

Mining Magazine



Powertrains

Learn more about mechanical and electric drive systems for trucks, plus their key components

Tyre management

Expert advice on maintenance programmes, technologies, tyre handling, rim selection and haul road design

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Fleet management

Leverage technologies to maximise maintenance intervals and minimise costs



High rollers

Imagine there was a collective sigh of relief from the mining industry on July 9 when, following two false starts, 16 trucks carrying the first 600t of copper concentrate left Oyu Tolgoi mine for the Gashuun-Sukhait border crossing in Mongolia.

Indeed, the relief must have been tangible at Rio Tinto's headquarters; the company, whose Turquoise Hill Resources subsidiary owns 66% of mine operator Oyu Tolgoi LLC (OT LLC), made a US\$3 billion loss in 2012. Although this was mainly down to failings in its coal and aluminium businesses, the last thing Rio needs is a damp copper squib on its hands and an on-going row with the Mongolian government.

The three-year, US\$6.2 billion project represents the first phase of development at what will become one of the world's five largest copper mines. Rio said in its Second Quarter Operations Review that the concentrator, currently ramping up, has produced an average 70,000t/d for the past three weeks. The mine is expected to produce 430,000t of copper and 425,000oz of gold annually over its 20-year life once fully operational.

Rio originally announced that it would start shipping concentrate on June 21, part of its first round of sales to 5,800 customers in China. However, it was forced to postpone deliveries "at the request of the Mongolian government". It later transpired that the hold-up came when the government of Mongolia, which holds the remaining 34% shares in Oyu Tolgoi, asked Rio to deposit sales revenues into local bank accounts. This move was seen as retaliation for Rio's refusal to disclose third-party sales agreements.

The shipment was postponed to June 28, but was yet again delayed, and the plot thickened when the Mongolian mines minister was reported as saying it was not the government causing the delay, but the operating company. "OT LLC is avoiding the disclosure of sales agreements from Mongolian board members, and is putting the sales income into offshore accounts," he told news website Business-Mongolia.com.

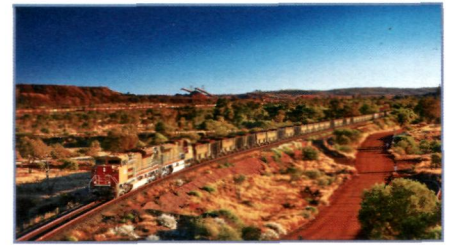
On July 9, both Rio and Oyu Tolgoi released statements saying that after reviewing marketing agreements, the board of directors unanimously endorsed the commencement of shipping. All permits and authorities for exporting concentrate are apparently now in place, although I doubt this is the last we will hear of it - Reuters reported on July 17 that the government still has 22 points of dispute with Rio. Let us hope that this hiccup does not deter other potential investors in Mongolian mining.

In its release, Oyu Tolgoi went on to gush about the economic benefits that the mine would bring to the region, while Rio's was somewhat perfunctory and, oddly, accompanied by a list of 'fun facts' about the mine. However strange its inclusion, the list caught my eye, and so I share it with you now. Let us marvel at what the mining industry can accomplish when the stakes are high enough. Did you know...

- The Oyu Tolgoi copper concentrator contains 23,098t of steel, enough to build three Eiffel Towers, and enough cable (581km) to stretch from the mine to Ulaanbaatar.
- The open-pit mine will be deep enough to stack the Great Pyramid of Giza on top of itself four times.
- The deepest underground shaft is eight times deeper than the English Channel.
- The overland ore conveyer is the same length as the Golden Gate Bridge (2,737m).

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"Let us hope that this hiccup does not deter other potential investors in Mongolian mining"



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COVER

The world's most powerful shearer loader, the Eickhoff SL 1000 is specifically designed to enable peak performance at coal mines with the extraction of seams with a height of up to 7.2m. But customers with seams as low as 3.0m can also profit from this machine due to its modular principle of design, since by just changing some minor components the exceptional cutting power can be installed in lower seams as well. Furthermore, the Eickhoff SL 1000 features maximum tunnel clearance under the machine body, allowing even the biggest lumps of coal to pass smoothly.

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