

canada**mining**  
**innovation**council

# SMART - CMIC

May 11, 2014

## *So how's the surface mining business?*

- Commodity pricing challenges for some
- Cost reduction focus
- Calls for corporate responsibility in the face of mounting expectations
  - Emissions
  - Impoundments, tailings and reclamation
  - Energy usage
  - Building community capacity

## *Surface Mining: a viable industry in Canada*

- No immediate major industry threats?
- Global market arena challenges some
- Demand for resources globally an opportunity where competitive and accessible
- Always an effort focused on continuous improvement, is this innovation?

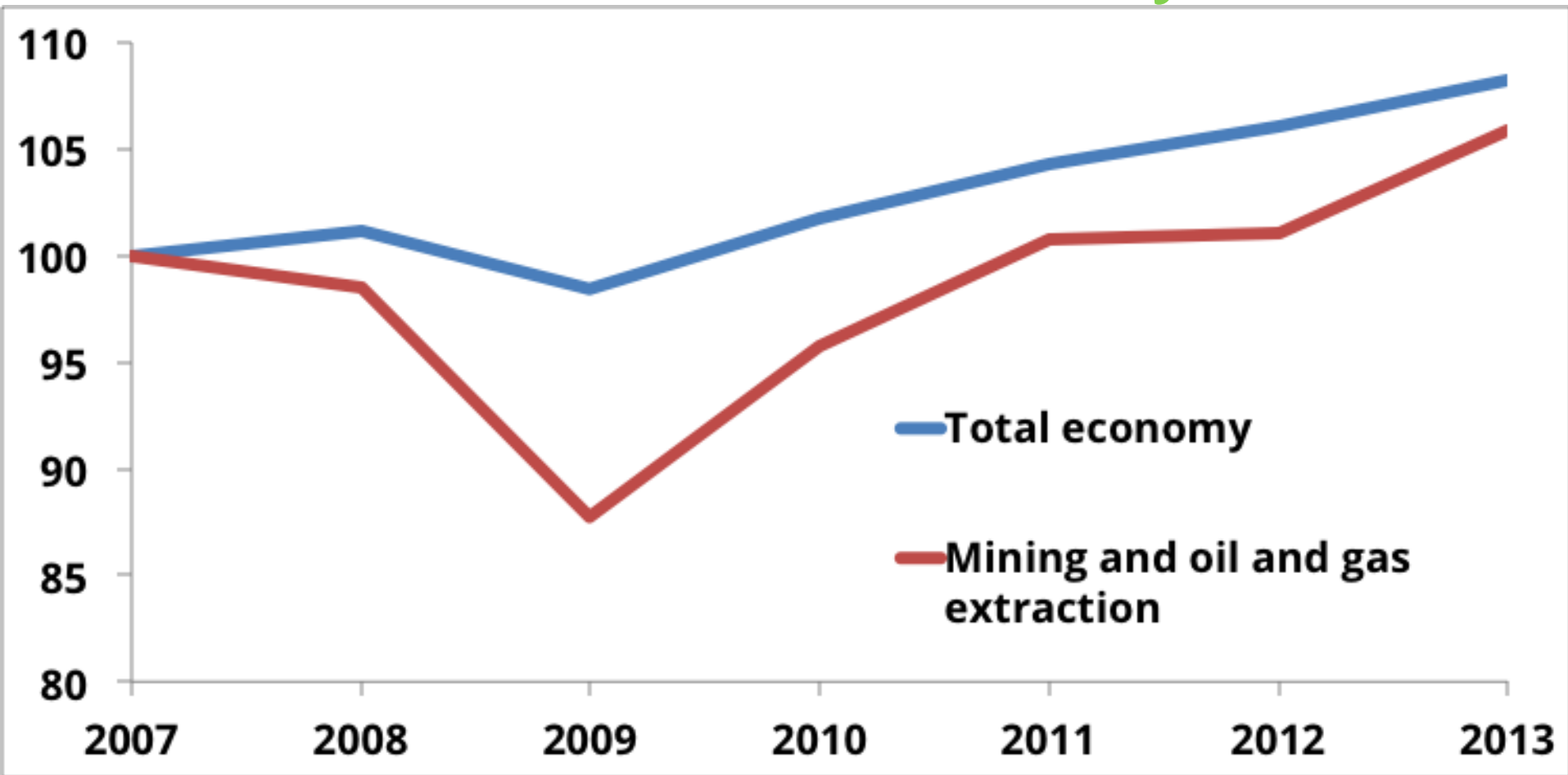
*Is there a case for real Innovation, for something beyond our pace for continuous improvement?*

- Do our current improvement efforts anticipate the future?
  - Will future expectations exceed our ability to deliver?
  - Will we be globally competitive?
- Do we wait to react or proact today?

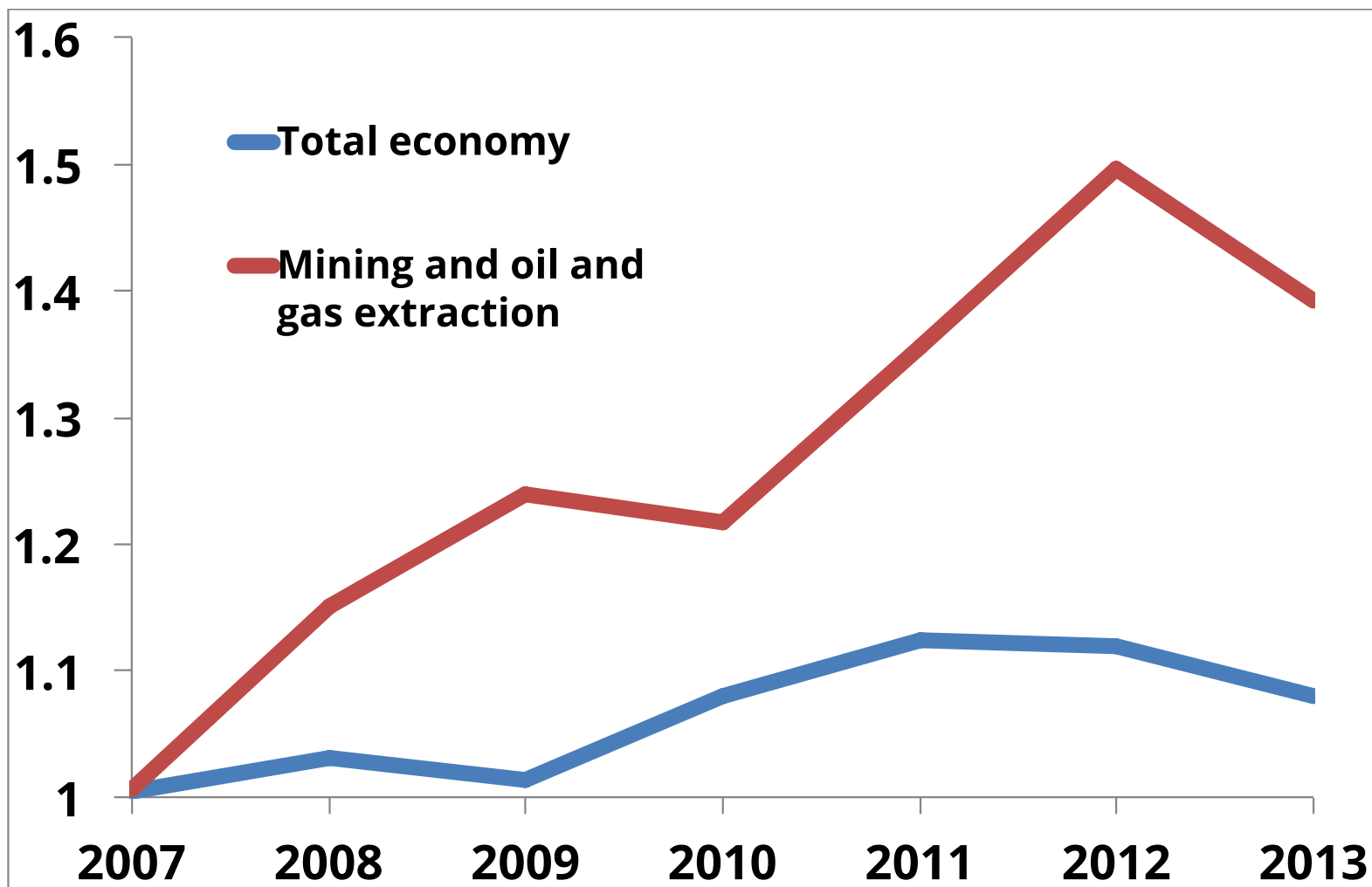
# How are we doing with

- Labour productivity?
- Energy costs?
- OPEX?
- CAPEX?
- Environmental management?

# Labour Productivity



# Cost vs Labour Productivity



# Reality Check

In an increasingly fast paced and globally competitive world,

Are we REALLY doing enough?

What will we look like in 10 years?



# Reality Check

*“The mining industry is so slow. It’s like having your feet in cement.”*

*“We need to fundamentally change the industry”*

*Ian Ball, President, McEwen Mining, Globe and Mail, December 2013*

# What if?

- We increased labour productivity 100%
- We decreased energy burdens by 50%
- We increase comminution efficiency 25%?
- We reduce OPEX 25%

# The Plan

- One on one meets with senior executives
- Agree to survey to identify top surface mining challenges and opportunities
- Facilitated workshop to nail down top 3 gains, framework for addressing them and buy in
- SMART in partnership with CMIC executes