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## Cost focus has Modular building

Mining technology leader Modular Mining Systems has suggested the industry's "relentless focus on cost reduction and productivity improvements" will bite miners if not checked, with delayed but necessary capital investments soon to become critical.

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*Modular's MineAlert CAS nearing the end of 18-month field trial in North America*

As widespread capital rationing enters its fourth year key mobile and fixed asset investments are in many cases overdue, according to Modular VP of product innovation Michael Lewis. A veteran of the mine fleet management

technology business, Lewis said under-investment in critical infrastructure such as communication networks would become an impediment to sought-after productivity and operating-cost improvements. He said networks that were approaching or had reached capacity limits would need to be updated, or in some cases, completely replaced.

Lewis believes “capital rationing [will] continue for the next several years”, while individual projects at mine sites “are under strict scrutiny and are faced with overcoming high return on investment hurdles”.

“Some customers have reported that they evaluate only those projects with a projected ROI of 35% or greater,” Lewis said.

But certain technologies were still being sought, and bought, to help miners improve productivity and efficiency, and complement innovation strategies, he said. Modular, controlled by Japan’s Komatsu, has made substantial investments in product development in the past five years, focusing on fleet management and optimisation, remote asset health monitoring, and automation.

“Because our products enable mines do more with less, we continue to receive orders for new systems and system expansions, even as budget cuts prevent organisations from spending money elsewhere,” Lewis said.

“We anticipate that capital and operational expenditure restrictions will continue through the current fiscal year and beyond ... [but] mines are still seeking technologies that can help them reduce variable costs such as tyres, fuel, explosives, and maintenance, while simultaneously enabling the mines to achieve step changes in productivity.

“Investment activity varies, however, with some commodities and regions maintaining robust investment in advanced technology. Regional legislation is one driving factor, as some locales place more emphasis in specific areas, such as operator safety, than others.”

Modular’s newly-released MasterLink Enterprise Wireless Network and DISPATCH Underground 2015 fleet management products are currently in varying stages of installation and implementation at customer sites around the world, according to Lewis.

“Since being launched in May of this year, we have sold the MasterLink Enterprise solution into four of our major regions,” he said.

“Our customers realise that it is no longer enough for a wireless network to promise adequate coverage across the site.”

Instead, mines wanted enough capacity to support high-bandwidth activities such as streaming video, equipment health data collection, and fleet management. “MasterLink Enterprise delivers all this and more,” he said.

Commissioning of the first DISPATCH Underground 2015 system is also said to be well underway at a hard-rock mine in North America, and field trials of MineCare 3 are in progress in Australia and soon to start in North America.

Also, after a three-year “concentrated development effort”, Modular’s MineAlert collision avoidance system (CAS) is nearing the end of an 18-month field trial in North America. The CAS draws on Modular’s years of experience with safety products, including three prior generations of proximity detection technology.

Lewis said the first commercial install for the CAS would take place in South America, with “wider release anticipated in early 2016”.



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