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BLASTING THROUGH BARRIERS



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Projects like Oyu Tolgoi highlight the growth of the Mongolian mining market. General Director Andrew Forster discusses the role MAXAM Explosives is playing in the development of the sector

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In 2012, MAXAM celebrated its 140th birthday. Founded by Alfred Nobel in 1872, the group today stands recognised as being one of the leading service and industrial organisations operating on a global scale, with a yearly turnover of approximately one billion euros.

Specialising in the development, manufacture and commercialisation of civil explosives and initiation systems for mining, MAXAM boasts a presence in all of the world's major and developing mining areas.

One such area is Mongolia. The mining sector within Mongolia dates back over 90 years to the nationalisation of the Nalaikh coal deposit in February 1922. In the decades since, the sector's role in Mongolia's economic growth has expanded to the point where, as of 2011, it was responsible for producing 20.2 percent of the country's GDP, 69.6 percent of its total industrial output and 89.2 percent of its export product.

"A subsidiary of MAXAM, MAXAM Explosives began its work in Mongolia in 2006," explains General Director, Andrew Forster. "Today we have two major contracts in the country, one with Oyu Tolgoi and the other with SouthGobi Sands. Much of what we have achieved to date has come in the last couple of years and has brought us to the point where we are now able to see the culmination of seven years of hard work as Mongolia becomes a rapidly developing mining region."

As Andrew goes on to state, while mining activities have existed for the better part of a century in Mongolia, it is really only in the last ten years or so



that it has really been promoted as being a mining destination of real interest. “It was in the aftermath of agreement being reached on the development of Oyu Tolgoi that we saw a significant boom in foreign direct investment into the country. While the level of this investment does continue to fluctuate somewhat there is no doubt that mining will continue to play a hugely important role in the economic growth of the country going forward.”

Oyu Tolgoi LLC is Mongolia’s largest copper and gold mining company and is a strategic partnership between the Government of Mongolia, Turquoise Hill Resources and Rio Tinto. Located beneath the surface of the Gobi desert the Oyu Tolgoi mine is thought to contain approximately 82 billion pounds of copper and 46 million ounces of gold in measured, indicated and inferred resources. Here MAXAM Explosives serves as the blasting products and services provider, lending its considerable experience and historical excellence to Oyu Tolgoi.

The main factor behind Oyu Tolgoi’s initial attraction to MAXAM was its guarantee of security of supply of one of its flagship products, its RIOFLEX watergel explosive. A MAXAM-developed innovation that is unique to the company’s



MAXAM’s latest mobile sensitising units delivering (MSUs) Rioflex 7000 at Oyu Tolgoi

product portfolio, RIOFLEX is designed to be safe in its manufacture, transport and use, and provides optimum results in all environmental and mineral conditions.

In the simplest of terms, without MAXAM Explosives’ products there would simply be no mine as it exists today. “The explosives we provide on-site for Oyu Tolgoi are used for open pit work, shaft sinking and lateral development, and this is being carried out

by a workforce that is 90 percent Mongolian. These individuals have been trained up from having zero experience to the point where they are now able to deliver all the services that the project requires.”

As Andrew will attest Mongolians in general possess a number of important qualities that make training them up for such important roles much less of a challenge than one would perhaps expect. “Mongolians as a whole learn very quickly indeed. They are extremely literate, pick things up quickly and possess a healthy desire to learn new skills, which is vitally important considering the work

1872

The year that MAXAM was founded

we do. In addition to their personal characteristics these individuals also benefit from the robust training programmes that MAXAM as a group use internationally.”

The efforts made by the company to establish a local

workforce are very much in line with one of core philosophies that MAXAM applies to its operations in every single country. “As a group,” Andrew says, “we have a strong social programme and we are applying that here in Mongolia with our goals being to contribute positively to the social fabric of the country and improve the general wellbeing of its people. We are not here to simply make a

“IN THE SIMPLEST OF TERMS, WITHOUT MAXAM EXPLOSIVES’ PRODUCTS THERE WOULD SIMPLY BE NO MINE AS IT EXISTS TODAY”

20.2%

Of Mongolia's GDP that mining was responsible for in 2011

quick profit and then leave, instead we are committed to leaving Mongolia a better place for us having been here.”

Despite its best intentions the company has still had to work hard to overcome some of the legal-administrative challenges in the country. Over the last year MAXAM Explosives has been working hard to convey the fact that it is a Mongolian registered business that pays Mongolian taxes and plans to one day have Mongolians in charge of running it. “For all intents and purposes,” Andrew enthuses, “we are a Mongolian company and it is our desire to be recognised as such.”

As the company looks to the future Andrew is equally keen to highlight the fact that, as important as it is, Oyu Tolgoi is just one contract and that MAXAM Explosives’ aim is to become a major player the Mongolian market. “We are a flexible and adaptable business that is ready to face whatever the market has to throw at us as it evolves. We are very much here to stay and we will be contributing to the growth of Mongolia for many, many years to come.” **BE**

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