

# President's Page

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## *Challenges*

I appreciate the honour that has been bestowed upon me by my election as President of this Institute. We are starting what I believe will be a challenging year.

The first challenge facing the Institute is financial. From the accounts for last year you will note that the Institute operated at a loss for the first time since 1987. The average membership subscription was increased by only 10 per cent, reflecting the desire to keep costs down in the minerals industry. The Institute will therefore have to rely on other income to meet its budget requirements and break even financially. A major source of these funds will be the activities of the Technical Programme Committees. All three disciplines—Mining, Extraction Metallurgy, and Metals Technology are planning exciting programmes for the coming year. I urge all members to increase their support of colloquia and schools.

Increased membership would also bring in more funds. Please, therefore, encourage all your colleagues who are not yet members of the Institute to join it.

The second challenge is the Journal. Production costs increased by more than 60% last year. This was due partly to the increased costs of printing and generation, but primarily to the need for an alternative typesetter after the withdrawal of Mrs Claire Kearney, who has done this work for the Institute at very reasonable rates for 8 years.

An evaluation of desk-top publishing (DTP) was carried out last Council year, and once the economic benefits that can arise from the use of such equipment had been demonstrated, the Institute purchased an Apple Macintosh system.

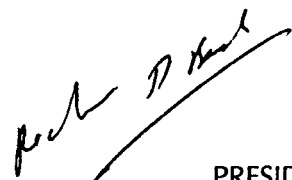
This is the first issue to be typeset, planned, and made up on the system. The challenge to derive the maximum benefit from this equipment has been taken up by the publication staff, and we welcome Ms. Chiz Lord, who will run this side of publications, to the secretariat.

We also need to make the Journal more readable and, hence, more attractive to advertisers. Planning to this end has already commenced.

The third challenge we face is the Institute's contribution to engineering science and technology in South Africa. I draw your attention to pages 314 to 318 of this issue of the Journal which gives the report on this subject for the last Council year. I believe important matters are being discussed in relation to the activities of The Associated Scientific and Technical Societies of South Africa (AS & TS), The South African Engineering Association (SAVI), and the Engineering Council of South Africa (ECSA).

Further challenges facing the minerals industry are presented in my Presidential Address, which can be found on pages 327 to 337 of this issue. One way in which members of the industry can support some of the issues is to join the Institute, and I strongly urge them to do so.

Office Bearers and Council join me in committing ourselves to an active Institute year. We should welcome correspondence from any members of the Institute who wish to express their opinions on any activity.



PRESIDENT

# Announcement

## Mongolian People's Republic

The Mongolian People's Republic (MPR) has been a socialist country for over 70 years. Contrary to common belief, the MPR is not a republic of the USSR, but rather a separate country, similar to the former Eastern Bloc countries of Poland and Czechoslovakia.

Mongolia has a relatively small population of 2 million, and covers a large land area of 1,5 million km<sup>2</sup>. It did not have the infrastructure nor capital to explore or exploit its mineral resources, so it initiated a series of joint ventures with Eastern Bloc countries.

Major deposits of uranium, fluorspar, and copper were discovered and developed. Over 4000 geological reports were produced. Correspondingly, a very large debt to the USSR was incurred. With economic and political restructuring going on throughout the entire Eastern Bloc, the MPR is following the same path at a rapid pace to a free-market economy and democratic elections.

Currently, a freely elected coalition government governs the country. The USSR and other Eastern Bloc countries have withdrawn their economic support, which has compelled the MPR to seek investment from non-socialist countries and companies. Their need to service debt and stimulate a free-market economy are very pressing.

The MPR is blessed with incredible mineral wealth. The lack of water and sparse vegetation cover makes most of the country easily accessible to exploration. In many respects, it is similar to Nevada or Western Australia. Prior exploration has been performed utilizing socialist exploration technology and geological theories. It has been reported that all deposits in Mongolia have been identified solely through surface occurrences. The incorporation of modern exploration technology and geological thinking is expected to produce significant new discoveries.

The government of the MPR realizes that it does not have, and will not have in the near future, a population large enough to generate sufficient capital resources to fully explore and exploit its mineral resources. For this reason, it is openly inviting foreign investment in a wide range of industries, particularly petroleum and minerals.

The government of the MPR has passed a Foreign Investment Law and a new Petroleum Law. At least one petroleum company, Springfield Oil, has signed a \$50 million oil-development contract, and 10 other petroleum companies have expressed their interest by purchasing a reconnaissance data package.

Everyone is intimately aware of the transportation issues related to a Mongolian land-locked state. The government of the MPR is negotiating new transportation agreements with the USSR and the People's Republic of China.

The government of the MPR is committed to making

Mongolia one of the most attractive areas for the investment of foreign capital in minerals exploration and exploitation. A new Mining Law is being drafted and will be proposed to the People's Baga Hural, the Mongolian Parliament, in late 1991. It will formalize a fair structure for licences, royalties, and repatriation of investment sufficient to encourage future investments.

With the authorization of the government of the MPR and the State Geological Centre, a joint venture between the Mongolian Geological and Geophysical Exploration Company (MGGEC) of Ulaanbaatar, Mongolia, and the Earth Satellite Corporation (EarthSat) of Rockville, Maryland, USA, has been formed to encourage investment in minerals exploration and extraction.

To this end, the geological data compiled by the socialist expeditions, much of it in Russian, is being translated and made available to companies evaluating Mongolia for investment. A complete country survey in the form of a reconnaissance report is currently available for subscription. Additionally, more detailed data, including individual surveys at scales up to 1:50 000, gravity, aeromagnetic, and other geophysical data are available.

The MGGEC/EarthSat team will assist in travel and field-survey arrangements, including all permitting, licensing, and field crews as necessary.

At present, details on pricing, mining regulations and exploration licences are still being formulated. This activity will continue over the next several months. The direction this activity takes will depend strongly on interaction with those companies interested in opportunities in Mongolia. In conjunction with the reconnaissance report, an open invitation is being extended to organizations to visit Mongolia and meet with officials of MGGEC and the State Geologic Centre.

### For more information

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## An invitation from the Mongolian People's Republic

Mongolia is currently pursuing an open-door policy, which will lead to a market economy. With this in mind, the Government of the Mongolian People's Republic invites foreign and international organizations engaged in geology and mining to participate in the exploration, extraction, and processing of Mongolia's mineral resources.

An appropriate law on foreign-investment protection was adopted recently, and legislation relating to land use and mining activities, which would provide foreign companies with most favourable treatment with regard to mineral exploration, extraction, and processing will also be adopted in the near future.

The Geological and Geophysical Exploration Company of the National Geological Centre of the MPR and Earth Satellite Corporation, USA has established a Mongolian-US joint venture for marketing Mongolian geological data, and will handle other relevant issues.

While communicating to you the above-stated offer for cooperation in the field of geology and mining, the Government of the Mongolian People's Republic looks forward to developing mutually beneficial cooperation at the highest technological level.

Mr Davaadorjin Ganbold *First Prime Minister, Mongolian People's Republic*