

Amplats closes down leaky converter

Anglo American Platinum (Amplats) has been forced to close its Anglo Converter Plant (ACP) Phase B unit for the second time this year due to a series of water leaks, a move which will severely impact the company's platinum group metals (PGM) production.



Natascha Viljoen, CEO, Amplats

Amplats had to shut down its two converters earlier this year, when there was an explosion at one and water leaks at the other. The plant that exploded is being rebuilt and returned to production before year-end, about three or four months ahead of schedule.

"As indicated in our Q3 production report on 22 October, the ACP Phase B unit has been fragile and has unfortunately recently experienced a number of further instances of water leaks. Whilst the ACP management team has done extraordinary work to keep the unit operating safely over the past several months, we have taken this pre-emptive decision to now close the ACP Phase B unit to ensure we protect our employees, operating environment and the integrity of our assets. Whilst this early closure will result in a temporary build up in work-in-progress inventory, we continue to make good progress with the rebuild of the main ACP Phase A unit, which we expect to complete towards the end of this year," says Natascha Viljoen, CEO of Anglo American Platinum.

Increased monitoring, controls and systems were implemented to continually assess the ACP Phase B unit and further water leaks were discovered. The ACP Phase B unit underwent a planned and measured shutdown. Whilst the ACP management team has been able to complete repairs to previous water leaks, after a comprehensive assessment, and with further water leaks discovered, the ACP Phase B unit now requires more extensive repair work. As a result, the ACP Phase B unit has been closed for a full rebuild in 2021.

The company had refined 2.4-million PGM ounces as of 31 October 2020. As production continues at around 94% of normal production levels, the closure of ACP Phase B unit until ACP Phase A unit is recommissioned will result in an increase in work-in-progress inventory, the release of which will commence once the ACP is operational. The company has made significant progress with the Phase A unit and remains on track to commission it before the end of this year, ahead of the original schedule of Q2 2021.

As a result of the closure of the ACP Phase B unit, the company has lowered its refined production and sales guidance for 2020 to about 2.5-million PGM ounces (previously 3.1-3.3-million PGM ounces). There is no change to other guidance, including M&C production which remains at between 3.6-3.8-million PGM ounces. The company has contingency plans in place and will be engaging with customers to minimise any disruption to contractual obligations.

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