

# Australian company starts trial reef residue mining in Pilgrim's Rest

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Junior gold miner Stonewall Mining, a wholly owned subsidiary of ASX-listed Stonewall Resources, has started bulk trial mining at its historic Beta mine, in Pilgrim's Rest, Mpumulanaga.

This forms part of an ambitious premined residue (PMR) project, which aims to extract and process between 17-million tons and 35-million tons of reef residue with an average grade of 1.7 g/t that was left behind by the original Pilgrim's Rest miners during the previous century.

According to the conceptual ounces calculated by the independent competent person, Stonewall's PMR project has a minimum target of 720 000 oz of gold, but could produce as much as 2.4-million ounces. Further, the figures released estimate that the cost of executing the project will be \$753/t, significantly lower than conventional underground mining costs.

Stonewall Mining CEO **Lloyd Birrell** explains that the low cost of production is a result of the fact that the reef residue is pre-explored, predeveloped, has been drilled and blasted and is oxidised.

"We are currently using scraper winches to extract the reef residue from the stopes. We will then vacuum out the remaining fine material. That material is being transported a short distance to our Donald Liston plant, in Pilgrim's Rest, for processing and smelting," says Birrell.

The bulk trial mining phase of the PMR project will run to the end of March, when Stonewall intends to ramp up production from 10 000 t/m to 30 000 t/m. It is expected that the company will transition to full-scale production of 80 000 t/m in the second half of the year. Following this initial mining stage, the proposed expansion of the project later in the year will give Stonewall an equivalent annual production rate of about 30 000 oz.

Birrell states that the perception that the Pilgrim's Rest goldfield is marginal, complex and largely mined out is inaccurate.

"The reef residue that was left behind in the stopes of the mines by the original miners represents the last large and easily accessible oxidised gold resource in South Africa. If our mining capability is equal to the task, there is absolutely no reason why we could not target significant ounces at a low cost," states Birrell.

Stonewall Mining, which Birrell founded in April 2010, acquired the mining rights for the Pilgrim's Rest area when it bought the historic subsidiaries of Transvaal Gold Mining Estates (TGME) and Sabie Mines from Simmers & Jack in September 2010.

Through that purchase, Stonewall Mining acquired seven mining rights and six prospecting rights extending over an area of 62 000 ha from Bourkes Luck, in the north, to Sabie, in the south. This extensive mining right area, which has a Joint Ore Reserves Committee- (Jorc-) compliant resource of 2.99-million ounces, includes 43 historically productive mines, which produced well over six-million ounces of gold in the last century.

Birrell elaborates that, when Stonewall Mining bought TGME, the company spent much time and effort exploring the old mining operations that dot the Pilgrim's Rest Valley. The company soon realised that, because of limited technology, infrastructure and accessibility, the original miners had to focus on high-grade mining, whereby visible reef would be hand-sorted and extracted, while the remaining residue would be pushed back into the stopes to act as support.

"Because the miners would pick the richest reef under very difficult conditions underground, it is estimated that they only extracted 20% of the run-of-mine and left the remainder in the horizontal stopes. However, what the old miners considered as 'waste' contains all the fine-fraction gold that could not be seen or be easily extracted with their limited technology and is a valuable resource in its own right," says Birrell.

Over the past year, Stonewall Mining has taken more than 1 500 samples and assays of the premined residue from various sections within eight of its 43 mines to determine a resource estimate.

While all eight of the historical mines investigated thus far would prove payable at a working cost of \$753 g/t, Stonewall Mining has opted to start the PMR project with a specific focus on the Beta mine, which is the closest to the processing plant.

Beta was first mined in 1940 and production ceased in 1972. It is estimated that the mine produced 225 000 oz of gold during that time. The mine has a current Jorc-compliant mineral resource of some 531 000 oz at a grade of between 3.10 g/t and 4.86 g/t, which is independent of the reef residue material. 🏠

<http://www.miningweekly.com/article/australian-company-starts-reef-residue-mining-in-pilgrims-rest-2015-02-06>