

**NOTICE OF PENDENCY OF CLASS ACTION**

**TO: THIS NOTICE IS SENT PURSUANT TO RULE 23 OF THE FEDERAL RULES OF CIVIL PROCEDURE AND AN ORDER OF THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF NEW YORK, (THE "COURT"), DATED MARCH 30, 2004. THE PURPOSE OF THIS NOTICE IS TO INFORM YOU OF (i) THE PENDENCY OF THE ABOVE-CAPTIONED CLASS ACTION (THE "ACTION"); (ii) THE CERTIFICATION OF THE CLASS DESCRIBED HEREIN, OF WHICH YOU MAY BE A MEMBER ("CLASS MEMBER"); AND (iii) YOUR RIGHT TO BE EXCLUDED FROM THE CLASS.**

**DEFINITION OF THE CLASS**

1. On March 30, 2004 the Court entered an order certifying this case as a class action and defining the class as follows:

All persons who purchased or otherwise acquired the Global Depository Receipts of Ashanti Goldfields Limited (the "Company" or "Ashanti") in transactions on stock exchanges in the United States during the period between April 21, 1997 and October 5, 1999, inclusive (the "Class Period"), and who were damaged thereby.

Excluded from the Class are defendants, members of each defendants' immediate family, any entity in which any defendant has a controlling interest, and the legal affiliates, representatives, heirs, predecessors in interest or assigns of any of such excluded party.

This Notice is given to you on the belief that you may be a member of the Class. To be a Class Member, you must meet all of the criteria listed above. If you do not meet the Class definition, the Notice does not apply to you. If you are uncertain whether you are a Class Member, contact Counsel for the Class (who is listed in paragraph 8 below) or your own attorney. Class Members may be entitled to recover damages on the claims asserted. This Notice, however, is not intended to suggest any likelihood that Plaintiffs or members of the Class will be entitled to recover such damages.

**BACKGROUND OF THE LITIGATION**

2a. Commencing in February of 2000, numerous securities class actions were instituted on behalf of purchasers of Global Depository Receipts of Ashanti during the period from July 28, 1999 continuing through and including October 5, 1999, alleging violations of the federal securities laws. An additional lawsuit was instituted on behalf of purchasers of Global Depository Receipts in Ashanti from April 21, 1997 through October 5, 1999. These lawsuits were consolidated for all purposes by Court Order filed May 24, 2000 with a class period of July 28, 1999 through October 5, 1999. The claims relating to the time period from April 21, 1997 through July 27, 1999 were stayed.

b. The defendants in the consolidated lawsuit are: (i) Sam Jonah, who served as Chief Executive Officer and a member of Ashanti's Board of Directors during the Class Period; (ii) Mark Keatley, who served as Chief Financial Officer and a member of the Board of Directors during the Class Period; and (iii) Ashanti.

c. Plaintiffs William Webster, Ron Moore and Rosemary Valente were designated Lead Plaintiffs by Order of the Court dated September 8, 2000.

d. By order of the court dated September 8, 2000, Plaintiffs' counsel, Milberg Weiss Bershad & Schulman LLP and Cauley Bowman Carney & Williams, PLLC were appointed Lead Counsel.

e. On October 27, 2000, Lead Plaintiffs filed their Consolidated Amended Class Action Complaint alleging that defendants, including the Company and two of its officers, made materially false and misleading statements and omissions in the Company's financial reports and other public documents disseminated to the investing public thereby artificially inflating the price of the Global Depository Receipts of Ashanti.

f. Plaintiffs allege: During the Class Period, defendants materially misled the investing public, thereby inflating the price of Ashanti's Global Depository Receipts, by publicly issuing materially false and misleading statements and omitting material facts necessary to make defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that they misrepresented the activities of the Company, its business and operations, including, inter alia: that the Company knew the terms of its derivatives transactions and was fully capable of analyzing the effects of rapidly rising gold prices and rising implied volatility whereas in fact Ashanti had no such capabilities; that the Company's "strategic aim" was to "maintain a high level of protection" as the increase in the Company's "hedge" book was not solely related to protecting the Company against fluctuations in the price of gold but rather was to a dangerous degree a "reckless" bet that the price of gold would fall, and an attempt to generate revenue for the company; that the reported mark-to-market value of the Company's "hedge" book, \$290 million, was materially misleading as it failed to state Ashanti's extreme sensitivity to gold volatility or sudden price movements, an eventuality against which the "hedge" book was supposed to protect; it was not true that the Company had eliminated any exposure to floating lease rates as the Company's "hedge" book had been materially negatively impacted by floating lease rates. Said statements also concealed and omitted material adverse information including, inter alia: that the Company was employing option contracts to increase income which option contracts assumed enormous risk in its "hedge" book and these contracts exposed the Company to insurmountable liabilities should the price of gold rise or become volatile; that the increase in the Company's "hedge" position could expose the Company to substantial margin calls should the price of gold rise or become volatile and that the Company lacked the cash to meet those margin calls should that scenario arise. In other words, the Company had increased the risks enormously in its "hedge" position and taken the undisclosed risk that it would find itself unable to meet the obligations it had assumed; that the terms of the options contracts in the Company's "hedge" book, including the strike prices and margin call requirements, were such that the Company could (and did) suffer extreme losses and margin call requirements when gold prices rose or became more volatile; the rising gold price had caused the Company's "hedge" book to have a negative value such that the Company would be required to meet substantial margin calls which the Company would be unable to do; the mark-to-market value of the Company's "hedge" book was as low as negative \$570 million (on October 9, 1999); given the foregoing, defendants' estimates, projections and opinions as to the Company's operations, earnings and income were knowingly or recklessly lacking in reasonable basis at all relevant times.

g. On May 29, 2001 defendants filed a motion to dismiss the Complaint. By Memorandum and Order dated February 28, 2002 the Court granted in part and denied in part defendants' motion to dismiss the Complaint and found that the Lead Plaintiffs adequately set forth that defendants' misstatements were actionable under the federal securities laws. The Court also granted Lead Plaintiffs leave to file a Second Consolidated Amended Complaint, which Lead Plaintiffs filed on March 7, 2002.

h. On April 8, 2002 defendants filed their Answer to the Second Consolidated Amended Complaint in which they deny that they violated any laws or did anything wrong. Defendants believe that their actions were proper under the federal securities laws, and they assert that they are not liable to Lead Plaintiffs or the Class Members.

i. Thereafter, Plaintiffs' counsel engaged in extensive discovery from defendants and third parties and has received and reviewed thousands of pages of documents. Additionally, Plaintiffs' counsel has taken depositions of fact witnesses both in the United States and abroad. Plaintiffs' counsel retained experts and engaged in discovery with regard to both Plaintiffs' and defendants' experts. Plaintiffs have also sought the aid of the Court to discover further evidence from defendants.

j. On April 25, 2003 Lead Plaintiffs filed a motion for class certification and a motion seeking to lift the stay on certain claims to enable Plaintiffs to file a Third Consolidated Amended Complaint with a Class Period of April 21, 1997 through October 5, 1999. The claims asserted in the Proposed Third Consolidated Amended Complaint alleged the same violations as detailed in the Second Consolidated Amended Complaint, albeit over a longer period of time.

k. Defendants opposed Lead Plaintiffs' motions and filed a motion to dismiss the claims asserted in the Proposed Third Consolidated Amended Complaint.

l. By Order dated March 30, 2004, the Court certified the Class as described above. Additionally, the Court named William Webster, Ron Moore and Rosemary Valente as Class Representatives. The Court also lifted the stay and granted Lead Plaintiffs the right to file a Third Consolidated Amended Complaint.

m. On April 26, 2004 Lead Plaintiffs filed a Third Consolidated Amended Complaint asserting claims on behalf of purchasers of Global Depository Receipts of Ashanti listed on stock exchanges in the United States during the period between April 21, 1997 and October 5, 1999.

3. This Notice is given to you in the belief that you may be a member of the Class whose rights may be affected by this Action. This Notice is not an admission by defendants or an expression of any opinion by the Court concerning the merits of the Action or a finding by the Court that the claims asserted by Lead Plaintiffs in this case are valid, or that there has been any wrongdoing or violation of law by defendants. There is no assurance that a judgment in favor of the Class will be granted. This Notice is intended merely to advise you of the pendency of this Action and of your rights with respect to the Action, including the right to remain a Class Member or to exclude yourself from the Class. **YOU NEED NOT TAKE ANY ACTION TO BE OR REMAIN A MEMBER OF THE CLASS.**

#### **RIGHTS IF YOU REMAIN A CLASS MEMBER**

4. **IF YOU WISH TO REMAIN A CLASS MEMBER, YOU ARE NOT REQUIRED TO DO ANYTHING AT THIS TIME.** If you remain a Class Member, you will be bound by any judgment in this Action, whether it is favorable or unfavorable. If there is a recovery, you may be entitled to share in the proceeds, less such costs, expenses and attorney's fees as the Court may allow out of any such recovery. If the defendants prevail, you may not pursue a lawsuit on your own with regard to any of the issues decided in this Action.

5. In the event of a recovery, you will be required to prove your membership in the Class, your purchase of Ashanti's Global Depository Receipts, and your damages, if any.

#### **TO BE EXCLUDED FROM THE CLASS**

6. In the event you wish to exclude yourself from the Class, you must make a request in writing. In order to be valid, each such request for exclusion must set forth the name and address of the person or entity requesting exclusion, must state that such person or entity requests exclusion from the Class in In re Ashanti Goldfields Securities Litigation, Case Number CV 00-0717, and must be signed by such person or entity. Requests for Exclusion must be mailed to either of the addresses provided in paragraph 8 below. To be effective, your Request for Exclusion must be postmarked no later than September 14, 2004. Do not request exclusion if you wish to participate in this Action against the defendants as a Class Member.

If you exclude yourself from the Class, you will not be bound by any judgment in this Action against the defendants, nor will you be entitled to share in any recovery in this Action against the defendants, should any recovery be obtained, but you may individually pursue any legal rights you may have against the defendants.

7. If you do not request exclusion from the Class by September 14, 2004, you will be considered a Class Member and you will be bound by any final judgment in this Action.

8. If you do not exclude yourself from the Class in the manner set forth above, you may enter an appearance in the Action personally or through your own counsel at your own expense. If not, you will be represented by the court appointed Lead Counsel for the Class:

#### **MILBERG WEISS BERSHAD & SCHULMAN LLP**

Paul D. Young  
Cary L. Talbot  
Lili R. Sabo  
One Pennsylvania Plaza  
New York, NY 10119-0165  
(212) 594-5300

#### **CAULEY BOWMAN CARNEY & WILLIAMS, PLLC**

Steven E. Cauley  
Allen Carney  
11001 Executive Center Drive  
Suite 200  
Little Rock, AR 72221  
(501) 312-8500

9. If you remain a Class Member, you will not be personally responsible for Plaintiffs' attorney's fees or costs. Any fees or expenses ultimately allowed by the Court to Plaintiffs' counsel will be payable out of the recovery in the Action, if any.

**SPECIAL NOTICE TO  
SECURITIES BROKERS AND OTHER NOMINEES**

10. If you purchased Global Depository Receipts of Ashanti in transactions on stock exchanges in the U.S. during the period from April 21, 1997 to October 5, 1999 for the beneficial interest of a person or entity other than yourself, the Court has directed that, within seven (7) days of your receipt of this Notice, you either (a) provide to the Notice Administrator identified below the name and last known address of each person or entity for whom or which you purchased such stock during such time period or (b) request additional copies of this Notice, which will be provided to you free of charge, and within seven (7) days mail the Notice directly to the beneficial owners of the securities referred to herein. If you choose to follow alternative procedures (b), the Court has directed that, upon such mailing, you send a statement to the Notice Administrator confirming that the mailing was made as directed. You are entitled to reimbursement of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of reasonable postage expenses and the reasonable costs of ascertaining the names and addresses of beneficial owners. Those reasonable expenses and costs will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Notice Administrator:

Ashanti Goldfields Securities Litigation  
c/o The Garden City Group, Inc.  
Notice Administrator  
P.O. Box 9000 #6244  
Merrick, NY 11566-9000  
Toll-Free: 1 (800) 331-4487

If this Notice was sent to you at your current address, you do not have to do anything further to receive further notices concerning this Action; if it was forwarded by the postal service, or if it was otherwise sent to you at an address which is not current, you should immediately contact the Notice Administrator referred to above.

**AVAILABILITY OF FILED PAPERS**

11. This Notice does not fully describe all of the claims and contentions of the parties. The pleadings and other papers filed in this Action are available for inspection, during business hours, at the Office of the Clerk of the Court, United States District Court for the Eastern District of New York, 225 Cadman Plaza East, Brooklyn, New York 11201. In addition, you may obtain a copy of the Complaint by contacting the above listed Lead Counsel.

12. If you have any questions about this Notice, you may consult an attorney of your own choosing, or Lead Plaintiffs' counsel whose names, addresses and telephone numbers are listed in paragraph 8 above. **DO NOT ADDRESS ANY QUESTIONS ABOUT THE CASE TO THE CLERK OF THE COURT OR TO THE JUDGE.** They are not permitted to answer your questions.

Dated: August 5, 2004

BY ORDER OF THE UNITED STATES  
DISTRICT COURT FOR THE EASTERN  
DISTRICT OF NEW YORK