



Flexible solutions for a changing industry

The resurgence in commodity prices over the last few months is likely to provide incentive to bring new and mothballed mining operations online across Africa.

However, the logistical challenges and capex costs, particularly in areas where there is limited infrastructure, will be major barriers to overcome if these operations are to be successful.

In early June, The Bloomberg Commodity Index, which tracks returns from 22 raw materials, had advanced close to 20% from its lowest point in 25 years, following five consecutive years of decline as economic growth in China and demand for materials slowed.

"While the rebound in commodity prices will improve the viability of new and existing sites throughout Africa, reliable power supply remains a significant challenge facing new mines, especially in areas that are not connected to the grid," says Clayton Marsland, Regional Sales Director at APR Energy – the leading provider of fast-track mobile turbine power.

New mining opportunities are often located in remote areas, far removed from existing power infrastructure. "In some cases, it can take five to six years for mines in these areas to be connected to the grid," Marsland says. "As a result, a new mining operation has to consider alternative power options to expedite and facilitate its evolution through the exploration, development and operational stages."

Presently, he explains, mines are investing in capital-intensive permanent generating capacity to meet their power needs. "Some mining companies are even in negotiations with local governments to take over closed hydropower plants. Both of these solutions require heavy financial outlay at a time when savings and cost-reductions are crucial for a mine's success."

Mobile fast-track power is a solution that offers mining operations a unique value proposition: fast, flexible and full-service.

"Mobile power modules and turbines are the size of a trailer, and can easily be

transported to remote areas via air, road or sea. Once on-site, they can be up and running within 30 to 90 days," Marsland said. "These solutions also are easily scalable, and can be ramped up or down according to production requirements. The fact that they are located on site is particularly beneficial as the power does not have to travel long distances, reducing issues related to grid stability and aging transmission infrastructure," Marsland says.

He says the volatility in commodity prices and an increased focus on reducing capital expenditures in the mining sector has resulted in a growing trend to outsource services, which can then be booked as operating expenses. "Power is another non-core process that mines should consider outsourcing until a reliable connection to the grid is available. This also allows the mine to focus on its core business," he says.

Marsland adds that hiring permanent labour can be a risk in difficult economic conditions: "By outsourcing mobile fast-track power, the supplier brings in its own staff to operate and maintain the plant, leaving the mine with no responsibilities when it comes to power generation other than paying the monthly bill," Marsland concludes.

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