following the completion of the transitional impairment test. Disclosures of the effects of adopting SFAS 142 in comparative periods are provided in note 32 to our consolidated financial statements, included elsewhere in this prospectus.

We adopted SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, or SFAS 144, effective January 1, 2002. SFAS 144 establishes a single accounting model, based on the framework established in SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, or SFAS 121, for long-lived assets to be disposed of by sale, resolves significant implementation issues related to SFAS 121 and establishes new rules for reporting of discontinued operations. We did not recognize any impairments in 2002 pursuant to SFAS 144.

We adopted SFAS 145, Rescission of FASB Statement No. 4, 44 and 64, Amendment of FASB Statement No. 13 and Technical Corrections, or SFAS 145, as of January 1, 2002. The principal change reflected in these pronouncements is that gains or losses from extinguishment of debt which are classified as extraordinary items by SFAS No. 4, Reporting Gains and Losses from Extinguishment of Debt an amendment of APB Opinion No. 30, will no longer be classified as such. We adopted SFAS 145 on January 1, 2002. No restatement of amounts previously reported for the years ended December 31, 2001 or 2000 resulted from the adoption of SFAS 145.

Recent Accounting Pronouncements

In August 2001, the Financial Accounting Standards Board, or FASB, issued SFAS No. 143, Accounting for Asset Retirement Obligation, or SFAS 143, which is effective for financial statements issued for fiscal years beginning after June 5, 2002. The pronouncement addresses the recognition and remeasurement of obligations associated with the retirement of a tangible long-lived asset. We are currently reviewing this statement to determine its impact on future financial statements.

In June 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated with Disposal or Exit Activities, or SFAS 146. This statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force-Abstract No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring), or EITF 94-3. This statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Under EITF 94-3, a liability for an exit cost as defined in EITF 94-3 was recognized at the date of an entity's commitment to an exit plan. This statement provides that an entity's commitment to a plan, by itself, does not create a present obligation to others that meets the definition of a liability. Therefore, SFAS 146 eliminates the definition and requirements for recognition of exit costs in EITF 94-3 until a liability has been incurred and establishes that fair value is the objective for initial measurement of the liability. However, this standard does not apply to costs associated with exit activities involving entities acquired under business combinations or disposal activities covered under SFAS 144. The adoption of SFAS 146 will not have an impact on previous results reported.

In December 2002, the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation -- Transition and Disclosure -- an amendment of FASB Statement No. 123, or SFAS 148. SFAS 148 amends SFAS No. 123 Accounting for Stock-Based Compensation, or SFAS 123, and provides alternative methods for accounting for a change by registrants to the fair value method of accounting for stock-based compensation. Additionally, SFAS 148 amends the disclosure requirements of SFAS 123 to require disclosure in the significant accounting policy footnote of both annual and interim financial statements of the method of accounting for stock-based compensation and the related pro-forma disclosures when the intrinsic value method continues to be used. The statement is effective for fiscal years beginning after December 15, 2002, and disclosures are effective for the first fiscal quarter beginning after December 15, 2002. We do not intend to adopt the fair value method of accounting for stock-based compensation. Consequently SFAS 148 will not have an impact on our results of operation and financial position.

In November 2002, the FASB issued Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, or FIN 45. This interpretation requires certain disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued. It also requires a guarantor to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The disclosure requirements of FIN 45 are effective for interim and annual periods after December 15, 2002 and we have adopted those requirements for our financial statements. The initial recognition and initial measurement requirements of FIN 45 are effective prospectively for guarantees issued or modified after December 31, 2002. We are assessing, but at this point do not believe the adoption of the recognition and initial measurement requirements of FIN 45 will have a material impact on its financial position, cash flows or results of operations.

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities -- an interpretation of ARB No. 51, or FIN 46. FIN 46 clarifies the application of Accounting Research Bulletin No. 51, Consolidated Financial Statements, to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 explains how to identify variable interest entities and how an enterprise assesses its interest in a variable interest entity to decide whether to consolidate that entity. It requires existing unconsolidated variable interests entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse risks among parties involved. It also requires certain disclosures by the primary beneficiary. FIN 46 is effective immediately to variable interest entities created after January 31, 2003 and no variable interest entities in which an enterprise obtains an interest after that date, and effective for the first fiscal year or interim period beginning after June 15, 2003 to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. FIN 46 requires an entity to disclose certain information regarding a variable interest equity if, when the Interpretation becomes effective, it is reasonably possible that an enterprise will consolidate or have to disclose information about that variable interest entity, regardless of the date on which the variable entity interest was created. We do not expect that, when FIN 46 becomes effective, we will have to consolidate or disclose any information regarding variable interests.

Critical Accounting Policies and Estimates

This discussion is based upon our consolidated financial statements. These financial statements are prepared in accordance with UK GAAP and are reconciled to US GAAP both of which require us to make estimates about the effect of matters that are uncertain and to make difficult, subjective and complex judgements. These estimates and assumptions affect the reported amounts in the financial statements and disclosure of contingent assets and liabilities. We evaluate all these estimates on an ongoing basis. Actual results could differ from estimates.

We believe the following represent our critical accounting policies and estimates having considered both UK and US GAAP.

o Revenue Recognition. We recognize revenue when gold is produced in the form of dore in the gold room, and is based on the quantity and spot price at that date. Gold is a liquid commodity that is dealt with on the international markets, and we have refining and purchase agreements with several international banks. These provide that the actual sale price is the spot price no later than the first working day after the date of delivery to the refiner and the actual quantity invoiced is the quantity after the gold is refined usually within one day. Consequently we process an adjustment on completion of the refining process to adjust revenues recognized at the time of producing dore to actual revenues. While this adjustment has historically been de minimis, any significant reduction in the spot price or reduction in quantity of gold before and after refining may have a material adverse impact on our operating results.

- Environmental Liabilities. We are required by environmental regulations in the jurisdictions in which we operate and the terms of our mining licenses to restore mining sites to their original condition. The expected cost of any decommissioning or other site restoration programs incurred during the construction of the mine as determined by independent environmental experts is discounted at the weighted average cost of capital and capitalized at the beginning of each project and amortized over the life of the mine using the unit of production method. In determining these costs, assumptions are made based on current mining methods, statutory regulations, scope of work to be performed and related costs. We regularly review the adequacy of closure and reclamation accruals based on current estimates of future costs. A significant change in the assumptions underlying the estimate of the expected cost of decommissioning or other site restoration programs may result in a material adverse impact on our operating results.

- Impairment of Long-lived Assets. Our long-lived assets include long-term investments, goodwill and other tangible assets. In assessing the potential for impairment of its long-lived assets we must make assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets. Effective January 1, 2001, under US GAAP, expected future cash flows from derivative instruments are not included in asset impairment tests. If these estimates or their related assumptions change in future, we may be required to record impairment charges for these assets not previously recorded and this may have a material adverse impact on our operating results.

- Life of Mines. At least annually, we review mining schedules, production levels and asset lives in our life of mine planning for all of our operating development properties. Significant changes in the life of mine plans may occur as a result of mining experience, new ore discoveries, changes in mining methods and rates, process changes, investment in new equipment and technology and gold prices. Based on the analysis we review our accounting estimates and adjust depreciation, amortization, deferred mining and reclamation costs and evaluation of each mine for impairment where necessary. Accordingly, such adjustments may have a material adverse impact on our operating results.

- Deferred Tax. Deferred tax assets and liabilities are recognized based on the differences between the financial statement carrying amounts and the tax bases of assets and liabilities. When a deferred tax asset arises we review the asset for recoverability and establish a valuation allowance where we determine it is more likely than not that such an asset will not be realized. If we determine that additional valuation allowance is required, or there is a material change in the actual effective tax rates or time period within which the underlying temporary differences become taxable or deductible, an additional tax charge may arise that will increase our effective tax rate and result in a material adverse impact on our operating results.

- Foreign Exchange. We earn all of our revenues in US dollars and the majority of our transactions and costs are denominated in US dollars or based on US dollars. However, any significant changes in the transactions and costs that are not denominated in US dollars, or based on US dollars, may have a material adverse impact on our operating results.

- Ore Reserves. We estimate on an annual basis our ore reserves at our mining operations. There are a number of uncertainties inherent in estimating quantities of reserves, including many factors beyond our control. Ore reserve estimates are based upon engineering evaluations of assay values derived from samplings of drill holes and other openings. Additionally, declines in the market price of gold may render certain reserves containing relatively lower grades of mineralization uneconomic to mine. Further, availability of permits, changes in operating and capital costs, and other factors could materially and adversely affect ore reserves. We use our ore reserve estimates in determining the unit basis for mine depreciation and closure rates, as well as in evaluating mine asset impairments. Changes in ore reserve estimates could significantly affect these items.

Cash Operating Costs

Operating costs before corporate administration, exploration and other costs are referred to as "cash operating costs." Cash operating costs per ounce are calculated by dividing cash operating costs by ounces of gold produced. Cash operating costs have been calculated on a consistent basis for all periods presented.

Cash operating costs should not be considered by investors as an alternative to operating profit or net profit attributable to shareholders, as an alternative to other GAAP measures or as an indicator of our performance, and may not be comparable to other similarly titled measures of other companies. However, we believe that cash operating costs in total by mine and per ounce by mine are useful indicators to investors and management of a mine's performance as they provide:

- an indication of a mine's profitability and efficiency;

- the trend in costs as the mine matures;

- a measure of a mine's gross margin per ounce, by comparison of the cash operating costs per ounce by mine to the price of gold; and

- an internal benchmark of performance to allow for comparison against other mines.

A reconciliation of cash operating costs to total operating costs, as included in our audited financial statements for each of the three years in the period ended December 31, 2002 is presented below. In addition, we have also provided below details of the ounces of gold produced by mine for each of those periods.

	12 months to December 31					
	2002		2001		2000	
	Total (US$m)	Production (Ounces)	Total (US$m)	Production (Ounces)	Total (US$m)	Production (Ounces)
Mine						
Obuasi	106.4	537,219	101.4	528,451	133.5	640,988
Ayanfuri	--	--	2.8	11,517	8.9	36,316
Iduapriem	43.0	185,199	44.0	205,130	43.2	193,868
Bibiani	43.6	242,432	43.1	253,052	36.8	273,711
Siguiri	61.9	269,292	62.2	283,199	54.8	303,381
Freda-Rebecca	21.0	98,255	22.8	102,654	22.2	112,164
Geita	47.2	289,522	38.9	272,781	25.7	176,836
Total cash operating costs	323.1	1,621,919	315.2	1,656,784	325.1	1,737,264
Corporate administration costs	16.5		21.2		25.3	
Exploration costs	3.8		6.5		14.2	
Other	11.3		6.8		--	
Operating costs	354.7		349.7		364.6	
Exceptional operating costs	32.3		--		215.2	
Royalties	14.6		13.0		13.7	
Depreciation and amortisation	88.4		94.9		114.8	
Total costs	490.0		457.6		708.3	

Our average cash operating costs in 2002 were US$199 per ounce compared with US$190 per ounce in 2001, due to the challenging operating environment and to lower production.

Results of Operations

12 Months Ended December 31, 2002 Compared to 12 Months Ended December 31, 2001

Revenue

Higher spot prices enabled us to achieve total revenue of US$552.2 million for the year ended December 31, 2002, just below the US$554.4 million achieved during the same period in 2001, despite lower production and the reduction in release of deferred hedging income. Spot revenue amounted to US$506.4 million, compared with US$455.8 million in 2001. The average gold price realized during 2002 was higher, at US$340 per ounce, than that realized in 2001, US$335 per ounce.

Hedging

Net hedging income for the year totaled US$45.8 million, of which US$11.5 million was realized from the close-outs of maturing hedging contracts during the year and US$34.3 million was released from deferred hedging income, i.e. income from previously closed-out hedging contracts.

In accordance with our accounting policy, income from early close-outs is credited to revenue for the originally designated delivery period. As at December 31, 2002, deferred hedging income carried forward to future periods totaled US$27.8 million, compared to US$65.6 million for the corresponding period in 2001, of which US$14.7 million and US$13.1 million will be credited to revenue in 2003 and 2004 respectively.

The table below shows the movement in fair value of the hedge book and its component parts (excluding Geita):

	As at December 31, 2002	As at December 31, 2001	Movement
	(in US$ millions except valuation spot price)		
Forward Sales	(56.0)	117.6	(173.6)
Puts: Bought	24.9	52.7	(27.8)
Sold	--	(1.7)	1.7
Calls: Sold	(112.9)	(53.7)	(59.2)
Bought	10.2	5.4	4.8
Convertible Structures	--	10.5	(10.5)
Lease Rate Swaps	(16.2)	(42.0)	25.8
Total	(150.0)	88.8	(238.8)
Valuation Spot Price (US$)	345	277	68

The fair value of each component is based on the prevailing gold spot price, US interest rates, gold forward rates and volatilities. The net decrease in fair value of the hedge book in the period was primarily attributable to high spot prices partially offset by lower US interest rates.

We account for derivative contracts using hedge accounting and therefore these instruments are not marked-to-market on the balance sheet under UK GAAP. The accounting treatment of these instruments under US GAAP differs from that under UK GAAP. Details of this difference are set out in note 32 to our consolidated financial statements included elsewhere in this prospectus.

Costs

Cash Operating Costs

Total cash operating costs were US$199 per ounce as compared to US$190 per ounce in 2001, due to the challenging operating environment and to lower production.

Obuasi In 2002, Obuasi produced 537,219 ounces from underground and tailings retreatment operations and from a small open pit deposit on the Homase concession located approximately 16 kilometers to the north, compared with 528,451 ounces that the mine produced from underground and tailings retreatment in 2001. Cash operating costs were US$198 per ounce in 2002 compared to US$192 per ounce in 2001. The higher cost resulted from the mining and processing of higher tonnage of lower grade material.

Ayanfuri No gold was produced at Ayanfuri in 2002, as the mine ceased operations in June 2001. Gold production at Ayanfuri was 11,517 ounces in 2001. Cash operating costs per ounce in 2001 were US$243 per ounce.

Bibiani Bibiani produced 242,432 ounces in 2002 at a cash operating cost of US$180 per ounce, compared to 253,052 ounces at a cash operating cost of US$170 per ounce in the previous year. The reduction in gold production was due to processing harder ore, resulting in lower plant throughput and lower metallurgical recovery and, in turn, this resulted in a higher cash operating cost per ounce produced. Costs were also impacted by a water shortage in the first quarter of 2002.

Iduapriem and Teberebie Gold production at Iduapriem/Teberebie for 2002 was 185,199 ounces, compared to 205,130 ounces in 2001. The cash operating costs increased to US$232 per ounce in 2002 from US$214 per ounce in 2001, due to the lower gold production primarily because of a fire at the production plant.

Siguiri In 2002, Siguiri produced a total of 269,292 ounces at a cash cost of US$230 per ounce compared with 283,199 ounces at US$220 per ounce in 2001. Production and cash costs were impacted by lower than targeted gold production from the stacked material during the year and higher mined tonnages.

Freda-Rebecca Full year production in 2002 was 98,255 ounces at a cash operating cost of US$214 per ounce, compared to 102,654 ounces at US$222 per ounce in 2001. The economic and political situation in Zimbabwe during 2002 continued to pose a series of difficult problems for the management team, as in 2001. The lack of foreign exchange and the fixed exchange rate coupled with high inflation put severe pressure on the supply function, causing delays in receiving supplies.

Geita In 2002, Geita mine produced a record total of 579,043 ounces at a cash operating cost of US$163 per ounce, compared to 545,562 ounces at US$143 per ounce in 2001. Cash operating costs increased principally due to higher mining costs as a result of higher tonnages at lower ore grades. As expected, gold production in the fourth quarter, at 122,742 ounces, was lower than the previous quarters of the year as mining in the Nyankanga pit moved into lower grade zones. We expect this trend will continue for the first half of 2003.

Exploration and Corporate Administration

Exploration expenditure during 2002 was lower at US$3.8 million, compared to US$6.5 million in 2001, due to the termination of our involvement in Pangea Goldfield's concession in Tanzania. Corporate administration expenditure for the year was also lower, at US$16.5 million, than the US$21.2 million in 2001.

Depreciation

Total depreciation and amortization charges amounted to US$88.4 million in 2002, lower than the US$94.9 million recorded in 2001, primarily due to lower production.

Total Costs

Total costs, including US$32.3 million of exceptional operating costs (compared to nil in 2001) (see "Exceptional Items"), amounted to US$490.0 million in 2002, compared with US$457.6 million in 2001. Total costs per ounce, excluding exceptional operating costs of US$32.3 million, increased by US$6 per ounce, from the US$276 per ounce in 2001 to US$282 per ounce in 2002, mainly due to the increase in cash operating costs referred to above.

Other Income

Other income of US$12.1 million comprises US$8.8 million in respect of the transfer of a receivable from AngloGold to us for no consideration (see "Exceptional Items") and US$3.3 million relating to additional consideration received in respect of the sale, in 1999 of our interest in the Golden Pride mine. This consideration crystallised in 2002 following the gold price rally. No further consideration is due under the terms of the sale agreement.

Exceptional Items

Exceptional items, which have been identified separately in the profit and loss account, comprised the following in 2002:

(i) refinancing and restructuring costs of US$23.5 million. These include professional fees and financing costs for both the proposed note restructuring, which was later withdrawn and the cash redemption alternative outlined below, which was implemented in June 2002; and

(ii) as provided for in the sale and purchase agreement entered into in 2000 in respect of the Geita mine, AngloGold transferred the Ridge 8 property to Geita during the year. The consideration of US$17.6 million will be left outstanding until the project finance loans are fully repaid by Geita, AngloGold has transferred to us for no consideration, its 50% share which resulted in an exceptional gain of US$8.8 million. In line with our accounting policy on exploration costs the cost of this property has been expensed, thereby recording a compensating exceptional loss of US$8.8 million.

Financing Costs

Net interest charges fell by 23% from US$29.4 million in 2001 to US$22.6 million in 2002. This decrease was due primarily to a reduction in net debt from US$270.7 million at December 31, 2001 to US$215.6 million at December 31, 2002.

Taxation

Taxation for the year was a credit of US$3.7 million. This comprised a credit of US$8.3 million in respect of prior years corporate tax offset by a current year corporate tax charge of US$0.3 million and a deferred tax charge of US$4.3 million (net of deferred tax credit of US$7.0 million in respect of the Geita joint venture).

Earnings

Our 2002 earnings before exceptional items were 33% higher at US$79.7 million than the US$59.9 million in 2001. The improvement in earnings as compared to last year was principally due to higher spot prices, lower financing costs and lower taxation, offset partly by lower production and higher cash operating costs. Earnings after charging exceptional refinancing and restructuring costs of US$23.5 million (compared to nil in 2001) were US$56.2 million (compared to US$59.9 million in 2001). Earnings per share before exceptional items for the year, after taking into account the warrants that were exercised as part of the refinancing in June 2002, were US$0.67, compared to US$0.53 in 2001.

Dividend

We continue to strengthen our financial position. However, we have significant negative profit and loss account reserves as at December 31, 2002.

The Ghana Companies Code, 1963, prohibits the payment of dividends where there are no positive balances in distributable reserves. In the light of the above, no dividend is proposed for 2002.

Cash Flow

The net cash inflow from operating activities before exceptional items was US$117.5 million (2001: US$95.4 million), due partly to higher spot prices. The net cash inflow from operating activities after meeting refinancing and restructuring costs of US$22.3 million was US$95.2 million.

Net interest paid decreased to US$18.8 million, compared with US$22.4 million in 2001, due to the reduction in net debt during the year of US$55.1 million.

Cash inflows from management of liquid resources of US$6.0 million (compared to US$9.7 million in 2001) was primarily as a result of the release of funds of US$8.7 million as at December 31, 2001 on deposit as collateral for a loan to Ashanti Goldfields Zimbabwe Limited.

Cash outflows in respect of financing activities of US$19.2 million (compared to US$40.6 million in 2001) is the net cash outflow following the debt restructuring in June 2002 and repayments of the enlarged revolving credit facility (see "Liquidity and Capital Resources").

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Capital Expenditure

Our capital investment in our operations increased from US$49.6 million in 2001 to US$64.5 million in 2002. Our capital expenditure in 2002 focussed on: (i) the expansion of the CIL processing plants at Iduapriem and Teberebie, (ii) mining and processing equipment, and upgrade of the shafts at the Obuasi mine, and (iii) the mining equipment, plant and tailings dam at the Freda-Rebecca mine.

12 Months Ended December 31, 2001 Compared to 12 Months Ended December 31, 2000

Revenue

Total revenue for 2001 of US$554.4 million was 5% lower than 2000's level of US$582.2 million, due to lower production. Spot revenue generated amounted to US$455.8 million (2000: US$485.2 million), and hedging income totaled US$98.6 million (2000: US$97.0 million). The average gold price realized during the year of US$335 per ounce was in line with the price realized in 2000.

Hedging

Net hedging income for the year totaled US$98.6 million, of which US$41.6 million was realized from the closeouts of maturing hedging contracts and US$57.0 million was released from deferred hedging income i.e. income from previously closed-out hedging contracts.

In accordance with our accounting policy, income from early close-outs is credited to revenue for the originally designated delivery period. At December 31, 2001, deferred hedging income totaled US$65.6 million, compared to US$120.0 million for the corresponding period in 2000, of which US$35.0 million was credited to revenue in 2002.

The table below shows the movement in fair value of the hedge book and its component parts (excluding Geita):

	As at December 31, 2001	2000	Movement
	(in US$ millions except valuation spot price)		

Forward Sales	117.6	93.3	24.3
Puts: Bought	52.7	24.5	28.2
Sold	(1.7)	(1.6)	(0.1)
Calls: Sold	(53.7)	(55.0)	1.3
Bought	5.4	6.5	(1.1)
Convertible Structures	10.5	22.4	(11.9)
Lease Rate Swaps	(42.0)	(61.0)	19.0
Total	88.8	29.1	59.7
Valuation Spot Price (US$)	277	273	4

The fair value of each component is based on the prevailing gold spot price, US interest rates, gold forward rates and volatilities. The net increase in fair value of the hedge book in the period was primarily attributable to the reduction in US interest rates and time decay of the book.

We account for derivative contracts using hedge accounting and therefore these instruments are not marked-to-market on the balance sheet under UK GAAP. The accounting treatment of these instruments under US GAAP differs from that under UK GAAP. Details of this difference are set out in note 32(e) to our consolidated financial statements included elsewhere in this prospectus.

Costs

Cash Operating Costs

Total cash operating costs were US$190 per ounce as compared to US$187 per ounce in 2000, due to lower production primarily at Siguiri and Bibiani. Obuasi's cash operating costs however fell by 8% from US$208 per ounce in 2000 to US$192 per ounce in 2001.

Obuasi Cash operating costs at Obuasi decreased from US$208 per ounce in 2000 to US$192 per ounce in 2001, a drop of 8% due to the closure of high cost surface operations as well as cost control measures and re-engineering of mining and processing operations. Underground production fell marginally from 493,926 ounces in 2000 to 485,452 ounces in 2001. Tailings retreatment produced 42,999 ounces for the year ended December 31, 2001, compared to 43,756 ounces for the corresponding period in 2000.

Ayanfuri Gold production at Ayanfuri was 11,517 ounces in 2001, compared to

36,316 ounces in 2000, as the mine ceased operations in June 2001. Cash operating costs per ounce in 2001 were US$243 per ounce (2000: US$245 per ounce).

Bibiani Bibiani produced 253,052 ounces, compared to 273,711 ounces in 2000, at a cash operating cost of US$170 per ounce, compared to US$134 per ounce in 2000. The reduction in gold production was due to the reduced mill feed grade and lower recovery. This also resulted in higher cash operating cost per ounce.

Iduapriem and Teberebie Gold production for 2001 was 205,130 ounces, exceeding 193,868 ounces in 2000. Cash operating costs were reduced to US$214 per ounce from US$223 per ounce in 2000.

Siguiri Siguiri produced 283,199 ounces, compared to 303,381 ounces in 2000, at a cash operating cost of US$220 per ounce, compared to US$181 per ounce in 2000. Production and cash operating costs were impacted by lower than expected metallurgical recovery from the material stacked during the year.

Freda-Rebecca Full year production in 2001 was 102,654 ounces at a cash operating cost of US$222 per ounce, compared to 112,164 ounces at US$198 per ounce in 2000.

The economic and political situation in Zimbabwe during 2001 continued to pose a series of difficult problems for the management team. The lack of foreign exchange and the fixed exchange rate coupled with high inflation put severe pressure on the supply function, causing delays in receiving supplies.

Geita The Geita mine, in its first full year of production, produced a total of 545,562 ounces at a cash operating cost of US$143 per ounce, of which 50% is attributable to us. Following the sale of a 50% interest in Geita in December 2000, the Geita joint venture in 2001 is accounted for using the gross equity method of accounting.

Exploration and Corporate Administration

Exploration expenditure during the year was lower at US$6.5 million, compared to US$14.2 million in 2000, due to rationalization of non-mine site exploration expenditure. Corporate administration expenditure for the year was also lower by 16% at US$21.2 million, compared to US$25.3 million in 2000, due to our cost reduction efforts.

Depreciation

Total depreciation and amortization charges (before exceptional items) for the year were lower at US$94.9 million, compared to US$114.8 million in 2000, due to the asset impairment recorded at the end of 2000.

Total Costs

Total costs before exceptional items but including depreciation and amortization for the year amounted to US$457.6 million, compared to US$493.1 million in 2000. The total costs per ounce fell from US$284 per ounce in 2000 to US$276 per ounce in 2001.

Redundancy Costs

Total costs in 2000 included redundancy costs at Obuasi of US$3.0 million. In 2001 no further employees were made redundant and no further costs were charged.

Financing Costs

Net interest charges fell by 43% from US$51.3 million in 2000 to US$29.4 million in 2001. This significant reduction was due primarily to lower debt levels as compared to 2000.

Taxation

Total taxation charged to the profit and loss account amounted to US$9.6 million, compared to a credit of US$12.8 million in 2000. This included US$6.6 million of corporate tax for the current year, US$8.2 million in respect of prior years and a release of deferred tax of US$5.2 million.

Earnings

Earnings for the year were US$59.9 million, compared to a loss in 2000 of US$119.5 million. The reduction in earnings was due principally to an impairment of fixed assets totalling US$193.5 million and other one-off costs of US$21.7 million offset by a profit of US$46.6 million on the sale of 50% of our interest in Geita. Earnings per share was US$0.53, compared to a loss of US$1.06 per share in 2000.

Dividend

The banking covenants under our then-existing revolving credit facility prohibited the payment of cash dividends at all times while our gross borrowings exceeded US$300.0 million. In light of these factors and the deficit on our reserves, we were unable to pay dividends for the year ended December 31, 2000. These covenants, which restricted our ability to pay dividends, were released when this revolving credit facility was refinanced on June 28, 2002. Our current revolving credit facility dated June 28, 2002 no longer restricts our ability to pay dividends. However, we did not pay a dividend for the year ended December 31, 2001 and will not for the year ended December 31, 2002 because of the deficit on our reserves.

Cash Flow

The net cash inflow from operating activities was US$95.4 million, compared to US$149.4 million in 2000. The reduction in 2001 was due principally to the non-consolidation of Geita following the sale of a 50% interest in December 2000 and lower cash flows from other operations.

Net interest paid decreased to US$22.4 million, compared to US$56.4 million in 2000, following the reduction in amounts outstanding on our then-existing revolving credit facility in December 2000. Capital expenditure reduced to US$49.6 million, compared to US$145.6 million in 2000, after the completion of the Geita project in 2000. Expenditure in 2001 comprised US$30.1 million invested at the Obuasi mine and US$19.5 million at other mines.

Cash inflows from management of liquid resources of US$9.7 million, compared to US$13.3 million in 2000, primarily resulted from a reduction in funds on deposit as collateral for a loan to Ashanti Goldfields Zimbabwe Limited.

Cash outflows relating to financing activities decreased to US$40.6 million, compared to US$186.3 million in 2000, primarily representing repayments on our then-existing revolving credit facility, together with repayments on other loans.

Capital Expenditure

Our capital expenditure decreased from US$145.6 million in 2000 to US$49.6 million in 2001, primarily due to the completion of the Geita project in 2000. Our capital expenditure during 2001 included US$30.1 million at Obuasi and US$19.5 million at the other mines, excluding Geita. Ashanti's 50% share of Geita's 2001 capital expenditure amounted to US$7.5 million.

Differences between UK GAAP and US GAAP

The net profit for 2002 of US$56.2 million, net profit for 2001 of US$59.9 million and net loss for 2000 of US$119.5 million under UK GAAP, compare with a net loss of US$182.8 million, net income of US$65.4 million and a net loss of US$349.1 million, respectively, under US GAAP. Shareholders' equity for 2002 of

US$446.3 million and for 2001 of US$347.1 million, under UK GAAP, compare with shareholders' equity of US$109.1 million and of US$308.5 million, respectively, under US GAAP.

The differences arise principally from the differing accounting treatment for amortization of goodwill and other intangible assets, impairment of long-lived assets, financial instruments, warrants, write-down of non-recourse loans, asset write-back, prepaid forward gold facility, pensions, environmental provisions and minority interest. Details of the reconciling differences are given in note 32 to our consolidated financial statements included elsewhere in this filing.

Liquidity and Capital Resources

Our net debt level as at December 31, 2002 was US$215.6 million. This amount excludes our 50% share of the US$102.7 million non-recourse Geita project finance loan, which is fully drawn.

We also secured an extension of our working capital facilities on a voluntary basis from our then-existing lending banks by way of extension, to December 30, 2002, of the drawdown period in our then-existing revolving credit facility in respect of US$25.4 million of that credit facility. No drawings were made under our then-existing revolving credit facility during 2001. The amounts outstanding under that facility fell from US$88.8 million in 2000 to US$55.0 million in 2001. This working capital facility was cancelled in June 2002 when we entered into our current revolving credit facility described below.

On January 25, 2002, we announced a proposed restructuring of our then-existing exchangeable notes through a scheme of arrangement under which the exchangeable notes would be cancelled and exchanged for approximately 14.8 million ordinary shares and US$163 million of new exchangeable guaranteed notes.

On June 28, 2002, we announced that we had withdrawn the proposed restructuring described above and that we had effected a refinancing of the then-existing revolving credit facility and then-existing exchangeable notes using the proceeds arising from an alternative cash redemption financing plan. We also reached agreement with our hedge counterparties for continued margin-free trading.

The cash redemption plan, which was implemented on June 28, 2002, involved the repayment of the credit facility and the notes from the proceeds of:

- an enlarged US$200 million, five year revolving credit facility;
- the early exercise of 70.3% of our warrants previously issued to certain of our lenders and hedge counterparties, which raised approximately US$41.8 million; and
- US$75.0 million mandatorily exchangeable notes, which where issued to Lonmin at par and for cash.

The proceeds of this financial restructuring were used to repay US$219 million of our then-existing notes, repay US$48 million of our then-existing revolving credit facility and meet refinancing costs, with the balance being used to fund ongoing operations.

The US$75 million of MENs convert into equity on completion of this rights issue. As at December 31, 2002, the new enlarged US$200 million facility has been drawn down as to US$149.0 million.

Our recent refinancing is further detailed in "Additional Information" below.

Working Capital

Management believes that our working capital resources, by way of internal sources and banking facilities, are sufficient to fund our currently foreseeable future business requirements.

We are of the opinion that, having regard to the financing facilities available to our group, the working capital available to our group is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

Significant Change

Except as disclosed in "Current Trading and Prospects" above, there has been no significant change in the financial or trading position of our group since December 31, 2002.

Contractual Obligations and Commercial Commitments

Our contractual obligations and commercial commitments consist primarily of credit facilities, as described above. The related obligations as at December 31, 2002 are set out below:

	Payments due by period (US$ million)				
Contractual Obligations	Total	Less than 1 year	1 - 2 years	2 - 5 years	After 5 years
Debt (including capital lease obligations)	261.4	3.7	3.0	138.8	115.9
Capital commitments	13.1	13.1	--	--	--
Deferred purchase consideration	8.8	3.0	3.0	2.8	--
Total Contractual Cash Obligations	283.3	19.8	6.0	141.6	115.9

Off Balance Sheet Financing Arrangements

We have not entered into any off balance sheet transactions, arrangements or other relationships with unconsolidated special purpose entities or other persons that are reasonably likely to affect materially liquidity or the availability of or requirements for capital resources.

Capital Expenditures

The following table sets forth our expenditures (including capitalized exploration) on our properties for the last three years.

	2002 US$m	2001 US$m	2000 US$m
Obuasi	35.1	30.1	32.6
Bibiani	2.9	1.0	2.8
Siguiri	9.4	7.0	11.6
Freda-Rebecca	6.4	6.8	4.8
Geita mine construction	--	--	85.7
Iduapriem	10.5	3.6	2.6

Others	0.2	1.1	5.5
	64.5	49.6	145.6

Capital expenditure at Obuasi related principally to the mechanization of transportation, hoisting processes and development expenditure for the underground operations in order to increase ore production as the high cost surface operations were phased out.

Expenditure at Geita reflects the construction of the mine which was completed in June 2000. Following the disposal of 50% of Geita, it is no longer our subsidiary.

Exploration and New Business Expenditures

Our expenditures on exploration, development and new business activities for the past three years are as follows:

	2002	2001	2000
		(US$m)	
Burkina Faso	0.1	0.2	0.3
Mali	0.2	0.4	1.6
Ghana	1.4	1.4	3.4
Guinea	--	--	--
Tanzania	0.5	0.8	5.6
Cote d'Ivoire	0.6	0.7	0.5
Zimbabwe	0.1	0.4	0.7
Democratic Republic of Congo	0.9	1.4	1.5
Other Countries	--	1.2	0.6
Total Exploration Cost	3.8	6.5	14.2

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Realization of current assets

Under UK GAAP, ore in stockpiles of US$20.1 million and US$16.2 million as at December 31, 2002 and 2001 respectively, are recorded in current assets, within stocks, while under US GAAP, ore in stockpiles is included in non-current assets. Under US GAAP the classification of ore in stockpile in non-current assets is appropriate given that, while it is management's intention to process the stockpiled ore prior to the end of the mine life, there is not reasonable certainty that that ore will be processed within the next 12 months.

There is estimation involved in the assessment of ore in stockpiles, particularly as to the period in which ore in stockpiles will be processed. There is also a possibility that changes in the economic or operating environment as well as future changes in the mine plan could result in ore in stockpile never being processed. However, it is our intention to process all of our stockpiled ore that is included in stocks before the end of the life of the mine to which the ore relates.

Quantitative and Qualitative Disclosures About Market Risk

Gold Price Risk

Our principal business is the mining and processing of gold. Our revenues and cash flows are therefore strongly influenced by the price of gold, which can fluctuate widely and over which we have no control.

Our principal market risk exposure relates to changes to the market price of gold and gold lease rates. We also have limited exposure to currency risk and interest rate risk.

Like many other gold producers, we engage in hedging activities to protect our cashflows against the risk of decreases in the gold price. Prior to its amendment in February 2000, our previous revolving credit facility required us to hedge certain amounts of gold. Whilst this requirement was deleted as part of an amendment in February 2000, our new revolving credit facility and margin-free trading letter require us to comply with our strategies outlined in the current hedging policy. The hedging instruments employed by us are discussed in more detail below.

Objectives

Our gold hedging program has the primary objective of providing us with sufficient gold price protection to enable us to meet our cashflow obligations as they fall due. This objective takes into account the level of commitments, in terms of operating costs, capital expenditure and debt service obligations, relative to the potential fluctuations in the gold price. We pursue our objective in a manner that is intended to preserve, to the extent that is reasonably possible, our ability to benefit from potential increases in the gold price.

Strategy and Policy

The major goals of our hedging policy, which are monitored and reviewed by our Risk Management Committee, are to:

- limit our commitments to a maximum of 50% of attributable production. Attributable production normally includes all the proven and probable reserves of mines in which we or our subsidiaries hold an interest of more than 50% and otherwise the relevant percentage of proven and probable reserves where we or our subsidiaries hold at least a 20% interest in the relevant mine. However, there will be excluded from this calculation production from certain project financed assets (although, with the approval of the relevant majority of hedge counterparties, production following the planned date for repayment of such project financing may be included) and, subject to certain exceptions, production from other mines where the physical assets of the mine are secured in favor of our senior lenders,

- limit our aggregate commitments and those of our project financed entities (for so long as any person has recourse to us in relation to a project financing) to a maximum of 75% of attributable production (excluding any production attributable to such project financed entities),

- for so long as any person has recourse to us in relation to a project financing, limit (without the approval of the relevant majority of hedge counterparties) the aggregate commitments relating to all project financed entities (where there is a recourse to us in respect of such entities) to not more than 4.50 million ounces, and

- ensure that all hedging transactions (other than hedging transactions of project financed entities) are entered into so as to move towards certain defined target limits for (i) "protection" contracts (being hedging contracts providing us with the right or obligation to sell gold at set prices e.g. by use of forward contracts or put options); (ii) "commitment" contracts (being hedging contracts which commit us to provide gold or cash equivalent at an agreed price as a contractual obligation or at the counterparty's option e.g. by use of forward contracts, sold call options or other cash settlement arrangements) and (iii) gold lease rate exposures.

The table below compares, as at December 31, 2002, the contents of the hedge book with the goals set by our current hedge policy.

	Existing Hedge Book		Hedge Policy		
	% of forecast production	million ounces		million ounces	(Outside)/ within policy
Committed ounces	48%	6.5	Maximum	6.4	(0.1)
Protected ounces	37%	5.0	Minimum	3.8	1.2
Lease rate swaps	n/a	2.6	Maximum	2.4	(0.2)

Forecast gold production over the life of the hedge book (excluding Geita production for the period of the project finance i.e. 2002-2007):	13.6 million ounces
Total proven and probable reserves (excluding Geita):	17.0 million ounces

The existing hedge book column shows the number of committed ounces, protected ounces and lease rate swap ounces of the hedge book as at December 31, 2002, both in ounces and as a percentage of forecast production. The hedge policy column shows the amount of committed ounces, protected ounces and lease rate swap ounces, which would be called for by the target limits of our current hedge policy. The final column shows the difference between the contents of the hedge book and the revised policy's target limits as at December 31, 2002.

The table above shows that protection levels are fully implemented as set out in the hedging policy. Commitment ounces and lease rate ounces need to be reduced by the amount shown on the table for full implementation. There are no set deadlines for compliance with these goals, as our ability to affect restructurings is dependant upon market conditions.

Our hedging transactions are entered into by Ashanti Treasury Services Limited and Geita Treasury Services Limited and on behalf of the Geita joint venture by Geita Management Company Limited. When payments have to be made to hedge counterparties in respect of hedges, which normally only happens when the spot gold price or lease rate rises above hedged gold price or lease rate as at the date of close-out or lease rate fixing, as applicable, of the relevant contract, these payments will be made by the relevant treasury company. If these payments exceed that company's available resources then we, in the case of our hedges, and Geita Gold Mining Limited, in the case of the Geita hedges, will have to make the payments. We currently have approval from the Bank of Ghana to retain and use US dollars held outside Ghana to meet such payments. The Bank of Tanzania has given its approval to Geita Gold Mining Limited for paying US dollars offshore to Geita Management Company Limited for application to hedging liabilities. Under our hedging policy, attributable production includes 100% of the production of the Iduapriem/Teberebie mine. In the event that payments have to be made in respect of hedges, we will normally be benefiting from an increased spot price in respect of gold deliveries. However, to the extent that we, or our treasury company, have to make payments in respect of the Iduapriem/Teberebie mine we will not be able to access the cash flow received from the sale of gold from the mine until full repayment of Iduapriem's bank debt. Likewise, if payments are received in respect of the hedges which relate to Iduapriem/Teberebie production, we are not obliged to (and therefore do not) account to, or pay these proceeds to Iduapriem/Teberebie.

Margin-Free Arrangements

Hedging other than Geita

Under our previous margin-free trading letter we would have benefited from margin-free trading with our hedge counterparties until December 31, 2002 and from increased margin thresholds until December 31,

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2004, subject in each case to compliance with covenants and no event of default being declared. However, in order to implement the refinancing, we needed to enter into appropriate continuing margin-free arrangements in respect of our hedging activities for the period after December 31, 2002. We achieved this by the execution of the interim margin-free agreements (which have now terminated) and the new margin-free trading letter which has now become effective and replaces the interim margin-free arrangement.

The new margin-free trading letter provides for margin-free trading on an ongoing basis. The existing counterparties have agreed that, amongst other things, any rights to call for margin are canceled and that no new hedging agreements will benefit from rights to call for margin. If these provisions and other provisions are breached, or if we are no longer in compliance with the hedge policy which is currently in place or if the hedge policy is amended other than with the approval of an appropriate majority of the hedge counterparties, then the hedge counterparties will have a right to terminate their hedging agreements with us.

Geita hedging

Our Geita joint venture also engages in hedging transactions in respect of its production. The hedges are carried out on a margin-free basis. However, if at any time the aggregate marked-to-market value of the Geita hedge book exceeds US$132.5 million (negative), we will be restricted from receiving cash from the joint venture until the marked-to-market value of the hedge book reduces below that threshold. The hedging arrangements also provide for events of default and termination events which could lead to early close-outs or lead to a default in Geita's US$135.0 million project finance facility. The threshold of US$132.5 million will increase during the life of the Geita facility as principal repayments are made and additional coverage becomes available under the political risk insurance. While we have not directly guaranteed the Geita joint venture's obligations under either the hedges or the project finance facility, any early close-outs of the hedges or a default under the project finance would reduce revenues to us from the Geita joint venture and/or reduce the value of its assets as stated in our balance sheet.

Hedging as at December 31, 2002

As at December 31, 2002, our hedge book, excluding Geita, had a negative marked-to-market value of US$150.0 million based on a spot price of US$345 per ounce (2001: US$88.8 million positive based on a spot price of US$277 per ounce). The decrease in the marked-to-market value was primarily due to high spot prices partially offset by lower US interest rates. As at December 31, 2002, our share of the Geita hedge book was marked-to-market negative at US$44.3 million (2001: US$2.4 million negative)

As at December 31, 2002, our hedge book, excluding Geita, had 5.0 million ounces of protection at an average price of US$358 per ounce and 6.5 million ounces of commitments at an average price of US$346 per ounce. As at December 31, 2002, we had 48% of our forecast production over the life of the hedge book committed and 37% protected (excluding production for Geita for the 2003-2007 period of the project financing).

During the year the principal restructurings of the hedge book included:

- The conversion of all convertible structures into vanilla options resulting in a simpler structure and additional protection of 128,000 ounces at a strike price of US$350 per ounce.

- 150,000 ounces of sold puts with strikes at US$270 per ounce were removed from the hedge book.

- Exposure to floating lease rates was reduced from a total of 5.0 million ounces to 2.6 million ounces.

The following table sets out our hedge portfolio as at December 31, 2002:

		2003	2004	2005	200
Forward Sales	(ounces)	899,392	529,992	520,996	410
	(US$/ounce)	344	352	347	
Puts:					
Bought	(ounces)	50,000	111,200	111,200	111
	(US$/ounce)	354	370	370	
Calls:					
Sold	(ounces)	640,692	628,972	425,528	312
	(US$/ounce)	337	339	344	
Bought	(ounces)	240,000	280,000	60,000	172
	(US$/ounce)	429	444	380	
Subtotal	(ounces)	400,692	348,972	365,528	139
Lease Rate Swap ounces due	(ounces)	430	--	--	
Summary:					
Protected	(ounces)	948,962	641,192	632,196	521
Committed	(ounces)	1,299,654	878,964	886,524	549
Lease Rate Swap	(ounces)	2,367,000	2,587,000	2,251,000	1,915
Total committed ounces as a percentage of total forecast production (excluding Geita for the period of the project financing ie 2003 - 2007)					
Deferred Hedging Income (US$m)		15	13	--	

	2009	2010	2011	2012	2013	Tot
Forward Sales	334,250	304,250	268,250	215,313	186,500	4,288
	358	367	367	374	365	

Puts:						
Bought	79,200	79,200	--	--	--	732
	378	378	--	--	--	
Calls:						
Sold	123,970	84,250	84,250	77,188	28,000	3,145
	383	384	384	387	401	
Bought	--	--	--	--	--	925
	--	--	--	--	--	
Subtotal	123,970	84,250	84,250	77,188	28,000	2,219
Lease Rate Swap ounces due	--	--	--	--	--	
Summary:						
Protected	413,450	383,450	268,250	215,313	186,500	5,020
Committed	458,220	388,500	352,500	292,500	214,500	6,507
Lease Rate Swap	982,000	646,000	310,000	130,000	--	2,587
Total committed ounces as a percentage of total forecast production (excluding Geita for the period of the project financing ie 2003 - 2007)						
Deferred Hedging Income (US$m)	--	--	--	--	--	

	Marked-to-market value 2002 (US$ million)	Marked-to-market value 2001 (US$ million)	Marked-to-market value 2000 (US$ million)
Forward Sales	(56.0)	117.6	93.3
Puts:			
Bought	24.9	52.7	24.5
Calls:			
Sold	(112.9)	(53.7)	(55.0)
Bought	10.2	5.4	6.5
Subtotal			
Lease Rate Swap			

ounces due

Summary:

Protected			
Committed			
Lease Rate Swap	(16.2)	(42.0)	(61.0)
Total committed ounces as a percentage of total forecast production (excluding Geita for the period of the project financing ie 2003 - 2007)	48%	61%	75%
Deferred Hedging Income (US$m)			

NOTES:

Under US GAAP, following the implementation of SFAS 133 during 2001, these instruments are all marked-to-market and reported at fair market value.

Protected ounces include net bought put options plus forward sales.

Committed ounces include net call options sold plus forward sales (there is thus some overlap between the figures for 'protected' and 'committed' ounces).

Convertible structures in the hedgebook are represented as either protection and/or commitments as defined above.

Details of Hedging Contracts outstanding at December 31, 2002

Forward Sales:

Forward sales contracts are entered into to lock in the future price of gold for the anticipated sale of our production. Since we are exposed to the risk of fluctuations in the future price of gold, forward sales contracts are employed as part of our hedging strategy to minimize the risk of future gold prices falling. At December 31, 2002, we held contracts for the forward sale of 4.29 million ounces at an average price of US$355 per ounce.

Put Options:

We held purchased put options that gave us the right, but not the obligation, to sell 732,400 ounces of gold at certain strike prices. The average strike price was US$371 per ounce.

Call Options:

We held written call options that gave the counterparty the right, but not the obligation, to buy 3.15 million ounces of gold at an average strike price of US$357 per ounce. As a partial offset, we bought 0.93 million ounces of call options at an average strike price of US$427 per ounce which began maturing in 2002.

Gold Lease Rate Swaps:

A gold lease rate swap is a contract whereby we and a counterparty select a notional amount of gold, and thereafter over the life of the contract one party pays a fixed lease rate based on that amount of gold and the other party pays a floating lease rate based on the same amount of gold.

Lease rate swaps are entered into in conjunction with forward sales contracts to hedge the anticipated sales of our gold production. The forward price for gold is derived, in part, from the current spot rates plus a premium derived from LIBOR-based interest rates less the fixed gold lease rates for a term consistent with the term of the forward contract. Lease rate swaps alter the fixed gold lease rate in the gold forward price to a

floating gold lease rate. The combination of a lease rate swap and a forward contract creates a forward contract with a floating forward rate that adjusts for changes in the short term gold lease rates.

As of December 31, 2002, a maximum of 2.59 million ounces of our hedged production will be exposed to the floating 3 month lease rate at any one time.

The lease rate swaps can be broken down into the following types (under all of these contracts we receive a certain lease rate income, which can be regarded as compensation for the lease rate exposure that we took on).

Description	Fixed Rate	V (o
We pay a quarterly floating rate and receive a weighted average quarterly fixed rate of 1.81%	1.81	2,4
We pay a quarterly floating rate and receive a fixed amount of dollars at maturity. The quarterly amount is rolled until maturity of each forward contract. The fixed amount for each contract is calculated using the formula: Volume*YearsToMaturity*302*2.00%.	2.00	3
Total		2,7

Marked-to-market Valuations

On December 31, 2002, the portfolio had a negative marked-to-market value of US$150.0 million. This valuation was based on a spot price of US$345 per ounce and the then prevailing applicable US interest rates, gold forward rates and volatilities. The delta at that time was 5.9 million ounces. This implies that a US$1 increase in the price of gold would have had a US$5.9 million negative impact (approximate) on the marked-to-market valuation of the hedge book. Movements in US interest rates, gold lease rates, volatilities and time will also have a sizeable impact on the marked-to-market. Movements in US interest rates, gold lease rates and volatilities can change significantly over short time periods and can consequently materially affect the marked-to-market valuation.

The approximate breakdown by type of the marked-to-market valuation at December 31, 2002, 2001 and 2000 was as follows:

	2002 US$m	2001 (1) US$m	2000 (2) US$m
Forward contracts	(56.0)	117.6	93.3
European Put options (net bought)	24.9	51.0	22.9
European Call options (net sold)	(102.7)	(48.3)	(48.5)
Convertible structures	--	10.5	22.4
Lease rate swaps	(16.2)	(42.0)	(61.0)
	(150.0)	88.8	29.1

(1) Under US GAAP, following the implementation of SFAS 133 during 2001, these instruments are all marked-to-market and reported at fair market value. The related net unrealized gains or losses are reported as a component of net income, except for the transitional adjustment at January 1, 2001, which is reported as accumulated other comprehensive income.

(2) Under US GAAP, prior to the implementation of SFAS 133, forward contracts and lease rate swaps were designated as hedging instruments as we utilized them to manage our exposure to the risks associated with fluctuations in the price of gold. Gains and losses on these instruments were recognized as income when the underlying hedged gold sales were recorded. All other instruments were not designated as hedging instruments and, accordingly were marked-to-market and reported at fair market value with the net unrealized gains or losses reported as a component of net income.

Hedge Book Sensitivities

All of the projections set out below are forward-looking statements and have been prepared to provide supplementary information, based on the assumptions and sensitivities set out below and the hedge book as at December 31, 2002. Accordingly, the actual realized prices, cash flows, marked-to-market values and portfolio sensitivities could differ materially from those set out below as a result of a number of factors including changes in market conditions and active management of the hedge book.

Marked-to-market Projections

The following table shows projected marked-to-market of the portfolio for specified dates at specified spot gold prices. These marked-to-market values are calculated using mid-rates, and no volatility skew for options is assumed. Note also that there is one lease rate swap that is not paid out immediately but is paid out in line with forward sales - for this a fixing rate of 2% is assumed. All amounts are in US$ millions.

Spot	US$250/oz	US$275/oz	US$300/oz	US$325/oz	US$350/oz	US$375/oz	US$400/oz
Dec 03	331.53	230.36	125.47	15.46	(100.27)	(220.69)	(343.72)
Dec 04	297.47	212.89	125.92	35.67	(58.23)	(155.14)	(254.02)
Dec 05	258.41	189.51	119.08	46.64	(28.10)	(105.06)	(183.80)
Dec 06	221.97	165.88	108.63	49.65	(11.55)	(75.10)	(140.66)
Dec 07	187.58	142.52	96.82	50.07	1.80	(48.32)	(100.32)
Dec 08	155.48	118.99	82.12	44.78	6.85	(31.74)	(71.01)
Dec 09	116.10	89.66	62.92	35.73	8.01	(20.24)	(49.00)
Dec 10	75.65	58.67	41.52	24.01	5.97	(12.77)	(32.24)
Dec 11	46.15	35.86	25.51	15.02	4.24	(6.94)	(18.60)
Dec 12	20.48	15.64	10.79	5.92	1.01	(3.99)	(9.12)
Dec 13	--	--	--	--	--	--	--

Cash Flow Projections

The following table shows a breakdown of the cash flows that would be received or paid under specified spot and lease rate assumptions. The specified lease rates are used for all rate-sets, i.e. three month. The specified spot price is used to cash-settle all contracts. All amounts are in US$ millions.

Spot	US$250/oz			US$275/oz			US$300/oz		
Lease Rate	1%	2%	3%	1%	2%	3%	1%	2%	3%
2003	93.28	90.65	88.03	69.77	66.88	63.99	46.26	43.10	39.95
2004	72.26	66.39	60.53	56.70	50.25	43.80	41.14	34.10	27.07
2005	68.37	62.94	57.52	52.98	47.02	41.05	37.60	31.09	24.58
2006	60.04	55.26	50.47	47.37	42.10	36.83	34.69	28.94	23.20
2007	52.93	48.79	44.64	41.94	37.37	32.81	30.94	25.96	20.98
2008	45.73	42.09	38.46	36.99	32.99	29.00	28.25	23.89	19.53
2009	48.62	45.54	42.45	38.44	35.04	31.65	28.25	24.55	20.85
2010	46.12	43.65	41.18	36.62	33.90	31.18	27.11	24.14	21.17
2011	32.67	30.80	28.93	25.97	23.92	21.86	19.27	17.03	14.78
2012	27.49	26.06	24.63	22.04	20.48	18.91	16.60	14.89	13.18

2013	21.79	20.51	19.23	17.03	15.62	14.21	12.27	10.73	9.19
Total	569.30	532.68	496.07	445.85	405.57	365.29	322.38	278.42	234.48

Spot Lease Rate	US$325/oz 1%	US$325/oz 2%	US$325/oz 3%	US$350/oz 1%	US$350/oz 2%	US$350/oz 3%
2003	21.30	17.88	14.47	(9.51)	(13.18)	(16.86)
2004	24.32	16.70	9.08	2.91	(5.30)	(13.51)
2005	22.22	15.17	8.12	2.01	(5.59)	(13.18)
2006	22.01	15.79	9.56	9.09	2.38	(4.32)
2007	19.94	14.55	9.15	7.91	2.10	(3.71)
2008	19.51	14.79	10.06	10.06	4.98	(0.11)
2009	18.07	14.06	10.05	7.89	3.57	(0.75)
2010	17.60	14.39	11.17	8.10	4.63	1.17
2011	12.57	10.14	7.71	5.87	3.25	0.63
2012	11.16	9.31	7.45	5.72	3.72	1.72
2013	7.50	5.84	4.17	2.74	0.94	(0.85)
Total	196.20	148.62	100.99	52.79	1.50	(49.77)

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Spot Lease Rate	US$375/oz 1%	US$375/oz 2%	US$375/oz 3%	US$400/oz 1%	US$400/oz 2%	US$400/oz 3%
2003	(47.61)	(51.55)	(55.49)	(84.69)	(88.89)	(93.09)
2004	(27.19)	(35.99)	(44.78)	(54.70)	(64.08)	(73.46)
2005	(20.85)	(28.99)	(37.13)	(43.09)	(51.77)	(60.45)
2006	(4.74)	(11.92)	(19.10)	(19.13)	(26.80)	(34.46)
2007	(5.22)	(11.45)	(17.67)	(19.72)	(26.36)	(33.00)
2008	(0.84)	(6.29)	(11.74)	(13.91)	(19.73)	(25.54)
2009	(3.00)	(7.63)	(12.26)	(12.90)	(17.84)	(22.77)
2010	(2.12)	(5.83)	(9.54)	(10.55)	(14.51)	(18.46)
2011	(1.54)	(4.34)	(7.15)	(8.95)	(11.94)	(14.93)
2012	(0.25)	(2.39)	(4.53)	(6.23)	(8.51)	(10.79)
2013	(2.03)	(3.95)	(5.87)	(6.79)	(8.84)	(10.89)
Total	(115.39)	(170.33)	(225.26)	(280.66)	(339.27)	(397.84)

Portfolio Sensitivities

The following table shows the sensitivity of the portfolio to certain market rate movements as at December 31, 2002. A description of each sensitivity is given below.

Delta	(5.9)	(Ounces million)
Gold Rho	8.2	(US$ million)
US Rho	(17.6)	(US$ million)
Gold Vega	(3.5)	(US$ million)
Theta (per day)	0.16	(US$ million)

Delta	The delta shows the gold ounces that we would have to buy to neutralize the hedge book position. The delta could also be interpreted as the change in marked-to-market value that would result from a US$1 move in the spot gold price, i.e. a US$1 increase in spot would reduce the marked-to-market by US$5.9 million.
Gold Rho	The gold rho figure shows the change in marked-to-market value that would result from a 25 basis point parallel shift in the gold interest rate curve, i.e. a 0.25% rise in gold interest rate across the gold curve would increase the marked-to-market by US$8.2 million.
US Rho	The US rho figure shows the change in the marked-to-market value that would result from a 25 basis point parallel shift in US interest rates, i.e. a 0.25% rise in US interest rates across the US interest rate curve would decrease the marked-to-market value by US$17.6 million.
Gold Vega	The gold vega figure shows the change in marked-to-market value that would result from a 1% parallel shift in the gold volatility curve, i.e. a 1% rise in the gold volatility curve would decrease the marked-to-market value by US$3.5 million.
Theta	The theta figure shows the change in marked-to-market value owing to the passing of one day, with everything else remaining constant, i.e. if all market parameters stay the same, the marked-to-market value would increase by US$0.16 million for the next day.

Geita Hedging

The table below shows Ashanti's portion of hedging commitments for Geita as at December 31, 2002. The table represents half of Geita's hedge commitments.

		2003	2004	2005	2006	2007	Total
Forward Sales	(ounces)	189,598	195,558	174,828	94,576	120,938	775,498
	(US$/ounce)	285	289	294	296	298	291
Puts							
Bought	(ounces)	26,735	25,586	24,350	18,115	23,390	118,176
	(US$/ounce)	291	291	291	291	292	291
Lease Rate Proceeds	(ounces)	400	--	--	--	--	400
Summary:							
Protected	(ounces)	215,933	221,144	199,178	112,691	144,328	893,274
Committed	(ounces)	189,198	195,558	174,828	94,576	120,938	775,098
Lease Rate Swap	(ounces)	156,301	116,774	76,301	41,420	--	--

Marked-to-market Valuation

On December 31, 2002 the Geita portfolio had a negative marked-to-market value of US$88.6 million (our portion: US$44.3 million). This valuation was based on a spot price of US$345 and the then prevailing US interest rates, gold forward rates, volatilities and guidelines provided by our risk management committee.

Hedging since December 31, 2002

Higher spot prices and gold volatility levels since December 31, 2002 have allowed us to make the following principal changes to our hedge book:

o 666,000 ounces of bought call options with strike prices greater than US$430 per ounce were re-struck lower to 232,652 ounces of bought call options with strike prices of US$320 per ounce and US$330 per ounce;

o Protected ounces were increased by 50,400 with strike prices of US$354 per ounce and US$375 per ounce; and

o 401,000 ounces of sold call options were re-struck lower to match 682,400 ounces of bought put options, thereby converting the put and call options into forward sales. We used value generated through this restructure to purchase a further 232,666 ounces of call options with a strike price of US$330 per ounce.

Although the total number of bought call ounces has been reduced, the above restructurings have the following advantages:

o Owing to the lower strike prices the cashflow effect from the new bought call structure is comparably beneficial to us up to gold prices of approximately US$500 per ounce with respect to these contracts;

- The bought call options now have strike prices and value dates that match individual sold call options or forward sales;
- Converting bought put and sold call options into forward sales, simplifies the management of the hedge book;
- The number of protected ounces has increased by 50,400 at favourable strike prices;
- The average committed price over the life of the book has improved by US$11 per ounce from US$346 per ounce to US$357 per ounce; and
- Commitments for 2003 have been reduced allowing more participation in higher spot prices: as at April 1, 2003 commitments will stand at 898,597 ounces, which is a reduction of 401,057 ounces (or 31%) as compared to the position as at December 31, 2002 of 1,299,654 ounces.

Based on existing contracts which have maturity dates on or after April 1, 2003, we expect the hedge position to be as follows on April 1, 2003:

		2003	2004	2005	2006	2007	2008	2009
Forward Sales	(ounces)	648,522	657,992	648,996	538,000	451,200	358,325	413,45
	(US$/ounce)	346	355	352	359	360	370	362
Calls:								
Sold	(ounces)	378,025	496,180	498,728	210,256	230,076	260,535	70,970
	(US$/ounce)	341	341	350	366	358	365	368
Bought	(ounces)	127,950	101,880	134,000	49,432	64,396	--	--
	(US$/ounce)	348	359	352	370	361	--	--
Subtotal	(ounces)	250,075	394,300	364,728	160,824	165,680	280,535	70,970
Summary:								
Protected	(ounces)	648,522	657,992	648,996	538,000	451,200	358,325	413,45
Committed	(ounces)	898,597	1,052,292	1,013,724	698,824	616,880	618,860	484,42
Lease Rate Swap		2,367,000	2,587,000	2,251,000	1,915,000	1,579,000	1,318,000	982,00
Total committed ounces as a percentage of total forecast production (excluding Geita for the period of the project financing i.e. 2003-2007)								
Defered Hedging Income	(US$m)	10	11					

		2012	2013	Total
Forward Sales	(ounces)	215,313	186,500	4,769,998
	(US$/ounce)	374	365	359
Calls:				
Sold	(ounces)	71,188	28,000	2,362,458
	(US$/ounce)	387	401	354
Bought	(ounces)	--	--	477,658
	(US$/ounce)	--	--	356
Subtotal	(ounces)	77,178	28,000	1,884,800
Summary:				
Protected	(ounces)	215,313	186,500	4,769,998
Committed	(ounces)	292,500	214,500	6,654,797
Lease Rate Swap		130,000	--	2,587,000
Total committed ounces as a percentage of total forecast production (excluding Geita for the period of the project financing i.e. 2003-2007)				50%
Defered Hedging Income	(US$m)			21

There have been no significant changes to lease rate swap ounces or the Geita hedge book, apart from maturing contracts.

Currency Risk

We earn all of our revenue in US dollars and the majority of our costs, including capital expenditure, are based in US dollars. We have some local denominated costs, principally in Ghana, Guinea, Tanzania and Zimbabwe. Although these countries have recently experienced high inflation, this has been offset by the devaluation of the respective currencies against the US dollar. Movements in exchange rates should therefore not have any significant impact on earnings.

Our total borrowings at December 31, 2002 (excluding the 50% share of the US$102.7 million Geita project finance loan) were US$256.9 million, compared to US$325.9 million at December 31, 2001, which was predominately US dollar denominated. An analysis of the maturity of the borrowings as at December 31, 2001 is set out in Note 19 to the financial statements. Cash at December 31, 2002 totaled US$41.3 million, which was predominantly US dollar denominated. Cash is held in other currencies for local payments, principally in Ghana, Guinea, Tanzania and Zimbabwe.

Our reporting currency is the US dollar. In all locations in which we operate, including Ghana, Guinea, Tanzania and Zimbabwe, substantially all revenues are billed in US dollars and predominantly all expenses are incurred in or indexed to the US dollar.

The table below provides an analysis between US dollars and other currencies of revenues and expenses together with borrowings and cash as at and for the year ended December 31, 2002:

	US Dollar	Other Currencies
% of revenues	100%	--
% of expenditures	80%	20%
% of borrowings	99%	1%
% of cash	95%	5%

We settle expenses in local currencies through the conversion of US dollar revenues into such local currencies. In several countries in which we operate, existing mining agreements mandate the remittance by us of certain revenues back to the country of operation for conversion into the local currency. Once converted, these funds are used to settle, in local currency, certain expenditures which are primarily wages. These wages are, however, generally indexed to the US dollar.

Interest Rate Risk

Following the completion of the recent restructuring in June 2002, our debt position has changed significantly. The table below shows our net debt position by maturity including unamortized issue costs of US$4.5 million as at December 31, 2002:

	Fixed Rate US$ million	Floating Rate US$ million	Total US$ million
Borrowings	--	256.9	256.9
Repayments falling due:			
Between one and two years	--	2.0	2.0
Between two and five years	--	136.3	136.3
After five years	--	115.9	115.9
After more than one year	--	254.2	254.2

Within one year	--	2.7	2.7
Gross debt	--	256.9	256.9
Cash	--	(41.3)	(41.3)
Net debt	--	215.6	215.6

The table shows that our debt position floats completely, and therefore increases in US interest rates (LIBOR) will lead to higher interest costs to us. Conversely, decreases in US interest rates will lead to lower interest costs to us. Currently, we do not hedge this exposure, but are considering alternatives for hedging this exposure in the future.

Based on our net debt position at December 31, 2002, the effect on earnings of a 1% change in US dollar LIBOR interest rates would result in a decrease or increase in profit/(loss) attributable to shareholders of approximately US$2.2 million per annum.

DESCRIPTION OF BUSINESS

General

We are engaged in the mining and processing of gold ores and the exploration and development of gold properties in Africa and in hedging activities in connection with our gold production. We have interests in major gold mines in Ghana, Guinea, Tanzania and Zimbabwe. In 2002, our gold production was 1.62 million ounces. As at December 31, 2002, we had proven and probable contained gold reserves of approximately 27.8 million ounces, before making any allowance for minority and joint venture interests.

We occupy a position of strategic significance within the Ghanaian economy. We are a major contributor of foreign exchange earnings to Ghana, Guinea, Tanzania and Zimbabwe. In addition, we are one of the largest companies listed on the Ghana Stock Exchange and a major employer, particularly in the Ashanti region of Ghana.

Our priority is to explore for, develop and operate gold mines in Africa and to remain a leading mining company in Africa, managed largely by Africans. We are currently focusing on developing the potential of our existing mines and increasing the efficiency of their operations. As part of this strategy, we are engaged in development projects to be completed over the next 15 months at three of our existing mines, Geita, Iduapriem/Teberebie and Siguiri, each of which will be funded from internal resources or through our revolving credit facility. At Geita and Iduapriem/Teberebie, processing throughput is planned to be increased by 40% and 50% respectively to between 5.5 million and 6.0 million tonnes per year and 4.5 million tonnes per year respectively. At Siguiri, the current heap leach operation has a capacity of 9.0 million tonnes per year (with a metallurgical recovery of some 80%). It is planned to construct a 9.0 million tonnes per year CIP plant which will have a metallurgical recovery of some 93% and to continue to use the heap leach plant but at a reduced rate of around 1.5 million tonnes per year.

We also continue to explore consolidation opportunities in the gold sector. As a leading mining company operating solely in Africa we are offered the opportunity to participate in a number of projects and properties throughout Africa, such as the platinum group metal project located in South Africa in which we recently acquired an exploration interest. We will continue to review opportunities which have low entry costs and high expected returns and allow us to apply our technical expertise.

[GRAPHIC]

We produced a total of 1,621,919 ounces of gold in the 12 month period ended December 31, 2002, from our gold mining operations at Obuasi, Bibiani, Iduapriem and Ayanfuri in Ghana, Siguiri in Guinea, Geita in Tanzania and Freda-Rebecca in Zimbabwe, compared to 1,656,784 ounces in 2001.

Our oldest mine and largest reserve is located at Obuasi in the Ashanti region of Ghana. We have a 100% interest in Obuasi. Gold mining has been conducted at this site for over 100 years and during that period, records show that Obuasi has produced approximately 28 million ounces of gold. Obuasi produced 537,219 ounces of gold, principally from underground, in the 12 month period ended December 31, 2002.

The Bibiani mine, in which we have a 100% interest, located in the Western Region of Ghana, was an old redundant underground mine upon which we commissioned a major open pit mine with a new CIL plant in the first quarter of 1998. Gold production for the 12 month period ended December 31, 2002 was 242,432 ounces compared to 253,052 ounces for the 12 month period ended December 31, 2001.

We have an 80% interest in the Iduapriem gold mine, owned by Ghanaian-Australian Goldfields Limited, in the Western Region of Ghana. In June 2000, we acquired a 90% interest in the Teberebie gold mine, which is adjacent to Iduapriem. In the 12 month period ended December 31, 2002, Iduapriem/Teberebie produced 185,199 ounces of gold compared with 205,130 ounces of gold for the 12 month period ended December 31, 2001.

The Ayanfuri mine, in which we have a 100% interest, located in central Ghana, commenced operations in 1994. Ayanfuri had exhausted substantially all of its gold reserves by December 31, 2000. We are currently implementing a mine closure plan under Obuasi mine management control.

The Siguiri mine, located in the north-eastern part of Guinea, commenced operations in the first quarter of 1998 and up until the end of 2002 had produced a total of 1.29 million ounces of gold. We have an 85%

interest in the Siguiri mine. Production for the 12 month period ended December 31, 2002 was 269,292 ounces of gold compared to 283,199 ounces of gold for the 12 month period ended December 31, 2001.

The Geita mine in Tanzania was commissioned in June 2000 and produced a total of 176,836 ounces of gold during the year 2000. On December 15, 2000, we completed the sale to AngloGold Limited of 50% of our interest in the Geita Mine pursuant to both a sale and purchase agreement and a joint venture agreement signed between the parties. In 2002, the Geita mine produced a total of 579,043 ounces of gold (2001: 545,562 ounces).

The Freda-Rebecca gold mine, in which we have a 100% interest, began operations in 1988. In 2002, Freda-Rebecca produced 98,255 ounces of gold, compared to 102,654 ounces of gold for 2001.

Our History

In 1897, an English company named Ashanti Goldfields Corporation Limited, or Ashanti Goldfields, was founded and began to develop a mining concession in the area of our current operations at Obuasi. Several years later, underground mining began at the site and has continued to the present. In 1969, Ashanti Goldfields became a wholly owned subsidiary of Lonrho Plc, now called Lonmin Plc, or Lonmin, a UK listed company which at that time had interests in mining, hotels and general trade in Africa. Following the Lonmin acquisition in 1969, the Government of Ghana acquired 20% of Ashanti Goldfields from Lonmin in exchange for the Government of Ghana's agreement to extend the term of Ashanti Goldfields' mining lease over the concession area.

In 1972, the Government of Ghana formed us as a Ghanaian company to take over the assets, business and functions formerly carried out by Ashanti Goldfields. The Government of Ghana then held 55% of our outstanding shares, with Lonmin holding the remaining 45%.

In 1994, as part of its divestiture policy, the Government of Ghana sold part of its holding in us in a global offering. In connection with that offering, we were reorganized as a Ghanaian public limited company. As at March 12, 2003, the Government of Ghana owned approximately 17.2% and Lonmin owned approximately 28.1% of our outstanding shares.

In 1996, we expanded our operations through the acquisition of companies holding interests in the Ayanfuri, Bibiani, Iduapriem, Siguiri, and Freda-Rebecca properties, which were already or were subsequently developed as mines, and acquired an interest in what was then the Geita exploration concession in Tanzania. In 1998, we acquired SAMAX Gold Inc., the principal asset of which was the other part of the interest in the Geita exploration concession adjacent to our existing license area. In 1999 and 2000, we developed the Geita mine and in 2000 sold a 50% equity interest in it to AngloGold Limited. In 2000, we acquired our interest in the Teberebie mine, which is adjacent to the Iduapriem mine.

Through the period from the end of 1999 to June 2002, commencing with a sharp rise in the price of gold which led initially to a liquidity crisis, we were engaged in a process of financial restructuring with our banks, hedge counterparties and noteholders.

Recent Restructuring

In June 2002, we completed a financial restructuring which involved:

- entering into a new enlarged revolving credit facility of US$200 million;
- raising approximately US$41.8 million from the early exercise of 70.3% of our warrants (which were previously issued to some of our banks and hedge counterparties and which were exchangeable for our shares);
- agreement with our hedge counterparties for continued margin-free trading; and
- raising US$75.0 million through the issue to our largest shareholder, Lonmin, of mandatorily exchangeable notes, or MENs, which convert into our ordinary shares upon the completion of this rights issue.

The Government of Ghana has a call option in respect of approximately US$28.4 million of these MENs. Lonmin and the Government of Ghana have both contractually agreed that the MENs represent approximately _____ % of their entitlements under the rights issue and neither party will be exercising or dealing in this percentage of their rights.

Current Trading and Prospects

In 2003 we commenced the commissioning of the expanded CIL plant at Iduapriem/Teberebie and, although we have experienced unexpected delays in commissioning, currently anticipate that it will be completed during the second quarter of the year. The Bibiani mine experienced a slope failure on the western wall of the pit at the beginning of the fourth quarter of 2002. This is not expected to materially impact gold production, but will add approximately US$3 million to costs over the first two quarters of 2003. At Siguiri, we have completed a feasibility study to assess the viability of converting the mine's processing plant to a hybrid, combining CIP and heap leach, and expect the conversion to be completed, at a total cost of US$32 million, in the second quarter of 2004. At the Geita mine, we anticipate that production will be lower for at least the first two quarters of 2003 as compared to 2002, due to lower mined grades as waste stripping continues in cut 3 at Nyankanga.

Rising fuel prices, increases in power costs and wages, depreciation of the US dollar in which our revenues are denominated, the appreciation in currencies of countries from which we source our major inputs and rising costs of reagents will impact adversely on our cash operating costs this year. We are taking steps to minimise this impact but it is still likely that cash operating costs will increase by approximately 10% this year.

Our group production target for the year is approximately 1.6 million ounces, broadly in line with last year's actual production. This assumes that the stripping schedule for cut 3 at Nyankanga is completed by the end of July and that the CIL plant at Iduapriem/Teberebie is fully commissioned by the end of June. We expect our production for the first quarter of 2003 to be in the region of 375,000 ounces. This is 8% below the pro-rata figure for our annualised production target, primarily due to lower mined grades as waste stripping continues in Geita, and unexpected delays caused by the commissioning of the plant expansion at Iduapriem/Teberebie. Due to these factors, group production for the second quarter is likely to continue at the same level as for the first quarter, with the shortfall planned to be made up in the second half of the year. The reduced production levels anticipated for the first two quarters will have a consequential adverse impact on our unit cash operating costs for these quarters, as compared to the annualised level. However, our directors believe that the long term prospects of the business are good.

Gold Production Summary

The following chart details the operating and production results from operations for the years ended December 31, 2002, 2001 and 2000.

	Year to December 31,		
	2002	2001	2000
Obuasi			
Underground Mining			
Ore production ('000 tonnes)	2,423	2,507	2,348
Ore grade (g/t)	7.48	7.90	7.48
Surface Mining			
Ore production ('000 tonnes)	368	--	891
Ore grade (g/t)	2.71	--	4.20
Waste mined ('000 tonnes)	2,165	--	8,907
Strip ratio	5.8	--	10.0
Sulfide Treatment Plant			
Ore processed ('000 tonnes)	2,352	2,394	2,466
Head grade (g/t)	7.35	7.53	6.32
Recovery (%)	84.8	83.5	82.1
Gold produced (ounces)	471,359	482,982	412,824
Pompora Treatment Plant			
Ore processed ('000 tonnes)	--	--	787
Head grade (g/t)	--	--	8.01
Recovery (%)	--	--	82.4
Gold produced (ounces)	195	2,470	167,725

	Year to December 31,		
	2002	2001	2000
Oxide Treatment Plant			
Ore processed ('000 tonnes)	435	--	245
Head grade (g/t)	2.06	--	2.85
Recovery (%)	81.2	--	74.2
Gold produced (ounces)	23,390	--	16,683
Tailings Treatment Plant			
Ore processed ('000 tonnes)	1,840	1,666	1,831
Head grade (g/t)	2.29	2.46	2.39
Recovery (%)	31.2	32.7	31.1
Gold produced (ounces)	42,275	42,999	43,756
Obuasi Total Processed			
Ore processed ('000 tonnes)	4,627	4,060	5,329
Head grade (g/t)	4.84	5.45	5.06
Recovery (%)	74.8	74.3	73.9
Gold produced (ounces)	537,219	528,451	640,988
Distribution of Obuasi Production (ounces)			
Underground	471,554	485,452	493,926
Surface	23,390	--	103,306
Tailings	42,275	42,999	43,756
Total	537,219	528,451	640,988
Ayanfuri			
Mining			
Ore production ('000 tonnes)	--	332	884
Ore grade (g/t)	--	1.50	1.50
Waste mined ('000 tonnes)	--	1,059	2,988
Strip ratio	--	3.2	3.4
Heap Leach			
Ore stacked ('000 tonnes)	--	329	1,121
Head grade (g/t)	--	1.20	1.21
Recovery (%)	--	90.8	83.3
Gold produced (ounces)	--	11,517	36,316
Iduapriem/Teberebie			
Mining			
Ore production ('000 tonnes)	4,393	4,852	4,824
Ore grade (g/t)	1.66	1.58	1.25
Waste mined ('000 tonnes)	15,019	13,839	14,954
Strip ratio	3.4	2.9	3.1
CIL Plant			
Ore processed ('000 tonnes)	2,625	2,731	2,691
Head grade (g/t)	1.96	1.92	1.58
Recovery (%)	89.3	94.6	93.4
Gold produced (ounces)	147,726	158,103	128,374
Heap Leach			
Ore stacked ('000 tonnes)	1,127	2,633	2,264

Head grade (g/t)	1.13	0.91	0.78
Recovery (%)	91.3	61.7	67.5
Gold produced (ounces)	37,473	47,027	38,518
Total gold produced (ounces)	185,199	205,130	166,892
Teberebie			
Gold produced (ounces)	--	--	26,976

	Year to December 31,		
	2002	2001	2000
Bibiani			
Mining			
Ore production ('000 tonnes)	2,608	2,560	2,368
Ore grade (g/t)	3.53	3.58	3.38
Waste mined ('000 tonnes)	11,054	13,981	15,223
Strip ratio	4.2	5.5	6.4
CIL Plant			
Ore processed ('000 tonnes)	2,566	2,769	2,761
Head grade (g/t)	3.72	3.46	3.70
Recovery (%)	79.0	83.7	86.7
Gold produced (ounces)	242,432	253,052	273,711
Siguiri			
Mining			
Ore production ('000 tonnes)	9,464	8,517	10,804
Ore grade (g/t)	1.19	1.34	1.33
Waste mined ('000 tonnes)	8,404	5,268	5,333
Strip ratio	0.9	0.6	0.5
Heap Leach			
Ore stacked ('000 tonnes)	9,462	9,064	8,878
Head grade (g/t)	1.16	1.33	1.34
Recovery (%)	76.3	73.1	79.3
Gold produced (ounces)	269,292	283,199	303,381
Freda-Rebecca			
Underground Mining			
Ore production ('000 tonnes)	1,077	1,156	1,042
Ore grade (g/t)	2.99	3.56	3.69

Surface Mining			
Ore processed ('000 tonnes)	110	56	--
Ore grade (g/t)	2.26	2.10	--
Processing			
Ore processed ('000 tonnes)	1,155	1,121	1,003
Head grade (g/t)	3.22	3.30	3.89
Recovery (%)	82.2	86.4	89.8
Gold produced (ounces)	98,255	102,654	112,164
Geita Joint Venture (JV)			
Mining			
Ore production ('000 tonnes)	5,399	4,520	1,240
Ore grade (g/t)	3.52	3.80	3.00
Waste mined ('000 tonnes)	39,729	27,215	11,852
Strip ratio	7.4	6.0	9.6
Processing			
CIL Plant			
Ore processed ('000 tonnes)	4,979	4,582	2,075
Head grade (g/t)	3.92	3.91	2.94
Recovery (%)	92.3	93.0	92.0
Gold produced (ounces)	579,043	545,562	176,836
Ashanti's share (ounces)	289,522	272,781	176,836
Managed gold production (ounces)	1,332,397	1,384,003	1,737,264
Geita joint venture 50% (ounces)	289,522	272,781	--
Total managed gold production	1,621,919	1,656,784	1,737,264

Regarding "strip ratio" as used in the table above, for our open pit mines, each commercially mineable deposit has an overall design strip ratio based on the economically optimized and fully engineered pit layout. This strip ratio changes from period to period depending upon the configuration of the ore body and mining and production considerations. It is usually necessary to mine at varying strip ratios each year in order to excavate the tonnage of ore required to be sent to the processing plant for that period.

When compared to the produced grades, the figures for the processed grades are different as they represent a mixture of mineralised material treated from other areas such as underground, tailings or open pit oxides.

Total Revenues by Country

Year to Dec. 31,

	2002 US$m		2001 US$m		2000 US$m	
Ghana	301.7	55%	271.1	49%	320.1	55%
Isle of Man(1)	45.8	8%	98.6	18%	97.0	17%
Guinea	83.9	15%	76.6	14%	85.2	15%
Tanzania	90.1	16%	74.1	13%	48.6	8%
Zimbabwe	30.7	6%	34.0	6%	31.3	5%
Total Revenues	552.2	100%	554.4	100%	582.2	100%

NOTES:

1. Revenues from the Isle of Man relate solely to hedging activities.

Operating and Production Information

	Year to Dec. 31, 2002	2001	2000
Total gold produced (ounces)	1,621,919	1,656,784	1,737,264
Average realized price per ounce (US$)	340	335	335
Average spot price per ounce (US$)	312	275	279
Cash operating costs of production per ounce (US$)	199	190	187
Royalties per ounce (US$)	9	8	8
Corporate administration cost per ounce (US$)	10	13	15
Depreciation, depletion and amortisation per ounce (US$)	54	55	65
Total cost of gold production per ounce (US$)	272	266	275

The above amounts are stated before exceptional items of US$14 per ounce (2001: Nil; 2000: $US124).

Cash operating costs are operating costs before corporate administration, exploration and other costs, which we discuss more fully under "Management's Discussion and Analysis of Financial Condition and Results of Operation".

Reserves

The summary of proven and probable contained gold reserves at our major mining properties at the end of each of the last two annual reporting periods is set out in the table below. Individual proven and probable contained gold reserve tables for each mine are set out in Mining Operations.

As at December 31, 2002

Location		Estimated Average Metallurgical Recovery per cent.	Ore Tonnes (millions)	Grade g/t	Total Contained Gold Ounces (millions)	% of Total Contained Gold Ounces
Ghana	Obuasi					
	Underground	84	40.5	8.0	10.4	37
	Surface	90	0.9	6.1	0.2	1
	Tailings	29	19.4	2.0	1.3	5
	Sub-total Obuasi		60.8	6.1	11.9	43
Ghana Iduapriem (80%) / Teberebie (90%) - Surface		94	49.0	1.7	2.7	10
Ghana Bibiani - Underground		85	1.2	4.6	0.2	1
Ghana Bibiani - Surface		85	5.4	2.8	0.5	2
Ghana Bibiani - Tailings		60	4.8	1.1	0.1	--
Guinea Siguiri (85%) - Surface		80	55.4	1.2	2.1	8
Zimbabwe Freda-Rebecca - Underground		85	4.8	2.5	0.4	1
Tanzania Geita (50%) - Surface		90	70.4	4.2	9.4	33
Burkina Faso Youga (45%) - Surface		85	4.8	3.3	0.5	2
Total			256.6	3.4	27.8	100

As at December 31, 2001

Location		Ore Tonnes (millions)	Grade g/t	Total Contained Gold Ounces (millions)	% of Total Contained Gold Ounces	Gold in Stockpiles Ounces (millions)
Ghana	Obuasi					
	Underground	42.3	8.0	10.9	42	--
	Surface	1.3	5.2	0.2	1	--
	Tailings	20.4	2.1	1.3	5	--
	Sub-total Obuasi	64.0	6.0	12.4	47	--

Ghana Iduapriem (80%) / Teberebie (90%) - Surface	38.6	1.7	2.1	8	--
Ghana Bibiani - Underground	--	--	--	--	--
Ghana Bibiani - Surface	12.3	2.2	0.9	3	0.1
Ghana Bibiani - Tailings	--	--	--	--	--
Guinea Siguiri (85%) - Surface	56.7	1.2	2.1	8	--
Zimbabwe Freda-Rebecca - Underground	5.4	2.5	0.4	2	--
Tanzania Geita (50%) - Surface	62.7	3.8	7.7	29	0.1
Burkina Faso Youga (45%) - Surface	5.0	3.2	0.5	2	--
Total	244.6	3.3	26.1	100	0.2

Data in the above reserves table may not compute exactly due to rounding.

These reserves have been estimated in compliance with the United States Securities and Exchange Commission Industry Guide 7 and do not take into account metallurgical losses.

For economic studies and the determination of cut-off grades, we assumed a gold price of US$300 per ounce.

The grade estimate is inclusive of adjustments for mining dilution and ore losses during mining.

The reserves reported represent 100% of the reserves at the respective properties. No allowance has been made for minority or joint venture interests. Ashanti has 100% ownership in all its properties except:

- Iduapriem, in which it has an 80% interest,
- Teberebie, in which it has a 90% interest,
- Siguiri, in which it has an 85% interest,
- Geita, in which it has a 50% interest and
- Youga, in which it has a 45% interest.

Cut-off grades are applied to geological data when assessing mineralized material in order to ensure that material never likely to be economic is not included in the reserves. The tonnage, grade and contained gold profiles for each deposit are interrogated at various cut-off grades to enable the engineers to clearly understand the characteristics of the mineralization and to focus on developing exploitation strategies that will optimize the net present value of the deposits. The cut off grade that we have chosen for reporting purposes is the lowest grade that can be exploited at break even for the highest envisaged gold price.

Classification of proven and probable reserves is based on a number of criteria including drill density, geological continuity, integrity of the data, ore accessibility and economic parameters.

The costs used in evaluating the economic operating profile for each ore block are based on actual costs incurred in the operation over the past year adjusted wherever appropriate for any inflation and exchange rate variances forecast for the coming year or cost decreases due to productivity improvements. Where new projects are concerned, the costs are based on actual materials prices, labor costs and engineering feasibility design parameters and are benchmarked wherever practical with similar operations elsewhere within our group or with peer operators nationally or internationally.

The bulk of the mining and processing consumables used in our operations is imported and is costed in United States dollars based on world market or contracted prices. At Obuasi and some other operations, we have a policy of fixing our wage packages in US dollars and paying in local currency at the ruling exchange rate. To this effect, operations are costed in US dollars. There are certain areas where imports and costs are in other currencies such as Pounds sterling, Deutschmarks and Australian dollars, which may affect ultimate costs since our revenue stream is from gold sold in US dollars. Trends in variances between these currencies are periodically analyzed by management which examines the cost implications and then ensures that supply orders are placed on the most cost efficient source wherever possible and advantageous. Wherever significant and relevant, local currency conversion factors are applied to cost projections, but in general these are not significant.

Future metal prices used for estimating purposes are decided upon by us, based on information taken from internationally respected gold price analysts.

At a gold price of US$275 per ounce, we estimated that the total 2002 ore reserve of 27.8 million ounces of gold would decrease by approximately 5% and at a gold price of US$325 per ounce, we estimate that the ore reserves would increase by approximately 2%.

Gold in stockpiles is processed during the life of a mining operation and will be processed completely by the time the operations cease. Amounts shown under "Gold in stockpiles" are included in amounts shown under "Total contained gold".

Mining Operations

Obuasi - Ghana

Introduction

The Obuasi mine conducts underground mining of gold and until recently conducted surface mining of gold at Obuasi in Ghana. Obuasi has historically been an underground mine although large scale surface mining was undertaken between 1990 and 2000. The Sulfide Treatment Plant, or STP, and the Oxide Treatment Plant, or OTP, were commissioned during this period to cater for increased tonnage from surface operations. During the period of surface mining, there were four treatment plants to treat oxide ore, sulfide ore, transition ore and tailings. In 2000, when surface operations ceased due to poor economics and a low gold price, the OTP and the Pompora Treatment Plant, or PTP, were closed down and put on care and maintenance. Prior to its closure, PTP processed the bulk of the underground ore. STP is now the sole processing plant for underground ore at Obuasi. The PTP SAG mill has been commissioned. Tailings are treated through the Tailings Treatment Plant, or TTP. We are currently evaluating surface deposits within a 50 kilometer radius and if economically viable will be considered for mining and processing at the OTP and STP plants. A small amount of such material has been processed through OTP during 2002.

The restructuring of the ore sourcing during 2000 has resulted in a smaller operation. Redundancies of some 1,340 workers during that year were necessary due to the closure of the surface mining operations. The underground operation is forecast to continue to produce at a rate of 2.5 million tonnes per annum, or mtpa. Based on the information currently available, annual gold production from underground mining is forecast to remain at around 500,000 ounces for in excess of ten years, whilst tailings retreatment is forecast to provide an additional 30,000 ounces per annum over the same period. We may not be able to achieve or maintain these production levels. Encouraging exploratory drilling results at the lowest levels of the underground workings have outlined the extension in depth of high grade mineralized material. The mine plan, based on current reserves, is expected to sustain production at a rate of 2.5 mtpa to at least 2012.

Over the two years ended December 31, 2001, the Obuasi mine made progress in reducing costs. We achieved an improvement in costs in 2000 and 2001 through closure of the high cost surface operations as well as cost control measures and the re-engineering of mining and processing operations. In 2002 costs increased as a result of the mining and processing of a higher tonnage of lower grade material. The cash operating cost at Obuasi in 2002 was US$198 per ounce as compared to the 2001 cost of US$192 per ounce and the 2000 cost of US$208 per ounce.

Reserves

The proven and probable contained gold reserves at Obuasi as at December 31, 2002, 2001 and 2000 are set out below:

	As at December 31, 2002				As at D
	Estimated Average Metallurgical Recovery %	Ore Tonnes (millions)	Grade g/t	Contained Gold Ounces (millions)	Ore Tonnes (millions)
UNDERGROUND					

Proven reserves	84	4.6	7.4	1.1	5.0
Probable reserves	84	35.9	8.1	9.3	37.3
Total underground reserves	84	40.5	8.0	10.4	42.3
SURFACE					
Proven reserves	90	0.9	6.1	0.2	1.3
Probable reserves	90	--	--	--	--
Total surface ore reserves	90	0.9	6.1	0.2	1.3
TAILINGS					
Proven reserves	29	14.5	2.0	0.9	15.1
Probable reserves	29	4.9	2.2	0.4	5.3
Total tailings ore reserves	29	19.4	2.0	1.3	20.4
TOTAL ORE RESERVES		60.8	6.1	11.9	64.0

	As at December 31, 2000		
	Ore Tonnes (million)	Grade g/t	Contained Gold Ounces (millions)
UNDERGROUND			
Proven reserves	5.1	7.6	1.4
Probable reserves	36.7	7.9	9.3
Total underground reserves	41.8	7.9	10.7
SURFACE			
Proven reserves	--	--	--
Probable reserves	--	--	--
Total surface ore reserves	--	--	--
TAILINGS			
Proven reserves	4.0	2.5	0.3
Probable reserves	1.3	2.9	0.1
Total tailings ore reserves	5.3	2.6	0.4
TOTAL ORE RESERVES	47.1	7.3	11.1

For economic studies and the determination of cut-off grades, we assumed a gold price of US$300 per ounce.

The grade estimate is inclusive of adjustments for mining dilution and ore losses during mining. Metallurgical losses are excluded from the calculation of contained gold ounces.

The tailings proven reserves are those which have been drilled. The probable reserves are based on plant information from the time the tailings were deposited.

Geology

The gold deposits at Obuasi are part of a prominent gold belt of Proterozoic (Birimian) volcano-sedimentary and igneous formations which extend for a distance of approximately 300 kilometers in a northeast-southwest trend in south western Ghana. Obuasi mineralization is shear zone related and there are three main structural trends hosting gold mineralization: the Obuasi trend, the Gyabunsu trend and the Binsere trend, which contribute to the ounces produced at Obuasi.

In general, there are two main ore types at Obuasi which are being mined:

Quartz veins - Quartz veins consist mainly of quartz with free gold in association with lesser amounts of various metal sulfides such as iron, zinc, lead and copper. The gold particles are generally fine grained and occasionally, are visible to the naked eye. This ore type is generally non-refractory.

Sulfide ore - Sulfide ore is characterized by the inclusion of gold in the crystal structure of a sulfide material. The gold in these ores is fine grained and often locked in arsenopyrite . Higher gold grades tend to be associated with finer grained arsenopyrite crystals. Other prominent minerals include quartz, chlorite and sericite. Sulfide ore is generally refractory.

Underground Mining Operations

Mining operations began at Obuasi in 1897. Since 1907, the underground mine has been in almost continuous production. Over the years, underground mining at Obuasi has expanded, and underground operations are currently conducted along a strike length of 8 kilometers and to a depth of 1,600 meters below the surface.

The underground mine at Obuasi expanded from a production rate of 4,500 tonnes of ore per year in 1907 to approximately 800,000 tonnes of ore per year in the early 1980s. The tonnage from underground mining has more than doubled within a seven year period from 1.14 mtpa achieved in 1994 to 2.5 mtpa achieved in 2001. In the same period the grade has reduced from 10.5 g/t to 7.9 g/t. The grade reduction is due to the increase in production from the lower grade more refractory sulfide ore blocks.

The mining operations at Obuasi are split into three operating sections:

- The Northern Section of the mine is the oldest and the workings are the deepest. The ore type is predominantly quartz. A project to recover ore from the high grade Adansi shaft pillar began in 2000. This has been placed on hold temporarily while the potential to access the shaft below the 50 level is being evaluated. The production rate in the north part of the mine averages from 35,000 to 40,000 tonnes per month.

- The Central Section is serviced by the Kwesi Mensah Shaft, or KMS, which accesses a depth of 1,500 meters. The ore type is predominantly made up of lower grade sulfide material and generally the mining blocks are wide ranging from 6 meters to 20 meters. Production ranges from 80,000 to 85,000 tonnes per month. The 41 level haulage system (at a depth of 1,230 meters below surface), serves the central mining blocks with all rock hoisted at KMS.

- The South Section is the newest mining area, and is the section from which the majority of Obuasi mine's ore will be sourced over the coming years. The ore type is generally sulfide in nature, but is often associated with quartz material. The ore structure is complex with up to four different ore zones running parallel to each other. In the past, the predominant mining method has been cut and fill, but safety and cost considerations have resulted in a change to open stoping methods in recent years. The section is served by Kwesi Renner Shaft, or KRS, and Sansu Shaft for hoisting of rock and George Cappendell Shaft, or GCS, for men and material. The Brown Sub Vertical Shaft, or BSVS, which has been sunk to 52 level, is currently being equipped (which will continue to be equipped in 2003) to provide rock, men and material handling services to the lower levels of the South Section of the mine.

Infrastructure

SHAFTS/RAMPS AT OBUASI

Shafts	Service	Current Hoisting Capacity Ore/Waste (tonnes per month)
Kwesi Mensah Shaft ("KMS")	Men, material and rock	140,000
Kwesi Renner Shaft ("KRS")	Rock	90,000
Adansi Shaft	Men, material and rock	32,000
Timber Shaft	Men, material and rock	15,000
Ellis Shaft	Rock	52,000
Sansu Ventilation Shaft ("Sansu Shaft")	Men, material and rock	22,000
Brown Sub Vertical Shaft ("BSVS")	Men, material and rock	--
West Shaft	Men and material	--
Waley Shaft	Men and material	--
Outen Shaft	Men and material	--
George Cappendell Shaft ("GCS")	Men and material	--
Blackies Ventilation Shaft	Ventilation	--
Kwesi Mensah Ventilation Shaft ("KMVS")	Ventilation	--
Central Ventilation Shaft ("CVS")	Ventilation	
Eaton Turner Shaft ("ETS")	(Decommissioned)	n/a

Total Hoisting Capacity (tonnes/month)		351,000
Total Hoisting Capacity (tonnes/year)		4,212,000

Ramps	Service	Ore/Waste (tonnes per month)
Sansu Ramp	Men, material	--
Cote d'Or Ramp	Men, material and rock	10,000
Timber Shaft Access Decline ("TSAD")	Men, material and rock	10,000

The major underground capital project work in 2002 focussed on a shaft upgrade at the BSVS in preparation for commencement of equipping in 2003, raise boring of the 300 ventilation shaft and support and tracking of the 41 level haulage. Development was completed from KMS through to the BSVS in the south of the mine and to Blocks 5 and 6 in the north. The development of the decline to the bottom of KMS to facilitate the removal of rock spillage was completed. At KRS, excavation of the crusher station was also completed. A new pump station was constructed and commissioned on 8 level in the north of the mine to significantly improve mine pumping capacity and water control.

In the past 12 years, the Obuasi mine has spent over US$1 billion on its investment program principally comprising new shafts, processing plants and underground mechanization. Completed capital expenditure projects have been financed from the cash flow from operations at Obuasi and from internal and external funding. The Obuasi mine expects that future capital expenditure on various projects (other than significant expenditure on projects below the 50 level) will be financed from the cash flows generated from operations at Obuasi. In the event that such projects are not completed on schedule, the Obuasi mine may not be able to maintain its underground production of ore as is currently planned.

Mining Methods

The range of mining methods currently employed includes mechanized open stoping (60% of total); mechanized cut and fill (10% of total); sub-level retreat and reclamation (12% of total); and stope preparation (16% of total).

Surface Mining Operations

Apart from on-going surface rehabilitation work on landscaping and re-vegetating the old pits and waste dumps, there was no production from surface mining activity on the Obuasi concession in 2001. Obuasi has

US$5.2 million accrued for mine closure and a component of this relates to clean up and land restoration. However, work undertaken to date has in the past been expensed to operating costs over the years and has averaged approximately US$0.5 million per year. Surface mining operations recommenced with the development of the Homase concession open pit in the first quarter of 2002. A total of 368,000 tonnes at 2.71 g/t were mined at a strip ratio of 5.8:1. Mining is being undertaken using in-house resources while the haulage of ore from Homase to Obuasi is being carried out by contractors.

Processing Operations

The Obuasi mine has two normally active treatment plants: the STP to process underground ore and the TTP to handle tailings reclamation operations. The PTP remained closed, but the OTP has been re-commissioned to batch process oxide ore from the Homase satellite surface mine deposit which was mined in 2002 and continues to be mined in 2003.

A total of 4,627,000 tonnes were processed in 2002 compared to 4,060,000 tonnes in 2001, the increase resulting from the re-commissioning of the OTP in the third quarter of 2002 to process ores from Homase and greater throughput at the TTP.

At the STP, a total of 2,352,000 tonnes of ore at a grade of 7.35 g/t and a metallurgical recovery of 84.8% was processed compared to 2,394,000 tonnes at a grade of 7.53 g/t and a metallurgical recovery of 83.5% in 2001. Gold production in 2002 was 471,359 ounces compared to 482,982 ounces in 2001, the reduction being due to the lower feed grade and processed tonnage. Plant throughput and processing efficiency were affected by higher than planned maintenance downtime on the SAG mill and persistent power outages. In the second and third quarters the BIOX'r' section of the plant under-performed when bacterial activity was impaired following the use of old nutrients in April. In the fourth quarter, a SAG mill, previously installed at the Pompora Treatment Plant, was relocated to STP to provide additional capacity and operational flexibility. Commissioning of this mill took place in the first quarter of 2003.

OTP processed a total of 435,000 tonnes of Homase open pit ore and heap leach tailings to produce 23,390 ounces.

Throughput at the TTP was 1,840,000 tonnes at 2.29 g/t compared to 1,666,000 tonnes at 2.46 g/t in 2001. Metallurgical recovery at 31.2% was a reduction on the previous year's 32.7%. The lower feed grade and recovery resulted in the production of 42,275 ounces compared to 42,999 ounces the previous year, a reduction of 2%.

Gold recoveries in different processing facilities depend in a large measure on the type of ore being processed. The underground ores at Obuasi are generally refractory and metallurgically more difficult to treat than non-refractory ores. In the refractory component of the ore, the gold is bonded with sulfide minerals and is not optimally recoverable by either gravity or direct cyanide leaching without additional processing. At Obuasi, the minerals associated with gold in the refractory ore are arsenopyrite, pyrite and pyrrhotite. The gold is encapsulated within the crystal structure of these minerals. In order to recover the gold, these sulfide minerals are pre-concentrated and then broken down by the BIOX'r' process, as discussed below, before the gold can be extracted through conventional cyanide leaching.

The gold concentrate, either in the form of gravity concentrates or gold-plated electro-winning cathodes, is sent to a smelting facility, where it is heated with a fluxing agent in smelting furnaces and poured into briquette moulds. The gold bars are weighed, assayed, stamped and shipped to the refiner for refinement into gold bullion.

Water used in the processing plants is sourced from local rivers. A significant amount of the water used in the treatment process is recycled.

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Processing Plant Capacities

Plant	2002 Capacity (tonnes/month)	2001 Capacity (tonnes/month)	2000 Capacity (tonnes/month)
Sulfide Treatment Plant (STP)	210,000	210,000	210,000
Tailings Treatment Plant (TTP)	160,000	160,000	160,000
Total tonnes per month	370,000	370,000	370,000
Total tonnes per year	4,440,000	4,440,000	4,440,000

Sulfide Treatment Plant

STP uses the BIOX'r' process patented by Gencor for the treatment of its sulfide ores. BIOX'r' is a continuous bacterial leaching process that oxidizes sulfide ore to enable it to be leached by conventional cyanidation techniques.

The BIOX'r' plant is arranged into trains of six tanks each. Each tank contains a solution containing bacteria known as thiobacillus ferro-oxidans and thiobacillus thio-oxidans. The bacteria oxidizes the sulfide ore by consuming the elemental sulfur in the material leaving the encapsulated gold within the material amenable to recovery by cyanide leaching.

The BIOX'r' treatment process takes four days, during which time more than 90% of the sulfur material in the ore is oxidized. The pulp, which contains dissolved sulfur and arsenic and gold-bearing solids, is then "washed" in counter-current decantation thickeners to separate out the gold-bearing solids. The gold-bearing solids are then cyanide-leached in a carbon-in-leach, or CIL, circuit, and the gold solution is pumped to the OTP where it is electro-won onto steel wool cathodes and smelted. The tailings residue from STP, which also contains arsenic, is ph neutralized by the addition of lime prior to being pumped to the Sansu tailings dam. During the BIOX'r' process, the arsenic is fixed with iron to become ferric arsenate, a stable compound, making it safe to deposit the tailings in the dam without risk to the environment. The bacteria used in the BIOX'r' process require particular conditions in which to operate.

The BIOX'r' process requires fresh water and cannot use water recycled from processing operations. The benefits of the BIOX'r' process include high overall gold recovery and improved environmental controls, particularly with regard to the efficient and safe treatment and disposal of the arsenic content of the ore. Gold production from the STP in 2002 was 471,359 ounces from the processing of 2.35 million tonnes of ore at a grade of 7.35 g/t and a plant recovery of 84.8%. This compares with 482,982 ounces from 2.39 million tonnes at a grade of 7.53 g/t and a plant recovery of 83.5% in 2001 and 412,824 ounces from 2.47 million tonnes at a grade of 6.32 g/t and a plant recovery of 82.1% in 2000. Gold production was lower than planned principally due to lower than usual head grades, SAG mill liner problems which impacted mill throughput and persistent power outages. In addition, CIL recoveries were impacted by the unavailability of the oxide plant tanks for extended leach. Biox'r' recoveries were affected by draining of the Biox'r' tanks in an attempt to recover gold lock-up. In the fourth quarter, a SAG mill, previously installed at the Pompora Treatment Plant, was relocated to STP to provide additional capacity and operational flexibility. Commissioning of this mill took place in the first quarter of 2003.

Tailings Treatment Plant

TTP was commissioned in 1988 to reprocess tailings from previous processing operations. The TTP uses carbon-in-pulp, or CIP, technology. TTP is a relatively simple operation, consisting of high pressure water monitoring stations to reclaim the tailings from the dumps and pump the resulting slurry to the plant. The material is then re-ground using ball mills and the pulp is leached by cyanide and the gold collected by activated carbon. Loaded carbon is stripped of gold by elution with caustic cyanide and electro-won onto steel wool cathodes that are smelted into dore bars.

In the financial year 2002, ore throughput at the TTP was 1.84 million tonnes at a grade of 2.29 g/t compared with 1.67 million tonnes at a grade of 2.46 g/t in 2001 and 1.83 million tonnes at a grade of 2.39 g/t in 2000. The average recovery rate in 2002 was 31.2% compared to 32.7% in 2001 and 31.1% in 2000; the lower feed grade and recovery resulted in the production of 42,275 ounces compared to 42,999 ounces the previous year and 43,756 ounces in 2000. At the end of 2001, the tailings reserve increased to 1.3 million ounces of gold following test drilling and metallurgical testwork on the Kokorteasua tailings dam which demonstrated that the re-treatment of this material would be economic.

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Oxide Treatment Plant

The OTP was re-commissioned in the third quarter of 2002 to process ores from Homase. The OTP processed a total of 435,000 tonnes of Homase open pit ore and heap leach tailings to produce 23,390 ounces.

Exploration and Development

At Obuasi a team has been set up to undertake conceptual engineering work on a project to evaluate the options for exploitation of the recently intersected mineralized material extending to depth below 50 level, currently the deepest level accessible from existing mine infrastructure.

The main objectives of the underground diamond drilling program are to improve the definition of mineralized material across the mine and the delineation of new mineralized material in the South Section above 41 level, the North Section of the mine above 20 level and below 50 level across the base of the mine between the northern and southern limits of existing development.

In 2003 the BSVS shaft will be equipped to provide efficient access and hoisting capacity for operations below 26 level in the south of the mine where a significant portion of the mine's ore reserves are located. The shaft has already been sunk and offshaft development is currently being undertaken while the shaft steelwork and winders are being procured. A total of US$13 million has been budgeted for 2002 and 2003 for the equipping of the BSVS.

Drilling below 50 level has provided consistently good results, with several intersections above 20 grams per tonne over mineable widths being made down to 66 level in the vicinity of the KMS, confirming the extension of good grade mineralization to at least 400 meters below the 1,600 meters elevation, currently the deepest level of the existing mine infrastructure.

The table below provides recent uncut drill intersection information for Obuasi below the 50 level. The grade and width statistics listed are only a sample of the results obtained. In total there have been over 100 intersections from drilling below 50 level over a strike length of 2 kilometres, some with no grade, some with higher grade and some with lower grade. The listed intersections represent some of the more recent results and are specifically mentioned because the drilling is primarily targeted at the definition of higher grade material in order to demonstrate higher grade mineralisation and the continuity of the Obuasi gold mineralisation at depth.

Location	BH NO.	Grade (g/t)	Intersected Width (m)	True Width (m)	Level
50S -- 131W	UD50131W04	177.5	2.1	1.5	56 level
	UD50131W05	19.2	2.4	2.0	56 level
	UD50131W06	55.3	5.8	5.0	54 level
50S -- 173E	UD50173E12	39.5	9.0	5.5	66 level
50S -- 187E	UD50187E13	10.1	1.5	1.5	54 level
	UD50173E14	10.6	7.3	5.0	56 level
50S -- 206W	UD50206W43A	41.1	13.2	7.5	56 1/2 level

Power Supply

The Obuasi mine obtains power from the Volta River Authority, or VRA, which is in turn controlled by the Government of Ghana. Power supplies have been subject to outages and voltage fluctuations. The Obuasi mine also obtains some power from the VRA that is supplied from Cote d'Ivoire, which has recently experienced some political instability and civil unrest. We have emergency generator sets available at Obuasi which are capable of supplying adequate power to operate the mine's essential winder and ventilation services in the event of a major disruption of power supply. We also have generator sets that are capable of maintaining the BIOX'r' plant in the event of loss of normal power supplies.

Health, Safety and Environment

Obuasi mine was awarded a three star rating by NOSA, the South African National Occupational Safety Association in 2002. NOSA is a private association devoted to occupational health, safety and environmental risk management concerns. A NOSA five-star rating is the highest rating achievable in the NOSA system. NOSA ratings are determined on the basis of annual audits which examine the safety, health and more recently the environmental status of the operations. NOSA audits worldwide and is a non-profit organization.

Bibiani -- Ghana

Introduction

Bibiani is located in the Western Region of Ghana, 90 kilometers west of Kumasi. We acquired Bibiani in 1996 when we acquired International Gold Resources Corporation, or IGR, a Canadian-listed company, and Ghana Libyan Arab Mining Company Limited, or GLAMCO.

The first records of gold mining at the Bibiani site date from 1902. The mine, however, closed in 1913 after approximately 70,000 ounces of gold had been recovered. Mining activities resumed in 1927 during the second "gold rush" and 2.2 million ounces of gold were produced between 1927 and 1961. In 1961, the property was sold to State Gold Mining Corporation and was shut down in 1968 due to lack of economically recoverable ore. During the period from 1927 to 1968, approximately 8.2 million tonnes of ore were treated at an average grade of 9.5 g/t. In 1987, GLAMCO undertook a drilling program on the old tailings ponds. The first results showed the potential to recover gold on an economic basis and a pilot plant was commissioned. Production of gold started in 1989 but due to difficulties in obtaining spares for plant maintenance, the plant shut down two years later. During this period, 104,000 tonnes of gold tailings from past mining were processed. In 1991, IGR applied for an extension of the original concession and joined up with GLAMCO in an exploration program.

In 1996, we purchased the entire share capital of IGR and GLAMCO and commenced the development of the Bibiani open pit mine.

The mine was fully commissioned on February 8, 1998 and the first gold was poured on February 24, 1998. The main open pit operations are scheduled to be completed in 2004 although mining operations could be further extended by the introduction of underground operations or the acquisition of adjacent deposits.

In 2002, Bibiani produced 242,432 ounces at a cash operating cost of US$180 per ounce compared to 253,052 ounces at a cash operating cost of US$170 per ounce in 2001 and 273,711 ounces at a cash operating cost of US$134 in 2000. The reduction in gold production was due to harder ore resulting in lower plant throughput and lower metallurgical recovery and in turn resulting in a higher cash operating cost per ounce produced. Costs were also impacted by a water shortage in the first quarter.

Milled throughput for 2002 was 2.57 million tonnes at a feed grade of 3.72 g/t compared to 2.77 million tonnes at 3.46 g/t the previous year and 2.76 million tonnes at 3.70 g/t in 2000. As was the case in the previous years, the reconciliation between the reserve model and the actual mined grade and tonnage showed a more positive variance than expected and the operation continued to exceed performance level predictions. Metallurgical recovery in 2002 decreased to 79.0% from 83.7% in 2001 (2000: 86.7%) due to the mining and processing of more refractory ore types during the year.

Reserves

The proven and probable contained gold reserves at Bibiani as at December 31, 2002, 2001 and 2000 are set forth in the table below:

	As at December 31, 2002				As at December 31, 2001		
	Estimated Average Metallurgical Recovery %	Ore Tonnes (millions)	Grade g/t	Contained Gold Ounces (millions)	Ore Tonnes (millions)	Grade g/t	Contained Gold Ounces (millions)
Proven reserves surface	86	1.9	1.8	0.1	1.4	1.9	
Proven reserves tailings	60	4.4	1.1	0.1	4.4	1.1	
Proven reserves total		6.3	1.3	0.2	5.8	1.3	0.2
Probable reserves surface	86	3.5	3.3	0.4	6.1	3.2	
Probable reserves tailings	60	0.4	1.0		0.4	1.0	
Probable reserves underground		1.2	4.6	0.2			
Probable reserves total		5.1	3.1	0.6	6.5	3.1	0.7
Total ore reserves		22.8	2.0	0.8	12.3	2.2	0.9

For economic studies and the determination of cut-off grades, we assumed a gold price of US$300 per ounce.

The grade estimate is inclusive of adjustments for mining dilution and ore losses during mining. Metallurgical losses are excluded from the calculation of contained gold ounces.

Geology

The Bibiani gold deposit lies within Birimian metasediments and related rocks which occur in the Proterozoic Sefwi Belt of southern Ghana. Gold and gold-bearing sulfide mineralization occurs in quartz filled shear zones and in altered rocks adjacent to those shears. The full strike of the Bibiani structure is at least 4 kilometers.

For metallurgical classification there are three main ore types at Bibiani: primary, transition and oxide. Further lithological classification gives four ore types: quartz (generally high grade), stockwork (medium-high grade), phyllites and porphyry (both low grade).

Mining Methods

We conduct conventional open pit mining at Bibiani using a mining contractor. Mining is carried out using conventional drill and blast techniques and excavators and dump trucks. In line with the life of the open pit reserve, the mining contract comes to an end in 2004. No additional amounts are payable by us on termination.

Processing Methods

Ore is processed using a conventional CIL processing system. Currently the plant is handling 2.7 mtpa of mainly primary ore with the potential to add 0.6 mtpa of tailings.

Exploration and Development

During 2002 the evaluation of a trackless underground mining operation to exploit extensions of the open pit resources at depth was completed. The report concluded that the first phase of extending the mine should be via a ramp access system developed from within the main pit to enable extraction within approximately 100 metres of the base of the ultimate pit and to provide access for exploratory drilling that will target the deeper levels.

Mining of the Mpasetia deposit, located to the north east of the Bibiani concession, commenced in the first quarter of 2002 and contract haulage of the ore to the Bibiani processing plant started during the second quarter of 2002.

We have also taken steps to provide the mine with more water by constructing catchment ponds to provide backup to the reducing levels returning from the tailings dam.

Power Supply

Bibiani mine obtains power from the VRA. We have very limited back-up power available and so our operations are dependent on power supplied by the VRA. In 1998 a severe drought drastically reduced the hydro-electric power produced by the VRA, which in turn resulted in a severe disruption of our operations. Processing was affected in the third quarter of 2002 due to persistent short duration power outages.

Health, Safety and Environment

In 2002, Bibiani was awarded a NOSA four-star integrated rating and received ISO 14001 accreditation. As part of an ongoing commitment to the local community and the environment, Bibiani has initiated an award winning program of revegetation at a former open pit mine site that was first re-filled, provided micro finance for a variety of community business projects, sponsored education programs and assisted in the health sector by supporting local hospitals and clinics as well as promoting HIV/AIDS awareness and prevention programs for both employees and the local community.

Iduapriem/Teberebie -- Ghana

Introduction

The Iduapriem mine, which is owned by Ghanaian Australian Goldfields Limited, or GAG, is located in the Western Region of Ghana some 70 kilometers north of the coastal city of Takoradi, and 10 kilometers south west of Tarkwa. We acquired an 80% interest in the Iduapriem mine in 1996 when we acquired GAG's holding company.

Mining operations at Iduapriem commenced in June 1992 with the first gold poured in September 1992. A review of the economics of the mine was carried out in 1998 resulting in an anticipated closure of the mine at the end of 1999.

In June 2000, we acquired the entire issued share capital of Pioneer Goldfields Limited, or Pioneer, which owns 90% of Teberebie Goldfields Limited, or TGL (being the company which owns the mining lease to the Teberebie mine located adjacent to Iduapriem), together with inter-company loans which amounted to an aggregate of approximately US$20 million. The consideration was satisfied by us as an initial cash payment of US$5 million on completion and deferred cash payments of US$13.8 million payable in installments over a five year period. The terms of the agreement also include the potential for contingent consideration cash payments of up to US$5 million dependant upon minimum gold prices and production levels. On March 19, 2003, we entered into an agreement with Pioneer to reduce the remaining deferred consideration by US$1.1 million. In exchange, we agreed to terminate all the continuing obligations of the Pioneer group under the original share purchase agreement. On August 23, 2000, Pioneer sold certain of the assets of TGL to Gold Fields Ghana Limited for US$5 million in cash.

The acquisition of the Teberebie reserves thereby extended the Iduapriem mine's life to approximately 2012. The ore from Teberebie is processed through the CIL plant at Iduapriem.

Gold production by Iduapriem for 2002 was 185,199 ounces, compared to the previous year's 205,130 ounces. The cash operating costs increased to US$232 per ounce from US$214 per ounce in 2001, due to the lower gold production.

At 4.39 million tonnes, the ore mined in 2002 compared with 4.85 million tonnes the previous year, whilst the mined grade at 1.66 g/t was higher than the 1.58 g/t achieved in 2001. The higher grade resulted from mining of the Teberebie ore blocks.

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Reserves

The proven and probable contained gold reserves at Iduapriem and Teberebie as at December 31, 2002, 2001 and 2000 are set forth in the table below:

		As at December 31, 2002			As at December 31, 2001		
	Estimated Average Metallurgical Recovery %	Ore Tonnes (millions)	Grade g/t	Contained Gold Ounces (millions)	Ore Tonnes (millions)	Grade g/t	Conta Gol Ounc (milli
Proven Reserves	94	35.1	1.7	1.9	31.4	1.7	1.
Probable Reserves	94	13.9	1.7	0.8	7.2	1.7	0.
Total Ore Reserves	94	49.0	1.7	2.7	38.6	1.7	2.

	As at December 31, 2000		
	Ore Tonnes (millions)	Grade g/t	Contained Gold Ounces (millions)
Proven Reserves	24.9	1.8	1.5
Probable Reserves	15.1	1.4	0.7
Total Ore Reserves	40.0	1.7	2.2

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For economic studies and the determination of cut-off grades, we assumed a gold price of US$300 per ounce.

The grade estimate is inclusive of adjustments for mining dilution and ore losses during mining. Metallurgical losses are excluded from the calculation of contained gold ounces.

During 2002, the proven and probable contained gold reserves at Iduapriem / Teberebie were re-estimated on the basis of new cost parameters based on the upgraded and expanded CIL plant which is to be commissioned shortly.

Geology

The Iduapriem and Teberebie gold mines are located along the southern end of the Tarkwa basin. The mineralization is contained in the Banket Series of rocks within the Tarkwaian System of Proterozoic age.

The outcropping Banket Series of rocks in the mine area form prominent, arcuate ridges extending southwards from Tarkwa, westwards through Iduapriem and northwards towards Teberebie.

Mining Methods

We conduct conventional open pit mining methods at Iduapriem and Teberebie.

From March 1998, ore and waste mining has been undertaken using a contract mining company.

Processing Methods

The open pit ore is treated at Iduapriem/Teberebie using either CIL plant or heap leach processing technologies. A total of 185,199 ounces of gold was produced in 2002 from the Iduapriem CIL, Iduapriem heap leach and the Teberebie east heap leach plants, compared to 205,130 ounces in 2001. In 2002 a decision was taken to optimize the combined Iduapriem/Teberebie properties by expanding the capacity of the main processing plant. The processing plant is now being upgraded to increase throughput from 2.8mtpa to 4.5mtpa with recovery in excess of 94.5%. The project includes the installation of an additional SAG mill, upgrading of the leach and elution circuits, conversion from CIL to CIP, construction of a new crushed ore stockpile and reclaim conveyor system, the relocation of crushing activities to a larger, already operational crusher which is located adjacent to the Teberebie pits and the installation of an overland conveyor to transfer the crushed product to the Iduapriem processing plant. The upgrade of the processing plant was completed and tied into the existing plant circuits at the end of the first quarter of 2003. The crusher and overland conveyor components of the project are expected to be completed and commissioned during the second quarter of 2003 with the upgrade achieving full capacity by the end of the same period.

CIL Plant

The CIL plant in its present configuration is composed of a primary jaw crusher followed by a secondary crusher and then a conveyor to transfer ore to the SAG mill. The SAG mill normally operates in open circuit and the mill discharge is pumped to a hydro cyclone circuit. The cyclone underflow is used as ball mill feed to allow finer grinding of the ore. The discharge from the ball mill is pumped to the hydro cyclone unit from where the cyclone underflow is transferred to leach and adsorption tanks, with a nominal residence time of 16 hours.

In 2002, the CIL mill throughput was 2.63 million tonnes of ore at a grade of 1.96 g/t. This compares with CIL mill throughput of 2.73 million tonnes of ore at a grade of 1.92 g/t in 2001. Gold produced from the CIL plant in 2002 was 147,726 ounces compared to 158,103 ounces in 2001, the reduction largely due to lower throughput and metallurgical recovery.

Heap Leach

The Iduapriem heap leach plant was commissioned in November 1996 and shut down in mid 2002 as feed material stocks were depleted. For the heap leach operation at Iduapriem, ore feed was either direct tipped or reclaimed from the heap leach stockpile to a primary jaw crusher crushing at a rate of 2.4 mtpa. The product was then either hauled or conveyed to the active cells constructed on 10 meter high pads designed to contain 200,000 tonnes of crushed ore in each cell.

The solution from the cells was gravity fed to a series of ponds where a three stage upgrade of the solution occurred. At Iduapriem, the solution was then pumped to the CIL leach/adsorption tanks as process feed water solution or to the heap leach carbon columns where gold could eventually be recovered. The plant is currently on care and maintenance pending decommissioning and the heap leach stacks are being rehabilitated.

Heap leach operations are now focused on the Teberebie East plant where it is planned to continue operations until the end of 2003. At an average throughput of 1.6 million tonnes, the plant is presently being operated well below its design capacity. Solution is processed through the existing Teberebie gold recovery plant.

During 2002, heap leach gold production was 37,473 ounces compared to 47,027 ounces in 2001 due to the reduction in stacked tonnage following the cessation of crushing and stacking operations at the Iduapriem heap leach plant in 2001. A total of 1.13 million tonnes were processed solely at the Teberebie heap leach plant compared to 2.63 million tonnes at the combined facilities in 2001. The heap leach metallurgical recovery in 2002 was 91.3% compared to 61.7% in 2001, reflecting the recovery of gold from ores stacked but not fully leached at the Iduapriem pads during the previous year.

Exploration and Development

Following on from the upgrade, a new life of mine plan has been prepared for the Iduapriem/Teberebie mines which includes the exploitation of the previously uneconomic old Iduapriem Blocks 3W, and 5 together with the inclusion of the Ajopa deposit. In 2002, exploration focused on the Ajopa concession and infill drilling between Blocks 7 and 8. In 2003, a review of mineralization below the present economic pit designs will be undertaken to assess the overall longer term potential of the underlying banket reefs across the Iduapriem and Teberebie properties.

Power Supply

Iduapriem mine obtains power from the Electricity Company of Ghana, or ECG, which is controlled by the Government of Ghana and receives its supply from the Volta River Authority, or VRA. Power supplies have in the past been subject to outages and voltage fluctuations. We have very limited back-up power available and so our operations are dependent on power supplied by the VRA. In 1998 a severe drought drastically reduced the hydro-electric power produced by the VRA, which in turn resulted in a severe disruption of our operations. As part of the ongoing upgrade of the processing plant, a new 33KV transmission line has been installed to deliver the power required for the additional SAG mill.

Health, Safety and Environment

Iduapriem was re-awarded a four-star NOSA rating during 2002 and, as with some of our other mines, is undertaking a program targeting a five star integrated NOSA rating and ISO 14001 accreditation. Rehabilitation work on the spent heap leach pads, the old tailings dam and disused waste dumps have been prioritized. The main focus of the rehabilitation program has been the planting of a variety of species of trees germinated in the mine's nursery. Iduapriem provides community assistance by supporting local education and medical facilities and a variety of community projects such as the provision of boreholes and pumps for clean water. There are programs in place to promote HIV/AIDS awareness and prevention for both employees and the local community.

Financing

Iduapriem is financed by US$23.4 million of bank debt (excluding accrued interest of US$6.0 million) and an additional US$8.8 million owed to Pioneer. Under the terms of the bank financing, we are not permitted to make any distribution to ourselves until this bank debt has been repaid in full.

Ayanfuri -- Ghana

We acquired the Ayanfuri mine, located in the Central Region of Ghana in 1996 from Cluff Resources. Exploration leading to the establishment of the Ayanfuri mine commenced in 1988 and following the preparation of a feasibility study, project construction started in 1994. Construction was completed at the beginning of October 1994 with the first gold bar poured at the end of November. Production since start-up to December 31, 2001 has been approximately 0.32 million ounces of gold. Mining was by open pit methods and the operation utilized heap leach processing technology in the treatment of the oxide ores.

In 2001, 329,000 tonnes at a grade of 1.2 g/t, compared with 1.12 million tonnes in 2000 at a grade of 1.22g/t, were processed. As at December 31, 2001, 11,517 ounces of gold were produced at a cash operating cost of US$243 per ounce compared to 36,316 ounces in 2000 at a cash operating cost of US$245 per ounce. The reduction in gold output was due to the depletion of the mine's ore reserves. At the end of the second quarter of 2001, the mining operations ceased and the mine closure plan, which is estimated to cost approximately US$3 million, is currently being implemented.

Siguiri -- Guinea

Introduction

The Siguiri gold mine is located in the Siguiri District in the northeast of the Republic of Guinea, West Africa, approximately 850 kilometers from the capital city of Conakry. The nearest important town is Siguiri (approximately 50,000 inhabitants), located on the banks of the Niger River. We own 85% of the Siguiri gold mine and the Government of Guinea owns the remaining 15%. We acquired our interest in Siguiri in 1996.

In 1985, Societe Aurifere de Guinee S.A., now called Societe Ashanti Goldfields de Guinee S.A., or SAG, was formed under the laws of the Republic of Guinea to explore the gold resources of the Siguiri concession. Initially, SAG was owned 51% by Chevaning Mining Company Limited, or CMC, and 49% by the Government of Guinea. In 1993, Golden Shamrock Mines Ltd of Australia acquired 100% of CMC and also renegotiated the terms of the agreement with the Government of Guinea such that the Government's equity interest in Siguiri was reduced from 49% to 15%.

SAG carried out alluvial gold mining operations in a small part of the concession between 1988 and mid-1992 and built substantial infrastructure in the area, including a town site now known as Koron. After modest gold production, these operations were discontinued. Following our acquisition of Siguiri, we began the development of a US$55 million heap leach mine and processing facility and the improvement of the access road to Siguiri. Operations began at Siguiri in 1998. The life of mine plan currently projects mining until approximately 2007.

In 2002, Siguiri produced a total of 269,292 ounces at a cash cost of US$230 per ounce, compared with 283,199 ounces at US$220 per ounce in 2001 and 303,381 ounces at US$181 per ounce in 2000. Production and cash costs were impacted by lower than targeted gold production from the stacked material during the year and higher mined tonnages.

A total of 9.46 million tonnes of ore were mined in 2002 compared to 8.52 million tonnes in 2001 and 10.8 million tonnes in 2000. The heap leach plant processed a total of 9.46 million tonnes grading at 1.16 g/t compared to 9.06 million tonnes at 1.33 g/t the previous year and 8.88 million tonnes at 1.34 g/t in 2000.

Reserves

The proven and probable contained gold reserves at Siguiri as at December 31, 2002, 2001 and 2000 are set forth in the table below:

		As at December 31, 2002			As at December	
	Estimated Average Metallurgical Recovery	Ore Tonnes (millions)	Grade g/t	Contained Gold Ounces (millions)	Ore Tonnes (millions)	Grade g/t
Proven Reserves	90	19.1	1.2	0.7	20.9	1.1
Probable Reserves	90	36.3	1.2	1.4	35.8	1.2
Total Ore Reserves	90	55.4	1.2	2.1	56.7	1.2

	As at December 31, 2000		
	Ore Tonnes (millions)	Grade g/t	Contained Gold Ounces (millions)
Proven Reserves	22.5	1.1	0.8
Probable Reserves	37.9	1.3	1.5
Total Ore Reserves	60.4	1.2	2.3

For economic studies and the determination of cut-off grades, we assumed a gold price of US$300 per ounce.

The grade estimate is inclusive of adjustments for mining dilution and ore losses during mining. Metallurgical losses are excluded from the calculation of contained gold ounces.

Geology

The SAG concession is dominated by Proterozoic Birimian rocks which consist of turbidite facies sedimentary sequences.

Two main types of gold deposits occur in the Siguiri basin and are mined by SAG. These are:

- Laterite or CAP mineralization which occurs as aprons of colluvial or as palaeochannels of alluvial lateritic gravel adjacent to and immediately above in-situ mineralization

- Quartz vein related mineralization hosted in meta-sediments with the better mineralization associated with vein stockworks that occur preferentially in the coarser, brittle siltstones and sandstones. The mineralized rocks have been deeply weathered to over 100 meters in places to form saprolite or SAP mineralization.

The CAP and SAP ore types are currently blended and processed using the heap leach method.

Mining Method

All ore and waste is mined using a mining contractor in a conventional open pit mining operation. Due to the weathering profile of the mineralized and associated waste zones, extensive areas can be freely dug by hydraulic excavators, with light blasting operations conducted where required.

The primary material movement fleet is a combination of 160 tonne and 100 tonne hydraulic excavators and 85 tonne trucks. The mining fleet includes auxiliary equipment (dozers, graders, water carts, etc) for haul and pit access road construction, maintenance and rehabilitation work.

Ore is hauled directly to the primary crusher or to run-of-mine stockpiles adjacent to the primary crusher. Crushed ore from the primary crusher is delivered by conveyor to the treatment facilities for processing. In the event of conveyor failure, ore can be hauled to the original stockpile and crushing facilities and fed by front end loaders as part of the ore processing operation.

Processing Method

Ore is currently processed using the heap leach method. The heap leach facility has a capacity of 9.0 mtpa. The facility includes the heap leach pad area, ore crushing, agglomeration and stacking system, solution ponds and gold extraction plant.

The CAP and SAP ores are blended, crushed and mixed with a cement binder to agglomerate the material, which aids percolation and pH-control and gives stability to the stacked ore. The material is then stacked in 10 meter lifts on large plastic sheeted pads. The stack is then sprayed with a dilute cyanide solution which percolates through the agglomerated ore, leaching out the gold in the process. The plastic sheeting prevents the cyanide solution from contaminating the ground and allows the gold-bearing solution to be gravitated to collection ponds. The solution is then either re-sprayed back onto heaps or pumped to the gold recovery

section of the plants. Activated carbon is then added to adsorb the gold from solution. This is then eluted and the gold electro-won onto cathodes. The cathodes are smelted to produce dore bars.

Plant recovery for the year ended December 31, 2002 was 76.3%, up from 73.1% in 2001. The increased recovery reflects the cascade effect of incremental recovery from gold stacks on the heap in 2001 but not recovered until 2002. Plant recovery for 2001 reduced to 73.1% from 79.3% in 2000. This was largely due to solution reticulation and third layer stacking problems which resulted in lower than anticipated leach rates. During 2001, considerable work was undertaken to solve these problems. The third layer stacking was suspended while the solution management system was upgraded and the controls on blending the lateritic and saprolitic ore types improved. In 2002, solution reticulation capacity and the area under irrigation were increased and the locked up gold is presently being recovered.

Siguiri CIP Expansion Plan

We have concluded a feasibility study to provide for the processing of predominantly SAP ores through a CIP processing plant and expect it to be completed in the second quarter of 2004. We expect the CIP facility to have a capacity of 9.0 mtpa and to produce approximately 300,000 ounces of gold per year. The CIP plant will consist of a primary crusher followed by a scrubber where the plus 10mm fraction will be separated and re-directed to the heap leach agglomeration plant. The minus 10mm product (scrubbed slurry) will go through a classifying cyclone and the underflow will be ground in a ball mill. The milled product and cyclone overflow will be leached through seven mechanically agitated CIP tanks and the loaded carbon will be washed and eluted prior to electro-winning and smelting.

Competitive tenders have been requested for the engineering design and construction management of the project. The expansion is expected to cost approximately US$32 million (excluding the cost of the new power plant which will be owned and operated by a third party) and expect it to be operational by the end of the second quarter of 2004. We plan to fund the capital costs through a combination of cashflow from Siguiri and corporate funding. Although we expect cash operating costs to decrease at Siguiri as a result of this expansion, the principal advantage of the CIP plant is that we will be able to treat SAP ores alone. Currently the SAP ores must be blended with CAP ores in the appropriate proportions to be processed at our current facility. As the mine life for Siguiri has extended, and the CAP deposits in the area have been mined, there has been a gradually reducing ratio of CAP to SAP ores available to be treated through the heap leach facility. The change in the ratio of CAP to SAP ores has resulted in increased processing costs and less certainty over metallurgical recoveries because we have had to add more cement in order to stabilize the heaps. Once the CIP plant is commissioned, heap leach processing will be reduced to approximately 15% of the total tonnage processed, this tonnage representing the coarser and harder fraction of the ore being screened for grinding and CIP processing. We therefore expect production from the heap leach plant throughput to reduce to around 1.5 million tonnes per year and gold production to be around 50,000 ounces per year.

Exploration and Development

In 2001, our exploration around the Siguiri mine site was mainly targeted at locating and defining CAP mineralization. Reserves were also outlined at Sintroko, 4 kilometers south of the Kosise pit and at Sokunu. During 2002 a new saprolite deposit was discovered at Bidini near Eureka Hill. Now that we have decided to construct the CIP plant to treat SAP ore, we will increasingly target future exploration for additional SAP mineralization.

Power Supply

Siguiri mine is supplied with its power from diesel generating sets operated by a power provider. There is no access to the national power grid at Siguiri. Monthly consumption is presently around 3.7 million kilowatt hours and the reliability of supply is dependent upon timely deliveries of diesel. Following commissioning of the CIP plant, power requirements will increase to around 10 million kilowatt hours per month and a new and more efficient power station is to be constructed, rated at approximately 20 megawatt capacity, to meet this power requirement. The new power plant, which will be owned and operated by a power provider, will use heavy fuel oil. The existing power plant will be maintained as a back up facility. The cost of power is presently US$0.134 per kilowatt hour while power from the new station is expected to cost around US$0.10 per kilowatt hour, at current oil prices.

Health, Safety and Environment

Siguiri was awarded a five-star NOSA rating during 2002 and, as with some of our other mines, is undertaking a training and work program targeting a five star integrated NOSA rating and ISO 14001 accreditation. There is a comprehensive environmental monitoring system at Siguiri in respect of dust, noise and effluent control. A program of land restoration is in place with emphasis on re-grassing disused dumps and the planting of a variety of indigenous trees. Siguiri mine provides community assistance by supporting local education and medical facilities and a variety of community projects such as the provision of boreholes and pumps for clean water. There are programs in place to promote HIV/AIDS awareness and prevention for both employees and the local community.

Geita -- Tanzania

Introduction

The Geita mine is situated in northwestern Tanzania approximately 90 kilometers from the regional capital of Mwanza and 20 kilometers south of Lake Victoria in an area known as the Lake Victoria Goldfields. The operation is currently owned and operated jointly by us and AngloGold Limited in a joint venture following the purchase of a 50% interest in the project by AngloGold Limited in December 2000.

Geita covers some 373 square kilometers of prospecting licenses with the inclusion of the AngloGold Limited Nyamulilima Hill license into the joint venture. Within this area a special mining license has been granted covering 114 square kilometers.

The Geita deposit was first mined as an underground operation between 1938 and

1966 and it is estimated some 940,000 ounces of gold were produced at a mean recovered grade of approximately 5.3 g/t. At this time Geita was the largest operating gold mine in East Africa. In the late 1980s, the area became the focus of artisanal mining. In 1991 Cluff Resources Plc, or Cluff, acquired the Geita East and Geita West prospecting licenses, SAMAX acquired the Kukuluma prospecting licenses and, in 1994, Cluff acquired the Geita Hill prospecting license. Both companies commenced exploration soon after obtaining their respective license areas. Cluff and SAMAX were acquired by us in 1996 and 1998 respectively.

A feasibility study for the project was completed by us in November 1998 which detailed the construction of a CIL processing plant, fuel fired power plant, mine village, services, related infrastructure and initial open pit mining activity. Extension and infill drilling continued during the construction period and the reserves and mine life were significantly increased with an improvement in overall economics.

The construction of the US$165 million Geita mine began in 1999 and was completed in 2000 on budget and ahead of schedule with gold production commencing in June 2000. A total of 1.24 million tonnes of ore at a grade of 3.00 g/t were mined at a strip ratio of 9.6:1 in the seven months ended December 31, 2000. By the end of 2000, 176,836 ounces of gold were produced at a cash operating cost of US$145 per ounce. In 2001, a total of 4.58 million tonnes were processed at a grade of 3.91 g/t and a recovery of 93.0%.

In the year ended December 31, 2002, 579,043 ounces of gold were produced at a cash operating cost of US$163 per ounce. We anticipate that production will be lower for the next two quarters due to lower mined grades as waste stripping continues in cut 3 at Nyankanga.

The total ore reserve at Geita increased during our period of exclusive ownership from zero ounces at the time of purchase in early 1996 to 7.8 million ounces at the end of 2000 when 50% of the project was acquired by Anglogold. We raised approximately US$335 million (prior to costs of disposal) on the sale in December 2000 of 50% of our interest in the Geita mine to AngloGold Limited.

In the last quarter of 2001, the haul road between the Kukuluma deposit and the processing plant was completed and a haulage contract was signed to commence production from that deposit in the first quarter of 2002.

We have upgraded the crushing system and leaching tank circuits in order to increase plant throughput capacity and gold production to between 5.6 and 6.0 million tonnes and 600,000 ounces per year respectively. This upgrade was completed in the first quarter of 2003.

Reserves

The proven and probable contained gold reserves at the Geita mine, 50% of which are attributable to us, as at December 31, 2002, 2001 and 2000 are set forth in the table below:

	Estimated Average Metallurgical Recovery %	As at December 31, 2002 Ore Tonnes (millions)	Grade g/t	Contained Gold Ounces (millions)	As at December 31, 200 Ore Tonnes (millions)	Grade g/t	Conta Go Oun (mill
Proven Reserves	90	30.8	3.7	3.6	37.7	3.4	4
Probable Reserves	90	39.6	4.6	5.8	25.0	4.5	3
Total Ore Reserves	90	70.4	4.2	9.4	62.7	3.8	7

	As at December 31, 2000 Ore Tonnes (millions)	Grade g/t	Contained Gold Ounces (millions)
Proven Reserves	41.3	3.5	4.6
Probable Reserves	22.3	4.5	3.2
Total Ore Reserves	63.6	3.8	7.8

For economic studies and the determination of cut-off grades, we assumed a gold price of US$300 per ounce.

The grade estimate is inclusive of adjustments for mining dilution and ore losses during mining. Metallurgical losses are excluded from the calculation of contained gold ounces.

Geology

Geita is found within the Archaean Greenstone belt terrain of Northern Tanzania and consists of a series of Banded Ironstone Formations, or BIF, within a generally poorly exposed sequence of felsic/intermediate volcanics. This sequence overlies mafic volcanics. The BIF, often in the form of distinct ridges, are complexly folded and thrust. Nearly all the gold mineralization is found within or in close proximity to the BIF.

A number of mineralized trends occur on the Geita concessions. The five kilometer long Nyankanga -- Lone Cone -- Geita Hill mineralized trend contains the bulk of Geita's reserves. The western portion of the Nyankanga deposit is hosted predominantly in an altered diorite while further east gold mineralization is associated with the more typical BIF units. Gold is associated with pyrite and silicic alteration and dips at 25-35 degrees to the north. At Geita Hill and Lone Cone, gold mineralization is associated with pyrite and silicic alteration with BIF units dipping 45-55 degrees to the north and north-west. The Kukuluma -- Matandani --Area3 West deposits are located in topographic lows incised into the ancient (Cretaceous) hill-top ferricrete plateau. Mineralization is related to sheared and folded BIF sequences within carbonaceous mudstones and felsic tuffs. Oxide gold mineralization extends up to 100 meters below surface while the primary gold ores are associated with pyrite and arsenopyrite sulfides.

In the far west of the Geita concessions, Nyamulilima Hill rises above the surrounding plains and comprises a BIF sequence flanked by felsic volcanics that have been intruded by silicified quartz felspar porphyry (QFP). The Ridge 8, Star and Comet and Roberts deposits are hosted in BIF and/or at the BIF/QFP contact. Gold is associated with disseminated pyrite and silicic and sericitic alteration.

Mining Methods

The Geita Mine is an open pit operation with mineralized material extending below the lowest depth of all the pits. At present there are three pits in operation:

- Nyankanga (the largest);
- Lone Cone; and
- Kukuluma:

Other pits to be mined in the future include Geita Hill, Chipaka, Matandani, Roberts and Area 3 West.

Mining of the ore and waste is carried out using conventional open pit techniques and is undertaken using a mining contractor. The key terms of the contract are the quantities to be mined over the life of the mine as engineered at the time of contract agreement and the termination agreement in which the parties can give each other notice, subject to compensation reflecting payment for capital spent by the contractor on plant and demobilization. At any one time, a number of pits will be in operation to provide mining flexibility and a blend of oxidized, transition and primary ores. The ore is hauled to the crusher where it is either tipped directly into the crusher or placed on the Run of Mine, or ROM, stockpile and rehandled later by front end loaders. All technical services, mine planning, mining contract management, survey control and geotechnical support functions are carried out by Geita mine staff.

Over the next five years the ore and waste mining rate is programmed to be close to 50 mtpa at a strip ratio of approximately 9:1. At the end of 2001, the mining contractor was changed following a re-tender of the contract to accommodate an increase in the mining rate.

The primary material movement fleet consists of a combination of Komatsu 785 and Caterpillar 77 trucks and a combination of Komatsu PC1100 and PC1800 excavators. The fleet comprises auxiliary equipment (dozers, graders, water carts, etc) for haul and pit access, road construction, maintenance and rehabilitation. The equipment is owned by the mining contractor.

Processing Method

The Geita processing plant has a name plate capacity of approximately 4.5 mtpa. The ore is crushed and then fed into a SAG and ball mill grinding circuit with a recycle crushing system. The material is passed through a gravity circuit comprising two Knelson concentrators and a "Gekko" in line leach reactor which treats the concentrate via an intensive cyanidation process. The pulp is thickened and then pumped into the leach tanks for leaching in cyanide. The loaded carbon is recovered and washed before being sent to the elution section of the plant for gold stripping and final conversion into dore. The stripping plant includes a 14 tonne capacity elution circuit with electro-winning (using stainless steel cathodes) and direct smelting of the calcined sludge.

We have upgraded the crushing system and leaching tank circuits in order to increase plant throughput capacity and gold production to between 5.6 and 6.0 million tonnes and 600,000 ounces per year respectively. This upgrade was completed in the first quarter of 2003.

Exploration and Development

During 2002, drilling continued on a number of deposits to outline additional reserves. Drilling was undertaken at Nyankanga, Geita Hill, Lone Cone, Roberts, Chipaka, Kukuluma, Matandani and Area 3 West. Over 88,000 metres of drilling was undertaken during the year, targeting mainly the depth extent of Nyankanga and the gap area between Geita Hill and Lone Cone. This demonstrated a 5 kilometre long zone of gold mineralisation from Nyankanga to Geita Hill. Reserves at Geita Hill increased by 46% to 2.0 million ounces (20.2 million tonnes grading 3.1 g/t) and by 16% to 5.7 million ounces (33.5 million tonnes grading 5.3 g/t) at Nyankanga.

Infill drilling was also completed at Star and Comet (part of the original Nyamulilima licence block) during the last quarter of 2002. Significant intersection at Star and Comet included 7 metres grading 8.36 g/t from 76 metres, 6 metres at 10 g/t from 122 metres and 19 metres of 17.3 g/t from 113 metres.

Power Supply

Power is supplied by generators. In 2001, mechanical failures occurred on the prime generators at the Geita power plant necessitating the importation by the manufacturer of additional generator sets to secure power supplies. The manufacturers of the engines used in the power plant are in the process of rectifying the problems with these machines. Throughout this problem period, no significant material interruptions to processing resulted from the generator failure.

Health, Safety and Environment

The Geita mine has been certified with an ISO1400 health and safety rating and has been awarded a NOSA four-star integrated rating during 2002. A training and work program is being implemented to improve safety, health and environmental standards and to upgrade the mine's NOSA rating to five star integrated.

There is a comprehensive environmental monitoring system at Geita in respect of dust, noise and effluent control. A program of land restoration is in place with emphasis on re-grassing disused dumps and the planting of a variety of indigenous trees. The Geita mine provides community assistance by supporting local education and medical facilities and a variety of community projects such as the provision of boreholes and pumps for clean water and financial and technical support for local micro business enterprises. There are programs in place to promote HIV/AIDS awareness and prevention for both employees and the local community.

Financing

The Geita mine is financed by shareholder loans and a US$135.0 million project finance facility of which US$102.7 million was outstanding as at December 31, 2002. Geita is restricted from making distributions or repayments of shareholder loans until the debt service reaches a specified level and it shall be further restricted from making such payments if certain financial covenants are not met or if the aggregate marked-to-market value of the hedges relating to the Geita mine exceeds a figure which is currently US$132.5 million (negative). In addition, Geita is obliged to make mandatory repayments of the Geita facility whenever it pays a dividend or other distribution, including repayment of shareholder loans.

Freda-Rebecca -- Zimbabwe

Introduction

We acquired the Freda-Rebecca mine in 1996 with the acquisition of Cluff Resources. The mine is located at Bindura in Zimbabwe. We now conduct underground mining operations at Freda-Rebecca as the open pits were mined out in 1998. The ore is processed by means of a conventional CIL plant which was designed to treat open pit sulfide ore. The life of mine plan currently projects mining until approximately 2005 at current production rates.

In 2000 a total of 112,164 ounces was recovered from the processing of 1.0 million tonnes of ore grading 3.89 g/t at a metallurgical recovery of 89.8%. In 2001, a total of 1.156 million tonnes of ore was mined from underground. In the 12 months ended December 31, 2001, Freda-Rebecca mine produced 102,654 ounces of gold at a cash operating cost of US$222 per ounce compared to US$198 per ounce in 2000. The head grade was 3.30 g/t, whilst the metallurgical recovery was 86.4%. In the year ended December 31, 2002, 1.077 million tonnes of ore was mined and we produced 98,255 ounces of gold at a cash operating cost of US$214. The headgrade was 3.22 g/t and the metallurgical recovery was 82.2%. Over the past few years the robust, higher grade, easier production ore blocks have been mined, resulting in production being at a higher than average reserve grade. In 2002, metallurgical recovery continued to be impacted upon by mechanical problems in the milling and leach tanks sections of the processing plant as well as the processing of more refractory ores emanating from the western extremity of the mine. The lower production was due to planned and unplanned maintenance down time on the SAG mill and lower metallurgical recovery that resulted from fluctuating throughput rates and reduced leach tank capacity. Over the last year, due to the support price mechanism set by the Government of Zimbabwe, the price realized per ounce on the sale of gold to the Government of Zimbabwe, when translated at the official exchange rate, has been higher than the prevailing market price.

Reserves

The proven and probable contained gold reserves of Freda-Rebecca as at December 31, 2002, 2001 and 2000 are set out in the table below.

		As at December 31, 2002			As at December 31, 200		
	Estimated Average Metallurgical Recovery %	Ore Tonnes (millions)	Grade g/t	Contained Gold Ounces (millions)	Ore Tonnes (millions)	Grade g/t	Conta Go Oun (mill
Proven Reserves	83	3.8	2.5	0.3	4.3	2.5	0
Probable Reserves	83	1.0	2.5	0.1	1.1	2.4	0
Total Ore Reserves	83	4.8	2.5	0.4	5.4	2.5	0

	As at December 31, 2000		
	Ore Tonnes (millions)	Grade g/t	Contained Gold Ounces (millions)
Proven Reserves	4.1	2.4	0.3
Probable Reserves	1.7	2.4	0.1
Total Ore Reserves	5.8	2.4	0.4

For economic studies and the determination of cut-off grades, we assumed a gold price of US$300 per ounce.

The grade estimate is inclusive of adjustments for mining dilution and ore losses during mining. Metallurgical losses are excluded from the calculation of contained gold ounces.

Geology

Freda-Rebecca mine is situated approximately in the middle of the Harare-Shamva Archaean Greenstone Belt. Gold mineralization is controlled by both lithology and structure and is associated with sulfides. The sulfides exhibit two styles. The older style is of a disseminated nature and is the primary auriferous phase. The younger style is shear-hosted and occurs in narrower widths. This style, especially where fine-grained, is associated with higher grades. In both styles, sulfides are fine to coarse grained. Primary sulfides are pyrite, arsenopyrite, pyrrhotite and chalcopyrite. Mineralization is also associated with chlorite, silicic and carbonate alteration.

Mining Methods

In the initial phase of development, Freda-Rebecca was an open pit operation with two pits. The Rebecca pit was mined down to a depth of 100 meters by open pit method. We now utilize open-stoping with subsequent fill at the Rebecca pit for underground mining. This is used to exploit the Rebecca Upper East and Lower East. Four underground mining methods: sub-level stoping, room and pillar, ramp in stope and panel stoping, are used at the Freda-Rebecca mine. Sub-level stoping with troughs is now the dominant mining method.

Processing Methods

Crushed material is conveyed into two separate milling modules, each consisting of a SAG mill in closed circuit with a 750mm diameter cyclone (one standby) to produce an overflow of 80%. About 30% of primary cyclone underflow is bled off into Knelson concentrators for coarse gold recovery while the overflow is de-watered in two cluster cyclone sets to 48-50% solid prior to gravitation into the leach circuit. The leach train consists of three mechanically agitated pre-leach tanks in series and nine CIL tanks providing a total residence time of about 48 hours.

Exploration and Development

Exploration continues to focus around the 16 square kilometer Freda-Rebecca mining lease. At the mine site, exploratory drilling was principally directed at the up dip extension of the Freda shear towards the old Promoter pit. Surface extensions to the Phoenix Prince deposit are also being evaluated. On the two square kilometers of claims on the RAN mine, which is located to the east of the Freda-Rebecca mine, drilling intersected copper/gold mineralization over a strike length of 500 meters and we are currently undertaking a feasibility study to determine the economic viability of processing this copper/gold mineralization through the Freda-Rebecca plant. We have an option to acquire any reserves found on the RAN claims by completing a feasibility study and paying an upfront royalty on any gold reserves delineated. Limited exploration has also been undertaken on the Mazoe EPO which surrounds the Freda-Rebecca mining lease where we are in joint venture with a third party.

Economic/Political Situation

The economic and political situation in Zimbabwe during 2002 continued to pose a series of difficult problems for the management team. The foreign exchange constraint and the fixed exchange rate coupled with high inflation put severe pressure on the supply function causing delays in receiving supplies. Additionally, prices being quoted by suppliers increased, resulting in higher operating costs. However, we have the approval of the Reserve Bank of Zimbabwe, or RBZ, to retain a portion of our gold production offshore to meet foreign currency operating and capital expenditure payments and to repay our debt. Pursuant to this approval, during 2001 the Freda-Rebecca mine utilized approximately US$7.1 million to meet overseas supplier payments and US$6.9 million was repatriated to settle debt. In 2002, a further US$8.6 million was applied to settle debt. Towards the end of the year, in response to a request by the Chamber of Mines, RBZ increased the allocation of foreign exchange in respect of gold mining companies, which will benefit the mine.

Revenue from Freda-Rebecca benefited in 2001 and 2002 from a support price set by the Zimbabwean Government. This support price is set at a higher level than the prevailing open market gold price as a concession for gold mining companies receiving a substantial part of their bullion sales in Zimbabwe dollars and to help counteract the high cost of operating in Zimbabwe.

Power Supply

Freda-Rebecca mine obtains power from the Zimbabwe Electrical Supply Authority which is in turn supplied principally from the Kariba and Cahora Bassa hydro electric power stations in Zambia and Mozambique respectively. The Zimbabwe national grid is however also linked into other sources including the coal fired

thermal plant at the Wankie colliery in Zimbabwe, and interconnectors to South Africa and the Democratic Republic of Congo. In recent years the shortage of foreign exchange has resulted in the Zimbabwe Electrical Supply Authority accumulating significant debt to its suppliers resulting in possible future insecurity of supply. Power supplies are sometimes unreliable with severe voltage fluctuations and a relatively high incidence of disruptions due to equipment failures or lightning hits on sub-stations.

Health, Safety and Environment

Freda-Rebecca was awarded a four-star integrated NOSA rating during 2002 and, as with some of our other mines, is undertaking a training and work program targeting a five star integrated NOSA rating and ISO 14001 accreditation. Rehabilitation works on the spent heap leach pads, the tailings dam and disused waste dumps have been prioritized. The main focus of the rehabilitation program has been the planting of a variety of species of trees germinated in the mine's nursery. The Freda-Rebecca mine provides community assistance by supporting local education and medical facilities and a variety of community projects such as small scale farming enterprises. There are programs in place to promote HIV/AIDS awareness and prevention for both employees and the local community.

Ownership of Mines and Subsidiaries

We operate our business through various subsidiary and affiliated companies located in several countries.

Subsidiary undertakings and other interests

The following table contains a list of our principal subsidiary undertakings as at March 12, 2003:

Company and country of incorporation	Relevant mine	Class of principal activities	Interest in shares held	Percent
Ghana				
Ashanti Goldfields (Bibiani) Limited Gold House Patrice Lumumba Road Roman Ridge PO Box 2665 Accra	Bibiani	Gold Mining	Ordinary No par value	100
Ghanaian-Australian Goldfields Limited Gold House Patrice Lumumba Road Roman Ridge PO Box 2665 Accra	Iduapriem	Gold Mining	Ordinary No par value	80
Teberebie Goldfields Limited Gold House Patrice Lumumba Road Roman Ridge PO Box 2665 Accra	Teberebie	Gold Mining	Ordinary No par value	90

Company and country of incorporation	Relevant mine	Class of principal activities	Interest in shares held	Percent
Guinea				
Societe Ashanti Goldfields de Guinee S.A. c/o Societe Ashanti Goldfields de Guinee KM 4 Cameroon PO Box 1006 Conakry	Siguiri	Gold	Ordinary Mining	85

Zimbabwe				
Ashanti Goldfields Zimbabwe Limited 4 Cork Road Belgravia Harare Zimbabwe	Freda- Rebecca	Gold Mining	Ordinary	100
Isle of Man				
Ashanti Treasury Services Limited	N/A	Treasury	Ordinary	100
Geita Treasury Services Limited	N/A	Treasury	Ordinary	100
3rd Floor 12-14 Ridgeway Street Douglas Isle of Man IM1 1EN				
Cayman Islands				
Ashanti Capital Limited	N/A	Financing	Ordinary	100
Ashanti Capital (Second) Limited	N/A	Financing	Ordinary	100
Ashanti Finance (Cayman) Limited	N/A	Financing	Ordinary	100
M & C Corporate Services Limited c/o Ugland House South Church Street PO Box 309 George Town Grand Cayman Cayman Islands				

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Supplementary information on joint venture companies

The following table contains information on our Geita joint venture companies.

Company and registered office address	Field of activity	Proportion of capital held percent
Cluff Resources Limited Masters House 107 Hammersmith Road London W14 0QH	Gold Mining	50
Geita Management Company Limited	Mining Management	50

3rd Floor Services
12-14 Ridgeway Street
Douglas
Isle of Man
IM1 1EN

	As at December 31, 2002	
	Cluff Resources Limited and its subsidiary undertakings US$m	Geita Management Company US$m
Issued share capital	34.9	--
Reserves	27.9	(5.4)
Profit/(loss) after tax	36.3	(10.8)
Inter-company loan owed to us	31.1	--
Net book value shown in our accounts	91.2	(2.7)

Exploration

General

Our exploration strategy to date has been to focus on gold projects only in Africa. We have projects in the major prospective gold belts of West, Southern and East Africa. Exploration at our existing mines is conducted by personnel at the mine sites whereas exploration around the mines and elsewhere in Africa is conducted by staff from Ashanti Exploration, a division of our company.

We believe that the African continent offers a wide range of exploration and development opportunities, and that we are particularly well positioned to take advantage of these opportunities because of our operational base in the region and our position as an African gold mining company.

Many countries in which we are conducting exploration operations, or are considering conducting operations, are characterized by political instability and economic uncertainty. When deciding whether to pursue an exploration project, we assess its geological potential, current and future political stability of the country in which a potential project is located, its regulatory and fiscal regime, security of title to property and economic conditions, as well as the project area's access to infrastructure such as roads and power.

During 2002, our exploration focus continued to be on and around our existing mining operations where the full benefit of additional reserves could be more rapidly realized, as discussed for each mine site above. However, whilst focusing on gold production, we would also consider significant exploration and development opportunities in Africa in precious metals outside our current mine sites and outside our core business area should they arise. Our platinum group metal project in South Africa is an example.

All mine development expenditure at existing mines was provided from working capital and cash revenues from the mines. However, we also have exploration activities proceeding outside our existing mines.

Set out below are details of exploration at sites other than the mine sites.

Tanzania

Outside the Geita concessions we have continued our regional assessment of the Lake Victoria Goldfields during the year and at the end of 2002, was granted the 2,075 kilometer Kigosi permit.

Cote d'Ivoire

Regional geochemical soil anomalies were outlined on the Korokaha and Bondoukou permits during the first half of the year. However, no follow up was undertaken as a result of the political/security situation in the country during the latter half of 2002.

Mali

Five new Exploration Authorizations were acquired in southern Mali during 2002 and will be evaluated this year.

D.R.Congo

During 2001, we increased our Kimin concession by 6,000 square kilometers to 8,000 square kilometers to cover most of the historically productive Kilo greenstone gold belt of northeastern D.R.Congo. A deterioration in the security situation in the general vicinity of this concession has delayed the commencement of exploration activities.

Burkina Faso

At our Youga project where we are in a 50-50 joint venture with Echo Bay Mines, a probable open pit reserve of 5.0 million tonnes grading 3.2 grammes per tonne (equivalent to 0.5 million ounces) has been outlined.

Ghana

Exploration continued on a number of prospecting licenses in the gold belts of southwest Ghana.

South Africa

During 2002, we acquired our first non-gold exploration project in South Africa. Tameng Mining and Exploration (Pty) Limited in which we have a 40% equity interest was awarded through competitive bidding. Platinum Group Metal, or PGM, mineral exploration rights were acquired on the farm M'phatlele's Location 457 KS in the northeastern limb of the Bushveld Igneous Complex. The sub-outcrops of the Merensky and UG2 reefs, which are the principal mineralized horizons for PGM's in the Bushveld Igneous Complex, have been mapped on M'phatlele's Location over a strike length of eight kilometers. Exploration of this site is expected to commence this year.

Refining Contracts and Marketing

We derive the majority of our income from the sale of gold produced by our mines which we sell under agreements with gold refiners.

We have separate gold refining and purchasing arrangements for each of our mining properties. As of the date of this prospectus they are as follows:

Mine	Refiner
Obuasi:	N.M. Rothschild & Sons and Commerzbank International SA
Bibiani:	Societe Generale
Iduapriem:	UBS AG, Zurich
Siguiri:	Bank of Nova Scotia
Freda-Rebecca:	Reserve Bank of Zimbabwe
Geita:	Societe Generale de Paris

Gold is shipped to a refiner and upon receipt the relevant company is normally credited with funds representing the value of 99% of the gold received within three business days. The remaining 1% balance is credited after adjusting for any differences between our assay and the refiner's assay and refining charges.

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These amounts are paid directly into accounts in London, with the exception of those payable to Freda-Rebecca of which approximately 80% is paid within Zimbabwe. For our Ghanaian mines, portions of these receipts are repatriated to Ghana through the Bank of Ghana. Risk passes to the refiner either on delivery to the designated airport or to the refiner, depending on the contract. Currently, like many other Ghanaian gold mining companies, we cannot obtain insurance coverage for the transported gold until it reaches the airport.

Gold bars produced by mining companies can be of any size and we typically produces bars averaging about 800 ounces in weight. It is general practice for the refiner to recognize the value of the silver contained in the gold bar and we are credited accordingly. The refinement process upgrades the gold to 99.99% purity by a process of electrolysis.

The Gold Market

Gold is used primarily for fabrication and bullion investment. Fabricated gold has a wide variety of uses including jewelry (the largest fabrication use for gold), electronics, dentistry, decorations, medals, medallions and official coins. Some purchasers of official gold coins and of high-carat, low mark-up jewelry may be motivated by investment, so that the net private gold bullion purchases alone do not necessarily represent the total investment activity in gold. Central banks buy, sell and hold gold bullion as part of their national investment strategies.

The gold bullion market is deep and liquid. Purchases and sales of gold take place around the globe in all sizes and forms. In London, gold trading is conducted by a number of bullion houses, with prices set twice daily by the five members of the "ring". The ring was originally established to determine the price that represents the benchmark for trades and contracts. The price set is the one at which orders to buy and sell are perfectly matched. Prices are determined in the morning and afternoon, the so called A.M. and P.M. fixes, for each trading day.

This market provides the foundation for many derivative instruments, including futures, options, warrants and swaps. Substantial producers and purchasers use these markets to hedge their respective positions. The process for a producer involves the use of forward contracts and derivative instruments to hedge part of the production against falls in the gold price. Although hedging exposes us to risks, it is intended to help us secure a predictable cash flow which assists in planning and forecasting future revenues, therefore helping to ensure that financial commitments and other undertakings can be met.

Ghana

Introduction

Ghana is located in West Africa and covers an area of approximately 238,000 square kilometers with a population of approximately 20 million. The State of Ghana was created in 1957, when it became the first of the former colonies in West Africa to gain independence. The official language of Ghana is English and the country is located between the French-speaking countries of Cote d'Ivoire and Togo.

Political Background

The period from the granting of independence in 1957 to 1981 was turbulent in the political history of Ghana. During this time, Ghana's governments alternated periodically between military and civilian rules. After the military coup which brought him into power the second time, Flight Lieutenant Jerry Rawlings and his Provisional National Defence Council government ruled the country for 11 years, during which time relative political stability and economic progress was achieved. In November 1992, Jerry Rawlings was elected President in the first democratic election in over a decade.

The principal step in the transition to the current level of democratic rule was a referendum in April 1992 which endorsed a new constitution. The new constitution gives the President supreme executive power in both civil and military matters. It also provides for a fixed presidential term of office of four years, with a maximum of two terms for any one person, and created a 200 member parliament to oversee the day-to-day functions of the Government. While independent international observers declared that the presidential election was fairly decided, opposition parties claimed that the election had been rigged and boycotted the subsequent legislative elections held in December 1992.

Presidential and parliamentary elections took place in December 1996. Both elections this time were contested and President Rawlings won again with 57.5% of the total votes and the ruling NDC party took 132 of the 200 seats in parliament. Elections were held again in December 2000. Jerry Rawlings was unable to stand for President, having completed his two terms, and there were seven new candidates contesting the presidential election. The first round was inconclusive, with no candidate achieving the required 50% majority. A second round was conducted in early January 2001 between Professor J.E.A. Mills of the National Democratic Congress and Mr. J.A. Kufuor of the New Patriotic Party, which was won by Mr. J.A. Kufuor with 56.9% of the votes cast. The 2000 parliamentary elections also resulted in a defeat for the ruling NDC party, with the NPP winning a total of 99 seats to the NDC's 92 seats. Smaller parties and independent candidates hold the other nine seats. The next elections in Ghana are scheduled for 2004.

Political Structure

The Constitution, which came into force on January 7, 1993, and is the supreme law of Ghana, establishes the political structure of the government and enshrines a number of fundamental human rights and freedoms (for example, personal liberty, non-discrimination, freedom of expression and concepts of natural justice). The Constitution specifically preserves as current law the written and unwritten laws of Ghana as they existed before the date of the Constitution (except that they are to be construed in conformity with the Constitution) and provides that, as a general matter, other than as provided in the Constitution, the existing law is not to be affected by the adoption of the Constitution. For this reason, and due to the different manifestations of the Government over the years, the principal legislation includes decrees and legislation promulgated by previous governments.

The Constitution establishes an executive branch headed by a President, a Parliament and an independent judiciary. The President of the Republic of Ghana acts as head of State, head of Government and commander-in-chief of the armed forces. In determining Government policy, the President is assisted by the Cabinet (which consists of the Vice President and between 10 and 19 Ministers of State), as well as by non-Cabinet ministers and other senior advisers in the office of the President. The President is also advised in relation to legislative matters by a Council of State (which comprises a mix of presidential appointees, representatives from the different regions of Ghana and former holders of high office).

Parliament holds the legislative authority in Ghana. Matters are generally decided by a simple majority vote, subject to a quorum of at least half the members of Parliament being present. The power of Parliament to make laws is exercised by passing the relevant bill and obtaining Presidential assent.

The judiciary is independent from the President, the legislature and the executive and subject only to the terms of the Constitution. The judicial branch consists of a Supreme Court, the Court of Appeal, the High Court, Regional

Tribunals, and such lower courts or tribunals as Parliament establishes.

Economy

Ghana is comparatively well-endowed with natural and human resources. It has a good supply of fertile land suitable for growing a broad range of agricultural commodities, and considerable forestry, fishing and mineral resources, as well as hydro-electric power resources. Agriculture accounts for approximately 50% of its gross domestic product, with cocoa being the most important crop.

The unit of currency in Ghana is the cedi. The cedi has been characterized by continuous depreciation against the US dollar over the last decade. The exchange rate was determined by auction until 1992. Currently the exchange rate is set by an interbank market for foreign exchange and the rates are now largely determined on the basis of market forces. During 2000 the cedi experienced rapid depreciation.

However, in 2001, mainly through the exercise of more prudent fiscal and monetary policies by the new Government, the cedi was relatively stable against almost all the major currencies with depreciation against the US dollar of only 3.7% for the year, compared with 49.5% for the corresponding period in 2000. Inflation, which stood at 40.5% at the end of 2000 and peaked at about 42% in March 2001, was down to 21.3% in December 2001. In January 2003, inflation reduced further to 16.3%.

As part of the measures to promote capital and investment growth and to assist the development of venture capital companies the Government, in its 2002 budget, has reduced stamp duty on stated capital from 2.0% to 0.5%.

Economic Recovery Program

Ghana experienced a protracted economic decline in the mid 1970s and early 1980s. The decline was marked by high and accelerating inflation resulting in overvaluation of the Cedi with the trade account moving into deficit in 1981 after several years in surplus. Lack of foreign investment, emigration of skilled labor and Government policies favoring rapid industrialization through import substitution all weakened the productive base of the economy. Faced with sharply rising inflation, an economic slump and a mounting external deficit, the Government sought outside assistance.

In April 1983, the Government introduced the Economic Recovery Programme, or ERP. The ERP incorporated recommendations of the International Monetary Fund, or IMF, and World Bank. The main elements of the ERP were to reduce inflation and achieve equilibrium, to reduce the mounting budget deficit and to promote economic growth and export recovery through a realignment of incentives towards productive activities. The program also highlighted the need for structural reform, economic liberalization and improving the availability of essential consumer goods.

The ERP, and subsequent actions by the government, are widely considered to have been generally successful in restoring Ghana's economic health. The economy is still dependent on aid but Ghana ceased in 1991 to rely on IMF balance of payments support, following a period of rapid economic adjustment financed by concessional loans from the IMF. By Sub-Saharan African standards, Ghana has achieved an impressive growth performance.

A Value Added Tax, or VAT, was successfully introduced at the end of 1998. The Government is currently in the process of implementing various measures, including fiscal reforms, designed to improve the economic situation. To this effect, a national reconstruction levy was introduced in 2001.

Highly Indebted Poor Country Initiative

With the large infusion of external loans to finance the ERP, the country's debt carrying capacity was over-stretched without achieving the expected corresponding export recovery. Therefore, in March 2001, the new Government decided to take advantage of the Highly Indebted Poor Country initiative, which provides debt relief from both bilateral and multilateral creditors. This initiative is aimed at restoring the country to a sustainable debt carrying capacity and to free resources for a poverty reduction program in the near-term of 2002 to 2004.

Mining

After going through a period of contraction for many decades, the Ghanaian mining sector grew markedly during the 1990s. Since 1983, the Government has introduced a number of incentives for mining companies, with the result that new investment has increased. Encouraged by support from the World Bank, together with the provision of debt and guarantee facilities from the International Finance Corporation, gold mining has enjoyed a renaissance, with output more than quadrupling since 1987. The vast majority of the output comes from underground and open pit mines in the Western and Ashanti regions.

Regulations and Leases

Ghana

Minerals and Mining Law

General

Mining activities in Ghana are primarily regulated by the Minerals and Mining Law 1986 (P.N.D.C.L. 153), or the Mining Law.

Under the Constitution and the Mining Law, all minerals in Ghana in their natural state are the property of the state and title to them is vested in the President on behalf of and in trust for the people of Ghana, with rights of prospecting, recovery and associated land usage being granted under licenses or leases.

A license is required for the export or disposal of such minerals and the Government has a right of pre-emption over all such minerals. The Government of Ghana shall acquire, without payment, a 10% interest in the rights and obligations of the mineral operations in relation to a mineral right to reconnaissance, prospecting or mining, and shall have the option to acquire a further 20% interest where any mineral is discovered in commercial quantities, on terms agreed between the Government and the holder of the mining lease subject to arbitration if the parties fail to agree.

A license or lease granting a mineral right is required to reconnoiter or prospect for or mine a mineral in Ghana, and the Minister of Energy and Mines has power to negotiate, grant, revoke, suspend or renew any mineral right, subject to a power of disallowance exercisable within 30 days of such grant, revocation, suspension or renewal by the Cabinet. The powers of the Minister of Mines are to be exercised on the advice of the Minerals Commission, which is responsible for regulating and managing the utilization of natural resources and co-ordinating policies relating to them. The grant of a mining lease by the Minister of Mines is normally subject to parliamentary ratification unless specifically exempted.

A mineral right is deemed a requisite and sufficient authority over the land in respect of which the right is granted, although a separate license is required for some other activities, including the diversion of water, and additional consents may be required for certain developments. A mineral right or interest therein may not be transferred, assigned or otherwise dealt with in any other manner without the Minister of Mines' prior written approval.

Control of Mining Companies

The Minister of Mines has the power to object to a person becoming or remaining a "shareholder controller", a "majority shareholder controller" or an "indirect controller" of a company which has been granted a mining lease if he considers that the public interest would be prejudiced by the person concerned becoming or remaining such a controller. In this context:

- "shareholder controller" means a person who, either alone or with certain others, is entitled to exercise, or control the exercise of, 20% or more of the voting power at any general meeting of a mining company or of any other company of which it is a subsidiary,

- "majority shareholder controller" means a shareholder controller in whose case the percentage referred to above also exceeds 50%, and

- "indirect controller" means a person in accordance with whose directions or instructions the directors of a mining company, or of another company of which it is a subsidiary, or the shareholder controllers of that mining company are accustomed to act.

A person may not become a shareholder controller, a majority shareholder controller or an indirect controller of a mining company unless he has served written notice on the Minister of Mines of his intention to that effect and the Minister of Mines consents to his becoming such a controller or does not object within a period of six months.

Where a person becomes or continues to be a controller of the relevant description after a notice of objection has been served on him, or is otherwise in contravention of the procedures prescribed by the Mining Law, the Minister of Mines may notify the controller that, until further notice, any specified shares are subject to restrictions. The relevant restrictions include restrictions on transfer, voting rights, receipt of further shares and distributions. The Minister of Mines may apply to the High Court to order the sale of any shares which are the subject of such a restriction. There is no legal restriction on the foreign ownership of a mining company.

Where a person, either alone or with others, acquires an interest in 5% or more of the voting power of a mining company he is required to notify the Minister of Mines.

A person who is a controller of a mining company must give notice of his ceasing to be such a controller before he disposes of his interest. In addition, the mining company itself has to give notice to the Minister of Mines of the fact that any person has become or ceased to be a controller. Violation of these provisions of the Mining Law is a criminal offence. The law also gives the Minister of Mines power to investigate and report on the ownership and control of any mining company.

The Mining Law also gives the Government the right to acquire a special share in a mining company in order to protect the assets of the relevant company and to reflect and further the intentions of the provisions of the

Mining Law relating to control of a mining company. The Government holds such a share in us, called the Golden Share.

Our Regulations also require us and our directors to comply with any order made by the Minister of Mines under the provisions of the Mining Law and provide that any action taken by us or our directors in pursuance of any such order shall be final and conclusive and binding on all persons.

Payments and Allowances

The Mining Law provides that royalties are payable by the holder of a mining lease to the State at rates of between 3% and 12% of total minerals revenue, depending on a formula set out in mineral royalty regulations. The formula is determined by calculating the ratio of revenue minus operating costs, interest and capital allowances to total revenue. A ratio of 30% or lower will attract a royalty of 3%. For every 1% that the ratio exceeds 30%, the amount of the royalty will increase by 0.0225% up to a maximum of 12%. The laws of Ghana currently provide for income tax at a rate of 30%. The Mining Law provides for an entitlement to certain specified capital allowances and various additional fiscal and other benefits.

In 2002, the Ghanaian tax legislation was changed so that unutilized losses and capital allowances existing at January 1, 2001 can only be carried forwards for five years. If not used by that time they will be lost. Losses and capital allowances incurred after January 1, 2001 can be carried forwards without limit.

Retention of Foreign Earnings

Holders of mining leases have certain limited rights to retain foreign exchange earnings overseas and to use such earnings for the acquisition of machinery and equipment as well as for certain other payments such as debt service payments and dividends. Where the net earnings of a holder of a mining lease are in foreign currency, the holder is permitted to retain not less than 25% of foreign exchange earnings in an external account for acquiring machinery and equipment, spare parts and raw materials as well as for certain other payments, such as dividend and debt service payments. Our operations in Ghana are permitted to retain 60% to 80% of its foreign exchange earnings in such an account. In addition, we currently have permission from the Bank of Ghana to retain and use outside Ghana US dollars required to meet payments to our hedge counterparties which cannot be met from the cash resources of our treasury company.

Leases

Mining leases may be applied for either by a prospecting license holder who has established the existence of minerals in commercial quantities or by others who do not hold such licenses, who establish the same to the satisfaction of the Minister of Mines. Mining leases are normally granted for a period not exceeding 30 years and the holder may apply to the Minister of Mines for renewal, on such conditions as the Minister of Mines may determine, for up to another 30 years. They are to have a maximum size (subject to derogation by the President where it is considered to be in the national interest) of 50 km'pp'2 for any grant and 150 km'pp'2 in aggregate. A holder may apply for an enlargement of the mining area, which, subject to the Mining Law, the Minister of Mines may grant if satisfied that such approval is in the national interest. The rights conferred by mining leases include those to take all reasonable measures on or under the surface to mine the mineral to which the mining lease relates, to erect necessary equipment, plant and buildings, to prospect within the mining area and to stack or dump mineral waste in an approved manner. Reconnaissance and prospecting licenses are normally granted for up to 12 months and three years respectively, subject to renewal.

A detailed program must be submitted for the recruitment and training of Ghanaians with a view to achieving "localization", being the replacement of expatriate personnel by Ghanaian personnel. In addition, the holder must give preference to Ghanaian products and personnel, to the maximum extent possible, consistent with safety, efficiency and economy.

Prior notification to the Minister of Mines is required for ceasing, suspending or curtailing production. Approval to such actions may be given, subject to conditions determined on the advice of the Minerals Commission.

There are also provisions relating to surrender, suspension and cancellation of mineral rights in certain circumstances. The Minister of Mines may suspend or cancel a mineral right if, among other things, the holder: fails to make payments under the Mining Law when due; is in breach of any provisions of the Mining

Law or of the conditions of the mineral right or the provisions of any other enactment relating to mines and minerals; becomes insolvent or bankrupt; makes a statement to the Minister of Mines in relation to the mineral right which he knows, or ought to have known to be false; or for any reason becomes ineligible to apply for a mineral right under the provision of the Mining Law. Except as otherwise provided in a specific mining lease, all immovable assets of the holder under the mining lease vest in the state on termination, as does all moveable property that is fully depreciated for tax purposes. Moveable property that is not fully depreciated is to be offered to the state at the depreciated cost.

The holder must exercise his rights subject to such limitations relating to surface rights as the Minister of Mines may prescribe. Subject to the proper conduct of the mining operations, the holder must affect as little as possible the interest of any lawful occupier, whose grazing rights are retained but who is precluded from erecting any building without the consent of the holder (or, if such consent is unreasonably withheld, without the consent of the Minister). An owner or occupier of any land subject to a mineral right may apply to the holder for compensation and the amount of the compensation shall, subject to the approval of the land valuation board, be determined by agreement between the parties concerned (or, if they are unable to reach agreement, by the Minister of Mines in consultation with the land valuation board). The land valuation board has in the past increased amounts of compensation payable to owners and occupiers.

The holder, in the exercise of his rights, is required to have due regard to the effect of the mineral operations on the environment and is to take such steps as may be necessary to prevent pollution of the environment as a result of such operations. A range of activities and breaches of the Mining Law including obstructing the Government from exercising its pre-emption right and conducting mining, prospecting or related activities otherwise than in accordance with the Mining Law, constitute offences punishable by fine or imprisonment. The maximum fine is 500,000 cedis (at current exchange rate, approximately US$70), and the maximum term of imprisonment is two years.

Proposed amendment to Mining Law

A bill has been drafted which, if enacted, will replace and repeal the existing Minerals and Mining Law 1986 and all other regulations under it. The bill may never be enacted or, if enacted, might be enacted with substantial modifications. For the most part the bill consolidates with minor modifications the existing law.

The key material modifications to the current regime contained in the current draft are:

- the right of the government to acquire a 10% "free carried" interest in a mining company is to be amended so that in future it will be acquired on terms prescribed or on terms to be agreed; the bill does not currently prescribe any terms. In addition the right of the government to acquire a further 20% interest in the rights and obligations of the mineral operations in relation to mineral rights is to be deleted;

- there are provisions for stability agreements to be entered into by the Minister of Mines, on behalf of the Republic, with approval of parliament to ensure that the holders of mining rights are not adversely affected by changes in law for a period of 15 years and for development agreements to be entered into with approval of parliament between the Minister of Mines, on behalf of the Republic, and a mining company where the proposed investment is greater than US$100 million to deal with, in addition to matters relating to environmental liabilities; the exercise of discretion and settlement of disputes; and

- the bill sets out the compensation principles for disturbance of an owner's surface rights.

Mining Properties

Obuasi Mining Lease

Our current mining lease for the Obuasi area was granted by the Government of Ghana on March 5, 1994. It grants to us the mining rights to land with an area of approximately 334 square kilometers in the Amansie East and Adansi West districts of the Ashanti region for a term of 30 years from the date of the agreement. In addition, the application for a mining lease over the adjacent 140 square kilometers has also been granted resulting in the total area under mining lease conditions increasing to 474 square kilometers, the Lease Area. We may, not less than one year before expiry of the relevant lease, apply for an extension and if we are not in default at the time we shall be entitled to an extension upon such terms and conditions as the parties may then

agree. The Government of Ghana also granted to us the exclusive rights to work, develop and produce gold in the Lease Area (including the processing, storing and transportation of ore and materials) together with the rights and powers reasonably incidental thereto subject to the provision of the relevant lease for that term.

We are required to pay to the Government of Ghana rent (subject to review every five years, when the rent may be increased by up to 20%) at the rate of approximately US$5 per square kilometer and such royalties as are prescribed by legislation, including royalties on timber felled within the Lease Area. We are required to pay tax and effect foreign exchange transactions in accordance with the laws of Ghana.

Upon the termination or expiration of the agreement, immovable assets in the lease area and all other appurtenances in pits, trenches and boreholes shall become the property of the Government of Ghana without charge. All materials, supplies, vehicles and other moveable assets that are fully depreciated for tax purposes shall become the property of the Government of Ghana without charge. Other such property shall be offered to the Government of Ghana at the depreciated value within 60 days. If the Government of Ghana does not accept the offer within a period of 60 days we may sell, remove or otherwise dispose of the property during a period of 180 days after expiry of the offer. All such property not sold, removed or otherwise disposed of shall become the property of the Government of Ghana without charge. Upon termination or expiry of the agreement, we shall leave the Lease Area and everything therein in a good and safe condition and, unless the Chief Inspector of Mines otherwise directs, shall take all reasonable measures to leave the surface of the Lease Area in good and usable condition.

The agreement is not assignable in whole or in part by us without the consent of the Government of Ghana. The Government of Ghana may impose such conditions precedent to the giving of consent as it may deem appropriate in the circumstances. No assignment however may relieve us of our obligations under the agreement except to the extent that such obligations are actually assumed by the assignee. When new laws and conditions coming into existence subsequent to the date of the agreement unfairly affect the interests of either party to the agreement, the agreement may be renegotiated at the request of the unfairly affected party. The agreement is governed by and construed in accordance with the laws of Ghana. Security over the Obuasi mining lease has been granted to the lenders under the enlarged revolving credit facility by way of a fixed charge over the Obuasi mining lease. The Government of Ghana (acting through the Ministry of Mines) granted its consent to the creation of such security pursuant to section 19 of the Mining Law, on June 21, 2002.

Ayanfuri Mining Leases

We have title to the Ayanfuri and Nanankaw mining leases covering an aggregate area of 100 square kilometers, granted on June 7, 1994 for a period of 10 years. The terms and conditions of the leases are consistent with similar leases granted by the Government of Ghana as detailed in the discussion above of the Obuasi mining lease.

Bibiani Mining Lease

Bibiani had title to a 50 square kilometer mining lease for a period of 30 years to May 18, 2027. The terms and conditions of the lease are consistent with similar leases granted by the Government of Ghana as detailed in the discussion above of the Obuasi mining lease. With effect from October 1, 2001, the Bibiani mining lease was transferred to Ashanti Goldfields Company Limited from Ashanti Goldfields (Bibiani) Limited. Security over the Bibiani mining lease has been granted to the lenders under the enlarged revolving credit facility by way of a fixed charge over the Bibiani mining lease. The Government of Ghana (acting through the Ministry of Mines) granted its consent to the creation of such security pursuant to section 19 of the Mining Law, on June 21, 2002.

Iduapriem Mining Lease

We have title to the 33 square kilometer Iduapriem mining lease granted on April 19, 1989 for a period of 30 years. The terms and conditions of the lease are consistent with similar leases granted by the Government of Ghana, as detailed in the discussion above of the Obuasi mining lease.

Teberebie Mining Leases

Teberebie has two leases, one granted in February 1998 for a term of 30 years and another granted in June 1992 for a term of 26 years. The terms and conditions of these leases are consistent with similar leases granted by the Government of Ghana, as detailed in the discussion above of the Obuasi mining lease.

Zimbabwe

General

All rights to minerals in Zimbabwe are vested in the President of Zimbabwe. Issues relating to the acquisition of mining rights and operation of mines falls under the jurisdiction of the Ministry of Mines, Environment and Tourism and are regulated by the Mines and Minerals Act, 1996.

Applications for the acquisition of mining and exploration rights must be made through the office of the Mining Commissioner. The application must be made by a company registered in Zimbabwe which may be foreign owned.

All gold extracted in Zimbabwe has by law to be delivered to Fidelity Refinery, a section of the Reserve Bank of Zimbabwe where gold is further smelted and refined.

The holder of a mining lease may abandon his holding by applying in writing to the Mining Commissioner and obtaining a certificate of abandonment. Forfeiture may be enforced by the Mining Commissioner if the owner fails to obtain an annual inspection certificate which certifies that the owner has met certain production and development criteria.

Environmental issues are subject to the Environment Act which requires among other things that an Environmental Impact Assessment be undertaken on the commencement of new mining projects. At the termination of the lease the owner has the right to freely dispose of his assets and to obtain a quittance certificate from the Mining Commissioner.

Freda-Rebecca Mining Leases

We have a mining lease for our Freda-Rebecca operation. The application was originally approved in 1994 and is renewed on an annual basis with no specific term though it may be terminated by the Government of Zimbabwe if we fail to obtain an annual inspection certificate from the Mining Commissioner certifying that we have met production and development criteria.

Guinea

General

In Guinea, all mineral substances are the property of the state. Mining activities are primarily regulated by the Mining Code, 1995. The right to undertake mining operations can only be acquired by virtue of one of the following mining titles: surveying permit, small-scale mining license, mining prospecting license, mining license or mining concession.

The holders of mining titles are guaranteed the right to dispose freely of their assets and to organize their enterprises as they wish, the freedom to engage and discharge staff in accordance with the regulations in force, free movement of their staff and their products throughout Guinea and freedom to dispose of their products in international markets.

Siguiri Mining Leases

Our Guinea subsidiary, Societe Ashanti Goldfields de Guinee S.A., has title to the Siguiri mining concession area which was granted on November 11, 1993 for a period of 25 years. The agreement provides for an eventual extension/renegotiation after 23 years for such periods as may be required to exhaust economic ore reserves.

The original area granted encompassed 8,384 square kilometers which our subsidiary was required to reduce to five or fewer single blocks of not less than 250 square kilometers per block totaling not more than 1,500 square kilometers by November 11, 1996. The retrocession actually reduced the Siguiri concession area to four blocks totaling 1,495 square kilometers.

SAG has the exclusive right to explore and mine in the remaining Siguiri concession area for a further 22 year period from November 11, 1996 under conditions detailed in a Convention de Base predating the new Guinea Mining Code.

Key elements in the Convention de Base are:

- the Government of Guinea holds a 15% free-carried or non-contributory interest: a royalty of 3% is payable on the value of gold exported; a local development tax of 0.4% is payable on the gross sales revenues; salaries of expatriate employees are subject to a 10% income tax; mining goods imported into Guinea are exempt from all import taxes and duties for the first two years of commercial production;

- our subsidiary is committed to adopt and progressively implement a plan for effective rehabilitation of the mining areas disturbed or affected by operations.

The Convention de Base is subject to early termination if both parties formally and expressly agree to do so, if all project activities are voluntarily suspended for a continuous period of eight months or are permanently abandoned by our subsidiary, or if our subsidiary goes into voluntary liquidation or is placed into liquidation by a court of competent jurisdiction.

The net outstanding balance of VAT recoverable by us from the Government of Guinea but not yet repaid was approximately equivalent to US$5 million as at December 31, 2002.

Tanzania

A special mining license of 114 square kilometers for the development of the Geita mine was issued by the Minister for Energy and Minerals of Tanzania in June 1999, expiring in 2024. The mine is now the subject of a joint venture in which we have a 50% interest.

Under the Tanzanian Mining Act 1998, during the period of a license, a licensee is obliged to follow the proposals in relation to prospecting, mining and the environment as set out in their original license application approved by the Minister for Mining Affairs. Holders of special mining leases must develop the mining area in compliance with the programme of mining operations and environmental management plan approved by the Minister for Mining Affairs. The prospecting, special mining or mining license can, by notice in writing, be suspended or cancelled if the holder of such license fails to comply with the Act (and any applicable regulations), the conditions of the license, a development agreement (if applicable) or fails to pay any amount payable under the Act. A license will not be renewed at the end of the license period if the holder is in default of his license (which includes being declared bankrupt or insolvent).

Current government fiscal policies are regarded as internationally competitive, and include reasonable depreciation provisions and exemption from VAT and customs duties. Royalties on mineral production are levied at the rate of 3% of the net back value of the minerals. The net back value is the market value of the minerals at the point of delivery within Tanzania. There is also a 10% withholding tax levied on the transfer of branch profits or dividends overseas.

Exploration Properties

In general, the exact conditions of the tenements of our exploration properties vary depending on the country in which the tenement is located and the historical background to the tenement application. Generally, however, the tenements extend to us (or our joint venture partner) the right to explore for gold (and other minerals) for a period of time which may or may not be renewable during which time we are able to establish the existence or not of economic mineralization, and to complete any feasibility studies, obtain any environmental approvals and to submit an application for a mining lease.

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Royalty Payments and Terms

Following are royalty payments and related rates for the past three years:

		Year ended December 31,					
		2002		2001		2000	
Country	Property	Royalties US$m	Rate	Royalties US$m	Rate	Royalties US$m	Rate
Ghana	Obuasi	5.0	3.0%	4.3	3.0%	5.4	3.0%
Ghana	Ayanfuri	--	3.0%	0.1	3.0%	0.3	3.0%
Ghana	Iduapriem	1.7	3.0%	1.7	3.0%	1.4	3.0%
Ghana	Bibiani	2.3	3.0%	2.1	3.0%	2.3	3.0%
Guinea	Siguiri	2.9	3.4%	2.6	3.4%	2.9	3.4%
Tanzania	Geita	2.7	3.0%	2.2	3.0%	1.4	3.0%
Total		14.6		13.0		13.7	

Stripping Ratios and Related Information

The following table presents strip ratios and related information for our open pit mines:

	Obuasi(*)	Ayanfuri	Iduapriem	Bibiani	Siguiri	Geita
1999 Strip ratio	7.1	1.2	2.6	4.1	0.5	n/a
Waste mined ('000 tonnes)	21,513	1,606	13,019	12,240	3,370	n/a
Ore grade (g/t)	3.03	1.33	1.15	3.65	1.86	n/a
Ore production ('000 tonnes)	3,035	1,293	5,901	3,014	6,832	n/a
2000 Strip ratio	10.0	3.4	3.1	6.4	0.5	9.6
Waste mined ('000 tonnes)	8,907	2,988	14,954	15,223	5,333	11,852
Ore grade (g/t)	4.20	1.50	1.25	3.38	1.33	3.0
Ore production ('000 tonnes)	891	884	4,824	2,368	10,804	1,240
2001 Strip ratio	n/a	3.2	2.9	5.5	0.6	6.0
Waste mined ('000 tonnes)	n/a	1,059	13,839	13,981	5,268	27,215
Ore grade (g/t)	n/a	1.50	1.58	3.58	1.34	3.80
Ore production ('000 tonnes)	n/a	332	4,852	2,560	8,517	4,522
2002 Strip Ratio	5.8	n/a	3.4	4.2	0.9	7.4
Waste mined ('000 tonnes)	2,165	n/a	15,019	11,054	8,404	39,729
Ore grade (g/t)	2.71	n/a	1.66	3.53	1.19	3.52
Ore production (2000 tonnes)	368	n/a	4,393	2,608	9,464	5,399

(*) Obuasi had both underground and open pit mining operations in 1999 and 2000. Data relates to the open pit mining operations of Obuasi.

Each commercially mineable deposit has an overall design strip ratio based on the economically optimized and fully engineered pit layout. The strip ratio changes from period to period depending upon the configuration of the ore body, mining and production considerations. It is usually necessary to mine at varying strip ratios each year in order to excavate the tonnage of ore required to be sent to the processing plant for that period.

Environmental Matters

General

Our processing activities involve the use of substances, and generate by-products, which can be harmful to the environment. For example, cyanide is used in the treatment processes.

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Ghana

In 1999, the Environmental Assessment Regulations, LI 1652, were adopted in Ghana to regulate environmental matters. These include the issue of an environmental permit or environmental certificate and submission of reports in respect of ongoing or proposed mining or related activities. Violations are punishable upon summary conviction by a fine or imprisonment not exceeding one year and a daily fine for continuing violations.

Environmental Permit and Report

Under the Instrument no mining operation or other activity likely to affect the environment or public health adversely may be undertaken without a permit. An existing mining operation must similarly obtain a permit upon notification by the Environmental Protection Agency, or EPA, that its activity has or is likely to have such effect. Upon receipt of an application the EPA will conduct an initial screening and inform the applicant within 25 days of the grant or refusal of the application or the need for the applicant to submit an environmental impact statement or a preliminary environmental report for consideration. Where the application is refused the activity shall not be commenced or continued, subject to the period of public hearing or the time for the submission of a Statement or where only a preliminary environmental report is required by the Agency. A holder of a permit is required to submit an environmental report covering each 12 months' operation.

Public Hearing

The Instrument provides for a public hearing of an application for a permit in respect of an undertaking that has generated adverse public reaction or the undertaking is likely to result in the settlement, or dislocation of a community or otherwise have extensive and far reaching effect on the environment.

Validity of Permit

A permit is valid for 18 months from the date of issue after which it shall become invalidated unless the applicant commences operations within the period or applies for renewal.

Environmental Certificate and Management Plan

Within 24 months of commencement of business of an undertaking for which an environmental impact statement or a preliminary environmental report is approved, the person responsible for such undertaking shall obtain a Certificate. An environmental management plan of operations must also be submitted within 18 months of commencement of operations and every three years thereafter in respect of existing or proposed undertakings.

Reclamation Bond

Where the EPA requires an undertaking to submit a reclamation plan for approval, such undertaking shall post a reclamation bond in the way of a cash deposit in support of the approved reclamation work plan. Pursuant to an agreement reached with the Ghanaian EPA, we have posted cash deposits of US$1.1 million to January 31, 2003.

Withdrawal of Permits and Certificates

The EPA is empowered to suspend, revoke or cancel a permit or certificate where the holder defaults in obtaining the required authorization for the undertaking or violates any provision in the Instrument or any other environmental regulation or defaults in prompt payment of a required fee; or violates a condition imposed in a permit or certificate or defaults in the mitigation commitments in his report or management plan. Additionally the EPA may suspend and modify a permit or certificate where a fundamental change in the environment occurs during the implementation of such a permit or certificate.

Grievance Procedure

A person aggrieved by a decision or act of the Agency may file a complaint with the Minister of Environment, Science and Technology within 30 days in the specified form. Within 14 days of receipt of the complaint, the Minister shall refer the complaint to a five-member board of inquiry. The board is required to give a fair

hearing and determine the matter within 60 days. It may alter the decision in issue or request the EPA to determine the application, if applicable within a specified period or give such direction as it deems just.

Codes of Practice, Standard and Guidelines

The EPA may publish codes of practice, standards and guidelines for any matter contained in the Instrument or relating to the protection, development and rehabilitation of the environment.

Environmental Operations

We believe that we are in material compliance with applicable environmental regulations in the jurisdictions in which we operate mines. Compliance with these regulations in recent years has not had, and is not currently expected to have, a material impact on our operations or capital expenditures.

Full time environmental officers are located at each of our mines. These officers conduct regular environmental audits, training of site personnel and the compilation of environmental impact assessments and action plans.

From 2001 integrated NOSA audits, which now include environmental monitoring as well as the previous health and safety inspections, were undertaken at all of our mines.

Implementation of the Ayanfuri mine closure plans commenced in 2001 and is ongoing. The major components of the rehabilitation program were prioritized, allocated, costed and scheduled.

At Obuasi, a new system of cyanide detoxification was successfully installed and tested in 2001 and we plan to complete the expansion of the system by the end of 2005. Also, residual arsenic previously recovered is now being disposed of through the BIOX'r' plant where it is re-dissolved and converted into ferric arsenite which is stable and can be safely disposed of into the tailings dam.

In 2000 and 2001, we participated in the drafting and submission of proposed guidelines for mining in forest reserve areas in Ghana to the relevant government authorities for review. The Government is now reviewing applications for mining licenses in the forest reserve areas.

Employees

The average number of employees of our group for the three years ended December 31, 2002 was as follows:

	December 2002	December 2001	December 2000

Underground mining	4,602	4,777	4,854
Surface mining and processing	2,425	2,439	2,565
Administration	2,914	2,973	3,010
Total	9,941	10,189	10,429

The "Administration" category in the table above includes environmental, finance, human resources, purchasing, stores, general administration and mine village services departments.

In the table above, the Geita joint venture employees are not included in the breakdowns for dates after December 31, 2000.

Compliance with Environmental Regulations

We have obtained environmental permits for all our operating mines and are in compliance with these permits. We are not a party to any litigation or administrative proceedings instituted by the EPA of Ghana or equivalent agencies in Guinea, Tanzania or Zimbabwe, nor have any such actions by these bodies been threatened in respect of breaches of environmental compliance or requirements.

Property, plants and equipment

Obuasi. Obuasi mine covers a strike length of 8 kilometers over which surface mining activities have been extensive and the underground has been worked to depths of up to 1500 meters below surface. The concession covers an area of 632 square kilometers inclusive of 114 square kilometers at Homase. At present

almost all surface mining activities on the Obuasi mining concession have been shut down. Currently there are two active processing plants, the STP, a BIOX'r' plant for processing sulfide ore in the south and the TTP, a tailing reprocessing plant in the north. There are currently three major active tailings dams: the Sansu dam in the south and the Pompora and Korkoteasua dams in the north.

Iduapriem/Teberebie. The Iduapriem and Teberebie properties have a combined total of 110 square kilometers. The Iduapriem mine has five open pits and the Teberebie mine two. There are three processing facilities: the CIL plant, and a heap leach plant at Iduapriem and a heap leach plant at Teberebie.

Bibiani. The Bibiani property has a total lease area of 49 square kilometers. The mine is an open pit operation constructed on top of an old underground mine which was worked until closure in 1966. The processing plant is CIL plant.

Siguiri. The Siguiri mine has a concession of 1,495 square kilometers. There are multiple open pits on the property. The processing is currently being carried out using heap leach technology.

Freda-Rebecca. The Freda-Rebecca mine has a concession of 16 square kilometers. The operation is an underground operation with a CIP processing plant and a tailings dam. Recent exploration has led to the discovery of satellite mineralization on the RAN property.

Geita. The Geita mine has a total lease area of 373 square kilometers in which there is a special mining license of 114 square kilometers. The mine is a multiple open pit operation constructed on top of an old underground mine which was worked until the late 1960s. Open pit mining and gold production restarted in 2000 with the commissioning of the new Geita mine complex consisting of a mine, a township and a processing plant and associated service infrastructure. The processing plant is a CIL facility. There is a major tailings dam located approximately northeast of the main open pit, Nyankanga.

Legal Proceedings

Save as disclosed below, we have not been involved in any legal or arbitration proceedings, nor, so far as our directors are aware, are there any such proceedings pending or threatened involving us or any member of our group, which may have or have had in the previous 12 months, a significant effect on us or our group's financial position.

US Class Action

Ashanti, Sam Jonah, and Mark Keatley (our former Chief Financial Officer) have been named as defendants in a consolidated class action under the United States federal securities laws in the United States District Court for the Eastern District of New York alleging nondisclosures and misstatements concerning our hedging position and program. The plaintiffs contend that Ashanti's and the individual defendants' actions violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated under that Act. Two of the proposed class actions that were consolidated purported to be brought on behalf of investors who purchased our shares during the period July 28, 1999 through October 5, 1999, the 1999 Class Period, while the third purported to be brought on behalf of investors who purchased our shares during the period April 21, 1997 through October 5, 1999, the 1997-1999 Class Period. The plaintiffs seek unspecified damages, attorneys' and experts' fees and other relief.

The three actions were consolidated for all purposes by the Court and the court appointed lead plaintiffs and lead counsel under the US Private Securities Litigation Reform Act of 1995. A consolidated amended class action complaint was filed on October 27, 2000. Pursuant to a Stipulation and Order signed by the Court, the claims in the 1997-1999 Class Period have been stayed, although the plaintiffs have indicated that they intend to seek leave to extend the Class Period.

We are vigorously defending the claims and moved to dismiss the consolidated amended class action complaint. In a decision dated February 13, 2002, the Court granted in part and denied in part that motion. Following that decision, the plaintiffs filed a second consolidated amended class action complaint, which we answered, and discovery has recently commenced. Although we cannot make any assurances regarding the ultimate outcome of this litigation, we believe that the outcome will have no material adverse affect on our financial position.

Kimin

A number of expatriate employees instituted an action against Kilo-Moto Mining Company, a subsidiary of ours, and against us in the Brussels Labor Court for arrears of salary, severance payments and payment in lieu of holiday. On November 16, 1999, the Brussels Labor Court upheld the claims of four of the ex-employees against Kimin for arrears of salary incurred up to October 1, 1997. The Brussels Labor Court also held that we were jointly and severally held liable with Kimin for the claimants' salaries and severance payments as from October 1, 1997. Kimin and we appealed against the judgment. In October 2000, the plaintiffs unsuccessfully instituted proceedings in Kinshasa, to enforce the provisional judgment against Kimin in the Democratic Republic of Congo. The Brussels Labor Court of Appeal issued its judgment on March 13, 2002. The Court awarded a total sum of 1,501,870.34 euros (approximately US$1.35 million) plus 7% interest, in favor of the affected ex-employees as against the total amount claimed by them of US$2.2 million plus interest.

Our liability for a further claim for payment in lieu of holiday was to be decided late 2002. However, in July 2002, we and Kimin fully and finally settled the claims of the four ex-employees for a total sum of 2.1 million Euros. In addition, the settlement has effectively terminated the two unadjudicated claims of the ex-employees and has also rendered the judgements of the Brussels Labour Court and the Brussels Labour Court of Appeal dated 15 November 1999 and 13 March 2002 respectively void and of no legal effect. Other claims have been made against us and Kimin by several other ex-employees, consultants and third party creditors. We are currently evaluating these claims. Based on information currently available to us, we believe that this potential liability has been reasonably provided for in our financial statements.

GLOSSARY OF DEFINED TERMS

BIOX'r' Gencor's registered name for its bio-oxidation leaching process.

bio-oxidation The use of bacterial activity to oxidize sulphide minerals.

carbon-in-leach (CIL) process A modification of CIP whereby carbon is added directly into the slurry during leaching as opposed to CIP where carbon is added after leaching is complete.

carbon-in-pulp (CIP) process A process used to recover dissolved gold from a cyanide leach slurry. Coarse activated carbon particles are moved counter-current to the slurry, absorbing the gold as it passes through the circuit. Loaded carbon is removed from the slurry by screening. The gold is recovered from the loaded carbon by stripping in a caustic cyanide solution followed by electrolysis or by zinc precipitation.

cash operating cost A measure of the average cost of producing an ounce of gold, calculated by dividing the total working costs in a period by the total gold production over the same period. Working costs represent total operating costs less royalties and depreciation and are before corporate administration and exploration costs.

committed ounces With regard to hedging, committed ounces represent future obligations of the Company to deliver gold at a pre-agreed maximum price. This includes obligations arising from sold call options and forward contracts. Sold call options are netted against bought call options in calculating committed ounces. Committed ounces therefore totals net call options and forward sales.

cyanide leaching The extraction of a precious metal from an ore by its dissolution in a cyanide solution.

decline An inclined underground access way.

delta Delta is the change in the price of a derivative instrument as the price of the underlying asset changes. Delta can practically be interpreted as the amount of gold that would need to be bought (negative delta) or sold (positive delta) in order to neutralize the change in the marked-to-market value of the hedge book for a small change in the price of gold; this number can be used to calculate the approximate change in the marked-to-market price of the hedge book for a given change in the price of gold (assuming no other changes in the other factors, such as volatility, lease and interest rates, that influence the marked-to-market value of the hedge book).

diamond drilling or core drilling A drilling method, where the rock is cut with a diamond bit to produce a core sample of rock.

dilution Rock that is of necessity moved along with ore in the mining process, consequently lowering the grade of the ore.

electrowinning The process of depositing metals present in solution onto a cathode by application of a direct electric current.

feasibility study A detailed technical and economic analysis of the viability of a project covering all aspects from geology, environmental and legal matters to mining, processing and operations.

forward sales The sale of a commodity for delivery at a specified future date and price.

geochemical sampling Samples of soils, stream sediments or rock chips taken to determine the quantities of trace and minor elements.

gold lease rate swaps A gold lease rate swap is a contract whereby a company and its counterparty select a notional amount of gold, and thereafter over the life of the contract one party pays a fixed gold lease rate based upon that amount of gold and the other party pays a floating gold lease rate based on the same amount of gold. The gold lease rate is the deposit or borrowing rate for gold.

gold rho Gold rho is the change in the marked-to-market value of a gold derivative instrument as the gold interest rate changes.

gold vega Gold vega is the change in the marked-to-market value of a volatility based derivative instrument as the volatility of gold changes.

grade The relative quality or percentage of ore metal content.

heap leaching A low-cost technique for extracting metals from ore by percolating leaching solutions through heaps of ore placed on impervious pads. Generally used on low-grade ores.

igneous Rocks formed by the solidification of molten material from deep below the Earth's surface.

laterite Residual soil found in tropical countries out of which silica has been leached.

marked-to-market value The marked-to-market value of a hedge portfolio is the estimated value of the hedge portfolio at a specific point in time. The calculation of the marked-to-market value involves the present value of cash flows and valuations of all instruments in the hedge portfolio at the current relevant market rates. Marked-to-market values vary according to the market rates and valuation model used in the calculation. Marked-to-market value is influenced by market rate assumptions.

milling/mill The commination of the ore, although the term has come to cover the broad range of machinery inside the treatment plant where the gold is separated from the ore.

mineralized zone Any mass of host rock which contains minerals, at least one of which has commercial value occur.

mtpa Million tonnes per annum.

open pit/open cut Surface mining in which the ore is extracted from a pit. The geometry of the pit may vary with the characteristics of the orebody.

ore Material that contains one or more minerals, at least one of which has commercial value and which can be recovered at a profit.

orebody A continuous well defined mass of material of sufficient ore content to make extraction economically feasible.

oxide That portion of a mineral deposit within which sulphide minerals have been oxidized, usually by surface weathering processes.

plunge The virtual angle a linear geological feature makes with the horizontal plane.

pre-stripping Removal of overburden in advance of beginning operations to remove ore in an open pit operation.

probable ore reserve Reserves for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven (measured) reserves, is high enough to assume continuity between points of observation.

prospect A mineral deposit with insufficient data available on the mineralization to determine if it is economically recoverable, but warranting further investigation.

prospecting license An area for which permission to explore has been granted.

protected ounces With regard to hedging, protected ounces represent future sales of gold for which the future price has either been fixed with a forward contract or where a company has ensured a minimum sales price through its net bought option position. The net bought put option position is the net of purchased put options and sold put options. Protected ounces therefore totals net bought put options combined with forward sales.

proven ore reserve Reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from the results of detailed sampling and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size shape, depth and mineral content of reserves are well-established.

reclamation The process by which lands disturbed as a result of mining activity are reclaimed back to a beneficial land use.

recovery A term used to indicate the proportion of valuable material obtained during the mining or processing of an ore. The recovery is generally expressed as a percentage of the material recovered compared to the total material present.

SAG Semi-autogenous grinding

saprolite Soft partially decomposed rock rich in clay and remaining in its original place.

sedimentary Secondary rock formed from materials derived from other rocks and laid down under water. Examples are limestone, shale and sandstone.

spot price The current price of a metal for immediate delivery.

stope The underground excavation from which ore is extracted.

strike length Horizontal distance along the direction that a structural surface takes as it intersects the horizontal.

stripping The process of removing overburden to expose ore.

strip ratio The ratio of overburden and segregable waste to ore in an open pit operation.

sulphide A mineral characterized by the linkages of sulfur with a metal or semi-metal, like iron sulphide. Also a zone in which sulphide minerals occur.

tailings The waste material from ore after the economically recoverable metals or minerals have been extracted. Changes in the metal prices and improvements in technology can sometimes make the tailings economic to reprocess at a later date.

theta The change in the marked-to-market value of a derivative based investment or hedge book as a result of a one day passage of time, with all other market factors remaining the same.

transaction risk The risk of an increase or decrease in price or cash flows relating to a particular asset, liability, or committed or anticipated transaction. Transaction risk is reduced by a hedging transaction if an instrument used is expected to offset the risk of such increase or decrease on the hedged item, regardless of the impact on the enterprise as a whole.

trenching Making elongated surface excavations for the purposes of mapping and sampling.

US rho US rho is the change in the marked-to-market value of a derivative instrument as the US interest rate changes.

waste Rock lacking sufficient grade and/or other characteristics of ore to be economic.

Metric Conversion

1 tonne	= 1 t	= 1.10231 tons
1 gramme	= 1 g	= 0.03215 ounces
1 gramme per tonne	= 1 g/t	= 0.02917 ounces per ton
1 hectare	= 1 ha	= 2.47105 acres
1 kilometer	= 1 km	= 0.621371 miles
1 meter	= 1 m	= 3.28084 feet

Tons are short tons of 2,000 pounds
All ounces are troy ounces

PRINCIPAL SHAREHOLDERS

As of March 12, 2003, our issued capital consisted of 128,103,824 ordinary shares and one special rights redeemable preference share or golden share.

Lonmin is the beneficial owner of 28.1% of our outstanding ordinary shares and the Government of Ghana owns 17.2% of our outstanding ordinary shares. The Government of Ghana has been issued with the golden share entitling it to the following rights which no other shareholder possesses:

o The holder is entitled to receive notice of and to attend and speak at any general meeting of the members or at any separate meeting of the holders of any class of shares, although without the right to vote the "golden share".

o The golden share may only be issued to, held by or transferred to a Minister of the Government of Ghana or any person acting on behalf of the Government and authorized in writing by such Minister.

o On a return of assets in a winding-up or liquidation of us, the holder of the golden share is entitled to the sum of one thousand cedis in priority to any payment to other members, but the golden share confers no further right to participate in our profits or assets. The golden share has no right to dividend and no right to participate in any offer of securities to existing shareholders or in any capitalization issue.

- The holder of the golden share may require us to redeem it at any time in consideration of the payment of one thousand cedis. The golden share is not redeemable at our option.

- Each of the following matters are accordingly only effective upon the written consent of the holder of the golden share:

  (i) any amendment to or removal of the rights of the golden share,

  (ii) a voluntary winding-up or voluntary liquidation of us,

  (iii) the redemption of or purchase by us of the golden share,

  (iv) the disposal of any mining lease held by us or any subsidiary, and

  (v) any disposal (other than a disposal in the ordinary course of the business) which, alone or when aggregated with any other disposal or disposals forming part of, or connected with, the same or a connected transaction, constitutes a disposal of the whole or a material part of our assets taken as a whole.

Additionally, pursuant to the Mining Law, the Ghanaian Minister of Mines has the power to object to a person becoming or remaining a "shareholder controller", a "majority shareholder controller" or an "indirect controller" of us.

Based on information available to us, on March 12, 2003, there were 49 record holders of our ordinary shares in the United States, who held approximately 0.4% of our ordinary shares then issued and outstanding.

The following sets forth information regarding the beneficial ownership of our ordinary shares as of March 12, 2003, by:

- any person whom the directors are aware as at March 12, 2003, who is interested directly or indirectly in 3% or more of our ordinary shares;

- each of our directors; and

- all of our executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission, or SEC, and generally includes voting or investment power with respect to securities. Ordinary shares issuable pursuant to the exercise of options, to the extent the options are currently exercisable or are exercisable within 60 days of March 12, 2003, are treated as outstanding for computing the percentage of the person holding these securities but are not treated as outstanding for computing the percentage of any other person. Unless otherwise noted, each person or group identified possesses sole voting and investment power with respect to the shares, subject to community property laws where applicable.

Unless otherwise indicated, the address of each of the parties listed in the table below is our registered office which is Gold House, Patrice Lumumba Road, Roman Ridge, P.O. Box 2665, Accra, Ghana.

	Shares Owned Prior to the Offering		Shares Owned After the Offering	
Holder	Number	Percent	Number	Percent
Sam Esson Jonah	*	*		
Srinivasan Venkatakrishnan	*	*		
Michael Ernest Beckett	*	*		
Merene Botsio-Phillips	*	*		
Eleanor Darkwa Ofori Atta	*	*		
Trevor Stanley Schultz	*	*		
Theophilus Ernest Anin	*	*		
The Rt. Hon. The Baroness Chalker of Wallasey PC	*	*		
Dr. Chester Arthur Crocker	*	*		
Thomas Richard Gibian	*	*		
Gordon Edward Haslam	*	*		
Dr. Michael Peter Martineau	*	*		
Nicholas Jeremy Morrell	*	*		
Lonmin plc 4 Grosvenor Place London SW1X 7YL	36,000,000	28.1		
Government of Ghana Room 403, Ministry of Finance Accra, Ghana	21,978,104	17.2		
M&G Investment Managers Laurence Pountney Hill London EC4R 0MM	10,270,760	8.0		
Genesis Asset Managers Limited 21 Knightsbridge London SW1X 7LY	8,878,164	6.9		
All directors and executive officers	*	*		

* = less than 1%

The "Shares Owned After the Offering" column in the table above assumes that there is full take up in the rights issue (other than by Lonmin and the Government of Ghana as to _____% of their rights) and that all US$75.0 million of the MENs convert into ordinary shares and are held by Lonmin.

BNY (Nominees) Limited holds 62,061,686 of our ordinary shares in their capacity as depositary under our GDR program. Capita IRG Trustees Limited is the registered holder of 63,660,279 of our ordinary shares in its capacity as trustee under our Ashanti Depositary Interest program (of which BNY (Nominees) Limited is a participant). Neither of these parties fulfil the SEC's requirements for "beneficial ownership" as they do not hold voting or investment power with respect to the relevant shares.

Save for the interests set out above, our directors are not aware of any person who, as at March 12, 2003, and immediately following the completion of the rights issue, will be interested directly or indirectly in 3% or more of our issued share capital.

Lonmin is not a controlling shareholder of ours for the purposes of the UK Listing Rules. If, however, (i) there was no exercise of rights by our shareholders under this rights issue (other than in respect of _____ shares/GDSs, which have been underwritten by the Managers); and (ii) all $75.0 million of MENs were exchanged for our ordinary shares and held by Lonmin; and (iii) all the put options currently outstanding and granted by Lonmin to certain of our warrantholders were exercised, then Lonmin would hold approximately ___% of our ordinary shares. Lonmin has no entitlement to appoint directors to the Board. Currently there are only two directors out of 13 who are employees and/or directors of Lonmin who are on the Board. Consequently, we are satisfied that we are capable of carrying on our business independently of Lonmin and have no transactions or relationships with Lonmin other than in respect of the MENs. All transactions and relationships between Lonmin and us are, and will be, conducted on arm's length terms and on a normal commercial basis.

MANAGEMENT

Directors and Senior Management

The minimum number of directors is three and there is no maximum. The Companies Code of Ghana requires that at least one director is at all times present in Ghana. A director may hold any office or position (except that of auditor) in conjunction with his or her office of director, for any period, any compensation and otherwise as approved by the Board.

Our charter documents provide that directors may be appointed by ordinary resolution of shareholders or by the Board. At each annual general meeting of our shareholders, as near as possible to one-third of the directors will retire by rotation and be eligible for re-election. The directors to retire will be those who have been longest in office since their last election, but as between those who have been in office for an equal length of time, those to retire shall (unless they otherwise agree) be determined by lot. If appointed by the Board, a director holds office only until the next annual general meeting and is not taken into account in determining the directors who are to retire by rotation. Any director appointed to the office of managing director shall not, however, while holding that office, be subject to retirement by rotation or be taken into account in determining the rotation of retirement of directors.

A director may be removed by ordinary resolution of our shareholders before the expiration of his period of office, but without prejudice to any claim which such director might have for damages or compensation for breach of any service agreement between him and us.

The business address of each of our directors and officers is our registered office which is Gold House, Patrice Lumumba Road, Roman Ridge, P.O. Box 2665, Accra, Ghana.

Directors

Sam Esson Jonah (age 53). Mr. Jonah is our Chief Executive and Group Managing Director. He joined us in 1969 and was appointed Managing Director in 1986. He is a non-executive director of Lonmin Plc and Commonwealth Africa Investment Fund Limited and is also Chancellor of the University of Cape Coast, Ghana. He is a member of the UN Global Compact on Governance, and is also a Member of the Advisory Committee, Termite Fund. Mr. Jonah is also a Member of the International Investment Advisory Council of the President of South Africa and a Fellow of the Ghana Institute of Engineers.

Merene Botsio-Phillips (age 45). Mrs. Botsio-Phillips is our General Counsel and substitute director for Eleanor Darkwa Ofori Atta. She joined us in 1995 and was appointed to the Board in October 1996. Prior to joining us, she was director of Legal Services and Company Secretary of Ghana Airways Limited. She is a member of the board of The Air Transport Licensing Authority of Ghana, the International Bar Association, the Ghana Bar Association and the English Bar.

Eleanor Darkwa Ofori Atta (age 59). Mrs. Ofori Atta was appointed to the Board in March 1994. She is our Executive Director responsible for Corporate Relations including corporate services and human resources. She joined us in 1977.

Trevor Stanley Schultz (age 61). Mr. Schultz joined the Board in October 1996 and is our Chief Operating Officer. He was formerly Senior Vice President and Chief Operating Officer of Pegasus Gold, and also held senior positions at BHP Minerals.

Srinivasan Venkatakrishnan (age 37). Mr. Venkatakrishnan is our Chief Financial Officer. He joined the Board in July 2000 from Deloitte & Touche in the United Kingdom, where he was employed as a director in the Re-organization Services Division. He is a member of the Institute of Chartered Accountants of India.

Non-executive Directors

Michael Ernest Beckett (age 66). Mr. Beckett has been non-executive Chairman of the Board since June 1, 2001. He joined the Board in March 1994. Formerly managing director of Consolidated Gold Fields, and a director of Gold Fields of South Africa and Renison Gold Fields in Australia. He is Chairman of Clarkson PLC and Watts Blake Bearne and Company P.L.C. and a director of other public companies.

Theophilus Ernest Anin (age 70). Mr. Anin joined our Board in July 2001. He is a professional banker and solicitor with over 30 years' experience in banking, financial management, and consulting in the public and

private sectors. He is also a director of the Bank of Ghana. He is a member of the Law Society of England and Wales and is also a Fellow of the Chartered

Institute of Bankers.

The Rt. Hon. The Baroness Chalker of Wallasey PC (age 61). Baroness Chalker joined our Board in March 2000. Baroness Chalker is an advisory director of Unilever PLC & NV, non-executive director and President of The South African Business Initiative, President and Chairman of the Boards of Management of the British Executive Service Overseas and the London School of Hygiene and Tropical Medicine, and a director of other public companies. She is also a member of the Institute of Directors.

Dr. Chester Arthur Crocker (age 62). Dr. Crocker joined our Board in February 2000. Dr. Crocker is a professor of strategic studies at Georgetown University's School of Foreign Service. He is also the Chairman of the Board of the United States Institute of Peace and adviser on strategy and negotiations to a number of US and European companies. He served as a US Assistant Secretary of State for African Affairs between 1981 and 1989. He is also a member of the Council on Foreign Relations, the American Academy of Diplomacy and the International Institute of Strategic Studies.

Thomas Richard Gibian (age 49). Mr. Gibian joined our Board in March 2000. He is Managing Director of Emerging Markets Partnership and Chief Operating Officer of AIG, African Infrastructure Fund. He is also a director of InterWave Communications.

Gordon Edward Haslam (age 58). Mr. Haslam was appointed to our Board in March 2002. Mr Haslam is a director and Chief Executive of Lonmin plc and a director of other public companies.

Dr. Michael Peter Martineau (age 58). Dr. Martineau joined our Board in February 2000. He is the Executive Deputy Chairman of Eurasia Mining plc. He has served as a director of several mining and exploration companies in Africa, Australia, Canada and the United Kingdom, including Cluff Resources Plc and SAMAX Resources Limited. He is also a Fellow of each of the Institute of Mining and Metallurgy, the Society of Economic Geologists and the Society of Geologists.

Nicholas Jeremy Morrell (age 55). Mr. Morrell joined the Board in February 1997. He was a former director and Chief Executive of Lonmin plc.

Other and former directorships of our directors

The following table shows, in respect of each of our directors, the names of all companies and partnerships outside of our group of which he or she has, at any time in the five years prior to the date of this prospectus, been a director or partner, as appropriate (excluding subsidiaries of any such companies):

Director	Company Name	Status
Michael Beckett	Clarkson PLC	Current
	Watts Blake Bearne and Company P.L.C.	Current
	Oxus Resources Corporation	Current
	London Clubs International plc	Current
	BPB Public Limited Company	Current
	Queens Moat Houses plc	Current
	F & C Income Growth Investment Trust plc	Current

	Egypt Trust Limited	Current
	Northam Platinum Ltd	Current
	Orica Ltd	Current
	Endeavour Financial Corporation	Current
	Learning Technology Plc	Resigned
	Greycoat Limited	Resigned
	British Borneo Oil & Gas plc	Resigned
	Viglen Technology plc	Resigned
	Costain Group PLC	Resigned
	Monarch Resources Ltd	Resigned
	North Limited	Resigned
Theophilus Anin	Bank of Ghana	Current
Merene Botsio-Phillips	Air Transport Licensing Authority of Ghana	Current
	Ghana Airways Limited	Resigned

Director	Company Name	Status
The Rt. Hon. The Baroness Chalker of Wallasey PC	Africa Matters Limited	Current
	Group Five (Pty) Limited	Current
	DCI Limited	Current
	Freeplay Foundation	Current
	Freeplay Energy P.L.C.	Current
	London School of Hygiene and Tropical Medicine	Current
	The South African Business Initiative	Current
	African Medical And Research Foundation (United Kingdom)	Current
	Landell Mills Limited	Current
	Ditchley Foundation (The)	Current
	British Executive Service Overseas	Current
	Capital Shopping Centres Plc	Resigned
Dr Chester Crocker	ASA Limited	Current
	US Institute of Peace	Current
	Crocker Group	Current
	First Africa Holdings Limited	Current
	Minorco SA	Resigned
Thomas Gibian	Interwave Communications	Current
Gordon Edward Haslam	Lonmin Plc	Current
	Furuya Metals Company Limited	Current
	International Platinum Association	Resigned
Sam Jonah	Lonmin Plc	Current

	Commonwealth Africa Investment Fund Limited	Current
	African Banking Corporation	Current
	Ecobank Transnational Incorporated	Resigned
	Ghana Airways Limited	Resigned
	First Atlantic Bank	Resigned
	Metropolitan Insurance Company Ltd	Resigned
	African Selection Mining Corporation	Resigned
	New African Investment Limited	Resigned
Dr Michael Martineau	Carpathian Gold Limited	Current
	Eurasia Mining plc	Current
	Axmin Inc.	Current
	Angus and Ross plc	Current
	Adryx Mining & Metals Limited	Resigned
	SAMAX Gold Inc	Resigned
	Rayrock Resources Inc.	Resigned
Nicholas Morrell	Lonmin plc	Resigned
Eleanor Ofori Atta	Nil	Nil
Trevor Schultz	Diamond Fields International Limited	Resigned
	BHP Minerals International	Resigned
	Autex	Resigned
	Newcrest Mining Limited	Resigned
Srinivasan Venkatakrishnan	Nil	Nil

None of our directors has:

o any unspent convictions in relation to indictable offences;

o been declared bankrupt or has entered into any individual voluntary arrangement;

o been a director with an executive function of any company at the time of or within the 12 month period preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with such company's creditors generally or any class of creditors of such company;

o been a partner of any partnership at the time of or within the 12 month period preceding any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;

o held assets which have been the subject of a receivership;

o been a partner of any partnership at the time of or within the 12 month period preceding any receivership of the assets of such partnership;

- been publicly criticized by any statutory or regulatory authorities (including recognized professional bodies); or
- been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

Officers

Ernest Abankroh (age 42). Mr. Abankroh is our Company Secretary. He joined us in 1989 and was appointed Company Secretary in May 1999, having previously served as Assistant Company Secretary from December 1996 and in various roles within our accounts department. He holds a Bachelor of Commerce (Hons) degree and a Diploma in Education from the University of Cape Coast and is a Fellow of the Institute of Chartered Secretaries and Administrators (UK).

Martin Awuku Ahorney (age 44). Mr. Ahorney is our Controller-Group Budget & Planning. He joined us in 1987 and was appointed to his present position in July 2000, having previously worked in other key positions within our finance department. Before joining us, Mr. Ahorney worked with Ghana Consolidated Diamonds Limited and Ayew Agyemang and Co., Chartered Accountants. He has an MBA from the University of the Witwatersrand (RSA), and a BSc (Hons) degree in Mineral Processing from Camborne School of Mines (UK) and is a member of the UK Chartered Institute of Management Accountants.

Kwaku Akosah-Bempah (age 43). Mr. Akosah-Bempah is General Manager, Corporate Finance. Prior to assuming his current position in 2001 he was Finance Director of Freda-Rebecca mine in Zimbabwe, having previously held several senior roles within the Finance Department of the Obuasi mine and Corporate Head Office. He holds a Bachelor of Commerce (Hons) Degree and a Diploma in Education from the University of Cape Coast, Ghana and an MBA from the Columbia Business School, USA. He is also a Chartered Accountant and a member of the Ghana Institute of Chartered Accountants and the Ghana Institute of Taxation.

James Kwamena Anaman (age 56). Mr. Anaman is our Managing Director, Public Affairs with responsibility for investor, government and public relations matters. Prior to joining us in 1994, he was the Minister-Counsellor for Information at the Ghana High Commission in London. A graduate of the University of Ghana, he has also served as a press secretary to the Head of State from 1975 to 1979. He is currently the president of the Ghana Chamber of Mines and a member of both the Investor Relations Society in the UK and the Institute of Public Relations in Ghana.

Mark Arnesen (age 42). Mr. Arnesen is Managing Director, International Treasury. He joined us in January 2000. Prior to joining us, he was Corporate Treasurer of Billiton Plc. He has over 17 years' experience in financial management, of which 11 years were spent in treasury and corporate financing with the Gencor and Billiton groups. He is a member of the South African Institute of Chartered Accountants. He also holds a Bachelor of Commerce and Bachelor of Accounting degree from the University of the Witwatersrand.

Kweku Awotwi (age 42). Mr. Awotwi is Managing Director of Strategic Planning and New Business Development. Before joining us, he was Manager of Business Planning and Analysis for Kaiser Aluminium & Chemical Corporation in Pleasanton, California, where he worked for eight years. He trained as an electrical engineer and has worked for GE/RCA as well as ITT, both in the USA. He has a BSc degree from Yale University and an MBA from Stanford's Graduate School of Business.

Peter Cowley (age 55). Mr. Cowley is Managing Director of Ashanti Exploration and has over 30 years of experience in precious and base metals exploration, development and production, mainly in Africa. He joined us in 1996 from Cluff Resources where he was Group Technical Director for seven years. His previous experience includes positions with Exxon Minerals Company and Anglo American Corporation. He holds an MSc degree from the Royal School of Mines and an MBA degree from the Strathclyde Business School. He is also a Fellow of the Institute of Materials, Minerals and Mining.

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Alex Darko (age 50). Mr. Darko is Managing Director of Group Information & Telecommunications. He joined us in November 1996 from Dun & Bradstreet, the business information group, where he held a number of finance positions including Director, European Accounting and Re-engineering. He holds an MSc degree in Management Information Systems and is a Fellow of the UK Association of Chartered and Certified Accountants.

Rolin P. Erickson (age 46). Mr Erickson is Managing Director of Societe Ashanti Goldfields de Guinee. He joined us in 2002 following a successful career in the USA. He has experience of deep underground mining, large scale heap leaching, milling and owner mining. He received a bachelor's degree in Mining Engineering in 1985 from the Montana College of Mineral Sciences and Technology and has supplemented this degree with advanced courses in mining and finance.

Brent Horochuk (age 41). Mr. Horochuk is the Managing Director of the Bibiani mine having previously been Managing Director of the Iduapriem/Teberebie operations. He joined us in March 1995 and has held various mining positions in Obuasi and Zimbabwe and was General Manager for the Iduapriem mine. He holds a BSc in Mining Engineering and a Tech Diploma in Mining Engineering.

Abel Ntini (age 45). Mr. Ntini is the Managing Director of Ashanti Goldfields (Zimbabwe) Limited. He joined us in 1998. He was previously Vermiculite Operations Manager with Palabora Mining Company based in South Africa. He has a degree in Mining Engineering from the Imperial College of Science and Technology in London. He is also a fellow of the Institute of Mining and Metallurgy.

Daniel Monney Akwafo Owiredu (age 45). Mr. Owiredu is the managing director of the Obuasi mine. He was previously managing director of the Bibiani mine which he managed as a project prior to its commissioning. He has over 17 years of service with us and was appointed to his present position in 2002. He had previously served as Chief Engineer for underground mining operations at the Obuasi mine, and was instrumental in the setting up of our BIOX'r' plant from inception to commissioning. Prior to his current appointment, he was managing director of Societe Ashanti Goldfields de Guinee. He holds a BSc degree in Mechanical Engineering from the Kwame Nkrumah University of Science & Technology, Kumasi and an MBA degree from Strathclyde Business School in Scotland, UK.

George Potter (age 45). Mr. Potter is the Managing Director, Group Metallurgy. He joined us in 1994 as Metallurgical Superintendent at the PTP, Obuasi. He has acted as Mill Manager on all three major Metallurgical Plants at the Obuasi mine and has also served as Manager, Metallurgical Services. Prior to his current appointment, he was General Manager, Processing, at the Obuasi mine, and has had previous experience with RTZ in Zimbabwe and Rand Mines of South Africa. He holds a Diploma in Mineral Processing & Extractive Metallurgy and is a member of the South African Institute of Materials, Minerals and Mining and Metallurgy.

David Renner (age 38). Mr. Renner joined us in 1991 and is Managing Director of operations at Iduapriem/ Teberebie. He was previously Senior Manager, Group Strategic Planning; prior to that he was the Project Manager for the Geita project in Tanzania, after serving as Section Geotechnical Engineer at both the surface and underground operations of the Obuasi mine and as Special Assistant to the Chief Executive. He holds a BSc (Hons) degree in Civil Engineering from the Kwame Nkrumah University of Science & Technology, Kumasi, and MSc in Geotechnical Engineering from the University of Newcastle-upon-Tyne (UK) and an MBA from the University of the Witwatersrand. He is a Member of the Institute of Soil & Rock Mechanics and an Associate of the Ghana Institution of Engineers.

Gary Townsend (age 45). Mr. Townsend is Group Financial Controller. He joined us in 1996 and was previously Group Chief Accountant of Unigate Plc. He is a Fellow of the Institute of Chartered Accountants of England and Wales and a member of the Institute of Taxation (UK).

Ken Tshribi (age 43). Mr. Tshribi is General Manager, Legal. He joined us from CAL Merchant Bank in 1996. He holds an LLB (Hons) degree from the University of Ghana and is a Member of the Ghana Bar Association. He has also been involved in the teaching of law.

Board Committees

Audit and Finance Committee

The Audit and Finance Committee reviews and reports to the Board on the compliance, integrity and major judgmental aspects of our published financial statements, the scope and quality of the internal and external audit and the adequacy of our internal controls. The members of the Audit and Finance Committee are: Mr. Beckett (Chairman), Mr. Anin, Dr. Crocker, Mr. Gibian and Mr. Morrell.

Management Development and Remuneration Committee

The Management Development and Remuneration Committee is responsible for the appointment of directors, the determination of the level and structure of executive directors' remuneration and the review of their performance and service agreements. It makes recommendations to the Board on these matters in accordance with its terms of reference and reviews and approves succession programs with respect to top management. The members of the Management Development and Remuneration Committee are: Dr. Crocker (Chairman), Mr. Anin, Mr. Beckett, Mr. Gibian, Dr. Martineau and Mr. Morrell.

Risk Management Committee

The Risk Management Committee reviews and monitors the execution of risk management policies with particular focus on financial risks, including hedging, and, where necessary, makes recommendations to the Board. The members of the Risk Management Committee are Mr. Jonah (Chairman), Mr. Schultz and Mr. Venkatakrishnan.

Corporate Governance Committee

The Corporate Governance Committee is responsible for the monitoring of the general conduct of directors in line with best practice and screens individuals proposed for appointment to the Board. It is also responsible for the non-financial aspects of our safety, health and environmental issues and makes recommendations, as appropriate, to the Board. The members of the Corporate Governance Committee are: The Rt. Hon. The Baroness Chalker of Wallasey PC (Chairman), Mr. Anin, Dr. Martineau and Dr. Crocker.

Compensation of Directors and Officers

Our objective is to provide senior management, including executive directors, with a competitive remuneration package which will attract and retain executives of the highest caliber and will encourage and reward superior performance in a manner consistent with the interests of our shareholders.

Executive Directors

On February 28, 2003, Ashanti Capital Limited, or Ashanti Capital, one of our wholly owned subsidiaries, entered into a service agreement with Mr. Jonah at an annual salary of 'L'450,000, subject to annual review. The service agreement can be terminated on three years' written notice given by Ashanti Capital. Mr Jonah is also entitled to receive: a bonus of such amount as the Board may determine; in lieu of pension an amount of 'L'200,000 for the period until October 31, 2003 and from that date an annual gratuity in the amount of 20% of his basic annual salary; private medical insurance; emergency evacuation insurance; a company car; certain flights; accommodation and staff; and the cost of education of his dependent children. On termination of his employment, Ashanti Capital reserves the right to give Mr. Jonah pay in lieu of notice of termination (whether notice is given by Ashanti Capital or by Mr. Jonah). This amount would consist of Mr. Jonah's basic salary and any bonus or other benefits referable to his employment. Mr. Jonah is also entitled to terminate his service agreement if we cease to be listed on the New York Stock Exchange or the London Stock Exchange unless, if we become a subsidiary of another company, that company offers Mr. Jonah the position of Chief Executive of the enlarged group on terms at least as beneficial to Mr. Jonah.

We have entered into individual service agreements with Mr. Venkatakrishnan (dated September 20, 2000), Mrs. Botsio-Phillips (dated September 29, 1999) and Mrs. Ofori Atta (dated September 29, 1999) at respective annual salaries of 'L'220,000 (approximately US$342,000), US$125,000 (payable in Cedis) and US$110,000 (payable in Cedis), all subject to annual review. The service agreements of Mr. Venkatakrishnan and Mrs. Botsio-Phillips may be extended by us from January 1 each year for a further period of one year to expire three years thereafter or be terminated, subject to two years' notice. Their service agreements are currently due to expire on December 31, 2004. Mrs. Ofori Atta's service agreement runs until December 31, 2003. We entered into a service agreement with Mr. Schultz on September 29, 1999, under which he is entitled to an annual salary of 'L'230,000 (approximately US$358,000). This service agreement will expire on December 31, 2002, and has been replaced by a service agreement dated March 27, 2002, under which Mr. Schultz will serve as Chief Operating Officer for the period January 1, 2003 until December 31, 2003. Mr. Schultz will receive an annual salary of US$360,000 for this period. These executive directors are also entitled to receive a bonus of such amount as the Board may determine, an annual gratuity in lieu of a pension in the amount of 20% of their basic annual salary, private medical expenses insurance, emergency evacuation insurance, a company car and accommodation. In addition, Mr. Schultz and Mr. Venkatakrishnan also receive the costs of education of their children until they reach the age of 21 years. On termination of employment, we reserve the right to give such executive directors pay in lieu of notice of termination (whether given by us or the executive director). The amount will consist of such executive director's basic salary for their relevant notice period. In accordance with Mr. Schultz's service agreement for the period January 1, 2003 until December 31, 2003, any pay in lieu of notice will also include any bonus, commission or other benefit referable to his employment as we, or the Board, may, in our sole discretion, decide.

Non-executive Directors

We have entered into appointment letters with each of Dr. Martineau and Dr. Crocker with effect from February 22, 2000, with Mr. Gibian and The Rt. Hon. Baroness Chalker of Wallasey P.C. with effect from March 24, 2000, with Mr. Anin with effect from October 27, 2001, with Mr. Haslam with effect from March 8, 2002, and with Mr. Morrell with effect from February 28, 1997 (renewed on May 31, 2000). We have also entered into similar appointment letters with Mr. Beckett with effect from March 5, 1994 (renewed with effect from April 25, 2001). Each such director's appointment letter is for a period of approximately three years (subject at all times to the retirement by rotation provisions) and renewable on the same terms.

Save for Mr. Beckett, the Chairman of the Board, who is entitled to a retainer of US$75,000 per year as of June 1, 2002, each non-executive director is entitled to a retainer of US$30,000 per year and a Board committee Chairman is entitled to an additional US$5,000 per year. Each non-executive director is also entitled to an attendance fee of US$1,000 for each Board meeting attended in person and, if the meeting is attended in person outside their country of domicile, then that director is also entitled to a travel fee of US$1,500. Each non-executive director is also entitled to be reimbursed all reasonable expenses incurred while working on our business as well as those expenses incurred in attending Board meetings.

In the fiscal year 2002, the aggregate amount of compensation comprising salary, bonuses and other payments, as well as benefits in kind, paid by us to all of our directors and senior management was approximately US$5.4 million and to senior management was US$2.5 million. This does not include the part of the remuneration of Mr. Jonah which, prior to termination of the Replacement Technical Services Agreement on February 28, 2003, was paid by Lonmin. We separately paid Lonmin, under the Replacement Technical Services Agreement, for technical services it rendered to us, including the services of Mr. Jonah. In the financial year ended December 31, 2002, we paid US$0.8 million to Lonmin for these technical services.

As at March 12, 2003, the interests of the directors (and interests of persons connected with them within the meaning of section 346 of the UK Companies Act 1985 which would, if the connected person were a director, be required to be disclosed, and the existence of which is known to or could with reasonable diligence be ascertained by the relevant director whether or not held through another party) in our securities were:

Name	Beneficial	Number of Shares Non-Beneficial	Number of Shares under option/award
Michael Beckett	1,873	0	0
Theophilus Anin	53	0	0
Merene Botsio-Phillips	100	0	70,426
The Rt. Hon. The Baroness Chalker of Wallasey PC	0	0	0
Chester Crocker	0	0	0
Thomas Gibian	20,000	0	0
Gordon Haslam	0	0	0
Sam Jonah	59,690	0	410,404
Michael Martineau	0	0	0
Nicholas Morrell	0	0	0
Eleanor Ofori Atta	553	0	63,999
Trevor Schultz	31,245	0	195,912
S Venkatakrishnan	0	0	200,775

No director exercised any share options during 2002 and up to March 12, 2003.

Save for the interests of Mr. Jonah in the Replacement Technical Services Agreement (which was terminated on February 28, 2003), none of our directors has or had any interest in any transaction which is or was unusual in its nature or conditions or is or was significant to our business and which has been effected by us during the current or immediately preceding financial year or which was effected by us during any earlier financial year and remains in any respect outstanding or unperformed.

There are no outstanding loans granted by us to any of our directors, nor any guarantees provided by us for the benefit of any o