

Varistem® Stemming Plugs

Direct Cost Saving Iron Ore Waste



CASE STUDY | PATTERN SPREAD FOR DIRECT COST SAVINGS

- The table on the right indicates the impact on direct costs for waste blasts when the pattern is expanded by 5% and 171mm Varistem® blast stemming plugs are used at this iron ore mine.
- The table excludes the additional savings on labour and equipment costs, and only focuses on explosives, drilling and accessory costs.
- The overall direct saving is \$1.94M per annum.
- Factoring in the additional cost of the Varistem® blast stemming plugs of \$ 0.5M per annum, the nett saving that realised from this pattern spread is \$ 1.45M per annum.

Note that the costs were originally in South African rand (R). We used a USDZAR rate of 14.5 to express the calculation in US Dollars.

| | Baseline Waste Design | | Pattern Spread using Varistem® Blast Stemming Plugs | | |
|----------------------------|-----------------------|--------------------------------|--|---------------|--|
| Percentage expa | nsion on burd | l ion on burden and spacing | | 5% | |
| | | , , | ÷ | | |
| Hole Diameter (mm) | 0 | 171 | Ø e | 171 | |
| Number of holes | | 71 534 | | 64 884 | |
| Burden (m) | | 4,70 | | 4,94 | |
| Spacing (m) | | 5,40 | | 5,67 | |
| Hole depth (m) | Š | 10,00 | | 10,00 | |
| Subdrill (m) | j | 1,50 | | 1,50 | |
| Stemming (m) | | 4,00 | | 4,00 | |
| Explosives per hole (kg) | | 206,73 | | 206,73 | |
| BCMs | | 18 155 329 | | 18 155 329 | |
| Meters drilled (m) | | 822 641 | | 746 166 | |
| Explosives used (kg) | | 14 788 224 | | 13 413 470 | |
| Powder Factor | | 0,81 | | 0,74 | |
| Emulsion cost (\$/kg) | \$ | 0,57 | \$ | 0,57 | |
| Drilling cost (\$/m) | \$ | 13,94 | \$ | 13,94 | |
| Accessories Cost (\$/hole) | \$ | 13,65 | \$ | 13,65 | |
| Plugs Cost (\$/unit) | \$ | | \$ | 7,67 | |
| Explosives Total Cost | \$ | 8 454 784,52 | \$ | 7 668 804,57 | |
| Drilling Total Cost | \$ | 11 468 750,22 | \$ | 10 402 583,23 | |
| Accessories Total Cost | \$ | 976 661,10 | \$ | 885 867,96 | |
| Varistem Total Cost | \$ | - | \$ | 497 906,39 | |
| Total Direct Costs | \$ | 20 900 195,83 | \$ | 19 455 162,16 | |
| Net Saving per ANNUM (\$) | | | \$ | 1 445 033,67 | |
| Net Saving per ANNUM (%) | | | | 6,91% | |



