

## Anglo begins digging at Tropicana

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Global gold miner AngloGold Ashanti has begun digging at its new Tropicana gold mine development in Western Australia, which it says is on track to be commissioned by the end of next year.

AngloGold Ashanti has budgeted more than \$800 million for its Australian projects, Tropicana and Sunrise Dam, and exploration spending over the next two to three years.

Chief executive Mark Cutifani said he was pleased with the progress at the company's Tropicana operation, following an investor site tour on Sunday.

"We expect to be commissioning (in the) fourth quarter next year. We've probably got a month or two up our sleeve in terms of the commissioning schedule," Mr Cutifani told reporters at the Diggers and Dealers mining conference in Kalgoorlie on Wednesday.

He said costs looked pretty good and 99 per cent of the engineering had been completed.

"We think we're in pretty good shape," he said.

"Every time we drill a hole we're finding more gold, so we're very pleased to be there.

Most importantly for the miners, we've actually started digging."

He said the company was making good progress with the site and would continue to explore the region.

AngloGold Ashanti was also examining blending an open-cut mine with an underground mine at Tropicana.

It is targeting production of 500,000 ounces over the first three years.

"With this sort of strategy, we should be able to hold that sort of production rate for five (years) and beyond that," Mr Cutifani said.

The Sunrise Dam open cut mine in WA would transition into an underground development and potentially last between 15 to 20 years.

The next two years would be about committing \$60 million to proving the long-term viability of Sunrise.

Over the past 12 months the company has made five new gold discoveries within its global portfolio, with the potential to deliver more than three million ounces of gold, Mr Cutifani said.

He said the mining industry had to make substantial changes to its cost structures over the next decade as miners were forced to dig deeper.

"Structural costs are a big issue," he said.

"We can't rely on good grades to dig us out of a hole."

The mining industry's 0.2 per cent investment in research and development was not enough compared to other industries, he said.

Anglo says the company is trading at a 40 per cent discount to real value of the assets, amid global uncertainty.