CONTROL RISING COSTS

SITUATION.

A gold miner had consistently increasing All-in Sustaining Cost (AISC) at one of its African mines.

Over a three-year period, AISC had risen by 17%.

The company was looking for opportunities to understand why their costs were trending up and how the management could combat the problem.

THE ROLE OF MITRAQ.

Using MiTRAQ, the mining company analyzed the cost trend of three KPIs in particular:

- Total Site-Wide Cost / Tonnes Moved
- Mining Cost / Tonnes Mined
- Processing Cost / Tonnes Processed

The data showed that their costs on a per-tonne basis were actually improving compared to its peers in Africa.

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FOR MORE **INSIGHTS FROM MINERS**

IMPACT.

The company was able to objectively assess performance and identify the real issue behind the growth of costs: it was an ore grade issue, as opposed to an efficiency issue.

The company began Reverse Circulation drilling and improved its ore identification process.

Gold output increased by 8%, overall costs stayed the same, whereas costs per ounce decreased by 7.4%.