

# AngloGold's new CEO to tackle 'enormous' discount

AngloGold Ashanti's newly-appointed chief executive officer Alberto Calderon said he will take action to remove a roughly 80% discount in value relative to its gold mining peers and dismissed merger rumours.



The sun sets behind a shaft outside the mining town of Carletonville, west of Johannesburg, file. Reuters/Siphwe Sibeko

After a nearly 10-month search, the South Africa-headquartered bullion miner said Calderon would take over as CEO from 1 Sept.

Following the news, AngloGold shares rose more than 4%, outpacing its Johannesburg-listed gold mining peers Harmony Gold and Gold Fields, before giving up some gains to be 1.89% higher at 1405 GMT.

Calderon is an industry veteran, who previously headed Melbourne-based explosives maker Orica Ltd and worked as a senior executive at mining giant BHP Group. He also served as CEO of Cerrejón, Colombia's largest mining operation.

In an interview, he said he would seek to resolve the issues that have weighed on AngloGold, including fast-tracking project approvals.

"It's a combination of factors that I think is affecting the discount to the market, and if we can solve most of them the value creation is enormous," Calderon said.

“ Our discount to our peers in fair-value is enormous, about 80%. ”

With old, deep mines and ore that is difficult to extract, South African gold miners have traded at a discount to their global peers for years.

## Share price

Although AngloGold has no operations in South Africa, Calderon said there are no immediate plans to move its primary listing from Johannesburg.

"Clearly at some point the board and myself will need to address this and land on a solution," he said.

AngloGold - which has mines in several other African countries as well as Argentina, Australia and Brazil - had previously considered moving its primary listing.

Calderon's appointment takes place a year after former CEO Kelvin Dushnisky resigned, following a two-year stint in charge. Interim CEO Christine Ramon has been appointed as chief financial officer.

AngloGold's share price was hurt by Dushnisky's resignation, as miners globally battled the impact of the pandemic, although record high bullion prices boosted profits.

It was among the worst performing shares among gold mining companies globally and has lost almost half its market value in the last year, underperforming mining giant Barrick Gold, which weakened 32% during the same period.

## No mega-merger

Calderon dismissed rumours of a gold mega-merger.

"I don't see any other option in the short-run to add better value than through organic and efficient, optimised growth internally. I think any other thing will just be a distraction."

Sibanye-Stillwater CEO Neal Froneman floated the idea of a merger with AngloGold and Gold Fields in March, saying consolidation was needed for South Africa's gold miners to compete globally.

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