DRDGold lifts production slowly as lockdown eases
Miner cautious about perceived ambiguity in fluid regulations on phased restart of operations

DRDGold, one of the world’s biggest gold-tailings retreatment operators, has no intention of “going hell for leather” in ramping up its business, despite the easing of restrictions for the mining sector in SA’s five-week lockdown.

Underground mines were stopped and put into care and maintenance programmes from March 27 when SA went into a national shutdown to curb the spread of the Covid-19 virus.

Surface mines, smelters and refineries were given permission to operate on limited staffing numbers to ensure companies could conduct screening, provide protective gear and enforce social distancing to stop the virus infecting or spreading among those workers.

DRDGold, majority owned by Sibanye-Stillwater, had restarted operations, but with a tiny percentage of its workforce, keeping staffing at its two operations at levels that it thought it could sustain and safely control, CEO Niel Pretorius said in an interview.

He declined to discuss production numbers or throughput for the group during the first 21 days of the lockdown and to discuss strategies on securing the record R1m/kg rand gold price.

From April 16, restrictions on the mining industry were eased after warnings from the Minerals Council SA that a protracted shutdown could lead to permanent mine closures and job losses of up to 45,000 people, a tenth of the sector’s workforce.
Mines may return to 50% capacity during the lockdown, scheduled to be lifted at end-April after being extended by two weeks. Mineral resources minister Gwede Mantashe has said he expects mines to return to full production by end-May.

‘Risk exposures’

While underground mines are recalling half their workforce, DRDGold is taking a more cautious approach, wary of lifting staffing numbers above what it now has at its Ergo operation, which stretches over 60km east of Johannesburg, and its new Far West Gold Recoveries business to the west near Carletonville.
“We’re not going hell for leather here,” said Pretorius. “We’re not chasing tonnes. We took a deep and detailed look into the risk exposures we’re creating for our employees. We’ve arranged our operations according to what we can manage.

“This we can sustain for three months. We’ve put adequate measures in place for the safety of our employees without destroying the business,” he said.

“Our thinking is for three months into the future, but now we are putting in place plans for the ramp-up at the request of the health inspectorate.”

DRDGold was advancing cautiously in the face of perceived ambiguity in the fluid regulations, not wanting to misstep and have operations closed. That would entail a time-consuming and difficult process to have them reopened, Pretorius said.

**Encouraging unions**

DRDGold’s understanding of capacity set out in amended regulations for the mining sector’s return to work was that it clearly pertained to the number of employees rather than ore tonnes mined or final production.

Encouraging unions to participate in assessing the readiness of the operations for returning workers as well as attending briefings on how the screening, testing, isolation and quarantine processes will be conducted was an essential part of returning the sites to work, he said.

Strict controls at the DRDGold operations filtered all the way down to employees needing to bring their own pens to sign in and out of work to avoid any sharing, said Pretorius.

Shared machinery and equipment was deep-cleaned by a specialist contracting firm, keeping risk of contamination as low as possible. “It’s like working in a laboratory, just without the white coats,” said Pretorius.

A third of the 1,900 employees at Ergo were back on site while a tenth of the 245 people at the Far West operations were at work. All those returning to work were volunteers.
Ergo treated 11 dumps, with two production plants, one milling and pumper plant. It was reclaiming only five of the lower-grade, high-volume dumps, which needed water jet operators to turn the tailings into a slurry for pumping to the Ergo processing plant handling 2-million tonnes of material a month.

The remaining high-grade dumps, called sand dumps, would remain idled for the foreseeable future because they had to be moved by front-end loaders onto trucks and then transported to the processing plant, all of which entailed contractors.

Until DRDGold was sure about the safety procedures and equipment of these contractors it would not restart reclaiming sand dumps, said Pretorius.

Health and safety inspectors of the department of mineral resources & energy had asked DRDGold for its plans on ramping up production, and the company was drawing these up to submit this week, he said.

With the restart of the entire mining industry and the demands on the inspectors to check all operations, DRDGold did not expect rapid decisions from the department on its ramp-up plans.