

Innov-X marks its spot

By Richard Roberts, 8 September 2008



Innov-X analyser.

COMBATANTS in a turf war over the increasingly lucrative market in exploration and mining for portable XRF analysers have counted out their paces and drawn their weapons.

Having had the Australian mineral exploration sector pretty much to itself during a period of rapid growth in the use of its NITON XRF hand-held analyser, US-based Thermo Scientific is now facing the people on the ground in Australia who helped make its product so ubiquitous. They are representing another US company, Innov-X Systems Inc, ironically also based in Massachusetts.

Innov-X has acquired Sydney-based JBS Technologies, part of Jason Bawden-Smith's JBS consulting group, in a "multi-million-dollar deal" due to close this week.

Bawden-Smith bought his first NITON XRF analyser 13 years ago and subsequently worked with the manufacturer to build its profile in the mining industry. He claims that focus started to waver three years ago when NITON was acquired by Thermo Scientific, but it wasn't until recently when Innov-X "came and knocked on the door" that he decided to change horses.

NITON has become a byword for rapid in-field geochemical and drill sample analysis and result turnaround – though laboratory assays are needed to confirm results and give explorers reliable numbers for JORC-compliant resource estimates – with estimates of the number of units in the field in Australia alone put at up to 300. The name continues to crop up frequently in company stock exchange announcements and the NITONS are also popular in Canada, China and South Africa.

That incumbency is a powerful weapon for Thermo Scientific, according to its chief Australian mining representative Michael Nayda.

"We have an extremely good name, a very good name, and people ask for us by name," he said. "And we intend to make sure that they're not disappointed in any way, shape or form by the service we offer them now or to give them any reason to doubt that and go elsewhere.

"We now have a fully equipped and set up sales and service facility in Sydney that we'll be maintaining all of our equipment from. And we'll be very active in contacting them and giving them information as to the new contact details. Future sales will also come out of this office and we're in the process of setting up an office in Perth to support the minerals market over there."

Nayda said mining sector business had led a surge in NITON XRF analyser sales in recent years and he saw "no reason why that won't continue".

"All of our markets have been growing but in terms of sheer numbers mining is our major segment," he said.

Asked if Innov-X and its hired Australian guns posed a significant threat to Thermo Scientific and its NITON market stronghold, Nayda said: "Not particularly, no. A threat of course, yes, but like all threats you treat them with the caution that they deserve and hopefully not too much will happen there in terms of market creep from our side to their side."

Bawden-Smith, who says he faced legal action from Thermo Scientific – "I don't know why ... we're distributors and haven't done anything wrong" – told *HighGrade* Innov-X wanted to make a bigger push into the mining industry and that meant providing more than just high-powered element analyser guns.

"The technology is the same between NITON and Innov-X. It's like buying a television: you buy a Philips or a Samsung, it's still a television," he said. "The difference is going to be some cool features that Innov-X have that NITON don't have, like the total data capture solution that we're doing for exploration where we're bringing four technologies into one.

"I think it's important for the mining community that we now have a company that is dedicated to building instruments for the industry. We never had that before, and that's a big difference. Also, it's not just hand-helds. Innov-X has a portable benchtop product called the X50, for example.

"JBS group are more consultants than product sales people, and I was the first person outside of the US to buy a field portable XRF in 1995. It was NITON then. When Thermo bought NITON three years ago that changed the dynamics of a family company to a \$10 billion gorilla and ... then things change. Their

commitment to the mining industry wasn't at a level that we were happy with.

"The market for hand-held field analysers is pretty much dominated by Australia, Africa, Canada and China. Even though it's American technology all the mining work came out of JBS. We took it to the market on behalf of, originally NITON, then Thermo, and we took it from virtually no sales to over 600 a year."

Bawden-Smith said a bid to combine the field sample analyser and portable GPS technology, new data evaluation and analytical software, live mapping and data transfer capabilities, and data management software able to present field information in a uniform, quality assured format, would bring the Innov-X offering closer to a point where the robustness of the information it generated could be compared with laboratory reports.

"We are taking Innov-X to that [compliance] level by using incumbent specialists and software to automatically generate these reports to give the clients and the market confidence in the data that's reported," Bawden-Smith said.

"That's where it is developing."

Would a JORC compliant resource be calculated using portable XRF analyser results?

"There's no reason why not," he said. "It just hasn't been taken to that stage."

Bawden-Smith said he believed there was plenty of room to grow in the market.

"I envisage that anyone who's doing soil geochemistry work – whether it's regional exploration or it could be contaminated land surveys at a disused mine – will be using this technology. There is just no reason why they wouldn't and the market take-up ... is going to be high. At the moment the percentage [of users] is small. It's growing every year.

"A limiting factor has been what to do with all the data that is generated. That's what we're working on at the moment."

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