

Jubilee to build independent chrome, PGM processing plant

9 June 2014

Source: www.miningweekly.com

As Aim-and AltX-listed Jubilee Platinum continues negotiations with Platinum Australia subsidiary PhokaThaba Platinum for the interim processing of tailings from the Limpopo-based Dilokong chrome mine (DCM), the group on Monday announced the signing of an agreement with ASA Metals that could see the establishment of a “purpose-built” chrome and platinum processing plant at the mine.

In partnership with ASA Metals, the mine-to-metals specialist plans to construct a dedicated, purpose-built chrome and platinum group metal (PGM) processing plant adjacent to the DCM surface tailings and the ASA smelting operation.

This followed the conclusion of an access agreement that would give Jubilee exclusive access to an estimated 800 000 t of PGM-bearing dumped chromite tailings – containing about 74 000 4E (platinum, palladium, gold and rhodium) PGM ounces – on ASA Metals’ property.

“This agreement is a significant target milestone for the company in order to bring to production our acquired rights to platinum-containing surface material, while simultaneously progressing its PGM processing strategy serving the larger eastern limb of South Africa’s platinum belt,” Jubilee CEO Leon Coetzer said in a statement.

As DCM continued to deposit 8 000 t/m to 12 000 t/m of tailings onto the surface tailings dam, an increasing volume of material would be available for processing.

Jubilee could process a minimum of 180 000 t/y of surface stock taking into account the capacity of the to-be-constructed processing plant.

“A purpose-built PGM and chrome processing plant, adjacent to the surface tailings, eliminates the significant transport costs associated with the haulage of the tailings to a toll processor and the environmental considerations associated with the use of local community roads,” Coetzer explained.

SP Angel, in a statement to clients, said that this was a good deal for Jubilee - a new plant which would have available material from tailings, as well as the potential to source fresh ore from the eastern limb.

“ASA and [Jubilee] are working together towards implementing a processing solution in the shortest possible time,” he noted, adding that ASA agreed to provide Jubilee access to sufficient power, water and other auxiliary services for the construction and operation of the new processing plant.

While the parties jointly reviewed the timelines and cost to accelerate the implementation of the new plant, advanced discussions for further expansion of the proposed plant to target the processing of third-party chrome- and platinum-containing ore in the region were under way.

“Numerous chrome mining opportunities are being explored in the region that require access to a purpose-designed PGM and chrome processing facility, which offers a partnership with a ferrochrome producer,” Coetzer added.

Jubilee was in negotiations with a number of financial institutions for the funding required to build the plant.