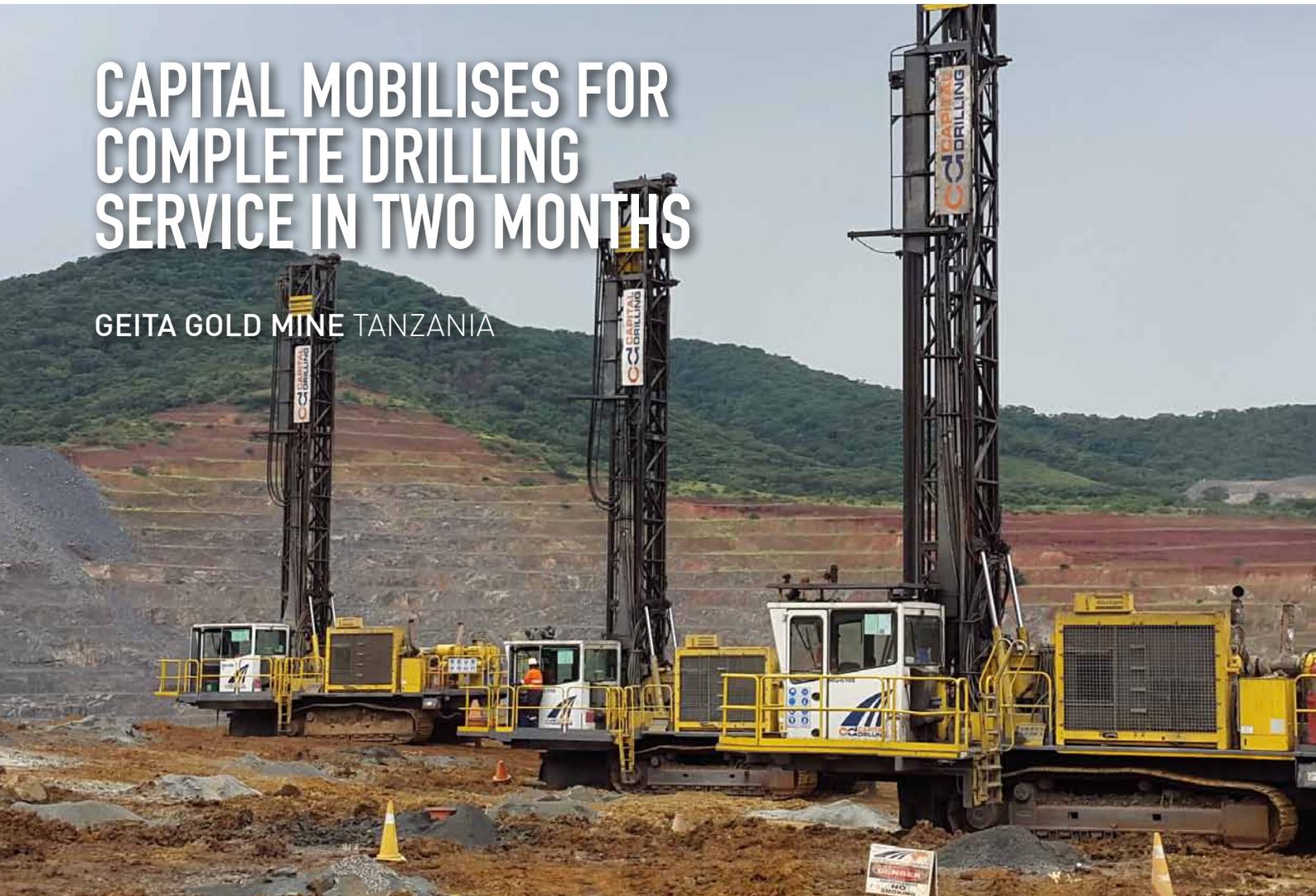


CAPITAL MOBILISES FOR COMPLETE DRILLING SERVICE IN TWO MONTHS

GEITA GOLD MINE TANZANIA



Robust planning, dedicated logistics management and excellent supplier relationships enabled Capital to mobilise an additional five production rigs in two months at Anglo Gold Ashanti's Geita gold mine. Following mobilisation, the company significantly improved drilling efficiency and reduced the total cost of operations for the customer.

HIGHLIGHTS & ACHIEVEMENTS

- Mobilisation achieved in two months
- Blast hole penetration rate increased 73%
- Drilling backlog cleared in six months – broken stocks increased from 0 – 1.2 million BCM
- Re-drills reduced to 3%
- Significant reduction in operating costs – programme delivered with four less rigs
- No LTIs – operating rigs increased from four to twelve.

BACKGROUND

THE ANGLO GOLD ASHANTI (ANGLO) GEITA GOLD MINE, LOCATED IN TANZANIA EAST AFRICA, IS ONE OF THE LARGEST GOLD DEPOSITS IN THE WORLD.

In order to increase operational efficiencies, Anglo commenced a tender process to appoint one drilling contractor to provide a complete solution for the Geita project. Capital, already supplying exploration and grade control services, was awarded the contract in October 2013.

MOBILISATION ACHIEVED IN TWO MONTHS

Capital commenced drilling under the new contract in December 2013 with five additional production rigs. By January 2014 the company had successfully mobilised its full fleet of twelve rigs including: three exploration rigs – two diamond and one reverse circulation; seven blast hole rigs; one grade control rig; and one weep hole rig.

The rapid mobilisation period can largely be attributed to the importance Capital places on robust planning and transparent communication with its customers, suppliers and personnel.

Capital also enjoys an excellent relationship with its suppliers. The company worked closely with them throughout the tender process to ensure it had timely access to the required rigs, equipment and support.

The company's dedicated Logistics Manager mitigated typical delays further by driving and monitoring the entire process – from procurement to importation and transportation. He then personally escorted deliveries directly from port to site.



IMPROVED EFFICIENCIES AND COST SAVINGS

Following commencement of the contract, Capital delivered additional benefits to their client:

- Drilling backlog cleared, broken stocks on the ground increased from 0 Bulk Cubic Metres (BCM) to 1.2M BCM in six months;
- Blast hole penetration rates increased 73% through providing a dedicated training resource on site; working with suppliers to improve drill rig performance; managing the consumables supplied; and a strong performance culture focusing on operational metrics and internal KPIs;
- Commitment to crew training enabled the company to drill efficiently and accurately, reducing re-drills to 3%, extending the life of drill bits and other consumables and minimising load and haul costs by maintaining a tidy pit floor;
- The experience and competence of Capital's teams, together with its focus on operational excellence and quality machinery, enabled the company to provide the drilling programme with four less rigs and to deliver significant monthly savings to Anglo; and
- Since commencing at the Geita project in 2006, the company has successfully achieved no lost time injuries (LTIs). When Capital increased its number of operating rigs from four to twelve in 2013, its safety record remained unblemished.

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