

Gold Fields finally sets production and cost target for South Deep

By [Allan Seccombe](#)

17 Feb 2017

Gold Fields has at last set a production and cost target for its South Deep mine in SA, saying on Thursday, 16 February, the mine, which needs a further R2.28bn of investment, would generate 500,000oz of gold a year at an all-in cost of \$900/oz once it reaches steady state in 2022.



© Lynn Bendickson – [123RF.com](#)

South Deep, the last remaining South African mine in the Gold Fields portfolio, has been a development project for many years, missing a number of production and cost targets as the company struggled to find the appropriate mining method and skills to extract the deep-level gold in a massive ore body.

The highly mechanised mine has undergone a thorough review and the new plan, which will cost R2.28bn over six years, with peak funding of R582m in 2019, will deliver less gold than management over recent years had expected.

South Deep broke even last year in line with management commitments and generated net cash flow of \$12m.

During the review of the mine in 2015, management identified 68 projects to deliver a profitable mechanised mine, with 29 of those projects completed and a further 27 to be concluded this year. The remaining 12 projects would be finalised next

year.

"The initiatives that were implemented over the past two years started to yield results during 2016, which was a milestone year for South Deep," Gold Fields said, adding gold output increased by 47% to 290,000oz and forecast production of 315,000oz this year.

The head of the project at South Deep, Nico Muller, is leaving the project to join Impala Platinum as CE.

Source: BDpro

For more, visit: <https://www.bizcommunity.com>