

# RBPlat cuts capex in R2bn brownfields plant

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ROYAL Bafokeng Platinum (RBPlat) will cut capital expenditure at its R11.4bn Styldrift R750m after electing for a brownfields expansion of the concentrator at its Bafokeng-Rasimone Platinum Mine (BRPM).

This is in preference to building a new, standalone plant at Styldrift for R2.4bn and a further R350m upgrade of its BRPM concentrator. The brownfields expansion will cost R2bn to complete.

It does mean, however, that RBPlat has elected to mine and process less UG2 ore which is generally lower grade. "We will still concentrate some UG2 ore but we will focus instead on perfecting our mining of the ore for four or five years," said Martin Prinsloo, CFO of RBPlat in a telephonic interview.

Steve Phiri, CEO of RBPlat said the decision was taken in the context of difficult market conditions. "In the face of a challenging platinum group metals (PGMs) pricing environment and associated industry cost escalations, we have reiterated our focus on our profitable core business, that of mining Merensky ore," he said in a statement on Tuesday morning.

"At the same time we will continue the trial mining of UG2 reef, with the aim of improving our ability to extract the reef optimally, and to providing a permanent processing solution for the UG2 ore when the PGM market supports a value-enhancing business case.

"This strategy will minimise stockpiling of ore during the Styldrift ramp-up, thus contributing to earlier cashflows and, at the same time, result in a R750m saving on capital expenditure," he said.

Speaking in August Prinsloo, spelled out the options which also included a toll-treating arrangement with an existing platinum company, or the possibility of sharing a concentrator new build with other platinum companies.

In terms of the brownfields expansion, RBPlat will take the BRPM concentrator capacity to 250,000 tonnes a month (tpm) from the current 200,000 tpm. The construction of a further 100,000 tpm module adjacent to the existing BRPM plant will increase the nameplate capacity further to 350,000 tpm.

"The envisaged R2bn capex represents a reduction of approximately R750m on the JV's combined original capex plan for the development of a concentrator plant at Styldrift, the plant upgrade at BRPM to treat UG2 and for UG2 blending," RBPlat said.