



Australian Government
Australian Trade and Investment Commission



NORILSK NICKEL

CUSTOMER PROFILE – RUSSIA

February 2018

COMPANY BACKGROUND

Norilsk Nickel Group is the world's largest producer of nickel accounting for 20 per cent of global production including palladium and one of the world's leading producers of platinum and copper. The company also produces cobalt, rhodium, silver, gold, iridium, ruthenium, selenium, tellurium and sulfur. Its largest operations are located in the Krasnoyarsky region and the Murmansk region, in Northern Russia.

The Group is involved in prospecting, exploration, extraction, refining and metallurgical processing of minerals; as well as in production, marketing and sale of base and precious metals. The Group has assets in three continents and five countries: Russia, Australia, Botswana, South Africa and Finland.

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MAJOR OPERATING DIVISIONS

The main Russian production units of the Group are vertically integrated and include:

- The Polar Division
- Kola Mining and Metallurgical Company (Kola MMC)

The Group also includes:

- Norilsk Nickel Harjavalta, the only nickel refining plant in Finland
- Tati Nickel Mining Company in Botswana (85 per cent) and Nkomati in South Africa (50 per cent)
- A license for development of the Honeymoon Well Deposit in Australia
- Norilsk Process Technology, a research and development facility in Australia
- Gipronickel Institute, a research and development facility located in Saint Petersburg (Russia), with branches in the cities of Norilsk and Monchegorsk

The Polar Division is located in Russia, above the Polar Circle on the Taimyr Peninsula (Krasnoyarsky Region). The Polar Division is linked with the country's other regions by inland waterways such as the Yenisey River, marine transport via the Northern Sea Route and air transport.

The Polar division comprises four mines at the Oktyabrskoye, Talnakhskoye and Norilsk-1 fields producing sulfide copper-nickel ores containing nickel, copper, cobalt, platinum group metals, gold, silver and other components.

The ore is enriched at Talnakh and Norilsk Enrichment Plants. Polar Branch metallurgical facilities include Nadezhda Metallurgical Plant, Nickel (closed) and Copper Plants. The precious metals produced by the Polar Branch are refined at Krasnoyarsk Non-Ferrous Metals Plant (Krastsvetmet JSC).

Kola MMC is located in the Kola Peninsula and is the leading production company in Murmansk region. Operations are completely integrated into the transport infrastructure of the North-Western Federal District.

Kola MMC comprises Zhdanovskoye, Zapolyarnoye, Kotselvaara and Semiletka producing sulfide-disseminated ores containing nickel, copper and other usable components.

Kola MMC refining facilities in Monchegorsk Town process both the company's own and Polar Branch high-grade matte. The precious metals produced by Kola MMC are refined at the Krasnoyarsk Non-Ferrous Metals Plant (Krastsvetmet JSC).

MINING ASSETS

Polar Division		
Oktyabrskoye Field		Copper-nickel sulfide
Oktyabrski Mine	Underground	Rich, cuprous and disseminated
Taimyrski Mine	Underground	Rich
Komsomolski Mine, Komsomolskaya Pit	Underground	Cuprous and disseminated
Talnakhskoye Field		Copper-nickel sulfide
Komsomolski Mine, Komsomolskaya Pit	Underground	Cuprous and disseminated
Komsomolski Mine, Mayak Pit	Underground	Rich and disseminated
Komsomolski Mine, Skalistaya Pit	Underground	Rich
Norilsk-1 Field		Copper-nickel sulfide
Zapolyarni Mine Open Pit	Open-pit	Disseminated
Zapolyarni Mine Pit	Underground	Disseminated
Kola MMC		
Zhdanovskoye Field		Copper-nickel sulfide
Severnny Mine open-pit section	Open-pit	Disseminated
Severnny Mine underground section	Underground	Disseminated
Zapolyarnoye Field		Copper-nickel sulfide
Severnny Mine open-pit section	Underground	Disseminated
Kotselvaara and Semiletka Fields		Copper-nickel sulfide
Kaula-Kotselvaara Mine (from December 2013 – Severnny Mine Pit)	Underground	Disseminated

PROCUREMENT PRIORITIES

Key drivers across all operations

In the context of maintaining Norilsk Nickel's objectives of maximising the potential of existing and new operations, key operational drivers focus on:

- environment, sustainability and safety
- energy efficiency
- upgrade of existing production, processing and smelting facilities
- recovery rate growth
- development of new mining operations
- development of infrastructure

In 2016, Norilsk Nickel signed approximately 5000 contracts for centralised procurement of materials and equipment which totalled around USD\$1.6 billion. The company gives priority to domestic manufacturers while international suppliers are mainly engaged for delivering unique equipment or systems where there are no Russian alternatives. The total number of Norilsk Nickel's suppliers in 2016 was 578 which included 38 internationals.

PROCUREMENT OPPORTUNITIES

Key procurement areas are:

Upgrade of Mines

- exploration and mine planning services
- mine automation and control systems
- transportation and loading equipment
- winding and ventilation systems
- remote control of machinery
- mining IT

Concentration and Smelting

- floatation equipment
- pumping equipment

- grinding mills
- separation and dewatering equipment
- chlorine leaching technologies
- air separators
- automated quality control equipment

Environment and Safety

- solutions for reducing sulphur dioxide emissions
- solutions for energy and gas saving
- environmental management services
- waste water treatment systems
- simulators
- personal protective systems
- automated equipment to control process flaws

Infrastructure

- engineering services
- generating equipment for heat and power stations
- road construction equipment

Please note that due to Austrade's ongoing involvement with Norilsk Nickel (refer below to section: Current Australian Supplier Engagement), we seek to maintain a unified 'Australia METS' brand and approach in dealing with this company. Norilsk Nickel has requested that Austrade coordinate an Australian response and as such, we ask that you do not contact Norilsk Nickel directly on the above opportunities.

We encourage companies with relevant products and services to contact Austrade's METS Adviser directly for further information. Contact details below.

Critical Success factors

Local Presence

Establishing a local presence through partnering with established Russian companies or engaging dedicated representation directly has been highly regarded in the procurement decision process. A local presence delivers the ability for regular engagement and ongoing follow-up at a minimum. Where service and or training are critical aspects of the supply, local presence would be considered essential. Service, repair and maintenance capability is mandatory for non-standard and sophisticated plant and equipment.

CURRENT AUSTRALIAN SUPPLIER ENGAGEMENT

Australian METS suppliers have successfully engaged with Norilsk Nickel to provide products and services across a broad area of supply including mine consulting, mine planning, blasting, automation, training and processing solutions.

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AUSTRADE

The Australian Trade and Investment Commission – Austrade – contributes to Australia's economic prosperity by helping Australian businesses, education institutions, tourism operators, governments and citizens as they:

- develop international markets
- win productive foreign direct investment
- promote international education
- strengthen Australia's tourism industry
- seek consular and passport services.

Austrade provides information and advice that can help Australian companies reduce the time, cost and risk of exporting. We also provide a range of services to Australian exporters looking to expand their business in growth and emerging markets, including:

- information and advice on doing business in international markets
- help with overseas market selection
- identification of relevant overseas contacts
- assistance with market entry and expansion
- identification and follow-up of specific international business opportunities.

We also administer the Export Market Development Grants scheme – the Australian Government's financial assistance program for aspiring and current exporters.

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