



## SouthGobi Energy Resources Chooses MinePoint

### Background

SouthGobi Energy Resources Limited (SouthGobi) is a Permian-age coal mining public company listed on the Toronto Stock Exchange. Focused on the exploration and development of its Permian-age metallurgical and thermal coal deposits in Mongolia's South Gobi Region, SouthGobi supplies a wide range of coal products to markets in China.

SouthGobi operates its Mongolian mining venture through SouthGobi Sands LLC, a wholly-owned subsidiary of SouthGobi Energy Resources Limited. Ovoot Tolgoi is the company's flag-ship coal mine development project. Ovoot Tologj is in production and selling coal to customers in China, located in southern Mongolia.

With headquarters based in Vancouver, Canada, SouthGobi's largest shareholder is Ivanhoe Mines, an international mining company focused on the Asia Pacific Region. Ivanhoe Mines is listed on the New York and Toronto Stock Exchange.

### The Challenge

As a start-up company, SouthGobi didn't possess any previous financial software. To assist with evaluating the various global ERP solutions capable of managing an international mining company, SouthGobi engaged a third party consultancy to facilitate the pre-deployment evaluations.

Analysis of the ERP solutions available suggested a Microsoft platform would be most appropriate for usability, functionality and integration with common desktop tools such as MS Office, MS Word and MS Excel, with an 'out of the box' type of implementation needed for the remote sites.

"With our mine in Mongolia about to move into the production stage, we wanted to find one solution that understood the dynamics and functionality required of a mining company but was simple to use in all our offices," said Terry Krepiakevich, CFO, SouthGobi Energy Resources Ltd.



Compounding the issue further, the Mongolian mine was about to start operations in five months, therefore SouthGobi needed a solution that required little customisation and could be implemented in remote locations.

### The Solution

A 100 per cent Microsoft solution, MinePoint by Eclipse was a strong fit for SouthGobi's needs. Already tailored to the mining industry, SouthGobi was impressed with MinePoint's ability to manage Finance, Procurement and Supply, Projects, Equipment Maintenance, Mine Operations and Human Resources – all from the one platform.

"We wanted to operate all aspects of the business from a single platform, which could expand and develop as the mine operations grew. Furthermore, we wanted our accounts to be consistent across all countries, consolidating multiple currencies and producing statutory reports required for each country," said Krepiakevich.

MinePoint offers SouthGobi real-time data entry and analysis, multi-currency reporting and multi-company/entity processing, for SouthGobi Energy Resources and SouthGobi Sands LLC, from the same database. Furthermore, MinePoint's easy to use interface and with familiar Microsoft look-and-feel meant users were already familiar with basic navigation, reducing administration and training overheads. A simplified interface with pre-configured workflow was further developed by Eclipse for SouthGobi to address the needs of staff at the Mongolia site, where English is a second language.

As an international operation, compliance was another important aspect for SouthGobi in their choice of an ERP solution. MinePoint has full compliance capability with out-of-the-box tools capable of automatically generating business processes and training documentation. This simplifies compliance efforts and helps keep business information secure through a comprehensive set of tools to manage and control electronic content.

"A major factor for SouthGobi was finding a partner who could deliver a complete solution within our looming deadline. Eclipse, based on its significant experience in the mining sector, committed to installing, complete testing and to have local staff trained, all within five months," said Krepiakevich.



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*Terry Krepiakevich  
Chief Financial Officer  
SouthGobi Energy  
Resources Ltd.*



Eclipse was able to deliver MinePoint within such a short timeframe due to their Express Implementation Methodology. With a templated chart of accounts, mining specific systems parameters and standard industry reports already pre-configured within the platform, this approach reduced the amount of customisation required therefore minimised the solution build and delivery time.

Eclipse overcame the challenge implementing MinePoint to SouthGobi's remote Mongolian mine site by deploying the solution via satellite communication. With the mine site located 950km from the capital city, Ulan Bator, much time was spent onsite providing on the ground support.

"Eclipse proved their capabilities and commitment to the project by sending consultants onsite to Mongolia to install MinePoint and train local staff," said Krepiakevich. "Their mining knowledge and technological expertise was second to none."

### Benefits and Outcome

Eclipse's MinePoint solution has streamlined SouthGobi's reporting procedures by providing access to real-time data directly from the Mongolian mining operations.

With more mining projects being acquired globally, Ivanhoe Mines are now planning to deploy MinePoint to their other mine operations – due to the success of SouthGobi's recent

implementation. They envisage MinePoint to become the standard ERP solution used across the global with a centralised hub proposed for Singapore.

The MinePoint solution was delivered on time and on budget for SouthGobi, "I would say the implementation went very well," said Dr Rajiv Kaushik, Director of IT, Ivanhoe Mines. "I would rate the implementation as an eight out of ten. That's pretty good given my rating of four out of ten for an average implementation."

The centralised deployment of MinePoint will also deliver cost savings for Ivanhoe Mines as a new company can be set up in the same MinePoint database.

"An advantage with MinePoint is that it can be implemented on a module by module basis. We can install Financials in our smaller operations and be confident that additional operations-related modules can be added to these locations as they move into development and then full production stages.

"We were very impressed with Eclipse's implementation capability and are confident that the MinePoint solution can scale to meet the long-term growth of our future business ventures," said Dr Kaushik.



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