

Tropicana slips down AngloGold's priority list

Thursday, 17 June 2010

MiningNewsPremium.net

ANGLOGOLD Ashanti says the \$A600 million Tropicana gold development in Western Australia no longer holds the same priority among its projects as a result of the Rudd government's resources super-profits tax.

In a speech to the Minerals Council of Australia, AngloGold Ashanti chief executive Mark Cutifani said that while the world's third-largest gold miner was still committed to Tropicana, it had slipped down the company's list of priority projects.

He said AngloGold had given the go-ahead to move Tropicana into full feasibility, with another \$25 million commitment, on the basis that it had just snuck into the top 10 project list.

"However, on May 2 – which happens to be my birthday – Tropicana is dealt another blow. The super tax is announced," Cutifani said.

"So, at present, the best we can make out is we are back to where we were in early 2009.

"While we are still committed, what should be a 20-year development that our industry so desperately needs has slipped back down the project priority list.

"What's more is that it is very difficult for the board to accept any recommendation when we don't know what it means in terms detail, or we can't guess what great new ideas the government has up its sleeve."

Cutifani said the company wouldn't give up on developing the Tropicana project.

"However, if what is arguably Australia's best gold discovery in a generation doesn't work, what hope is there for the salvation or turnaround in the continuing long-term decline of the Australian gold industry?" he asked.

The company has previously flagged a 2013 first production date for Tropicana based on resources of just over 5 million ounces of gold over 10 years, with average production rates of 330,000-410,000oz per annum.

Tropicana is competing for development funds with a range of other AngloGold Ashanti projects in Africa, Argentina, Brazil, North America and Colombia.

AngloGold Ashanti was last trading at \$10.20.



© Aspermont Limited

Aspermont Limited

Street Address 613-619 Wellington Street, Perth WA Australia 6000

Postal Address PO Box 78, Leederville, WA Australia 6902

Head Office Tel +61 8 6263 9100 **Head Office Fax** +61 8 6263 9148

e-mail contact@aspermont.com **website** www.aspermont.com **ABN** 66 000 375 048