



## Also in this issue

- Austmine 2009: the dawn of a new mining era 1
- Service strengthens supply chain 2
- Delivering on the promise of reliability 2
- On the ground and running 3
- Coffey Mining launches in Canada 3
- Expansion underpins success 4
- One body fits all 4

## Austmine

### What is Austmine?

Austmine is the Australian mining industry export association comprising companies dedicated to supplying the very best in innovative, cost efficient and practical technologies as well as services to mining operations worldwide.

### Austmine membership

Organisations interested in finding out more about what the Austmine membership has to offer are invited to contact the Austmine Executive Officer, **Robert Trzebski** at:

140 Arthur Street  
North Sydney  
NSW 2060 Australia  
Phone: +61 2 9458 7393  
Fax: +61 2 9955 8914  
**robert.trzebski@  
austmine.com.au**

or visit the Austmine website  
**www.austmine.com.au**

**www.austmine.com.au**

# Austmine 2009: the dawn of a new mining era

**A mining boom characterised by rapidly escalating costs and the growing realisation that resources needed to feed production growth – people, skills, materials and energy – are finite, is over. A new era beckons, one in which technology plays a central role in controlling costs. A preview of that era, mining's technology age, will be delivered in Adelaide, South Australia, in November 2009.**

Austmine 2009, to be held on November 10-11, in Australia's new mining boom state, will provide unique insights into the technologies and technology providers starting to transform the mining landscape, according to Austmine chairman Alan Broome.

"Technology will be the major difference in the next boom," Broome said.

"The technology age of mining brings a new focus on predictable cost, safety and quality outcomes. What the members of Austmine have seen from our travels over the past 2-3 years is that the world's big miners recognise Australia as being at the heart of the technological revolution that will make the next mining boom very different to what we've seen in the past 30 years."

Originally scheduled for March this year, but postponed due to the fallout of the GFC, the biennial Austmine conference is a major international networking event for mining technology and service providers, and the world's mining and contract mining companies. As with the two previous Austmine conferences in Queensland and Western Australia, Austmine 2009 in SA will draw delegations from leading

mining corporations around the globe.

Austmine, the Australian Mining Equipment and Services Export Association, has more than 100 member companies exporting Australian produced mining technologies, products and services to over 80 countries. Members are forecast to export about \$AU3.8 billion worth of equipment and services in 2009.

Adelaide-based Austmine director, and managing director of SA manufacturer Korvest, Alexander Kachellek, said mining's looming paradigm change had already occurred in the manufacturing, automotive and fabrication industries.

"I came away from a recent tour of WA's north-west with the feeling that, yes the impact of the GFC was severe and untimely for many, but in mining the lead-up to it was just crazy and people were past the stage of thinking, we could not have done everything we planned to do anyway," he said.

"It was going to cost more and more money – every time you thought of something or added something to a project it was just going to escalate. Now I think companies realise you can't just throw money at it; resources are finite, meaning people, expertise and even equipment, and so you have to be smarter.

"I actually see it a bit like the evolution of manufacturing, where the original manufacturers who looked to increase production threw people at it; volumes increased, and more people were added. And then some of the companies got smart and said, why don't we automate these areas where we can take away the dependence on people, and also improve quality and safety.

"I've been in manufacturing for many years and seen and lived that sort of evolution."

Austmine 2009 will feature a provocative two-day conference program, and an exhibition. More than 300 delegates are expected to attend.

Alan Broome said companies such as Rio Tinto, Vale, Codelco and Xstrata were all pursuing innovative ways to better position

## Austmine2009

International Conference & Exhibition

10 – 11 November 2009  
Adelaide Convention Centre, South Australia



The technology age of mining

themselves for future commodity cycles.

“The technology age of mining is going to be all about doing it a lot smarter – maximising productivity and safety using technology, not toolbox talks; maximising the way in which you use technology to, if you like, make sure that you’ve got the most efficient, the least resource-intensive operation, that you can,” he said.

“People are looking for solutions and Australia’s mining technology and service sector is currently exporting them all over the world. We are also, through the likes of Rio Tinto in WA, Xstrata in Queensland, and Newcrest in New South Wales, pushing the technology envelope in many different ways.

“So with that setting, combined with the pipeline of projects that has resulted from South Australia’s highly successful exploration program, we are very optimistic about the timing of Austmine 2009 and see that with economic conditions and financial markets stabilising, our timing will be quite good.”

## Service strengthens supply chain

**One of the world’s most successful eMarketplaces is tying up loose ends in Australia, says Quadrem’s new vice-president for the region, Andrew Stafford.**

Quadrem, the global mining and resources sector eBusiness platform established by a number of the world’s biggest miners and metal refiners in 2000, handles more than \$US17 billion of orders annually and connects about 60,000 suppliers and 1100 buyers including the mining industry’s biggest companies.

The supplier base could include about 5000 Australian businesses by the end of 2009 as the migration from traditional purchasing methods to eProcurement continued, Stafford says. Keys to this growth are still efficiency and cost benefits at both ends of the supply chain, with an array of services now providing sellers on the Quadrem eMarketplace with new ways of capturing value from online transactions.

“We’ve been traditionally seen as a P2P [peer-to-peer] marketplace connecting buyers and suppliers and ... our business has developed substantially and one of the directions we are moving in is around providing services,” Stafford says.

“Quadrem is not just the communication platform. It’s more about now trying to layer professional services over the top of that.

“We have a bunch of pretty clever people

who’ve been involved in the procurement space – and particularly the electronic optimisation of procurement – for many years. So we’re picking up these skills and IP that we have and adding more value to our buyers and also the suppliers. We’re looking at inventory optimisation, spend analysis, business process re-engineering in the procurement space – all the steps in the process, basically, for taking an organisation from the sort of traditional supply chain and moving it up the value chain to a best in class world procurement organisation.”

Head of the 30-strong Quadrem procurement and supply chain services team, Roger McNeill, is based in Australia.

Stafford said suppliers in the Australasian region had been scrambling for several years to meet demand for products and equipment, during the mining investment boom, and the dramatic change in the environment in the wake of the global credit and equity market meltdown was already forcing companies to take stock of their transaction processes and costs.

“What we have got now is a situation where people are more willing to talk to us and listen to what we’re saying whereas before they might not have been able to find the time,” Stafford says.

“People are talking about the value of leveraging technology more in the procurement space but it’s been one of those things that has been pushed to one side. Now they are saying hang on a minute let’s stop and have a little think about what we can do. And we’re seeing a lot more interest in some of the professional services we’re offering.”

Stafford said he expected the operational spend of mining sector buyers to remain fairly constant this year, while expenditure related to some new projects had already been deferred.

“Mines still need to operate, refineries still need to operate; the world is still moving on, and I think we are probably not going to see too much of a downturn in throughput in our marketplace for 2009,” he says.

But Quadrem was unlikely to see the 20%-plus annual growth rate achieved in its first eight years of operation, either.

“Buyers are expecting their suppliers to start looking at the efficiencies that trading electronically with their buyers can bring,” Stafford says. “From a supplier perspective there’s a lot more than being just told to be plugging into the marketplace. They are seeing the value in speeding up payments in the current business environment, for a start.

“We’re also working closely with some suppliers to provide, and improve, access to new buyers and generate business opportunities, which is definitely something that suppliers are looking for. So again it’s not just about passively sitting there and getting connected to an existing trading platform.”

Contact: [astafford@.com](mailto:astafford@.com)

## Delivering on the promise of reliability

**As the reputation and world wide expertise of the Australian engineering and design houses grow, Australian designed process equipment must also step up to meet the challenge. In order to succeed Australian design and engineering houses need to depend on reliable supply if they are going to deliver on a global stage.**

Linatex Australia is seeing its global connections expand and is winning jobs that stretch as far a field as Norway and Mauritania. Linatex, has a comprehensive equipment range suitable for most mineral processing applications, but in order to win you need to deliver, and deliver to the time line of the Design House,

Linatex Australia has invested heavily in delivery and supply to build up a reputation that now sees us regularly liaising with major Australian engineering and mining houses to tender, win and deliver on some major global contacts.

Working with Mintrex on the Lihir Gold site in the Ivory Coast saw Linatex successfully tender for and deliver a Linatex G4 Cyclone cluster and G3 pumps.

Delivering on the promise of reliability saw Linatex win one of the largest ever cyclone clusters designed and constructed by Linatex (G4 840 / 40) for Freeport



McMoRan's Tenke Fugurume gold mine in the Democratic Republic of Congo.

Linatex Australia have also been to the Mauritania Copper Mines to install G4 Cyclone clusters for First Quantum Minerals designed by engineering house Intermet. It was Linatex's ability to be competitive as well and meet the tight delivery dates that saw our win.

Linatex has also seen our commitment to reliable delivery pay off with a major win that saw Linatex Perth brave chilly Norway with Northern Iron's Sydvaranger Gruve AS project. Engineering houses and global companies now know us as a dependable supplier of quality products at more than competitive deliveries and prices. The product design advantages of Linatex equipment coupled with the unique Linatex rubber wear components and after sales service ensures the lowest possible cost of ownership is achieved.

Contact: [lauren.quirke@linatex.com](mailto:lauren.quirke@linatex.com)

## On the ground and running

**Australian miners may not have found a way through India's project approvals labyrinth but a leading consulting group not only has its feet on the ground in one of the world's biggest mining jurisdictions, it is starting to run.**

AMC Consultants has been working in India since the 1990s – but continuously since 2002 with Hindustan Zinc Limited/Vedanta Resources PLC – and continues to see opportunities to transfer mine development and operating knowledge and experience as India's bigger miners seek to modernise their operations.

AMC regional manager, Melbourne and principal engineer, Andrew Hall said most of the company's work in India so far had been with Hindustan Zinc in Rajasthan, in the country's north, where it provided technical support and had undertaken studies for expansion of the Rampura Agucha openpit zinc mine, and subsequently other HZL projects in the region, notably Rajpura Dariba and Zawar.

"Most recently we've been working on studies for the eventual conversion of the Rampura Agucha mine to an underground operation," Hall said.

"There are certainly lots of other opportunities that are opening up through our presence and the sponsorship of industry events in India as we continue forward."

Hall said while foreign-owned exploration and mining firms were still finding it tough to develop projects in India, government



and privately owned Indian miners were adopting newer mining technology and methods. "It is no secret that one of Vedanta's main corporate goals is to become one of the world's major mining companies, which will involve increased production from each of their operations," he said.

"Competitive advantage in India [comes from] the low cost of labour, materials and energy ... so it's always a trade-off in weighing up mechanisation and requiring fewer but more highly skilled operators, as opposed to using conventional methods. But what we're seeing at some of the underground operations where mechanisation has already been introduced is that, although it's in its infancy, there is already enough evidence to show that it's providing significant productivity advantages while still being able to maintain cost advantages as well."

AMC is one of Australia's largest specialised mining consultancies, with more than 170 employees and offices throughout Australia, and in Canada and the UK.

Contact: [ahall@amconsultants.com.au](mailto:ahall@amconsultants.com.au)

## Expansion underpins success

**Inflatable packers found in gas and oil wells in Japan and central America, gold mines in Mongolia and Indonesia, coal bed methane fields in India and China, and in Alpine tunnels, all have one thing in common. They are all sourced from an Australian company that identified a niche market for the devices a decade ago.**

Inflatable Packers International (IPI) has since found an expanding range of down-hole applications for its namesake product and the Western Australian-based company now has a large domestic and international market presence with offices in Europe (Sofia), USA (Montana) and Chile (Santiago) and distributors elsewhere.

IPI principals Clem Rowe (design and engineering) and Dave Knell (manufacture/

## Coffey Mining launches in Canada

**At a time when many mining companies are bunkering down to weather the economic storm, specialist consultancy Coffey Mining is expanding its global footprint. According to Dan O'Toole, CEO, Coffey Mining, the company is capitalizing on opportunities in Canada's world leading mining and resources sector by opening an office in Toronto.**

Mr O'Toole said this expansion would ensure Coffey Mining is well positioned to take advantage of new opportunities in the Canadian resources sector when commodity prices improve.

"Canada is one of the world's leading mining capital markets and mineral exporters," he said. "Being a global consultancy with operational experience in over 70 countries, Coffey Mining recognises the enormous opportunities in this region. We are looking to establish ourselves in Canada in readiness for the inevitable upturn."

"Because of our links to the broader Coffey group – which has just posted a record half-yearly profit – we are in a strong position" he said. "When this downturn ends, the Coffey group will have diverse exposure to the Canadian market that will see us able to move forward at a much greater pace than would otherwise be the case."

Based in Toronto, the Coffey Mining Canadian office will provide specialist consulting services to the North American mining industry on projects ranging from target generation through feasibility studies to mine closure.

"Coffey Mining can offer its Canadian and US clients not only specialist mining capabilities but a unique service by drawing on the skills and experience of other Coffey companies around the world," Mr O'Toole said.

Mr O'Toole said that despite the economic downturn, Coffey Mining plans to continue to invest in the regions it operates in, and indeed, expand further, if possible.

“Our strategy is to continue to grow Coffey Mining throughout the economic downturn and seek opportunities that may not have been available in recent years, so that we will be in an even stronger position when the industry does pick up. This will include recruiting the industry’s top talent while they are available, up skilling staff, and expanding our capability in areas such as knowledge management. From our point of view, it’s full steam ahead.”

## About Coffey Mining

Coffey Mining is a global specialist consultancy providing a wide range of technical services and products to all sectors of the international mining industry, from target generation to mine closure. Our team of consultants features some of the best specialist mining, geological, metallurgical, tailings and geotechnical engineering professionals from around the world. With operations experience in over 70 countries, we are renowned for providing practical, innovative solutions to complex mining problems.

Coffey Mining is a subsidiary of Coffey International Limited, a listed company (ASX: COF) with over 4,000 people working on projects in more than 80 countries and permanent offices throughout Oceania, the Americas, Africa, Asia and Europe. Operating for 50 years, we have a range of specialist businesses working in the social and physical infrastructure markets, and collectively, we aim to achieve our vision: to be global specialists solving emerging challenges to improve the lives of communities.

Contact: [fabio\\_menezes@coffey.com](mailto:fabio_menezes@coffey.com)

field operations) developed the Standard Wireline Packer Systems (SWiPS) tool to work with wireline coring operations where it has proven to be superior to traditional nitrogen gas systems, especially in deep drilling.

The tools are used to assess the water permeability of formation zones being drilled (invaluable in mine planning for the mine dewatering component) where nitrogen systems, while being simple to use in shallow applications in accessible areas, often prove problematic at depth where the pressures required and the complexity of the inflation hose are challenges. Then there’s logistics in remote locations, which has always been an issue.

Earlier this year IPI supplied several SWiPS to Rio Tinto Iron Ore in WA’s Pilbara region for shallow (less than 150m) use. The ability to dispense with nitrogen gas on site was a factor in the switch to SWiPS.

SWiPS is designed to work with industry standard wireline coring systems and can be used either in single format, with the packer isolating the zone to the bottom of the hole, or in double (or “straddle”) format, for testing a zone on an already drilled hole. The system is deployed after the inner core barrel has been withdrawn; initially by lowering to the water level, then releasing.

The system requires the use of a modified landing ring but apart from that no extra equipment is required down-hole.

According to IPI’s Rowe, the SWiPS system is the first and probably the best example to date of a “standard product” that has come from the company’s work as a custom manufacturer of products around inflatable packers.

More are being developed, he says, especially for coal bed methane, hydrofracture and offshore gas operations.

Contact: [howard@inflatable-packers.com](mailto:howard@inflatable-packers.com)



Suspended Dump Bodies (SDB)

# One body fits all

Since winning the Export Achievement award in 2006, Duratray International has continued to expand the global reach of its unique Suspended Dump Bodies (SDB) for mine and quarry haul trucks. After securing Chile as the key export market, since-2008 additional despatches were made to PNG, Indonesia, New Caledonia, Laos, Norway, Peru, Canada and Suriname.

Duratray’s SDB systems these have been widely-adopted for the new high capacity trucks (termed Ultra-class units) which have carrying capacities up to 365 metric tonnes payload. More than seventy Duratrays have been developed and commissioned on the Komatsu-930E (290 tonnes) and Komatsu-960E (327 metric tonnes) as well as for the largest Caterpillar-797B mining trucks. Reasons for adopting Duratray SDB’s include its lighter deadweight, higher volumetric capacity and lower long-term maintenance costs. There are also OH&S benefits from reduced impact and noise to the truck operator.

The dump body engineering design and project management are undertaken from Duratray’s Bayswater facilities in Victoria – from where all of the rubber wearmat kit is also manufactured using a large-diameter pressurised autoclave and other customised tooling. Manufacturing of synthetic suspension ropes is undertaken at the Perth WA facilities of Duratray. These components are then shipped to project sites around the world ready for final assembly of the suspended dump body and its installation onto the client’s haul truck. All brands of open pit trucks can be fitted with Duratray dump bodies - both for new trucks as well as for fitting of replacement dump bodies to existing trucks.

contact: [steve.hall@duratray.com](mailto:steve.hall@duratray.com)

## New Members

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For more information or to advertise, please contact Austmine

140 Arthur Street, North Sydney  
NSW 2060 Australia  
Locked Bag 938, North Sydney  
NSW 2059 Australia

Phone: +61 2 9458 7393

Fax: +61 2 9955 8914

[www.austmine.com.au](http://www.austmine.com.au)