

PINCOCK

Perspectives

Mining Consultants

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PAH NEWS PIX

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- AFTER 11-YEAR FIGHT, PD WINS A BIG ONE
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- A NEW GOLD RUSH-MEXICO

CALENDAR

- **ARMINERA 2005 - V International Mining Exhibition**
May 4–6, 2005
Centro Costa Salguero
Buenos Aires, Argentina
email: info@caem.com.ar
- **Elko Mining Expo**
June 5–10, 2005
Elko Convention Centre
Elko, Nevada
email: brenda@elkocva.com
- **National Coal Show 2005**
June 7–9, 2005
The David L. Lawrence Convention Center
Pittsburgh, Pennsylvania
www.mining-media.com
- **Austmine 2005**
July 5–6, 2005
Brisbane Convention & Exhibition Centre
Brisbane, Australia
email: lorraine.ward@informa.com

Runge and Pincock Allen and Holt Combine Forces

Runge's acquisition of Pincock Allen and Holt, a leading provider of mining and energy consulting services, will allow the company to better meet the needs of mining organizations, from exploration through to mine closure services, as well as bring together a larger range of mining professionals across a broader global spread.

This month's Pincock Perspectives deviates from its normal technical article to bring our readers up to date on the exciting changes that have occurred at PAH.

On April 1, 2005, Runge Limited acquired Pincock Allen and Holt (PAH). The new business allows Runge and PAH's combined staff of 125, with over 100 mining professionals, to now provide comprehensive mining solutions to customers across North America, Latin America, Australasia, and Africa (see Figure 1, page 4). As a Division of Runge, PAH will continue to be managed by its President, Raja Upadhyay.

Runge is a mine consulting and software firm based in Brisbane, Queensland, Australia. Runge has been providing services to the mining industry worldwide for over 28 years. Their services cover mine business planning services, software development, and professional development courses. Runge's consulting services cover technical consulting, geological consulting, and strategic planning services for management. Runge is the most successful global mining technology and services company to integrate its consulting,

services and training with software development and application. The tight feedback loop between consultants and developers has allowed Runge to develop unique software applications and approaches to solving enterprise forecasting problems.

The company has a wide range and depth of intellectual property in mine engineering, mine management, project management, commercial management, financial modeling, and software development. Runge has successfully integrated these talents into a comprehensive service delivering technical and planning solutions to mining companies.

Runge also develops and delivers professional development courses, which allows Runge's intellectual property to be accessed by the industry. These courses reflect the systems and methodology of work practices within the company, as well as teaching industry professionals the processes and management required to effectively plan and run operations.

Mr. Tony Kinnane, Managing Director of Runge, stated "this acquisition is part of our

■ CODELCO ANNOUNCES NEW COPPER DISCOVERIES

For the past 10 years Codelco, the world's largest copper producer, has made the most discoveries in Chili. The most recent discoveries are a new orebody at the Toki cluster and at Mocha further north in Region I. Mocha is a sulfide deposit, with resources of 450Mt and an average grade of 0.5%. The Toki cluster bears 23Mt of contained copper. After three years of exploration in Brazil, Codelco identified a mineralized orebody containing economic prospects known as Boa Esperanza, with hopes of estimating a mineral resource by the end of the year. With resources totaling 130Mt of contained copper, Codelco anticipates production of 1.75Mt in 2005.

■ AFTER 11-YEAR FIGHT, PD WINS A BIG ONE

The U.S. Department of Interior gave approval to a land exchange to allow the development of the first new copper mine in three decades. This follows 11 years of appeals and delays. Phelps Dodge is finally able to move forward on the development of the Dos Pobres and San Juan copper orebodies near Stafford. If all necessary permits are obtained, construction could start next year with production following late 2007 or early 2008. This new project will bring to Stafford, a town of less than 10,000 people, 250 Phelps Dodge jobs and 100 contract jobs to the town's struggling economy. The land exchange will also benefit wildlife, watersheds, a river, riparian habitat, and an ancient southeastern Pueblo. The new mine will produce 250 millions pounds of copper per year. As of last July, mine life was estimated at 16 years. Stafford will most likely be the last copper mine to become operational for many years.

■ GOLDCORP COMPLETES MERGER WITH WHEATON

On April 15 Goldcorp announced the completion of its merger with Wheaton River Minerals Ltd. Goldcorp shares were issued under the plan of arrangement and will replace outstanding Wheaton shares. Goldcorp is the world's lowest cost million ounce gold producer, with 2005 gold production expected to exceed 1.1 million ounces of gold at a cash cost of less than US\$60 per ounce. By 2007, gold production is expected to grow to over 1.5 million ounces.

on going plans for expansion of mine consulting and software services. PAH adds significantly to our presence in the United States, an integral part of Runge's world wide operations. At the same time Runge's operations in five countries outside of the US will give PAH a platform for international expansion." Runge's unique mine business planning solutions will be enhanced by PAH's capability across a range of services in environment and resources modelling through to mine closure. Both organizations have extensive experience and knowledge in mine planning and economics with a strong focus on improving the bottom line of their customer's business.

Runge provides systematic, integrated mine planning and strategic solutions for the mining industry worldwide. The following lists some of these services:

- ◆ Feasibility Studies
- ◆ Budgeting and Financial Evaluation Capability
- ◆ Mine Strategy Capability
- ◆ Outsourcing of Mine Planning
- ◆ Truck/Shovel Analysis/Optimization
- ◆ Due Diligence Capability
- ◆ Recognized Expert Witness
- ◆ Mine Planning Capability
- ◆ Mine Design Capability
- ◆ Mine Corporate Strategy
- ◆ Dragline Analysis/Optimization
- ◆ Resource Analysis
- ◆ Bankable Documents
- ◆ Business Analysis

Runge develops, supports and markets worldwide a range of software packages for mining, contracting and quarrying applications, including:

- ◆ XPAC Database & Scheduling software
- Autoscheduler – Automatic Scheduling System
- Destination Scheduler = Destination

Scheduling System

X-Act- Short Term Scheduling System
XPAC Underground Coal Module

- ◆ TALPAC - Truck & Loader Productivity Analysis and Costing Software
- ◆ DragSim - Dragline Simulation
- ◆ XERAS - Financial Modelling, Maintenance Planning and Advanced Budgeting software system.

Runge's objective is to provide a high quality and professional service in the planning and operation of mines and resource projects. Professional Development is a key element in fulfilling this objective. Runge has available an annual program which includes both software courses and technical courses. The software courses complement the mine planning systems while Runge's Professional Development Courses fall into the following major categories:

- 1 Integrated Open Pit Coal Mines
- 2 Planning and Operation of Truck and Loader Mining Systems
- 3 Mine Design and Scheduling
- 4 Mining Economics
- 5 Capital Investment Strategy
- 6 Mining for Non Miners
- 7 Planning and Operation of Dragline Mining Systems
- 8 Geological Modelling

In addition to courses offered to any interested parties, Runge provides customized courses that can be tailored to client's specific needs.

What does this acquisition mean for PAH's clients?

PAH is excited by the synergies that this acquisition provides. PAH's clients will immediately benefit from the access to a larger pool of mining professionals with global project experience. PAH will continue to offer due diligence and independent

engineer technical support work for financial institutions as well as expertise in feasibility studies, planning, design, and management of mining industry projects for base and precious metals, coal and energy, and industrial minerals. Over PAH's 37-year history, we have earned a reputation as a premier international consulting and engineering firm. One of the oldest and most respected organizations within the mining and energy consulting community, PAH will continue to maintain its reputation for integrity and for technical, commercial, and engineering excellence.

Integration of the operations and services of PAH with Runge are well underway, with a focus on expanding PAH's geographic presence through the other primary offices of Runge. The current PAH staff will remain in place and there are plans to add additional staff members in the near future. PAH maintains the following full-time staff of qualified specialists in the fields of mining engineering, geology, process and metallurgical engineering, environmental and geotechnical engineering, and mineral economics.

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PAH's general philosophy is to use full-time dedicated staff with in-country and specialty experience relevant to the project under review supplemented with specialist associates. When specialized services are required, PAH can call on a group of senior associates averaging more than 25 years experience in various aspects of mine operations.

We appreciate your continued interest in Pincock Perspectives. If there are subjects you would like to see addressed in future issues, please let us know. Your comments and suggestions are always welcome.

■ **A NEW GOLD RUSH-MEXICO**

Mining efforts in Mexico, the world's largest silver producer, have recently been re-directed towards gold. A growing number of foreign exploration and mining companies are now focusing on gold. Multi-million ounce projects are springing up all over the country. This new gold rush is attracting many North American gold companies to invest in recent activities. The long mining history of Mexico also provides a pool of well-trained professionals and skilled workers for any future projects. With plenty of local investment capital in Mexico, there are joint venture opportunities available given current industry conditions. The close proximity of Mexico to the US and Canada ensures it's appeal to investors who like to remain in close proximity to it's foreign projects.

Minerals Corner—

Scolecite

CaAl₂Si₃O₁₀-3H₂O, Hydrated calcium aluminum silicate

Scolecite is a somewhat rare mineral that is formed in volcanic bubbles called vesicles along with other zeolites. Its structure has a typical zeolite openness to it, which allows large ions and molecules to reside and actually move around inside the overall framework. The structure contains open channels that allow water and large ions to travel into and out of the crystal structure. The size of these channels controls the size of the molecules and ions. Scolecite's structure contains aligned chains of silicate tetrahedrons, which produces needle-like clear or white crystals. It is these crystals that attract mineral collectors. Scolecite comes from the Greek word "skolec," which means worm in reference to the mineral's reaction to the blowpipe flame. It can be found in Poona, India; Riverside County, California, USA; Iceland; Skye, Scotland; and Santa Catarina, Brazil.



**FIGURE 1
PAH / RUNGE LOCATIONS**

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PINCOCK ALLEN & HOLT

Delivering smarter solutions

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