

Eastern Cape quarry project requires R200m investment

The Eastern Cape Development Corporation (ECDC) is looking for another R200m from private or public sector investors to move forward with an aggregate quarry near Queenstown.



L-R Divan Swanepoel, quarry manager, Buhle Dlulane, ECDC chief executive, Loyiso Jiya, ECDC deputy chairman, Nomveliso Nyukwana, mayor of, Enalahleni, Marius Prinsloo from Tau Pele, Mcebisi Limba and Mbss Magwebu, both directors of Blue Crane Resources and Minerals.

"ECDC is very pleased with this mining investment and considering it has a lifespan of 30 years, it is ripe for investment opportunities as well as additional off-take agreements. For its part, the ECDC committed R736,000 in the preparation stages toward conducting geo-tech surveys, drilling and laboratory testing, environmental impact assessments and authorisation, mining works programme development, site layout plan, business planning and financial modelling as well as market off-take negotiations," says ECDC deputy chairman, Loyiso Jiya.

But the developers needs another R200m to fully equip it. Currently, the mine which sits on some 1,000 hectares (ha) of land, has hired a plant worth about R150m to commence operations which includes machinery, earth-moving vehicles to commence operations.

Two off-take agreements

ECDC chief executive officer, Buhle Dlulane, says the mine has secured two off-take agreements and it is already negotiating a supply contract with a local municipality for 1,500 RDP houses and several companies in road construction.

"Subsequent off-take agreements and contracts will be financed through ECDC. The plan is to gradually expand operations and supply capacity beyond the 200ha the mine currently occupies and to use the available land for additional production capacity."

"ECDC is also pleased with the initial approach by Blue Crane Resources and Minerals directors, Sydney Stina and Mcebisi Limba, who found the Indwe site and identified it as carrying aggregate. Although located on a private farm, the Blue Crane Resources and Minerals with the help of ECDC has successfully negotiated a partnership agreement with the farm owner," Dlulane says.

Limba says Blue Crane Mine's primary focus is on supplying standard concrete stone products, crusher sand, specialised road stone and base course products, non-standard rock and crush products. In addition, the company is investigating other products such as sand (building, river and plaster sand), ready-mix concrete, sabhunga, as well as bricks and blocks.

In-principle agreements for houses and roads

Blue Crane Mine has already secured an in-principle agreement with the company that has been appointed by the South African National Roads Agency (SANRAL) to build the road between Elliot and Barkly East and another road from Indwe to Ugie and Maclear to supply aggregates running into tens of millions of rands.

"In addition, the enterprise is also soliciting opportunities from the new 17km road construction from Indwe to Elitheni Coal Mine in Guba Village which require aggregates estimated at more than R30m, as well as an approved low-cost housing development for 1,500 units for Guba Village with potential aggregates amounting to above R27m," Limba adds.

The company currently employs 40 people sourced from the local community and intends to increase the number once the off-take agreements that are under negotiations have been signed.

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