

/OPERATIONS

Official opening marks Tropicana's coming of age

WA Minister for Mines & Petroleum, the Honourable Bill Marmion MLA, stamps a gold bar at the opening of Tropicana, assisted by AngloGold Ashanti Chairman Siphon Pityana (right), and watched by Independence Group Chairman Peter Bilbe, and Wendy Duncan MLA, the Member for Kalgoorlie. *Photograph by Tony McDonough.*

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A decade in the making, the new Tropicana Gold Mine in Western Australia was officially opened by the WA Minister for Mines & Petroleum Bill Marmion on March 6, 2014, in front of more than 100 invited guests and dignitaries.

AngloGold Ashanti Australia Ltd has 70% and is manager of the operation, while Independence Group NL has 30%.

Tropicana, located 330 kilometres east-northeast of Kalgoorlie, began production in late September last year, ahead of schedule and on budget.

In its first quarter of operation the mine produced 95,050 ounces of gold and by the March 2014 quarter had ramped up to full capacity with production of 120,579 oz from the treatment of 1.4 million tonnes grading 3.01 grams per tonne gold.

The mine is expected to produce between 485,000 – 528,000 oz in 2014.

The biggest greenfields discovery in Australia for more than a decade, Tropicana was found in a remote area not previously thought to be prospective for gold.

Speaking at the site during the official opening ceremony, AngloGold Ashanti Chairman Siphon Pityana said Tropicana added considerable value to the company, and its discovery and development was a great achievement, not just for the joint venture partners, but also for the state of Western Australia and its people.

Mr Pityana said Tropicana demonstrated the benefits of AngloGold Ashanti's investment in its project pipeline.

AngloGold Ashanti Chief Executive Officer Srinivasan (Venkat) Venkatakrishnan, described Tropicana as a newly born baby.

"It has to grow. One has to bear in mind that mines have finite lives, but in Tropicana's case given the distance in terms of strike length, we see the potential for the mine to expand both horizontally and potentially going down to depth as well," he said.

"Tropicana also provides us with better balance in our portfolio, further reducing our reliance on any single region and giving us nearly 15% of our annual production from a low-risk, highly sought after investment destination like Australia."

Graham Ehm, AngloGold Ashanti EVP Group Planning & Technical, who was EVP Australia during the project's development said Tropicana was a 21st century mine, bringing together the latest technology and operating systems to create an efficient and cost-effective operation.

Mr Ehm said the joint venture had also made commitments to benefit of the local community, with targeted local recruitment and training programs and the structuring of contracts to enable participation by local indigenous businesses. These contracts are now worth more than \$80 million per annum.

"Establishing a mine safely and with full respect for the land's heritage and environment is what government and society expects of our industry. Being good stewards of capital and time is what our shareholders and investors expect," Mr Ehm said.

"The ultimate prize is that, while achieving those pre-requisites, the project delivers to the shareholder a return commensurate to the risks involved ... even with a subdued but hopefully improving gold price, Tropicana is delivering for its shareholders."

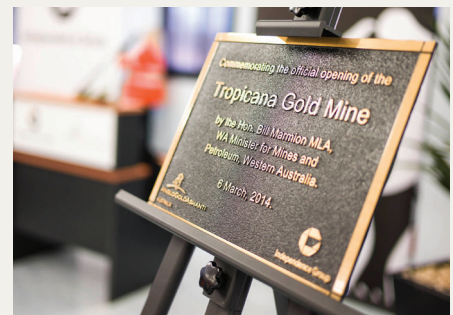
A speech was also given by IGO Chairman Peter Bilbe.

Wongatha Custodian and Elder Aubrey Lynch gave a Welcome to Country ahead of proceedings and praised the efforts of everyone involved in maintaining open and transparent dialogue with the traditional owners during all phases of Tropicana's development.

The Tropicana celebrations continued in Perth with a function for the joint venture's business partners where the Premier of Western Australia, the Honourable Colin Barnett MLA, officiated amidst a display of AngloGold Ashanti's AuDITIONS jewellery collection from Brazil.



Wongatha Custodian and Elder Aubrey Lynch.



The plaque commemorating the Tropicana opening.