

# MODERN MINING

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# DIAMOND MINER READY FOR MAJOR EXPANSION

*HC van Wyk Diamonds Ltd, now part of Rockwell Diamonds Inc, has grown into one of the largest alluvial diamond mining companies in South Africa, producing diamonds that rank among the highest quality gems in the world. The company intends virtually doubling its production in 2008. To achieve this goal, it has recently expanded its mining fleet with the addition of new and bigger Komatsu machines.*

The company, based at Barkly West, 34 km north-west of Kimberley in the Northern Cape, owned only 12 items of earthmoving equipment when it began operating 13 years ago. Today it has in excess of 120 items of earthmoving and ancillary mining equipment of all sizes and types, almost all of which are Komatsu machines.

HC van Wyk Diamonds has embarked on a brand



*Standing in front of the Komatsu PC3000-6 hydraulic mining backhoe are (left to right) Hennie Steyn, Maintenance Supervisor, Wikus de Winnaar, Mine Manager, Sarel Marx, Fleet Superintendent, all from Rockwell Diamonds Inc, and Jaco van Heerden, Komatsu's Sales Representative based at Komatsu's Kimberley Branch.*



new chapter of expansion. Through a tie-up with Rockwell Diamonds Inc, a public company listed on the Toronto Stock Exchange, and most recently the Johannesburg Stock Exchange, that took effect in June 2007, the company has changed its name to Rockwell Diamonds Inc. As a consequence of being able to access funding from international capital markets, the company has embarked on an aggressive growth drive based on the expansion of existing operations and new acquisitions.

Rockwell Diamonds has emerged from the Hunter Dickinson Inc stable, a Canadian management company which has successfully created at least eight other mining and development companies around the globe.

Under the new dispensation, the company is majority-owned and controlled by Rockwell Diamonds, and is fully empowered in the South African context through an investment made by Africa Vanguard Resources, which owns 26 % of the company. Most importantly, Hennie van Wyk, the original compa-

ny's founder, MD and main stakeholder, continues to play a major role in the new enterprise as Operations Director and a key shareholder.

The company is extending operations at its existing mines located at Holpan and Klipdam, near Barkly West, and at Wouterspan on the banks of the Middle Orange River between Douglas and Prieska, about 120 km west of Kimberley. In addition, it is in the process of acquiring a large package of diamond-bearing properties, including Saxendrift, Nuwejaarskraal and Kwartelspan on the opposite side of the river to Wouterspan. It hopes to commence



*Above: One of the Komatsu HD785-7 dump trucks transporting overburden to the waste dump.*

*Left: The Komatsu PC2000-8 hydraulic mining backhoe loading alluvial diamond-bearing gravel into one of the Komatsu HD465-7 dump trucks at Klipdam near Barkly West in the Northern Cape.*

comprises a 253-t PC3000-6 hydraulic mining backhoe, three 91-t capacity HD785-7 rigid dump trucks, a 104-t D475A-5 crawler dozer, a 29-t GD825A-2 motor grader, a 29-t WA500-3 wheel loader, six 18-t WA430-5 wheel loaders and an 11-t WH714H-1 telescopic handler. Still to be delivered in 2008 under the same order is a further D475A-5 dozer for Wouterspan.

Says Van Wyk: "The reasons why we purchase and use Komatsu equipment almost exclusively are quite simple. Firstly, the equipment has proven itself to be extremely reliable and productive under our operating conditions and the equipment keeps getting better as new models become available. For example, fuel consumption in particular has improved remarkably, which contributes significantly towards keeping our operating costs down.

"We have always found Komatsu equipment to be competitive compared with other makes of equipment, both in terms of upfront prices and operating costs.

"In addition and most importantly, the co-operation and assistance we get from Komatsu SA has been

operations on the south bank of the Middle Orange River in early-2008.

"Our current production from our existing operations is in the region of 700 000 t of in situ gravel per month and we are looking to almost double it to around 1,2 Mt per month in 2008," says Van Wyk.

The company has recently purchased new and larger earthmoving equipment so as to expand its existing operations. All the new equipment – a total of 23 items – that the company has purchased to achieve the targeted higher production levels is Komatsu equipment, adding to an existing fleet that is already dominated by Komatsu, which accounts for over 95 % of the total.

By the end of 2007 Komatsu Southern Africa had delivered most of the new equipment, which was ordered in late-2006. The Klipdam site has been supplied to date with a 200-t PC2000-8 hydraulic mining backhoe, three 55-t capacity HD465-7 rigid dump trucks and four 18-t WA430-5 wheel loaders.

The new equipment supplied so far to Wouterspan



*One of the Komatsu D475A-5 crawler dozers stock piling alluvial gravel for a PC800SE-7 hydraulic excavator to load.*



*The Komatsu GD825A- 2 articulated motor grader busy with haul road maintenance.*

invaluable. This has been a major factor that has persuaded us to stay with Komatsu because the relationship between customer and supplier is crucial in ensuring that we maintain production at a steady rate and hold operating costs at a viable level.”

Van Wyk said for the company to remain profitable operating costs cannot be allowed to rise above an average of R21 per tonne. “The most expensive part of our operation is the earthmoving equipment and it is the equipment that we depend on most to achieve our goal. If it’s unreliable, isn’t utilised fully or breaks down and stands idle, then we can’t achieve this. For us mining smartly includes choosing Komatsu because it helps to ensure that we keep our costs down to the R21 per tonne cut-off limit.”

Expert predictions for the next five years point to diamonds, and in particular high quality gemstone diamonds of over 2 carats per stone, becoming scarcer and therefore more expensive on world markets. “The timing of our current expansion programme matches well with the growing world shortage of diamonds. Producing and selling more large high value diamonds from our mines will allow us to benefit from the higher diamond prices created by the shortage in global supply and we thereby stand to make excellent profits,” Van Wyk points out.

“The average price of our diamonds is exceptional by world standards. At present we average about US\$1600 per carat, compared with the current average price of about US\$80 per carat for world diamond production.” ■



*One of the Komatsu WA430-5 wheel loaders loading an ADT at Wouterspan.*

## Hatch HPV advert