

Tailings provide glitter for Mintails

Reworking of old gold mine tailings about 60km west of Johannesburg are helping create a better life for local communities, the South African economy and the environment as well as for ASX-listed Mintails Ltd shareholders.

Delegates to the Africa Downunder conference were told Mintails, established to process and produce gold from Witwatersrand Basin mine tailings, had successfully completed Stage 1 of commissioning of its West Rand gold project.

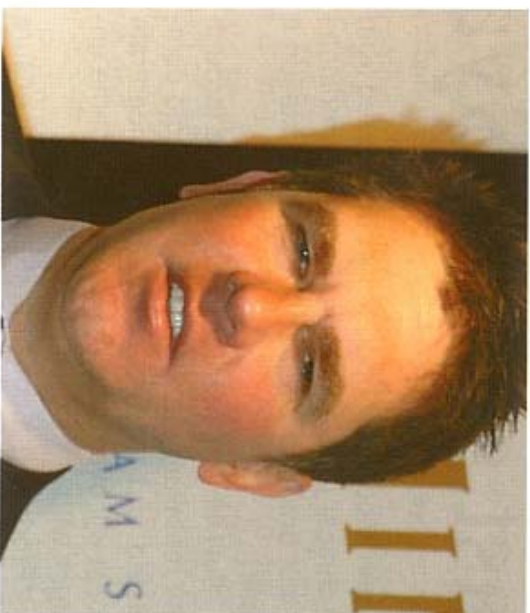
Mintails listed on the ASX last December after raising \$30.2 million – \$3.2 million in seed capital from Peregrine Corporate and then \$12 million and \$15 million raisings by broking firms Patersons and Bell Potter.

Australian-based executive director Richard Revelins told **Paydirt** the project has a resource of 305mt of which 145mt grading 0.42g/t gold and containing almost 2 moz of gold was JORC defined.

On the existing resources the project had an 18-year mine life.

Stage 1 is designed to produce 40-45,000 ozpa ultimately increasing to 120,000 ozpa once Stage 2 is commissioned.

Revelins said that in many ways the project



Richard Revelins

was a cleaning up of the environment and Mintails' uniqueness was that it marketed itself as an environmental clean up operation.

Part of this strategy included use of acid water decanting from open pits and underground operations, treating it and turning it into grey water for use in water canons and in the plant.

The project was also seeing an extensive surface rehabilitation programme with many of the nearby open pits being filled from tailings waste.

The company's South African-based chief

executive Dick van der Walt said the project had involved the acquisition and refurbishment of the Mogale gold plant and other DRD assets at a capital cost of R26 million (\$A7 million).

At a gold price of \$US600/oz, at full production the project should generate a free cash flow of about \$US11.4 million annually.

Der Walt said Mintails intended to undertake a Stage 2 upgrade at an estimated capex of \$US30 million.

This would include construction of a second leach circuit and a beneficiation plant to increase the grade of the tailings from 0.42g/t to 0.7g/t gold.

The installation of the second leach circuit would enable Mintails to increase production from 220,000t a month to 7.2 mtpa.

Further surveying and drilling is planned to upgrade the entire 305mt of tailings to a JORC measured category, which would substantially increase the mine life to about 28 years.

Questioned on the impact of South Africa's black economic empowerment legislation, der Walt said Mintails had been in the fortunate position of establishing a relationship with BEE-compliant company Acorn Gold.

– Allan Francis