



GOLD FIELDS

ASX Announcement
8 December 2020



GRUYERE TO EXPAND WITH RENEWABLE ENERGY HYBRID MICROGRID

Highlights

- Gruyere JV installation of a renewable energy hybrid microgrid will increase the mine's power capacity to enable plant throughput up to a targeted 10 million tonnes per annum (Mtpa)
- Phase 1 installation of an additional 4MW gas engine by mid-2021
- Phase 2 installation of a 13MW solar farm and 4.4MW battery energy storage system by the end of 2021

Gold Road Resources Limited (**Gold Road**) and Gruyere Mining Company Pty Ltd, a member of the Gold Fields Limited group (**Gold Fields**), are pleased to report on power expansion initiatives at the Gruyere Gold Mine (**Gruyere**), a 50:50 joint venture between Gold Road and Gold Fields, located approximately 200 kilometres east of Laverton in Western Australia.

APA Group (**APA**) have been contracted to install an additional 4MW reciprocating gas-fired engine by mid-2021 (Phase 1) and build, own and operate a 13MW_p solar farm and 4.4MW battery energy storage system by the end of 2021 (Phase 2) under the existing Electricity Supply Agreement (**ESA**) that runs until November 2033. The cost of the Phase 1 and Phase 2 expansion will be amortized over the term of the ESA and is forecast at A\$32 million - A\$38 million (100% basis)¹. Phase 1 and Phase 2 will increase the installed power capacity at Gruyere to 64MW.

The benefits of the sustainable power expansion at Gruyere include:

- Reduction of carbon emissions by an estimated 16,000 tCO₂-e per annum
- Anticipated 5% power supply unit cost saving (MWh), at current gas market prices
- Ameliorating gas power generation capacity constraints, including the derating of gas engine performance at high ambient temperature
- Enable increased plant throughput up to the target of 10 Mtpa²

Gold Road Managing Director and CEO, Duncan Gibbs, said: "Gold Road is proud to be part of this green energy initiative. We have long stated our intention to be an ESG leader, and this initiative follows on from the recent commissioning of a solar and battery power solution at our Yamarna exploration facility. The power expansion at Gruyere provides an elegant technical solution that reduces greenhouse gas emissions, decreases costs and enables an increase in plant capacity up to a targeted 10 Mtpa from the current nameplate design of 8.2Mtpa. This will, not only see increased annual cash flow generation for the business, but it will help drive additional unit cost reductions as Gruyere is further defined as a tier one, low cost and long life gold producer."

¹ This will be reflected in the Statement of Financial Position as a lease liability and will be shown in the Statement of Cash Flows as a lease payment.

² The Gruyere JV continues to focus on optimising mining and plant throughput. Studies are ongoing, and whilst the power plant upgrade is designed to underpin potential throughput rates of up to 10 Mtpa, the ultimate achievable throughput rate will be governed by ongoing measures to improve the process plant production rate and utilisation.

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Gold Fields Executive Vice President, Stuart Mathews, said: *"The installation of renewables as part of our total power solution at Gruyere reflects Gold Fields' strategic objective to strengthen energy security, optimise energy costs and reduce our carbon footprint through the adoption of innovative new technologies. The success of the recently completed renewable energy projects at our Agnew and Granny Smith mines has given Gold Fields the confidence to ramp up use of these technologies across our global operations."*

The Board of Gold Road Resources Limited has authorised this release.

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