



GOLD FIELDS

ASX Announcement
19 June 2019



GRUYERE PROJECT COMMISSIONING UPDATE AND PRODUCTION GUIDANCE

Highlights

- **Construction of the process plant flowsheet is now complete**
- **SAG mill and CIL circuit commissioned and operating with First Gold on track for delivery in current quarter as per guidance¹**
- **Commissioning of the entire process plant flowsheet, particularly of the ball mill, will be delayed by more than a month**
- **Ramp-up to nameplate production anticipated over six to seven months from commissioning of the ball mill**
- **Gruyere production guidance amended to 75,000 to 100,000 ounces (100% basis) for calendar 2019 down from 100,000 to 120,000 ounces²**
- **Gruyere Project is in line with Final Forecast Capital Cost estimate - \$621 million³**

Gold Road Resources Limited (**Gold Road**) and Gruyere Mining Company Pty Ltd, a member of the Gold Fields Limited group (**Gold Fields**), reports an update on commissioning and calendar year 2019 production guidance for the Gruyere Gold Project (**Gruyere**), located approximately 200 kilometres east of Laverton in Western Australia.

Following the commissioning of the crusher in January 2019, commissioning of the rest of the process plant commenced with the Semi-Autogenous Grinding (**SAG**) mill in late May 2019, together with the Carbon-In Leach (**CIL**) train, tails system and tails storage facility, reagents storage facilities and other associated water, power and air services. All of these process areas and services have been successfully commissioned and are operating in line with expectations, achieving approximately 500 tonnes per hour. Final commissioning of the gravity circuit, elution circuit and gold room is currently in progress. First gold production is on track for delivery in the current quarter in line with guidance⁴.

The time frame for the completion of construction and commissioning of the ball mill has been extended, pending the resolution of process control design and installation. Once the ball mill is fully functioning, the design throughput of up to 1,000 tonnes per hour will be achievable. Ore commissioning of the ball mill is currently anticipated to be early in the September 2019 quarter. Commencement of the operation of the ball mill will mark the start of an anticipated ramp-up period of six to seven months.

All dollar amounts are in Australian dollars

¹ ASX announcement dated 30 July 2018

² ASX announcement dated 15 February 2019

³ ASX announcement dated 30 July 2018

⁴ ASX announcement dated 30 July 2018

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Completion of construction and plant commissioning, particularly the ball mill, is more than a month later than contractual completion dates. As a consequence, the Gruyere JV now anticipates gold production for calendar 2019 to be between 75,000 to 100,000 ounces, down from previous guidance of 100,000 to 120,000 ounces (100% basis)⁵.

The Final Forecast Capital Cost estimate remains in line with the previously announced \$621 million (100% basis). Joint Venture support costs are expected to come in at the bottom end of guidance of \$35 - \$40 million⁶.

All-In Sustaining Costs (AISC) for the period from attainment of commercial production to the end of 2019 are likely to be higher than previous guidance of between \$1,050 and \$1,150 per ounce. This is primarily a timing issue due to the reduced time period between commercial production and the end of 2019 arising from the delay in construction and commissioning and the resultant reduced ounces of gold. The Gruyere JV will provide revised cost guidance once commercial production is attained which is anticipated mid-way through the ramp-up period.

Mining continues to track ahead of plan, with approximately 2 million tonnes of ore mined and stockpiled to date which de-risks mining related aspects of the operation during the commissioning and ramp-up phases. Ore tonnages mined are closely aligned to reserve and grade control estimates. Estimates of gold grades are closely aligned to projections.

Gold Fields Executive Vice President, Stuart Mathews, said: *“The delay in construction and commissioning is disappointing, however, the areas of the plant currently commissioned are performing strongly. Additionally, mining continues to track ahead of plan and mined tonnes are closely aligned to reserve and grade control estimates, which sets Gruyere up for sustainable production once commissioning and ramp-up have been completed. The Gruyere JV remains focused on delivering a safe, fit-for-purpose and high quality gold mining operation that delivers sustainable value for stakeholders over the current 12 year mine life and beyond.”*

Gold Road Managing Director and CEO, Duncan Gibbs, said: *“The Gruyere JV partners continue to provide considerable support to the EPC contractor in order to ensure successful delivery of the project. As a global Tier 1 gold mine, the project remains within cost guidance and we are confident of a successful ramp-up to nameplate capacity and the long term performance of the operation. Gold Road’s balance sheet remains strong and is positioned to manage any delays.”*

Gruyere is a global Tier 1 gold mine with a long operating life and forecast high margins. Life-of-mine average annual production is forecast at approximately 300,000 ounces per annum with average AISC over a 12-year life of approximately \$1,025 per ounce.

For further information, please visit www.goldroad.com.au or contact:

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⁵ JV support costs include Joint Venture management fees, amortisation of gas and power station capital costs before Project commissioning, and native title and community relations costs. Refer ASX announcement dated 15 February 2019

⁶ ASX announcement dated 30 July 2018