

Lily production build-up still on track

ASX-listed Vantage Goldfields says that despite the recent strike by its workers the planned build-up of production at its Lily mine in the Barberton Greenstone Belt (BGB) remains on schedule to reach full production in the third quarter of 2011.

While the loss in production resulting from the strike will have a short-term impact in the company's December 2010 results, this temporary setback is – says Vantage – mitigated by the fact that the capital expenditure programme remains under budget as a consequence of savings in the cost of capital items. Operating cash flows are forecast to be positive in the first quarter of 2011, some nine months after the company's ASX listing.

According to the company's CEO, Mike McChesney, the Central Metallurgical Complex (CMC) serving the Lily mine is now operational and is capable of processing 4 000 t/a. "Our immediate focus at Lily is to ensure continuous production over the coming months at a time of robust gold prices."

As we reported in our November 2010 issue, Vantage is planning to boost Lily's production by adopting a mining approach substantially different from the methods traditionally employed in the BGB, with the emphasis being on decline access to the orebody and bulk mining of wide shear zones (or clusters of mineralised veins) using mechanised techniques.

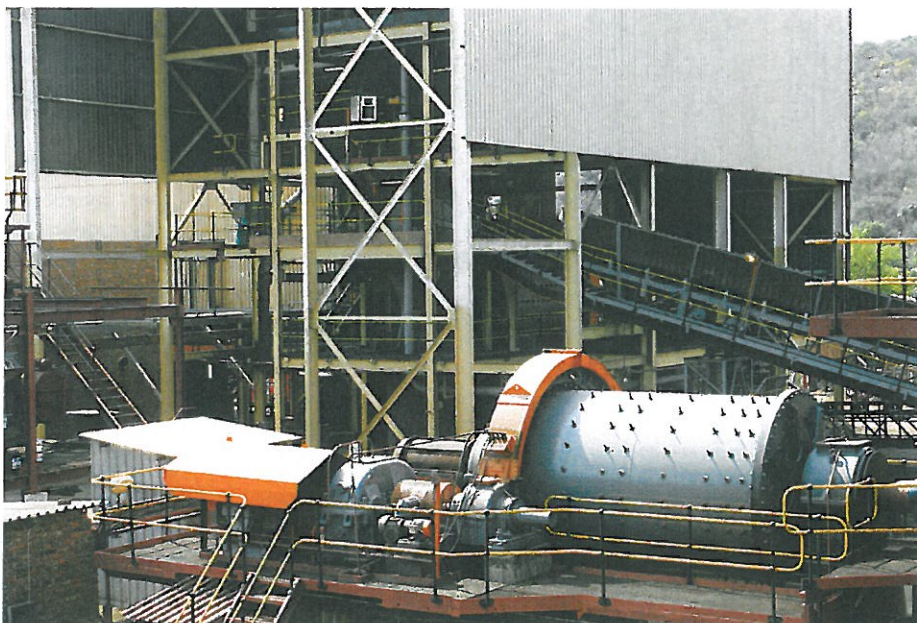
Vantage expects the new underground mine – which replaces an open-pit operation which ceased operations in 2008 – to pro-

duce 35 000 ounces per annum from 2011 for at least 13 years.

Vantage also owns the Barbrook project in the BGB. In August last year, Vantage announced the successful completion of a BFS on Stage 1 of the Barbrook redevelopment. Carried out by Turgis, the BFS has determined the economic viability of mining the pre-developed mineral resources within the Taylors Central and French Bob sections of the mine between 6 and 10 Levels. It is anti-

ipated that mine production will commence via existing horizontal adits at 7 and 10 Levels and will ramp up to a production rate of 10 000 tonnes of ROM ore per month, building up to 12 000 ounces of gold produced per annum.

According to Vantage, the Stage 1 project, with a life of three years, will cost just A\$2,8 million to implement. This is a result of pre-existing underground development in the area to be mined, as well as the availability of a separate, dedicated processing plant located within the CMC. ■



The Central Metallurgical Complex (CMC) serving the Lily mine. It represents a refurbishment and expansion of the old plant built by Rand Mines in the late 1980s (photo: Vantage Goldfields).

Chamber CEO comments on safety figures

In his first media conference after taking over as the Chief Executive of the Chamber of Mines of South Africa, Bheki Sibiyi reiterated the Chamber of Mines' commitment to the improvement of safety in South Africa's mines.

Noting that figures for 2010 released by the Department of Mineral Resources indicated a 24 per cent improvement on the 2009 figure of people who died in mining industry workplace incidents, Sibiyi expressed sadness that 128 mineworkers lost their lives last year. "Our vision is that every mineworker should go home unharmed every day and we are therefore deeply saddened by the death of so many of our colleagues," he said.

"The 24 per cent improvement achieved makes 2010 the best safety year in South Africa's mining history. We are grateful for the co-operation we have received from the Department of Mineral Resources, the leadership of organised labour and fellow mineworkers in addressing issues of health and safety in South Africa's mines. We also recognise the hard work of Chamber members each of which have their own programmes to improve health and safety. Without the involvement and co-operation of all these stakeholders, it would have been impossible to have achieved these results. We hope that

in working together with government and unions to accelerate the implementation of the 2008 Tripartite Action Plan on Health and Safety, more progress will be made in the year ahead. The Chamber of Mines and its members are committed to this."

The media conference was held to brief members of the media on the mining indus-

try's safety initiatives in 2010 and plans for further improvements in 2011. These included initiatives such as the Learning Hub, which the Chamber established in 2009 to encourage mining companies to actively learn from the pockets of excellence in the industry, and other initiatives such as the culture transformation framework intended to entrench a more participative and caring culture within the mining industry. ■

Lumwana now a plus 100 Mt/a operation

Equinox Minerals Limited, listed on the TSX and ASX, reports that its giant Lumwana copper mine in Zambia produced 33 939 tonnes of copper in concentrate during Q4-2010. Production for the full year 2010 totalled 146 690 tonnes of copper in concentrate.

Material movements of 28,52 Mt marks the third consecutive quarter above a 105 Mt/a mining rate, with the pit performing well in the early stages of the Zambian wet season. Mining operations are now well established in Stage 3 and 4 of the Malundwe pit resulting in increased ore production of 5,23 Mt and a reduced quarter-on-quarter strip ratio.

The plant continued to produce above its design rate of 20 Mt/a over Q4-2010, with 5,48 Mt of

ore milled. Despite the consistent mill throughput, copper production was down in Q4-2010 from the third quarter of 2010 due to lower head grades of 0,69 % copper, which have fallen as expected in accordance with the mine plan. Recoveries were consistent with previous quarters, despite falling head grades.

In addition to the copper ore mined during Q4-2010, a small amount of uranium ore was mined and stockpiled during this period. The uranium stockpile on the ROM pad has increased to 4,6 Mt of 900 ppm uranium and 0,8 % copper, and is being classified and expensed as 'waste' to the copper project. This uranium-copper stockpile may be treated at a later date, if and when the company builds a uranium plant.