

30 June 2021



Ms Nicola Mullen  
Adviser, Listings Compliance  
ASX Limited  
Level 40, Central Park  
152-158 St Georges Terrace  
Perth WA 6000

By email: [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au)

Dear Ms Mullen,

### Response to ASX Aware Query Letter

We refer to your letter dated 28 June 2021 to Gold Road Resources Limited (**Gold Road or the Company**).

Unless specifically defined otherwise below, capitalised terms used in this letter have the same meaning as given in your letter or the Announcement.

The Company's response to each of your queries is as follows:

#### **Gruyere Disruptions**

1. **Does GOR consider the information relating to the Gruyere Disruptions to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

Gold Road does not consider the events which constituted the Gruyere Disruptions, by themselves, to be information that a reasonable person would expect to have a material effect on the price or value of its securities.

2. **If the answer to question 1 is "no", please advise the basis for that view.**

Unplanned disruptions to a processing plant operation are ordinary occurrences in the mining industry. Both planned and unplanned disruptions are budgeted for, and factored into, annual gold production and All-in Sustaining Cost guidance by the Company.

The Gruyere Disruptions were not significant enough by themselves, to be information that a reasonable person would expect to have a material effect on the price or value of its securities because:

- (a) the extent of the disruptions and the length of the disruptions were adequately covered by the 2021 annual production guidance range of 260,000 to 300,000 ounces (on a 100% basis)<sup>1</sup>, evidenced by the Company's reiteration that it will be within the guidance, albeit the lower half of guidance;
- (b) the Gruyere Disruptions are likely to be one-off events, noting, however, that the Announcement states the cause of the coupling failure is under engineering investigation, with the objective of preventing potential future failures.

ASX Code GOR

ABN 13 109 289 527

#### COMPANY DIRECTORS

Tim Netscher

**Chairman**

Duncan Gibbs

**Managing Director & CEO**

Brian Levett

**Non-Executive Director**

Sharon Warburton

**Non-Executive Director**

Maree Arnason

**Non-Executive Director**

Hayden Bartrop

**Company Secretary**

#### CONTACT DETAILS

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<sup>1</sup> Refer to the ASX Announcements dated 15 February 2021 in relation to the initial 2021 Calendar Year Guidance and 20 April 2021 where 2021 Calendar Year Guidance was restated.

- (c) the production, and associated revenue, is not lost. The ore which wasn't processed due to the Gruyere Disruptions will be processed in future periods;
- (d) the cost of the Gruyere Disruptions by themselves is a small percentage of Gold Road's All-in Sustaining Costs. The production impact of the Gruyere Disruptions was a material contributor to the revised All-in Sustaining Cost guidance, as production ounces are the denominator for calculating the All-in Sustaining Cost per ounce. However, it was not the sole reason for the change in All-in Sustaining Cost guidance, which also includes higher maintenance and labour costs as stated in the Announcement; and
- (e) the Company does not consider the Gruyere Disruptions by themselves materially impacts guidance and future outlook.

Despite Gold Road's view that the Gruyere Disruptions did not constitute market sensitive information, the Company considered it appropriate to release guidance on production and All-in Sustaining Costs for the June 2021 Quarter together with an explanation of those changes once it became aware the All-in Sustaining Costs for the 2021 Calendar Year may fall below guidance and market expectations.

**3. When did GOR first become aware of the Gruyere Disruptions?**

Gold Road first became aware of the:

- (a) torn conveyor, and initial estimates of impacted production, late afternoon on 9 June 2021; and
- (b) the failed coupling on the ball mill late afternoon on 23 June 2021.

**4. If the answer to question 1 is "yes" and GOR first became aware of the Gruyere Disruptions before the relevant date, did GOR make any announcement prior to the relevant date which disclosed the information regarding the Gruyere Disruption? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe GOR was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps GOR took to ensure that the information was released promptly and without delay.**

See the answer to question 2.

Gold Road does not consider it was obliged to release the Gruyere Disruptions under Listing Rules 3.1 and 3.1A.

**5. Please confirm that GOR is complying with the Listing Rules and, in particular, Listing Rule 3.1.**

Gold Road is in compliance with the Listing Rules, in particular Listing Rule 3.1.

**6. Please confirm that GOR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GOR with delegated authority from the board to respond to ASX on disclosure matters.**

Gold Road confirms that this response has been authorised by its Board of Directors.

**2021 Calendar Year Guidance**

**7. Does GOR consider the information relating to the 2021 Calendar Year Guidance to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

The Company considers the change in 2021 Calendar Year guidance for:

- (a) production, not to be information that a reasonable person would expect to have a material effect on the price or value of its securities; and
- (b) All-in Sustaining Costs, to be information that a reasonable person would expect to have a material effect on the price or value of its securities.

**8. If the answer to question 7 is "no", please advise the basis for that view.**

The Company does not consider its guidance that it anticipates 2021 calendar year production to be within the lower half of guidance (260,000 to 300,000 ounces on a 100% basis) by itself to be material. The Company is within production guidance, albeit within the lower half of guidance.

The change in production guidance has an impact on All-in Sustaining Cost guidance, as it is a material contributor to the revised guidance as stated in the Announcement. However, it was not the sole reason to the change in All-in Sustaining Cost guidance, which also includes higher maintenance and labour costs.

**9. When did GOR first become aware of the 2021 Calendar Year Guidance?**

Gold Road became aware of changes to the 2021 Calendar Year Guidance on 27 June 2021.

Following notice of the torn mill conveyor on 9 June 2021 from the manager of the Gruyere Joint Venture (**Manager**), at the Gruyere Joint Venture Technical Committee (**Committee**) on 15 June 2021, the Committee assessed the expected impact of the torn conveyor and performance to budget to date on the 2021 Calendar Year Guidance and requested the Manager to develop opportunities to recover budgeted production and identify cost saving opportunities. At that stage, it was not anticipated that the impact to 2021 Calendar Year Guidance would be material. It was noted that the torn conveyor resulted in reduced throughput rather than a complete outage.

Following notification of the failed coupling on the ball mill late afternoon on 23 June 2021, the Company considered that the combined effect of the Gruyere Disruptions may possibly impact 2021 Calendar Year guidance and whether the Manager would be able to provide a revised forecast within an appropriate timeframe to enable the Company to assess compliance with its continuous disclosure requirements. The Company made a decision to conduct its own review.

In addition to the production impacts of the Gruyere Disruption, the review considered existing operating costs and trends at Gruyere, including:

- (a) an increase in maintenance costs associated with projects aimed to improve planning, scheduling and resourcing of maintenance activities and enhancing maintenance operating practices, including additional instrumentation and process control technology;
- (b) an increase in labour costs at Gruyere following a decision to increase the site allowance to employees at Gruyere from 1 April 2021 and increasing labour costs being passed on by contractors performing capital works which were identified at the Committee meeting on 15 June 2021.

The Company completed its review of production and All-in Sustaining Costs on Saturday, 26 June 2021. The Company discussed and verified the revised information with the Manager on Sunday, 27 June 2021. Following verification by the Manager of the revised forecast, the Board of Gold Road approved the 2021 Calendar Year Guidance on 27 June 2021. Accordingly, Gold Road became aware of the changes to the 2021 Calendar Year Guidance on 27 June 2021.

**10. If the answer to question 7 is "yes" and GOR first became aware of the 2021 Calendar Year Guidance before the relevant date, did GOR make any announcement prior to the relevant date which disclosed the information regarding the 2021 Calendar Year Guidance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe GOR was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps GOR took to ensure that the information was released promptly and without delay.**

Gold Road did not become aware of the 2021 Calendar Year Guidance before the relevant date.

The Company made an announcement in relation to the revised 2021 Calendar Year Guidance before commencement of trading on Monday 28 June 2021.

**11. Please confirm that GOR is complying with the Listing Rules and, in particular, Listing Rule 3.1.**

Gold Road is in compliance with the Listing Rules, in particular Listing Rule 3.1.

- 12. Please confirm that GOR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GOR with delegated authority from the board to respond to ASX on disclosure matters.**

Gold Road confirms that this response has been authorised by its Board of Directors.

#### **June 2021 Guidance**

- 13. Does GOR consider the information relating to the June 2021 Guidance (as defined by ASX) to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

Please note that Gold Road has not provided guidance for quarterly periods, including guidance for the June 2021 quarter prior to the Announcement. Gold Road's guidance is for calendar year 2021. When issuing its 2021 Calendar Year Guidance, Gold Road stated that individual quarters will show variability.

Gold Road does not consider that the June 2021 Guidance by itself to be information that a reasonable person would expect to have a material effect on the price or value of its securities. It is the impact of the June 2021 Quarter performance on the 2021 Calendar Year Guidance which Gold Road considers material. This impact is addressed in questions 7-12 above.

- 14. If the answer to question 1 is "no", please advise the basis for that view.**

Variability in quarterly production and All-in Sustaining Costs is normal within the mining industry.

Specifically at Gruyere, production will depend on grade mined and processed, weather impacting tonnes mined, and planned and unplanned downtime of the processing plant. For All-in Sustaining Costs, the key drivers are production, the timing of capital expenditure and market conditions for key input costs, in particular commodities. It is not possible to compare a quarter with prior corresponding quarters without accounting for these drivers. Accordingly, the quarterly production needs to be considered in context of the annual guidance which accounts for variability in individual quarters.

Importantly, the Gruyere Disruptions are considered to be one off events and are not expected to recur.

#### **When did GOR first become aware of the June 2021 Guidance?**

Gold Road receives information regarding production on a weekly basis and All-in Sustaining Costs on a monthly basis following completion of month end reporting. As at the end of May 2021, Gruyere performance was considered to be within 2021 Calendar Year Guidance.

As mentioned in question 10 above, following the Gruyere Disruptions, the Company conducted a review of production and All-in Sustaining Costs which was completed on Sunday, 27 June 2021. Accordingly, Gold Road became aware of the June 2021 Guidance and its impact on 2021 Calendar Year Guidance on 27 June 2021.

- 15. If the answer to question 1 is "yes" and GOR first became aware of the June 2021 Guidance before the relevant date, did GOR make any announcement prior to the relevant date which disclosed the information regarding the June 2021 Guidance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe GOR was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps GOR took to ensure that the information was released promptly and without delay.**

Gold Road did not become aware of the impact of the June 2021 Quarter performance on the 2021 Calendar Year Guidance until 27 June 2021 (see question 9 above).

The Company made an announcement in relation to the revised 2021 Calendar Year Guidance before commencement of trading on Monday, 28 June 2021.

16. Please confirm that GOR is complying with the Listing Rules and, in particular, Listing Rule 3.1.

Gold Road is in compliance with the Listing Rules, in particular Listing Rule 3.1.

17. Please confirm that GOR's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GOR with delegated authority from the board to respond to ASX on disclosure matters.

Gold Road confirms that this response has been authorised by its Board of Directors.

Yours faithfully  
**Gold Road Resources Limited**

**Hayden Bartrop**  
**Company Secretary**

For further information, please visit [www.goldroad.com.au](http://www.goldroad.com.au) or contact:

**Gold Road Resources**  
Duncan Gibbs  
Managing Director & CEO

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28 June 2021

Mr Hayden Bartrop  
Company Secretary

By Email: hayden.bartrop@goldroad.com.au

Dear Mr Bartrop

**Gold Road Resources Limited ('GOR'): General – Aware Query**

ASX refers to the following:

- A. GOR's announcement entitled "June 2021 Quarter Production" lodged on the ASX Market Announcements Platform on 28 June 2021 (the 'Announcement'), disclosing amongst other things:
- (a) A torn mill feed conveyor belt at the Gruyere Gold Mine, resulting in temporary repairs and reduced processing rates whilst specialist personnel and materials for the belt replacement were obtained. Repairs to the ball mill were completed on 25 June 2021, with the processing plant returning to normal operations over the weekend ('Gruyere Disruptions');
  - (b) GOR anticipate that gold production for the 2021 calendar year will be in the lower half of guidance ('2021 Calendar Year Guidance'); and
  - (c) GOR anticipate lower June 2021 quarter production and higher maintenance and labour costs ('June 2021 Guidance').
- B. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- C. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*
- D. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:**
- 3.1A.1 One or more of the following applies:**
- *It would be a breach of a law to disclose the information;*
  - *The information concerns an incomplete proposal or negotiation;*
  - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
  - *The information is generated for the internal management purposes of the entity; or*
  - *The information is a trade secret; and*
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and**

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- E. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

**Request for information**

Having regard to the above, ASX asks GOR to respond separately to each of the following questions and requests for information:

*Gruyere Disruptions*

1. Does GOR consider the information relating to the Gruyere Disruptions to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did GOR first become aware of the Gruyere Disruptions?
4. If the answer to question 1 is “yes” and GOR first became aware of the Gruyere Disruptions before the relevant date, did GOR make any announcement prior to the relevant date which disclosed the information regarding the Gruyere Disruption? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe GOR was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps GOR took to ensure that the information was released promptly and without delay.
5. Please confirm that GOR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that GOR’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GOR with delegated authority from the board to respond to ASX on disclosure matters.

*2021 Calendar Year Guidance*

7. Does GOR consider the information relating to the 2021 Calendar Year Guidance to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
8. If the answer to question 1 is “no”, please advise the basis for that view.
9. When did GOR first become aware of the 2021 Calendar Year Guidance?
10. If the answer to question 1 is “yes” and GOR first became aware of the 2021 Calendar Year Guidance before the relevant date, did GOR make any announcement prior to the relevant date which disclosed the information regarding the 2021 Calendar Year Guidance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe GOR was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps GOR took to ensure that the information was released promptly and without delay.
11. Please confirm that GOR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
12. Please confirm that GOR’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GOR with delegated authority from the board to respond to ASX on disclosure matters.



#### *June 2021 Guidance*

13. Does GOR consider the information relating to the June 2021 Guidance to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
14. If the answer to question 1 is “no”, please advise the basis for that view.
15. When did GOR first become aware of the June 2021 Guidance?
16. If the answer to question 1 is “yes” and GOR first became aware of the June 2021 Guidance before the relevant date, did GOR make any announcement prior to the relevant date which disclosed the information regarding the June 2021 Guidance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe GOR was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps GOR took to ensure that the information was released promptly and without delay.
17. Please confirm that GOR is complying with the Listing Rules and, in particular, Listing Rule 3.1.
18. Please confirm that GOR’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GOR with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **3.00 PM AWST Thursday, 1 July 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, GOR’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require GOR to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in GOR’s securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.



### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in GOR's securities under Listing Rule 17.3.

### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to GOR's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that GOR's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Release of correspondence between ASX and entity**

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

### **Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

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**Nicola Mullen**

Adviser, Listings Compliance (Perth)