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NEW SA FLUORSPAR MINE PAVES WAY FOR DOWNSTREAM BENEFICIATION

Johannesburg, South Africa. 1 August 2019. SepFluor Limited's R1.7 billion Nokeng Fluorspar Mine and plant at Rust de Winter, north east of Pretoria, was officially opened today.

The new operation comes online as international markets for Nokeng's two products – acid grade fluorspar and metallurgical grade fluorspar – have come off recent highs but remain buoyant in a continuing squeeze between supply and demand.

China, the world's largest fluorspar producer, has cut production in response to tighter environmental regulation and as a result has moved from being a net exporter of fluorspar to a net importer.

SepFluor enters the fluorspar production arena as one of only three significant production newcomers over the last 10 years, the low pricing experienced between 2011 and 2016 having closed several high-cost operations internationally.

Nokeng has a 12Mt SAMREC-compliant reserve and an initial estimated life-of-mine of 19 years. It will initially exploit two haematite-fluorspar orebodies – Outwash Fan and Plattekop – with an option to later include Wiltin, a third and as-yet partially explored orebody.

The mine's concentrator will produce around 180 000t of acid grade fluorspar (97% pure fluorspar) and 30 000t of metallurgical grade fluorspar annually from run-of-mine fluorspar ore production of 630 000t. Open-pit mining and modern plant efficiency is expected to put Nokeng in the bottom cost quartile internationally.

Much of the Nokeng's first year of production has already been sold, mostly into the international, US and European markets, with continuing strong demand from these markets and good prospects for additional sales into China and India.

Reflecting on mention by Minister of Mineral Resources and Energy, Gwede Mantashe in his recent budget speech of an R850 million allocation for a minerals beneficiation programme and subsequent support for this by Trade and Industry and Economic Development Minister Ebrahim Patel in his budget speech, SepFluor CEO Rob Wagner said: "We are proud to be in the vanguard, efficiently beneficiating two products from the ore we mine that are in demand internationally.

"And there is more; with Nokeng operational – and in support of Government's Fluorochemical Expansion Initiative (FEI) – SepFluor is now focused on securing finance for its fluorochemicals facility at Ekandustria, near Bronkhorstspuit and completing the definitive feasibility study in order to start construction of its second mine, Wallmannsthal."

It is envisaged that, going forward, the Ekandustria facility will beneficiate acid grade fluorspar from Nokeng and Wallmannsthal to produce 60 000tpa of hydrofluoric acid, of which 41 000tpa will be used

to produce 60 000tpa of aluminium fluoride for local and export markets. The excess hydrofluoric acid will be used in the manufacture of a wide range of finished products.

Returning to the subject of Nokeng, Wagner said SepFluor was proud of the positive impact the operation had had on its host community and will continue to have into the future.

Some 900 fixed-term jobs were created during construction and around 200 people will be employed permanently, most of them local.

In August last year – well ahead of Nokeng's completion – an on-site Mining Qualifications Authority-accredited training centre opened its doors. Built by the company at a cost of R17 million, the 2 400m² training centre, will train more than 4 500 men and women from communities in a 25km radius of the mine, in a range of skills. Some of the permanent employees for the mine operations were sourced from the training centre's first graduates.

SepFluor Chairman Dr Lelau Mohuba, after whom the training centre is named, commented: "We believe in the principle of shared value; our aim is to provide new possibilities for community members."

Note to editors: high res photographs and video footage are available on request

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