



In October ELB was officially appointed to provide engineering, procurement and construction services to the Gamsberg zinc project in the Northern Cape

ELB survival tactics deliver ‘company-changing’ opportunities

The severe economic recession which has plagued the mining industry over the last 12 months has substantially reduced the new project pipeline in Africa. While this financial burden has filtered through to the engineering fraternity, it has seen **ELB Engineering Services (ELB)** adopt an intensive survival mode. Supported by unwavering loyalty from its staff, the company has fought its way through the tough conditions and as a result has taken advantage of available opportunities in the market, which has positioned it for regrowth over the next two or three years, writes **LAURA CORNISH**.

“In the history of the **ELB Group**, we have never been through such an unpredictable 12 months as we experienced in 2016,” says ELB CEO Dr. Stephen Meijers. “Political uncertainty in South Africa has further heightened the

country’s economic instability and left the mining industry struggling to keep its head above water.”

In response to the situation, which remains slow in showing signs of significant recovery, ELB elected to survive and in doing so implemented a number of



Gamsberg is one of the largest known zinc deposits globally

consolidation and survival tactics that have secured its own project pipeline for the foreseeable future.

“We remain intensely focused on our diversification strategy which continues to see our power and fast moving consumer goods experience and portfolio grow. Of equal importance, we successfully tightened our belts and managed our cash flow and consequently have not suffered any retrenchments,” Meijers highlights. He speaks highly of the entire ELB personnel, describing them as a cohesive team who contributed to the company’s overhead cost reduction techniques. “Our staff have been exceptionally loyal and helped reduce our costs when needed. As a result, we are standing today with an exceptionally strong staff complement ready to face the future and regrow the business.”

Ending 2016 on a high note

Having successfully managed the worst periods of the recession, ELB has been rewarded for its stamina and endurance and in October last year took on a “company-changing” project that has primed it to take on additional new opportunities.

In October ELB was officially appointed to provide engineering, procurement and construction services to the Gamsberg zinc project in the Northern Cape. Appointed by Black Mountain Mining (BMM), a subsidiary of LSE-listed diversified miner Vedanta Resources, the company will provide construction services for the



ELB has partnered with one of the world’s largest and most well recognised processing companies – ENFI, based in China

project’s process, power and water plants.

“This is a significant contract for ELB Engineering Services and is the outcome of months of dedication, hard work and joint effort and relationship

building to achieve an optimally engineered and integrated solution. We are appreciative of the involvement of and commitment from the Vedanta and Gamsberg project teams in collaborating and partnering with us over the many months required to deliver an optimised and fully integrated Gamsberg project solution,” Meijers enthuses.

Gamsberg, one of the largest known zinc deposits globally, is a Greenfield zinc

mine consisting of an open cast mine, ore beneficiation plant and associated infrastructure located in Aggeneys.

Vedanta will invest approximately US\$400 million towards developing the entire project. The first phase of the Gamsberg open pit mine, which is expected to have a life of mine of approximately 13 years, is currently on track to begin producing first ore in 2018. This phase will see Vedanta mine 4 Mtpa of ROM ore, producing 250 000 tpa of zinc metal in concentrate.

ELB’s contract is expected to take up to 18 months to complete and the company looks forward to its continued partnership with BMM, and to the successful undertaking of such a significant mining project in South Africa.

In order to deliver such a large-scale project to one of South Africa’s remotest regions, ELB will take advantage of the partnership it has established with one of the world’s largest and most well recognised processing companies – ENFI, based in China. “ENFI has given us bigger processing and engineering capabilities in



ENFI’s head office in China

WORLD-CLASS PARTNERSHIPS

ELB has built its business on the back of strong, global partnerships while maintaining its South African presence and brand. In addition to the cooperation partnership with ENFI, the company also has a long standing co-operation agreement with Canada’s Woodgrove Technologies.



Medupi power station

South Africa, which will enable us to undertake large-scale projects such as Gamsberg," Meijers states.

ELB also took on a major new project in Africa in November 2016 and is now working with dual-listed gold producer Asanko Gold to deliver a 27.1 km single flight overland conveyor for its Obotan gold mine in Ghana. The project is expected to move into execution in Q1, 2017.

Further project achievements

ELB has continued to deliver on the projects



Powerscreen Chieftain 2200 three deck screen

it has been working on throughout the 2016 year which include the construction of a new train loading system and two stackers for the Black Rock Project at Assmang's Black Rock Mine Operations near Hotazel in the Northern Cape.

“Our staff have been exceptionally loyal and helped reduce our costs when needed. As a result, we are standing today with an exceptionally strong staff complement ready to face the future and re-grow the business,” Stephen Meijers

This is operated by Assmang Limited, which is jointly owned by African Rainbow Minerals Limited and Assore Limited. Meijers says the project is “running successfully”.

“We have also continued to expand our African footprint and are working with a number of diversified mining companies in Namibia, Gabon, Ghana, the Democratic Republic of Congo, Zambia, Kenya and Mozambique.”

“Work at the Medupi power station, where we’ve been active since 2011, continued to run smoothly over the course of 2016 and has been a flagship project for ELB.”

Meijers anticipates an exciting 2017 year for the company which will add to its diversification footprint.

ELB’s diversification strategy is in its third year and is undeniably starting to deliver organic growth for the company after undergoing a series of highs and lows over the years. It will no

doubt deliver greater sustainability for the business moving forward, Meijers points out. It has also maintained a close working relationship with Nestlé.

Solid performance from the ELB Group

Discussing the equipment arm of the Group, Meijers notes that ELB Equipment has undergone a “tough year” in terms of sales volumes – the result of slowing demand for equipment. “Nonetheless, the first quarter of our 2017 financial year has been satisfactory and we are looking forward to positive movement from this business moving forward.”

The acquisition of B&W Instrumentation and Electrical, now almost two years ago, has added significant value to the ELB Group and further boosted the company’s own capabilities as well. Over the past year the company has been in a growth phase and is focused on becoming the force it has always been within the fields of electrical, instrumentation and control erection.

ELB will continue to cement its position in industry by maintaining its solid, conservative and responsible method of managing the organisation and, Meijers concludes, looks forward to the next 98 years of delivering a successful business with a growing track record in Africa. **MRA**



ELB’s current project portfolio includes the construction of a new train loading system for the Black Rock Project at Assmang’s Black Rock Mine Operations near Hotazel in the Northern Cape