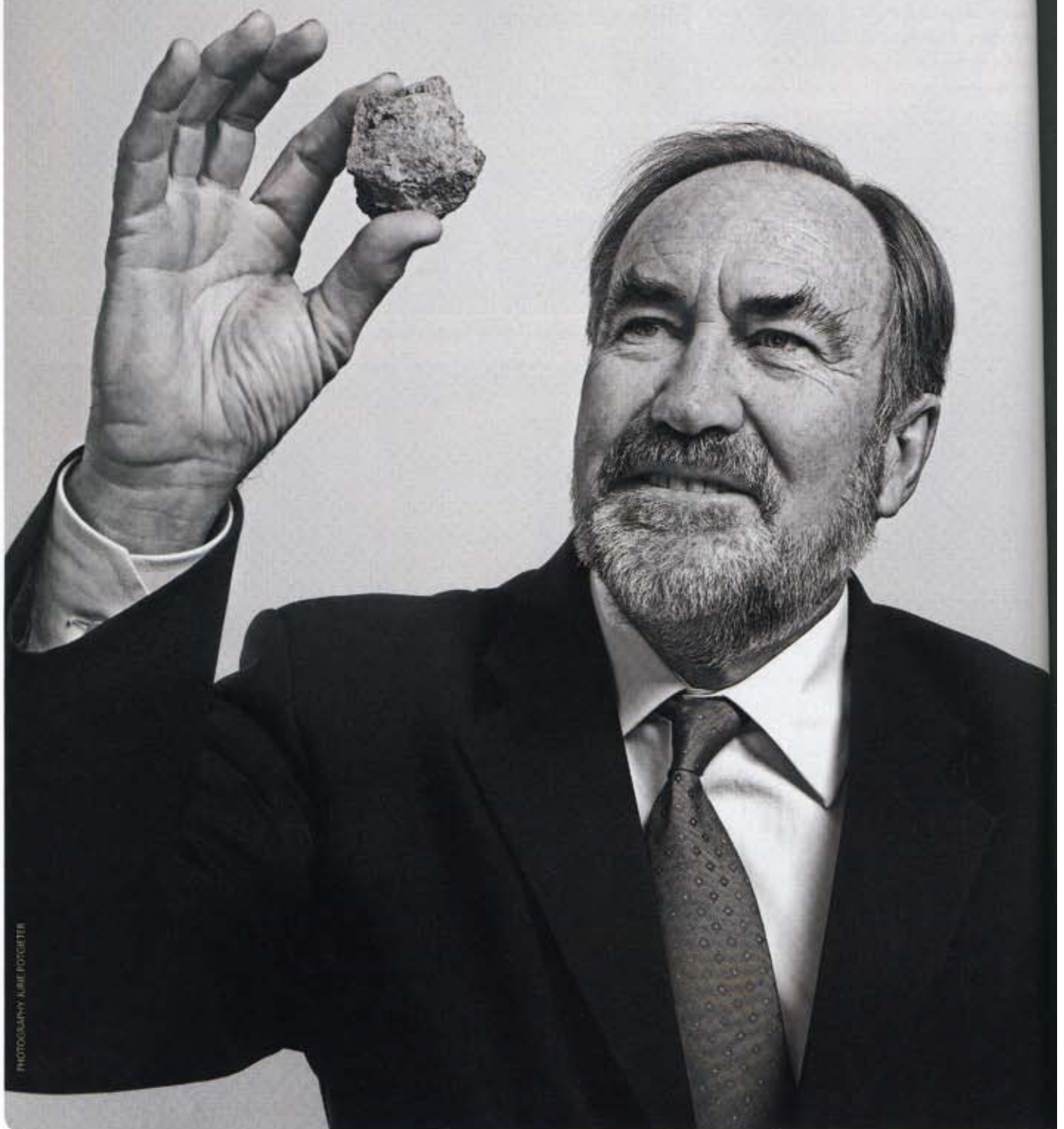


COVER
INTERVIEW

salt of the earth

By KERRY DIMMER



PHOTOGRAPHY: JAMES JOYCE

'Thabex has come of age with its proven reputation for diamond exploration. It's time to create a corporate structure and SRR is part of this growth pattern'

At the southernmost edge of the Kalahari, lies a 60 km strip of African bushveld. Over the past 30 years, a few mining houses have tried to mine the wealth of this Salt River territory but it has taken a new kid on the block, Salt River Resources Limited, to take it to new depths. With 45 years of experience, John Cruise has been brought on board to head up SRR

The Kalahari, known for extremes of environment – and called such by the San because its semi-desert conditions aptly epitomise 'the great thirst' – is a geological haven. Rich in mineral wealth, parts of this wonderland serve up volcanic masses of sulphide deposits that contain precious metals such as copper, zinc, lead, silver and gold.

Since the 17th Century, there has been interest in the base metal offerings from the Kalahari. Indeed, there has been continuous mining there since 1852. However, until 30 years ago, most of the larger mining houses were really only seeking gold and diamonds.

In the mid-1970s, a satellite image proved the mineral wealth of the area, leading to a number of mining giants rushing to the site to set up operations. Few remain and the rest have moved onto 'golder' pastures.

Salt River Resources Limited (SRR) was established by the JSE-listed Thabex Exploration Limited, with the sole purpose of mining the rights it acquired at Salt River in 1996. Thabex has built a solid reputation for diamond exploration since its inception in 1994 and is now, with SRR, intending to drive economic development in the Kalahari. As Manus

Welthagen, founder and CEO of Thabex, says: 'Thabex has come of age with its proven reputation for diamond exploration. It's time to create a corporate structure and SRR is part of this growth pattern.'

John Cruise has been brought on board to head up SRR. His experience over the past 45 years includes the successful running of his own group of companies in the mining, explosives and civil engineering fields as well as being a mining raconteur of sorts. He has invented blasting techniques, bringing buildings crashing down from towering heights and coaxing the earth to give up its treasures. Now he is on a mission to help Thabex raise £10 million from the mining capital of the world – London ... money that is needed to develop what the team at SRR refers to as 'the mineral oasis on the edge of the Kalahari.'

'SRR is most exciting because the preliminary feasibility study estimate shows a mineral resource of 56 million tons, of which 16 million tons are measured and 40 million indicated. With adjacent inferred mineral resources, a mine life in excess of 40 years can be expected.

'Our first objective, however, is to complete a pre-feasibility scoping study so we can find out exactly what is required from this already measured resource,' says Cruise. 'All indications are that we can establish a mining operation at about 200 000 tons per month production.'

The deposit is favourable for mine planning because it dips at a reasonable gradient and has a 3m-thick ore that is ideal for mining. The resource is approximately 24 million tons of polymetallic ore comprising zinc, copper, lead, silver and gold. 'That is,' clarifies Cruise, 'about 1.85% copper equivalent when quoting it as one metal. Other neighbouring mining operations are producing 168 kilo-tons of concentrate per annum. We anticipate producing similar, if not better, figures.'

'Where we are starting initially from the surface to a depth of 500m, our competitors have already depleted the shallow bodies on their sites and are currently moving into the two-kilometre deeps.'

SRR took the decision not to smelt the metals it will recover but rather to separate the minerals. A metallurgical bench-scale flotation test has indicated that the base metal sulphides in the region can be easily concentrated by conventional flotation methods. Once concentration has taken place, the minerals will be transported to the Atlantic seaboard by truck and rail, ultimately entering the marketplace via reputable trading houses.

'Taking the mine to full production is going to cost around £90 million. There is a general rule in metal mining,' explains Cruise. 'The higher the price, the deeper you can go.'

Once the capital for the venture has been sourced, SRR will begin to implement its plan of action. Cruise says: 'We're going to do more drilling, more exploration to increase the resource. Bulk sampling is also necessary to extract sulphides that will be put through the pilot plant that is to be built. Once that plant is running smoothly and we've got all the problems sorted out, only then can the mine planning be completed and a proper mine built.'

What makes SRR unique is that the exploration and preliminary feasibility studies that have already been done – proving the existence of the measured resources – were financed internally by its holding company Thabex. Weithagen says that despite the junior status that Thabex enjoys in the exploration market, it is proving its mettle when it comes to grassroots exploration: 'There is a lot more to be discovered from Salt River Resources' West and Extension sectors. There are, in fact, mineral showings over the entire site as proven by information gained from the more than 20 km of resource drilling that has already been completed and analysed by two internationally accredited laboratories. This is why, when the team at SRR coined the phrase the "mineral oasis at the edge of the Kalahari", we also started talking of the "blue sky potential" above it.'

That piece of blue sky has more than just potential in it. With Thabex intending to list Salt River Resources Limited on the JSE within a year, as in most oases, the rewards are going to be worth the journey – especially if you get there first. **AD**

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