

BIRRELL MINING ANNOUNCES THE RE-OPENING OF BOSVELD MINE'S KLIPWAL GOLD MINE

26 June 2017

Birrell Mining International (BMI) has announced the re-opening of the recently acquired Bosveld Mining's Klipwal Gold Mine in KwaZulu Natal.

BMI completed the purchase of Bosveld Mines from Stonewall Mining earlier this year, after having been responsible for the care and maintenance programme since early 2016. The transaction retains the BEE ownership structure whereby 26% is owned by predominantly community-based BEE partners.

The BMI Board, under the chairmanship of Graham Briggs, approved the transaction following in-depth reviews of resource and operational potential across the mine. The mine has had an extensive operational history with substantial surface and underground infrastructure, providing an ideal platform for both current operations and further underground development.

BMI has completed nine months of recommissioning of the plant and several levels underground as well as bulk test work. Production began last month. Initial results indicate stable production at reasonable grades with good levels of recovery. An experienced management team, headed by Tony Knight, will allow rapid expansion. Under Briggs's guidance, this will include the expansion of the mine and deeper level underground mining and development, as well as the recommissioning of lower levels from July 2017 onward.

Of critical importance is the operations' management of the illegal mining activity in recent months which had plagued the safety and future viability of the Klipwal underground workings. "Due to the high levels of illegal activity at Klipwal, it was decided to utilise the local illegal miners as the main workforce and keep the sophistication of mining at very low levels. This meant many ex-illegal miners could operate safely, within our strict safety regulations and managerial control, while earning a regular income and adhering to legislative requirements around contractor employment," says Briggs.

The ex-illegal miners (Zama Zama's) now form co-operatives. They are contracted as legal entities by the mine to complete hand-lashing and tramming within portions of the mine that are rendered safe by the company.

The co-operatives are trained and mentored and remunerated based on each ton lashed and trammed to a collection point. "This method has had a profound effect on several levels. The operation reverts to mining methodologies of several years ago and the co-operatives (miners) are paid according to their production levels. Management and control is now relatively easy as the co-operatives are motivated and self-disciplined," he says.

Bosveld has a long-term target production of between 12 and 15 thousand ounces of gold per annum.