

CAPITAL COST OVERRUNS IN THE MINING INDUSTRY - MISTAKES, MISJUDGEMENTS, OR ?

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ABSTRACT

Escalating capital costs have been the runaway factor in the mining industry, plaguing both the international financial community and mining companies. Traditionally associated with the junior market sector, now even the major mining companies are experiencing uncontrollable capital costs. This presentation examines the reasons behind these excessive cost overruns, suggesting solutions to better manage capital costs in the construction and development of new mines.

ABOUT THE SPEAKER

Mr. Alva Kuestermeyer is a metallurgical engineer and mineral economist with over 40 years of engineering, operating, and consulting experience in the mining industry. Mr. Kuestermeyer has a BS in Metallurgical Engineering from South Dakota School of Mines and an MS in Mineral Economics from Colorado School of Mines. He has performed costing and economic studies for scoping, pre-feasibility and feasibility for mining projects involving precious and PGM metals, uranium, base metals, and industrial mineral projects. Additionally, he has served as the project manager, metallurgical engineer, and mineral economist for numerous technical, economic, and acquisition due diligence assignments for financial institutions and mining companies.

Mr. Kuestermeyer joined Golder Associates in September 2015. Prior to Golder, he was Executive Vice President at European Uranium Resources (EUU), where he managed the company's engineering and environmental studies for its Kuriskova and Novoveska Huta projects in Slovakia, and directed exploration work for EUU's uranium concessions in Sweden and Finland. His previous work employment was at ASARCO, PAH, SRK, and Tetra Tech.