

# Colliery focuses on refurbishment to increase efficiency

DIMAKATSO MOTAU | SENIOR FEATURES WRITER

**J**unior mining company South African Coal Mining Holdings' (SACMH's) Umlabu colliery, in the Breyten area, near Ermelo, has undergone significant refurbishment to ensure that the mine produces 50 000 t/m of export coal.

The company's wash plant was upgraded during the first quarter of this year and commissioned in May. It has been increased from a 100 t/h capacity to 200 t/h capacity, which also increases the efficiency of the plant, and allows the mine to increase its yield on the run-

of-mine product. Meanwhile, SACMH CEO **Antony Rayment** notes it has been challenging to get the mine operational again, because of its historical legacy.

The mine was in debt and had a poor reputation in the local coal industry. It went into a care-and-maintenance stage but, through a significant investment of R160-million from business conglomerate JSW Group, in India, which is a shareholder in the business, the mine is gaining the trust of industry players.

The Umlabu colliery also had environmental challenges, which were re-evaluated in June, and a contractor is on site to start rehabilitation. This includes repairing the damage to the environment caused by historical mining

If you overcharge on your credit card, maybe it's time for some plastic surgery.



## OFF THE GROUND

The mine produces 50 000 t/m of exportable coal from zero production levels

activities. Work includes filling in excavations and restoring the soil condition.

"Of the R160-million, about R80-million was used for debt repayment and some of the money for refurbishing and rehabilitating operation machinery. The balance was used as start-up capital for the mine," says Rayment.

Currently, SACMH has an active 227 000 t allocation at the Richards Bay Coal Terminal (RBCT) through the Quattro and Phase V allocations process. SACMH has an export allocation of 500 000 t in the Phase V expansion of the RBCT. This 500 000 t allocation translates into 5 000 shares in the RBCT and one seat on the board, which will materialise when heavy-haul freight rail company Transnet Freight Rail's performance reaches 93-million tons a year.

The export allocation awarded to SACMH has significance for the group becoming a fully fledged producer and exporter of South African coal. The company says it also has an allocation on the Maputo rail line.

A challenge for small miners is the lack of rail capacity on the RBCT export rail route. SACMH is targeting a capacity of 75 000 t/m of coal by 2012. "This is achievable because life-of-mine is 20 years," he says.

The Umlabu resource is a thin seam resource and this poses a number of mining challenges. "Additional measures have to be effected to ensure we mine as effectively and efficiently as possible. These include additional drilling to allow for more accurate mine planning and the management of contractors," he says.

In 2012, the company aims to focus on ramping up its mining processes and production capacity to achieve 75 000 t/m of product.

SACMH also intends to focus on supporting small and medium-sized enterprises and providing a platform for the businesses to grow under its guidance. "We are in the process of establishing a laundry business for the workers with local entrepreneurs and plan to start a food supply business for our miners," he says.

The Umlabu colliery sells its product through coal brokers.