

BULLETIN

ROBIT PLC CUSTOMER MAGAZINE 2/2018

Robit doing their bit

for Latin America's largest
road development program

A partnership bears
fruit in Argentina

Rebranding Robit:
new look, new message

Robit

DEAR READER,

The Robit story, which started more than thirty years ago, has seen many twists and turns. A small local engineering business has grown into an international public company.

At present, our product and service portfolio is wider than ever. To support future success, we have harmonized our product range and strengthened the Robit brand. The core of our new brand consists of technological know-how, a multitalented global staff, as well as local and global expertise. Combined with the world's largest product portfolio, born out of mergers with several companies, this is a solid base for future growth.

Our new slogan Further. Faster. is a strong pledge about our products and services. It means we are committed to exceeding the expectations of our stakeholders in the pursuit of reaching our goals. The Robit team and our partners make up a global network of top professionals in rock and ground drilling, with a diverse range of methods and processes. We have been streamlining our operations and building our brand together with our customers.

Above all, the brand and the brand promise represent a way of working and guiding our culture. Everyone of us can find things in our day-to-day life that can be taken further or done faster. Further. Faster. pledges have been fulfilled during the year in everyday work. For example, the new Korean factory has reached faster delivery times than ever, even though daily volumes are higher than before.

In the autumn we organized four regional events where our dealers presented Robit success stories. It was great to see how committed and knowledgeable our dealers are in customer service. We also received excellent feedback on the quality of our products and on projects where our products, together with the dealer's services, have improved the end-user's competitiveness.

We need to work hard every day to meet our brand promise. The Robit brand grows stronger only through the effort and attitude of each player in the team. Let's create the future together – **Further. Faster.**

Ilkka Miettinen
Interim CEO




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FASTER.**

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FURTHER. FASTER.

*A jumbo in maintenance
at the mouth of the
Sinifaná tunnel.*

FOREPOLING

through the Colombian Andes

"4G", or Fourth Generation, typically refers to a mobile network. In Colombia, it's also an abbreviation for the largest and most ambitious road infrastructure program in Latin America.

The Cauca river crosses numerous towns in the Department of Antioquia, including Bolombolo.



Colossal investment

Colombia's 4G program involves 7,000 kilometres of roadway – a more than \$ 50 billion investment divided into more than 40 projects. Part of a master plan to place Colombia at the forefront of Latin American economies, its aim is to step up regional development and promote foreign trade by reducing transport times across the country.

4G has marked a massive boost for the construction industry in Colombia, a country traversed by no less than three branches of the Andes. In addition to 1,400 km of four-lane highways, 4G includes 141 tunnels (125 km in length) and as many as 1,300 viaducts (146 km in length).

One of the 4G projects, called "Autopista Conexión Pacífico 1", is the construction of a highway between Medellín, Colombia's second largest city, and Bolombolo, in central northwestern Colombia. It includes two tunnels, Sinifaná and Amagá.

Partnering in a competitive market

Sinifaná, consisting of two parallel tunnels, 1,6 km each with a cross-section of 100 m², is contracted by the Spanish-owned OSSA. They are drilling with Robit tools, supplied by SESCO, Robit's exclusive dealer of tunneling tools in Colombia. Through SESCO, Robit entered the Colombian market three years ago.

"Entering Colombia was a real challenge since the prices were very depressed. We are by no means

**WE HAVE SEEN
PERFORMANCE THAT HAS
NOT BEEN REACHED BEFORE**

the cheapest in the market, but thanks to the durability and fast performance of our tools, we have been able to demonstrate that Robit is the most economical cost-per-meter choice", says José Cisneros, Sales Director for Robit SAC.

In addition to providing tools, Robit consults the main designers in the projects, and provides training to drillers to ensure optimal use of the various tools. In forepoling, the Robit system can offer key advantages for the driller. It's easy to install, couplings between sections are very fast to make, and the durability helps minimize downtime.

Impressive performance

"We have seen performance that has not been reached in this country before: 13,000 m for rods, 25,000 m for couplings, 24,000 m for shanks, to name a few. Add to that the superior penetration rate of our drill bits, and our client has been able to reduce execution times up to 40%", says a pleased José.

The Sinifaná tunnel is expected to be completed in September 2019, and the Amagá tunnel two years later. Once finished, the Pacífico 1 highway will cut the travel time from Medellín to Bolombolo in half.

FIJI

A new dot on the Robit world map

"Tranquillity" is a word that easily comes to mind on Fiji, the island country sitting almost 3,000 kilometres away from its nearest continent Australia. An ever-growing number of visitors are feeling the allure of its white sandy beaches and coral reefs, making tourism a key driver in Fiji's economy today, along with agriculture and fishing.

Fiji has also been blessed with wealthy mineral resources, with gold and silver representing some of the country's largest exports. So-called Development Minerals – minerals mined, processed, and used locally in construction, infrastructure, and agriculture – also play an important part in Fiji's growing economy. This year, the very first Fiji Development Minerals Trade Fair and Conference was held in Suva, the capital city of the republic. The event, hosted by UNDP (United Nations Development Program) and MRD (Mineral Resources Department of Fiji), also helped Robit add a new dot on its global business map.

"It was a great opportunity to network, meet key players in the Development Minerals industry and get a better understanding of the opportunities and challenges facing Fiji's Development Minerals market", says Technical Sales Representative **Richard Epstein**, Robit Australia.

"Fiji is diversifying its economy and improving its civil infrastructure, which should have a positive

impact on the quarrying and civil construction industries. This means there is an opportunity to gain a strong foothold in the market. To that end, we are partnering with Vinod Patel, Fiji's largest hardware and construction materials company to help establish our presence in the market and provide much needed local support", Richard explains.

Golden prospects

Richard also visited the Vatukoula Gold Mine, the largest and oldest mine in Fiji. It has been operating for over 75 years and has produced over 7 million ounces (approx. 200,000 kg) of gold during this time. "Vatukoula spends about half a million euros per year on Top Hammer drilling consumables, but this is likely to increase in coming years as they have plans to expand development of the mine and double production", Richard says.

” WELL POSITIONED FOR FUTURE OPPORTUNITIES

"Robit's threaded jumbo bits were tested underground at Vatukoula, with promising results. A new gold mine, Lion One, is due to come on line in 2019. Add to that our partnership with Vinod Patel and the contacts we have established through them with key players in the quarrying and extractive industries, and we should be well positioned for future opportunities in Fiji."



TEST REPORT

Tested tools:	Robit C51 bits, rods and shanks
Test location:	Greenbushes, WA, Australia
Test date(s):	Since May 2018
Client's challenge:	Top Hammer drill bit performance in the hard ground conditions of a lithium mine
Reported by:	Mark Thwaits, Technical Sales Representative, Robit Australia

Report:

We began trialling at Greenbushes, the world's largest lithium mine, in the spring of 2018. They are currently using our C51 Retrac bits monthly, principally the 115 mm Drop Centre Retrac (DSR) and Flat Face (FF).

Through frequent site visits we have developed a very positive relationship with our customer where information has become a two-way street. For example, it was our suggestion to try the DSR bit as a substitute to the FF, as we had seen it perform extremely well in similar conditions elsewhere.

We have secured their TH bit business off the strength of Robit's bits. The life and performance of our bits has been praised by the client. They easily outlast the competition – and with the extremely hard and abrasive ground associated with lithium mines, the increased life of Robit bits has been greatly appreciated.

In today's intensely competitive market, Australian drilling contractors have become far less inclined to sign contracts, preferring to give monthly business to the supplier who performs and provides value regularly.

Our top-performance bits have allowed us to continually do monthly business with the client, and we continue to trial new products in an effort to supply all their drill string needs, e.g. rods and shanks, at Greenbushes as well as other sites the client operates on.

ROSH PINAH

boosting quality with Robit tools

Geographically, most of Namibia consists of a desert or near-desert plateau. Underneath this arid ground, however, lies a massive mineral wealth.

Namibia's economy relies heavily on its mining industry: almost half of the country's foreign exchange earnings are contributed by this sector. Key exports include diamonds, uranium, gold and silver, as well as a wide variety of base metals such as lead, copper, and zinc.

On the edge on the Namib desert in southern Namibia, the Rosh Pinah underground mine, owned by Canadian-based Trevali, has been producing zinc and lead for 50 years, milling some 2,000 tonnes of ore per day. That kind of production volumes pose a challenge to the supply and service of consumable parts – and that's where Robit SA was able to help Rosh Pinah improve their performance.

"We signed a consignment stock contract for the "GET" (Ground Engagement Tools) with Rosh Pinah in August. It's a full-service contract, including a management system", explains **Franco Van Deventer**, Sales Director for Robit SA.

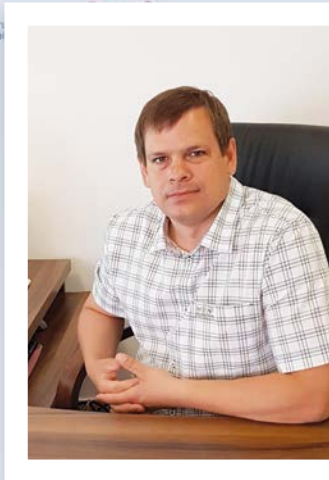
” THIS HAD NOT BEEN POSSIBLE BEFORE

The two-year contract covers both development and long hole production drilling, as well as "cut and fill" mining.

Better quality through reporting

"Our management reporting system has marked a significant improvement in quality control. Our monthly feedback reports allow our customer to track the performance of our equipment and compare the efficiency and cost. Before our contract this had not been possible", Franco says.

*Bird's eye view of Rosh Pinah.
Image: Hp.Baumeler*



TEST REPORT

Tested tools:	Robit DTH hammer and bits
Test location:	Altyntau Kokshetau quarry, Kazakhstan
Client's challenge:	Finding an alternative for their existing QL6 DTH hammer: problems with the upper adapter not solved by the manufacturer
Reported by:	Andrey Dak , General Director, LLP Robit Kazakhstan

Report:

At the site, Robit Kazakhstan has tested two QL6 DTH hammers, with 171 mm Robit DTH bits. Representatives of Robit Kazakhstan and Robit Russia as well as competitors' technical specialists were present at the test. Each of 3 drill rigs had drilling tools from different manufacturers.

As a result, Robit hammers demonstrated excellent results, whereas the tested drill bits did not show the best performance. Therefore, Kazzinc acquired a batch of Robit hammers.

Once in operation, quality issues with the acquired DTH hammers arose: the lifetime of some of the hammers was 30 % less than expected. Lifetime expectation is set by the quarry; we accepted the challenge.

We took a customer-oriented approach and invited a technical specialist from Australia to Altyntau Kokshetau. In addition, two upgraded hammers and redesigned 171 mm DTH bits were sent. Using all the test data, we strove to manufacture the best fit for the customer's ground conditions. The changes mostly concerned the hammer's cylinder, make-up assembly, the DTH bit's check valve and buttons. A second test supervised by our local Robit expert was conducted.

Eventually, thanks to our group's teamwork and our desire to provide the best service, the performance became excellent again – even exceeding the lifetime expected by the contract. The upgraded DTH bits also showed good results, reaching their expected lifetime. The deal was secured.

Kazzinc decided to continue using Robit drill consumables. Starting from the beginning of 2019, a new contract for a batch of DTH hammers and DTH bits was signed.



NEW WAREHOUSE improves customer service

From a logistical point of view, the Robit USA factory in Sherman, Texas, has an excellent location. The supply chain for Robit's DTH and Top Hammer products is served by airports, railways and road transport alike. FedEx and UPS freight depots occupy the neighbouring lot. Surely the products ship out to the world in a swift and straightforward manner?

Just a few months ago, the question could not have been answered in the affirmative. Production takes place in Sherman, but most of the stock, including the entire Top Hammer product line, were outsourced into a warehouse in a Chicago suburb in Michigan. The shortest route between there and Sherman is about 1,400 kilometers.

Communication between sales in Sherman and the Chicago warehouse was mostly by e-mail. The offices had separate ERP systems that did not

interact very smoothly. "Warehouse inventories didn't always match, and it took a lot of time for the customer service to improvise creative solutions," says **Mikko Vuojolainen**, Robit VP Americas Region.

All under the same roof

Luckily some storage space at Sherman was freed, and the decision was made to relocate the Chicago warehouse there. The solution has been successful in every way. "Now the warehouse is under the same roof with production, and the inventory is in a single ERP system, which has reduced the number of emergency cases considerably," says Mikko.

"At the same time, we decided to speed up customer service by investing in stocking certain key products. Improving inventory turnover and optimizing inventory value are essentially never-ending processes," Mikko concludes.

ALL DRILL AND ROBIT: a partnership bearing fruit in Argentina

The Andes, the longest mountain range in the world, have been an abundant source of mineral riches for centuries – so much so that the largest Spanish-speaking nation in the world was actually named after a metal (argentum). Over the last ten years, the mining industry has seen a massive boom in Argentina.

Gold and copper are some of Argentina's key mineral exports. Cerro Vanguardia, a major gold mine in the Santa Cruz province in southern Argentina, has been using Robit tools, such as Top Hammer and DTH RC, for six years. Customer satisfaction is crucial for Robit, and **Juan Padilla**, a senior Robit Drillmaster, knows where you need to look.

Feedback from the field

"The real challenge for us lies out in the field, in the hands of drillers and their supervisors. They work hard to achieve their goals, and my mission is to give them the best support so they can meet them", Juan explains.

On his latest visit to Cerro Vanguardia Juan went right to the front line to hear the drillers' feedback on Robit products. "Cerro Vanguardia is keen on continuous improvement, and it made me happy to learn that our tools continue to be an excellent option for them", says Juan.

2018 has been a good year for Robit in Argentina, thanks to their dealer All Drill. Since its founder **Ariel Fernandez** was already familiar with and impressed by Robit products, the decision to partner was easy to make.

One of the new deals All Drill and Robit have signed took place in Casposo, a gold and silver mine in the San Juan province. 20 days of rigorous testing convinced the contractor of the quality of Robit's Top Hammer tools. Cerro Negro, a large gold mine located in southern Argentina, has also opened its doors to Robit products.

Seamless teamwork

"I felt super confident about the opportunity to represent Robit exclusively in the Argentinian mining market. When you have one of the key brands in the world to offer, and you get great support from their Regional Manager **Alexei Albuquerque** and his team, you have all a dealer needs to close good deals", says Ariel Fernandez.

Mining has still a lot of growth potential in Argentina, and Robit and All Drill are searching for new opportunities around the country. "We are proud to say that Robit has become a major player in the Argentinian mining market, with very positive feedback from the end-users. This is a great foundation for planning the future and our next steps. It is a result of hard work, time investment, and trust between All Drill and Robit", Alexei Albuquerque concludes.

*Drillmaster Juan Padilla
replacing a bit at
Cerro Vanguardia*

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drilled meters for your money.
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Robit Plc, Vikkiniityntie 9, FI-33880 Lempäälä
Tel. +358 3 3140 3400 // robitgroup.com