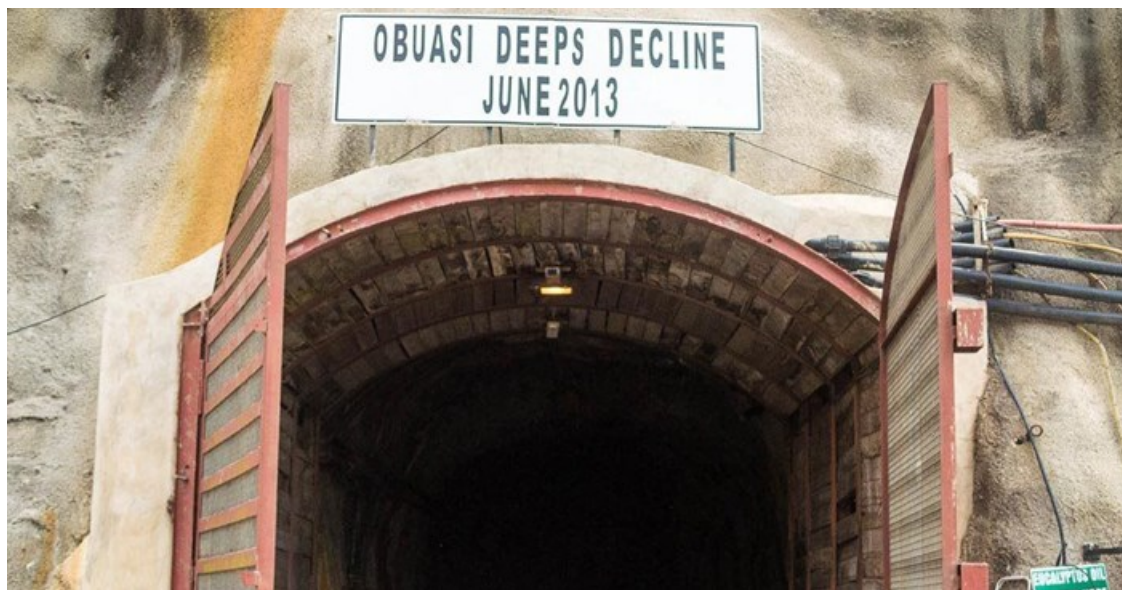


AngloGold Ashanti suspends Obuasi output, cost guidance after underground collapse

By [Tanisha Heiberg](#)

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Gold miner AngloGold Ashanti said on Wednesday it would suspend its annual production and cost guidance for its Ghanaian Obuasi mine after operations were suspended when a miner went missing following an underground collapse, sending shares lower.



Obuasi Mine. Image: AngloGold Ashanti

Operations at the company's Obuasi mine remain suspended as the search continues for the mineworker after a collapse linked to a suspected pillar failure on May 18, the company said.

"Our focus right now is on the rescue mission," said AngloGold's interim chief executive officer Christine Ramon.

AngloGold said the planned ramp-up of production at Obuasi, which produced 34,000 ounces between April and the suspension of underground mining activities, would also be delayed.

The redevelopment of the Obuasi underground mine began in early 2019 after it was placed on care and maintenance from 2016, with its first gold poured in December 2019.

Obuasi was expected to contribute 300,000 to 350,000 ounces to 2021 output guidance and an estimated all-in sustaining cost of \$950 to \$1,050 per ounce.

Ramon said she could not yet estimate the total impact to group annual production but said the company's dividend policy would remain intact.

Gold companies' profits have been boosted by gold prices that hit record levels last year and remain high, offsetting the impact of mine closures because of COVID-19 lockdowns.

Shares in AngloGold fell 4.12% by R336.67, underperforming the general mining sector which was 1.3% weaker by 1445 GMT.

AngloGold said phase 2 infrastructure refurbishment and construction of the redevelopment project was continuing but underground development would only resume once it was declared safe.

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