

Grey River gold dredge restarts again on north bank

26 June 2009 - The large Grey River alluvial gold dredge, which was extensively refitted in 2008, is now successfully mining gold on the north bank near the town of Blackball.

Birchfield Minerals restarted the dredge early this year to take advantage of the higher gold prices. The dredge operation was shut down in 2004 for economic reasons.

The 3,500 tonne, 170 m long dredge is one of the world's largest remaining alluvial gold bucket dredges, and is working the wide gold-bearing gravel flats of the Grey River inland from Greymouth.

The Grey dredge's electrical system and bucket line was rebuilt near Ngahere (about 15 km upstream from Greymouth) on the south eastern side of the river.

Allan Birchfield, managing director of Birchfield Minerals, said that the dredge was moved to the north western side of the Grey River where it is now mining the area near where the Blackball Creek and Ford Creek join the river.

He said the refurbished dredge was operating well.

Gold is now selling at NZ\$1,500 an oz unlike in 2004 when the gold price was about NZ\$600 an oz, Mr Birchfield said.

Fifteen staff are now employed on the dredging operation, he said.

Birchfield Minerals last year was granted an extension of its Mining Permit 41933 to 873 hectares (ha), which almost tripled the original size awarded in 2006 of 294 ha.

The extended permit area included a small area on the northern banks near Blackball as well as a greater area downstream on both sides of the Grey River from the original permit area.

Mr Birchfield said the current permit contains an inferred recoverable reserve of 170,000 oz of gold.

Source: Birchfield Minerals and Lindsay Clark