

### Objective

Xenco was engaged to identify key opportunities for optimising operations at a large gold refinery. The client sought to gain a better understanding behind their higher operational costs at this site compared to similar sites within its portfolio. To assist the client in meeting its operational efficiency goals, a comprehensive benchmarking analysis was conducted. This analysis was designed to identify and quantify significant cost discrepancies and operational differences across the client's portfolio.

# The Challenges

The client's key financial performance indicators for processing were consistently higher compared to other sites. Xenco's challenge was to uncover the underlying drivers of these discrepancies and deliver the client with actionable recommendations to reduce costs and improve operational efficiency. Key challenges identified by our team included:

- Increased labour and material costs driving up operational expenses.
- Increased power consumption.
- Greater spending on reagents.
- Limited understanding of impact of geographic, process, and logistical factors.

# AT A GLANCE

#### Challenges

- Need for actionable recommendations for address cost variances between projects.
- Limited insight into geographic, process, and logistical factors.
- High spending on reagents.
- High power consumption.
- High labour and material costs.

#### **Benefits**

- Several key cost discrepancy factors uncovered.
- Over \$58 per tonne in cost savings identified.
- Roadmap developed for sustained cost optimisation.

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#### **Our Approach**

Xenco developed a benchmarking approach to address the client's challenges surrounding comparatively high operational costs. This approach focused on:

# Data Analysis

Initial comparisons utilised high-level business intelligence reports. This was followed by an in-depth analysis of detailed operational and budgetary data, focusing on fiscal year performance.

# Comparison Metrics

Cost-per-tonne milled was used as the primary metric for comparison, ensuring consistency across the client's portfolio.

# Investigating Key Cost Metrics

Key areas such as labour, power, tailings management, and reagent usage were analysed in detail to uncover opportunities for cost reduction.

### Visualisation

Insights gathered from data were put into graphs to assist in visualising discrepancies and trends across different operations.

#### **Findings and Recommendations**

After comprehensive benchmarking was completed, several key factors which most contributed to elevated operating costs at the client's operation were identified. Based on this analysis, the team proposed a series of targeted initiatives to help the client achieve its operational efficiency goals. These key factors and associated recommendations were:

Labour Costs per tonne



- Review of staffing levels and leadership roles to ensure alignment with specific operational needs.
- Evaluate roster structures and shift schedules to identify opportunities for cost reduction.



- Identify opportunities to optimise grind size targets and minimise energy consumption during process.
- Engage with power suppliers to negotiate more favourable rates.

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 Explore alternative approaches to minimize haulage and consumable costs associated with tailings management.





- Negotiate with reagent supplies to secure reduced prices.
- Optimise reagent consumption through process adjustments.



- Centralise procurement of materials and consumables to capitalize on economies of scale.
- Assess local sourcing options to reduce transportation costs.

#### Results

As a result of the benchmarking analysis conducted by Xenco, over **\$58 per tonne** in potential cost savings were identified, enabling the client to address key financial inefficiencies while maintaining high operational standards.

These findings also provided insights into where projects needed to be prioritised and where responsibilities should be assigned to address key cost drivers. By leveraging these insights, the operation was able to develop a clear roadmap for cost reduction, supporting long-term operational success.





