



• Mr Dushnisky

AngloGold earnings lifted by bullion price strength

ANGLOGOLD Ashanti posted an expected 72 per cent leap in annual earnings, boosted by higher bullion prices and its Kibali joint venture in Democratic Republic of Congo, as it forges ahead with a disposal plan to focus on higher returns.

The gold miner, which last week said it was selling its last remaining South African assets to Harmony Gold for \$300 million, reported 2019 headline earnings per share of 91 cents, up from 53 cents the previous year.

Chief Executive Kelvin Dushnisky said the company is working hard to deliver on its strategy and capture higher margins in the current strong environment for gold prices.

AngloGold was formed in 1998 through consolidation of the gold and uranium mining interests of Anglo American Corporation of South Africa. However, ultra-deep gold mines have fallen out of favour because of soaring labour, power and operational costs, as well as safety concerns, at sites that operate at depths of up to four kilometres.

The company has also put up for sale assets in Mali and its Cerro Vanguardia mine (CVSA) in Argentina, though the latter could yet be retained.

"We are in no rush to divest from CVSA unless we receive a very good offer," Dushnisky said, adding that it had no plans to sell any more assets.

AngloGold's free cash flow before growth capital, on which its dividend is based, surged 106 per

cent to \$448 million, compared with \$217 million in the previous year.

The miner approved a dividend of 165 cents per share, up from 95 cents in 2018.

"We're generating strong cash flow from our operations, and that's allowing us to increase returns to shareholders, strengthen our balance sheet and invest in our ore bodies," Dushnisky said in a statement.

Gold production for the full year slipped to 3.281 million ounces, from 3.4 million ounces in 2018, hit by operational challenges at its Siguri, Sunrise Dam and Cerro Vanguardia mines.

The company's Geita mine in Tanzania achieved output of 604,000 ounces, its highest in 13 years. *Reuters*