Diamond in southern Africa: back to the beginning

## Southern Africa diamond resources *a summary*

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## Topics



- Africa's building blocks
- Production from an African perspective
- Southern African resources
- Developments on the sub-continent
- The big and beautiful
- Summary remarks

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**Overview of Diamond Resources in Africa** 

in 'The Mineral Fields of Africa'

Special publication for the 35<sup>th</sup> International Geological Congress (IGC)

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Acknowledgements



# Africa's topography and alluvial 'hotspots'





# Production from an African perspective

#### History



#### 400 BC



India 400 BC

Brazil 1725

South Africa 1869

2014



#### ■ 400 BC - 1725 ■ 1726 - 1869 ■ 1870 - 2014

#### **Global historical production (including 2014) = 5.17 Bct**







**Global distribution of diamondiferous** kimberlites/Lamproites (n=396)

# Southern African Resources

# African share of global CARAT production up to and including 2014

Region	Total Million Carats	% Mct
Africa	3,265.1	63.5
Rest of the World	1,877.4	36.5
Total	5,142.5	100.00

	Region	Total Million Carats	% Mct
-	West Africa	221.5	4.3
	Central Africa	1,459.3	28.4
	Southern Africa	1,561.1	30.4
-	East Africa	23.2	0.5
	ROW	1,877.4	36.5
	Total	5,142.5	100.1



#### VALUE of global production up to and including 2014

Region	Total US\$ m	% US\$ m
Africa	80,095	58.5
ROW	56,889	41.5
Total	136,984	100.0

Region	Total US\$ m	% US\$ m
West Africa	2,285	1.7
Central Africa	16,541	12.1
Southern Africa	60,930	44.5
East Africa	339	0.3
ROW	56,889	41.5
Total	136,984	100.1



#### **Tier structure for primary diamond deposits**

- Tier 1 Having more than US\$20b of contained revenue from start to depletion
- Tier 2 Having produced more than 0.4mct/a for at least five consecutive years
- Tier 3 Have to potential to produce between 0.05 Mct and 0,4 Mct/a over a minimum period of 5 years.
- Tier 4 Mines (small pipes, blows and dykes) that produce or have produced less than 0.05 Mct/a
- Tier 2,3 and 4 make up some 80% of the deposits and contribute 20% to global production



# Tier – 1 Diamond Mines

**Globally there are:** 

- ±7000 kimberlites
- 7 are Tier 1 Mines
- 5 of which are in Africa (4 in SA; 1 in CA).

## **Tier – 1 Diamond mines in Africa**

Mine	Mine opened	Age (Ma)	Group	Size (Ha)	Tonnes (Mt)	Grade (cpht)	Contained diamonds (Mct)	Ct produced*	LOM (yrs)	Mct/a
Orapa	1971	93	1	118	505.2		monds of	335	21(Cut 3)	11.16
Jwaneng	1982	240	1	54	T.	ontaine	ed diame Africa	341	20 (Cut 8)	10.64
Cullinan	1903	1,115	1	32	4	Tier 1 r	nines Mct	145	+50	0.89
Venetia	1992	519	1	23.3 (3x)	238.		1,240	108	27 (UG)	3.07
Catoca	1997	118	1	63.6	217	64.5	140	70	30	6.7
Total					1,709.4	72.5	1,239.3	999		32.5

\* Up to end of 2014

101 ct diamond cut from a 236 ct stone, Jwaneng





# Tier – 2 Diamond Mines

There are 10 Tier 2 mines in Africa:

• SA = 8

• CA = 2

#### In SA these are in:

- Bots = 3
- RSA = 3
- Les = 1
- Zim = 1

# Tier – 2 Diamond mines in Africa

Mine	Discovered/ Discoverer	Age (Ma)	Group	Size (Ha)	Tonnes (Mt)	Grade (cpht)	Contained diamonds (Mct)	Cut-off (mm)	LOM	Mct/a
Tshibwe (DRC)	1955 Miba		1	60	107.4	56.8	61.0		18	3 - 6 (2016)
Mbuji-Mayi (DRC)	1946 Forminiere	71	1	22.6 (M1)	61.2	88.8	54.3		>50	0.8 -1
Finsch° (RSA)	1960 Fincham/Schwabel	118	2	17.9	85.2	60.2	51.3	1.00	16 (UG)	1.4
Liqhobong⁵ (Lesotho)	1957 Diggers	85 and 90	1	8.6	89	29	25.8	1.00	15	1.1
Ghaghoo <sup>+</sup> (Botswana)	1981 Falconbridge	87	1	10.3	108.2	18.98	20.5 (524 m)	1.50	15	0.5
Murowa⁴ (Zimbabwe)	1997 Rio Tinto	538	1	4.5 (2x)	19	90	C.	ont	20	0.4
Lace/Crown <sup>2</sup> (RSA)	1896	133.2±2.8	2	2.9 (2x)	35.6	40.12	Tie	rained		0.4-0.5
Karowe <sup>3</sup> (Botswana)	1970 De Beers	88 and 93	1	9.5	69.1	15.4	10.7	266 NA	in Ar	ds
Voorspoed* (RSA)	1906 Harger	131	2	12	33.0	21.8			t "Fil	<b>a.</b> 0.61
Lethlakane* (Botswana)	1970 De Beers	93?	1	15.2 (2x)	18.5	28.4 OP 24.8 Tail	4.9	1.05	4	1.03
Total					626.2	44.8	266.2			9.63



Tier-3 Diamond mine	es in Africa (+0	<b>.05 to</b> ·	-0.4 N	lct/a): R	esources – In	dicated	and inferred re	sources (ind	:I. reser	ves)
Mine	Discovered/ Discoverer	Age (Ma)	Group	На	Tonnes (Mt)	Grade (cpht)	Contained diamonds (Mct)	Cut-off (mm)	LOM	Mct/a
Kimberley° (RSA) (Bultfontein, Dutoitspan, Wesselton)	1870 1870 1890	84 (78 to 92)	1	29.2 (3x)	65.9	9.7	6.41	0.5 and 1; Reserves 1.5	8 (UG)	0.14
Koffiefontein° (RSA)	1870	90	1		154.6	13	6.65	0.5 and 1;	<u>11 (UG</u> )	0.07
Letseng⁺ (Lesotho)	1957 Nixon	94.6	1	Tier	<sup>-</sup> – 3 Dia	mon	d mines	in Afric	a	0.09
Kao (Lesotho)⁵	1954 Diggers	83	1		(+)	0.05 to	0.4 Mct/a)		1	0.12
Lemphane <sup>2</sup> (Lesotho)	1957 Jack Scott		1	6	46	2	0.92	2.00?	10 (OP)	0.07
Damtshaa* (Botswana)	1967 De Beers	93?	1	13.5 (2x)	49.5	21.5	11.2	1.65	19 (OP)	0.19 (2012)
Lerala⁴ (Botswana)	1991 De Beers	1,364	1	6.2 (5x)	12.2	25.5	3.1	1.00	7	0.4
Mwadui° (Tanzania)	1940 Williamson	52	1	146	1016.1	3.3	33.10	1.15	20	0.19
Camutue W (Angola)	1958	120?	1	9	9 (to 150 m)	9.6				0.15
Camatchia (Angola)	1955	120?	1	29.4	120 (to 400 m)	8	0.96			0.17
Camagico (Angola)	1966 Diamang	120?	1	23		30				
Koidu K1 (Sierra Leone)	1030	146	1	0.45	5.0	67	3.31	300 – 400	5 (OP)	0.35
Koidu K2 (Sierra Leone)	1950	140	-	0.5	4.4	33		US\$/ct	12 (UG)	0.55
Baoulé/K23⁵ (Guinea)	1999		1	5	22.2			<b>s of</b> 1.25; \$\$/ct	10	0.3
Camafuca C³ (Angola)	1952	120?	1	160		ontain	led diamon	ica:		
Mothae (Lesotho)	1961 Jack Scott		1	8.8		Tier 3	mines m	00	Care & Mai	ntenance
BK11 (Botswana)	1974 De Beers	93?	1	8		•	90 10100		Care & Mai	ntenance
Jagersfontein (RSA)	1870		1	12				1		
Dokolwayo (Swaziland)	1975 De Beers	203	2	2.8						0.04 -0.07
River Ranch (Zimbabwe)	1975 De Beers	519?	1	5.2		30	Closed in 1 nd 202	12		0.4
Total					2044.5	15.4	89.3			2.24

Mine	Mt	СРНТ	Mct	Main tailing resources
Kimberley	25.9	10.8	2.8	
Jwaneng	36.6	46.0	16.8	Petra and Ekapa to buy Kimberley retreatment
Letlhakane (reserves)	34.9	24.2	8.5	operations from De
Letlhakane (resources)	51.9	27.1	14.1	Contain Beers
Orapa	151.7	58.2	82	For mainess Day
Koingnaas	11.4	3.95	D.	dump tailip nds
Cullinan	165	10	17.1	3 Mct 8
Koffiefontein	65		1.4	
Total	542.4		143.3	

High-tech solution for Letlhakane tailings project. The P2.2-billion LMTRTP (Letlhakane Mine Tailings Resource Treatment Project) is meant to safeguard jobs..... Creamer Media 19th February 2016





# **Contained diamonds**

Alluvial

- (Mct) per region:
- SA = 20
- CA = 120
- WA = 40
- EA = 0

#### **Estimation of contained diamonds in Africa**



Contained dia	monds per deposits type -	Mct
Deposit type	Contained Diamonds Mct	%
Tier 1	1,239.3	64.4
Tier 2	266.2	13.9
Tier 3	89.3	4.7
Mine Tailings	143.3	7.5
Alluvial	180	9.4
Total	1,918.1	99.9

C	Contained diar	nonds pe	r region -	Mct	
	Kimberlites	Alluvial	Tailings	Total	%
W Africa	8.1	40	-	48.1	2.5
C Africa	257.4	120	-	377.4	19.7
E Africa	33.1	-	-	33.1	1.7
S Africa	1,296.2	20	143.3	1,459.5	76.1
Total	1,594.8	180	143.3	1,918.1	100.0



# Developments on the subcontinent



## Some brownfield developments

Project	Objective	Cost
Venetia UG Plant upgrade	To increase through put to 6Mt/a; UG mining beyond 2040	R 20b
Cullinan C-cut expansion and procession plant	Increase production to 2.2Mct/a (2m = ROM, 0.2 = tailings).	US\$ 142.8m
Finsch Block5	Increase production from 1.89 Mct (2.9 Mt) to 2 Mct (3.5 Mt)	R 260m
Karowe plant phase 2 upgrade	To deal with harder kimberlite, improve large diamond recoveries and reduce diamond breakage	US\$ 55m
Letseng plant 2 phase 1 upgrade	Increase production to 250,000 t/a	US\$ 4.2m
Liqhobong	New mine, start producing Q4 2016	R 2.1b
Lace Mine	Development of Upper K4 (UK4) & 470 m level block cave	R 750m
Jwaneng Cut 8	Expand the pit to extend LOM to 2028	US\$ 3b





Kimberlite	Resource Mt	Contained diamonds Mct	СРНТ	US\$/ct	
Letseng La Terae	294	5.03	1.7	2,530	
Mothea 🗱	39	1.06	2.7	1,062	
Као	183	11.7	6.4	201	ned dia
Liqhobong	89	26	32.1	156E	containe
Motete	0.6	0.5			
Lemphane	46	0.92	2.3	1,500E	
		45.2	K		

# Venetia (De Beers, Tier 1 mine) going underground



- 2013 2021 development of UG mine at a cost of US\$ 2B
- Extend LOM (UG mining of K01 and K02) to 2043
- To deliver 96 Mct from 130 Mt at a rate of 5.9 Mtpa
- Total annual production: 4.4 Mct/a (3.5 Mct from K01 and 0.9 Mct from K01)
- 2014 production was 3.2 Mct

# Lace Mine (Tier 2): DiamondCorp plc





- 38.5 Mt Resource to 920 m level, to deliver 9.4 Mct.
- Presently: Upper K4 mine block and 470 m development
- Increase BCO from 1 mm to 1.25 mm lowers treatment costs and water usage, and value at US\$164/ct
- Introduction of optical and waste sorter could increase production from 500,000 to 700,000 ct/a. (K6 = 85% internal waste; K4 = 45% internal waste).
- LOM 26 yrs

#### 15.2 carat recovered from tailings, July 2014.





#### Lace cont.



- High quality gem diamonds
- Specials recovered from dumps and development program
- History of large stones up to 122 ct, 72ct, 53ct & 47ct
- Potential for pink and lilac diamonds



- December 2015: Ekapa Minerals bought Kimberley mines rom De Beers for US\$7.2m
- Ekapa minerals is a consortium vehicle controlled by historically disadvantaged South Africans
- Ekapa Minerals is 50.5% owned by Ekapa Mining, 49.9% Petra Diamonds
- Total carats is 2.8 Mct, possibly increasing with an additional 4.4mct
- Initial production will be at ±0.7 Mct/a



#### De Beers sorting and sales hub moved from London to Gaborone.



The Three Dikgosi monument, Gaborone



# The Big and Beautiful



#### **Big is beautiful**

#### **Karowe Mine**

'In the last 17 months, 70 diamonds bigger then 100ct have been recovered, with 12 bigger than 200 ct' (Mining Weekly June 2015)

#### Unusually Big

Despite the finds by Gem Diamonds and Lucara this year, stones above 250 carats remain rare







#### +100 and +200 Carat stones recovered at Cullinan Diamond Mine



Cullinan:

- Renowned for large diamonds e.g. 3,106 ct Cullinan
- Has produced a quarter of all the world's diamonds of +400 cts; 138 stones of +200 cts; 802 stones of +100 cts
- One of the few producers of very rare blue diamond



2010

#### Petra Diamonds Ltd Cullinan mine (SA)

# Approximate location where the Cullinan diamond was found



## 3,106ct

## 530.2ct



Frederick Wells was 18 feet below the earth s surface when he spotted a flash of starlight embedded in the wall just above him - 1905.





#### Rockwell Diamonds Inc (MOR): Plant upgrade Saxendrift Mine

- 1. In-field screening
- 2. Bulk X-ray technology: Bourevestnik





The grade uplift exceeded 40% from the Bulk X-ray (below) compared to a conventional plant – James Campbell (2014).





## **Rockwell Diamonds cont.**

Operation	Grade (ct/100m <sup>3</sup> )	Processing rate M³/Month	Carat value US\$/ct	Unit cost
Saxendrift/ S Ext.	0.45	180,000	2,143	US\$ 9.0m³
Niewejaarskraal	0.55	120,000	1,962	US\$16.5m³
Saxendrift Hill complex	0.4	-	2,008	US\$ 9.7m³
Wouterspan	0.62	354,000	2,300	

#### 120.4 ct



#### Lucapa Diamond Company Luo concession

Up to 22 Feb 2016 (pers. comm Wetherall)

- Recovered 114 specials from 12,000 ct since Jan 2015
- Specials: 30% of wgt but 94% of value
- One parcel tested 39% type IIa

404.2 ct Type IIa D-colour Largest diamond ever found in Angola Feb 2016, recently sold for US\$16m









Kimberlite Magnetic Targets

Probable Kimberlites

Confirmed Kimberlites Diamondiferous Kimberlite

Mining Lease

- Average stone size 1.2 st/ct
- Mining at 40 000 Bulk cubic metres (BCM)
- Plant running at 150 tph; +1.5mm -32mm
- Final recovery Flow sort

# **Concluding remarks**

#### **Cullinan – New Plant**

- 1. Replaces 1947 plant.
- 2<u>. Autogenous AG milling &</u> <u>High Pressure Grinding</u> Rolls (HPGR)
- 3. XRF recovery units (BVs)
- **4.** Throughput of 6 mpta.

- Footprint decreases from ca. 26 to ca. 5 hectares
- Reduction in number of conveyor belts from 151 (ca. 15km) to 22 (ca. 3km)
- Increase in revenue per tonne
  - ±10% increase in grade due to increased liberation Improved recoveries of large, higher value stones; less diamond breakage as new plant will utilise gentler processing methods
  - (comminution via attrition) instead of extensive crushing
  - Top cut-off 75 mm will cater for +3,000 ct diamonds
- Lowering of operating cost by R20 25/t (savings on energy, water and maintenance requirements)
- Payback of ca. 3 years



#### Plant upgrade Karowe Mine (AK06 Kimberlite)

- Autogenous milling
- +60 mm Large Diamond Recovery (XRT)
- 32 60 mm Large Diamond Recovery (XRT)
- 8 32 mm Bulk sorters (6 Tomra XRT sorters)
  - 1.25 8 mm DMS

Note:

- Tomra XRT sorters can treat up to 150t/h
- They have replaced a large part of the DMS circuit by Bulk X-ray sorters



## Low grade deposits – high value stones (MOR)

#### • By increasing BCOS to **-4.5 mm**:

- **65%** fewer stones will be recovered,
- Only less than **5%** of the value is lost,
- BUT you can treat 30% more material (-4.5mm fraction constitutes ±33% of the plant feed by mass).
- The introduction of <u>Bourevestnik (BV)</u> <u>High Tonnage X-Ray units</u> have caused a complete re-think of the processing circuit. Material of up to 50 mm in diameter can now be treated live.

De Meillon 2014

- Infield screening units
- The production profile was optimized by adjusting the **bottom cut off size** ('BCOS'), eliminating the costly recovery of low value, small diamonds.
- The standard BCOS at Rockwell's MOR operations is a **6 mm**.

Campbell 2014 for Rockwell



# ....so back to the beginning.....but things have changed and presently metallurgical changes are driving value.



#### In field screening

– No unnecessary transport of undersize and oversize material to the plant and treatment thereof.

#### Crushing

 Need suitable crushers for liberating locked up diamonds with minimal diamond breakage (Autogenous milling and High Pressure Grinding Rolls - HPGR)

#### Waste rock sorting -

- Remove hard abrasive waste at an early stage saves wear and tear on the plant.
- Inter-particle crushing of diamonds is prevented by hard waste removal in between crushing stages.
- Coarse waste rock is discarded on dumps which are less costly than treating excessive fines in slimes dams.

#### XRT or BV sorting

- Large diamonds will be recovered prior to tertiary crushing.
- The costly DMS process for +4mm kimberlite will be eliminated by sorting the +4mm diamonds directly.
- All types of diamonds such as low/non luminescent and coated diamonds are detected and recovered by XRT/BV sorters.

#### (von Ketelhodt 2013)



#### Thank you

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