Gold Road Miss Guidance Due to Mill Problems

Gold Road Resources Limited ASX: GOR)

Reported that, due to disruptions to processing plant operations at the Gruyere Gold Mine, production for the June 2021 quarter will be approximately 52,000 to 55,000 ounces (100% basis).

As a consequence of the lower than expected gold production, and additional plant maintenance, AISC per ounce for the June 2021 quarter are anticipated to be in a range of A$1,675 to A$1,800.

Gold Road	ASX : GOR
Stage	Production (50% JV)
Metals	Gold
Market cap	A$1.15 Billion @ A$1.31
Location	Laverton, Western Australia

Gold Road Resources – June 2021 Quarter Production Misses Guidance

Gold Road Resources Limited ASX: GOR) (Gold Road) reports that

due to disruptions to processing plant operations at the Gruyere Gold Mine (Gruyere), production at Gruyere for the June 2021 quarter will be approximately 52,000 to 55,000 ounces (100% basis).

As a consequence of the lower than expected gold production, and additional plant maintenance, All-in Sustaining Costs (AISC) per ounce for the June 2021 quarter are anticipated to be in a range of A$1,675 to A$1,800 (Gold Road attributable), subject to final end of quarter accounts.

The disruptions to Gruyere's processing plant operations included a torn mill feed conveyor belt, which resulted in temporary repairs and reduced processing rates while specialist personnel and materials for the belt replacement were obtained. Following the shutdown of the milling circuit to replace the conveyor belt, a coupling on the ball mill failed.

As a result, processing continued at a reduced rate, with only the SAG mill in operation.
Repairs to the ball mill were completed late on Friday, 25 June 2021, with the processing plant returning to normal operations over the weekend. The root cause of the coupling failure is under engineering investigation, with the objective of preventing potential future failures.

At this stage, Gold Road anticipates gold production for the 2021 calendar year will be within the lower half of guidance (260,000 to 300,000 ounces on a 100% basis).

AISC for the 2021 calendar year are anticipated to be between $1,325 and $1,475 per attributable ounce, with lower June 2021 quarter production and higher maintenance and labour costs the main contributors to an increase from guidance of between A$1,225 – A$1,350.

This release was authorised by the Board.

For further information, please visit www.goldroad.com.au

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Disclosure

The writer currently holds shares in Gold Road, purchased in the market at the prevailing price on the day of purchase.

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