

Voorspoed plans to ramp up production

The Voorspoed mine owned by De Beers was ramping up production by a third to 800,000 carats over the next two years, the mine's GM, Mpumi Zikalala, said on Friday.



Voorspoed is one of three operations De Beers has left in the country and was one of three new projects the world's largest producer of rough diamonds by value started around 2008.

Voorspoed, which is near Kroonstad in the Free State, is an opencast kimberlite mine and is forecast to produce 600,000 carats this year, said Ms Zikalala.

The mine would increase production to 750,000 carats next year and 800,000 carats in the following year.

The growth will come from a combination of factors including new equipment, improved roads and the extraction of different parts of the pit according to a mine plan schedule.

Ms Zikalala said De Beers spent R180m buying two new shovels and five new haul trucks, which would boost the tonnages hauled from the pit to the processing plant.

The expense and work incurred this year would be enough for the 150m deep mine to ramp up production to 800,000 carats by 2014.

Further, Voorspoed management would look at ways of optimising not only the mining side of the business but the processing of ore. Efficiencies had already improved by 12%.

Voorspoed was operated from 1906 to 1912 by Voorspoed Diamond Mining Company when it was bought by De Beers. In 2003, De Beers dusted off the deposit and had another look at it with new processing technology available to the company.

The R1.3bn mine was opened in 2008 and by the end of last year it had produced more than 1.9-million carats.

According to the mine's mineral resources manager, PJ Jordaan, there were 11 other kimberlites and dykes in the region, but only Voorspoed and JSE-listed DiamondCorp's Lace mine were economically viable.

De Beers is starting to look a little more closely at expanding the pit in a process called a cut. It involves pushing the edges of the pit outwards to give access to deeper levels of the ore body.

Ms Zikalala said three cuts had already been put into the mine and the company would look seriously into whether it should put in a fourth cut or develop an underground mine. No time frame has been set for when such a decision would be made.

Voorspoed, despite being a profitable mine, is a marginal one because of the mix of high-value coloured diamonds and low-quality ones.

Voorspoed commercial manager Dinesh Bhana said about 60% of the mine's revenue is derived from the high quality stones and the balance from the poorer quality diamonds.

At the De Beers group, 60% of value comes from just 10% of the diamonds it produces.

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