

# AngloGold shrugs off tax fears as it sets sights on fourfold growth

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MINING

GOLD major AngloGold Ashanti hopes to boost its annual Australian production fourfold to more than one million ounces in coming years through a mix of new projects, expansions, exploration and acquisitions.

Speaking on the sidelines of the Diggers and Dealers mining conference in Kalgoorlie, the company's boss, Mark Cutifani, said that even though he was a loud critic of the federal government's

mining and carbon taxes, Australia was still seen as an attractive place to mine.

"Despite being concerned about the political environment, we still think Australia is a great place to be," Mr Cutifani told *The Australian*. "We understand it, we think we can have an impact on the conversation."

AngloGold, the world's third-biggest goldminer, operates the 250,000-ounce-a-year Sunrise Dam mine near Laverton in Western Australia, which it hopes to ramp up to 300,000 ounces a year in the short term.

It also owns 70 per cent of the Tropicana mine, which is being built to the east of Sunrise Dam and is scheduled to start production next year.

Tropicana, which AngloGold owns with local nickel and gold company Independence, will ramp up to production of about 480,000 ounces a year from 2014.

"Between those two we're sort of looking at 650,000 to 700,000 ounces (based on Anglo's share)," he said.

Anglo wants to add another 100,000 ounces a year at Sunrise Dam, where \$60 million has been spent on exploration in recent years by expanding underground operations and extending the mine life by up to 20 years.

"Lots of commitment to exploration and we're always open to other opportunities that come our way," is where he sees the remaining 200,000 to 250,000 ounces coming from.

A key theme at the Kalgoorlie conference this year has been gold industry consolidation. Gold share prices have un-

derperformed the gold price in recent years, offering opportunities for value in takeovers.

At the same time smaller miners and explorers are struggling to find funding through debt or equity markets in the current market climate.

Mr Cutifani said there were more opportunities now than at any time since before the onset of the global financial crisis.

"Our experience in the market, probably more so in any time I've seen it in the past five years at least, is we're getting lots of inquiries from smaller companies, even

mid-caps, looking for support in projects," he said. "It tells me the market is tough out there in terms of financing, meaning there are lots of opportunities."

"I would expect to see more consolidation, certainly in the smaller end of the market."

Mr Cutifani said his "great fear for Australia at the moment is the pressure we are putting on the exploration guys and the smaller developers, creating uncertainty."

"They can't get cash for their projects, so while their target may have been the big guys, it's hurting the little guys."