

ABOUT THE SHORT COURSE

Controlling costs has always been of critical importance at any coal mining operation, and continues to be the primary issue with which virtually every operation struggles.

Notwithstanding years of forecast growth in coal selling prices, often believed to be only a few quarters away, the selling price of coal in real terms continues to decline, and the pressure is on at all levels of an operation to not only control but to lower costs.

Productivity gains during the past two decades have been one of the primary reasons that coal producers have been able to maintain any semblance of positive cash flow, much less profitability. It is problematic as to how much further these gains, which have been achieved both through changes in operating practices and in technologic advances, can be taken.

On the thesis that one must understand what drives costs before one can hope to lower or contain them, the Rocky Mountain Coal Mining Institute's 2003 Short Course has been designed to assist personnel at all levels of a coal mining operation gain an understanding of the contribution of individual cost centers to total costs, identify techniques that are being used in an effort to control costs, and understand the integration of various types of costs into a coherent presentation or reporting document.

Course objectives are as follows:

- Familiarize attendees with individual cost elements at two levels—direct production costs at the mine level and those costs associated with division and corporate selling, general, and administrative costs and other overhead.
- Identify the drivers that determine costs at the mine level, discuss methods by which these costs can be monitored, and identify methods by which these costs can be contained or lowered.
- Identify the drivers that determine cost at the division and corporate level, discuss methods by

which these costs can be monitored, and identify methods by which these costs can be contained or lowered.

- Familiarize attendees with income and cost statements so as to enhance their ability to read and interpret these statements.
- Illustrate the various types of income and cost statements that are prepared within an organization and the differing purposes of each.

A team of mining professionals will provide instruction in four sessions over the two days of the course. Session topics and the instructors for each are as follows:

Session 1 - Surface Mine Production Cost Centers

David Marston, a registered professional mining engineer with the consulting firm *Marston & Marston, Inc.*, will be the instructor for this session. Marston has 20 years experience in the evaluation and design and in the preparation of economic feasibility studies for large open pit mines throughout the world.

Session 2 - Underground Mine Production Cost Centers

Donald Arrowsmith, a registered professional mining engineer with the consulting firm *Norwest Corporation*, will provide instruction in this session. Arrowsmith has spent the major portion of his 30-year career in the coal industry with a number of major coal-producing companies, with an emphasis on underground mining operations.

Session 3 - SGA / Corporate Overhead Costs

Alan Stagg, a registered professional geologist with the firm *Stagg Resource Consultants, Inc.*, will be the instructor for this session. Stagg has 39 years experience in the mining industry, with a major emphasis on the preparation of detailed operating cost studies and on the evaluation and appraisal of mining operations.

Session 4 - Income and Cost Statements - Pulling It All Together

David Hammond, Ph.D., a consulting mineral economist

with the firm *Hammond International Group*, will provide instruction for this session. Hammond has more than 30 years experience in a broad range of mineral commodities, and is well-versed in financial reporting practices.

For those needing continuing education credits, the short course will meet the requirements of the International Association for Continuing Education and Training, with as many as 1.5 CEU's available upon successful completion of the course.

SCHEDULE BOTH DAYS

7:30 a.m.	Registration and Breakfast
8:00 a.m.	Instruction
10:00 a.m.	Break
10:15 a.m.	Instruction
noon	Lunch
1:00 p.m.	Instruction
2:30 p.m.	Break
2:45 p.m.	Instruction
5:00 p.m.	Adjournment

HOTEL

Phone the Copper Mountain Resort in Breckenridge, Colorado at 1-866-656-1539 for hotel reservation. Mention RMCMI when calling for \$103 hotel rooms or other options at various rates. See their web site www.copper-summer.com to view the various room configurations.

COST

Registration must be received by May 30 for the following fees:

\$400 if attendee is convention registered

\$450 if attendee is not convention registered

Cancellations for RMCMI refunds accepted only thru May 30 and are subject to a \$75 cancellation fee.

No refunds will be granted for cancellations received after May 30.

Call the RMCMI office if there are any questions regarding the Short Course. 303/948-3300.

REGISTRATION FORM

If attending convention, please use the registration form received in the convention packet. **Or** If attending Short Course only, complete this form and return to RMCMI, 8057 S. Yukon Way, Littleton, Colorado 80128-5510. You may go on line at www.rmcmi.org and go to meetings to find the Convention Registration Brochure.

Name _____

Company _____

Address _____

City _____

State, Zip _____

Phone _____

Fax _____

E-Mail _____

Enclosed is fee for Short Course:

\$400 if attending RMCMI convention
(Return with RMCMI registration form.)

\$450 if not convention registered.

TOTAL _____

CHECK # _____

CHARGE: VISA MC AMEX

Account # _____

Expiry Date _____ Authorized for payment of \$ _____

Cardholder Name _____

Signature _____

Visit our web site at www.rmcmi.org for more information on the convention. You may also register on the web and receive a credit card receipt immediately.



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**THE ROCKY MOUNTAIN
COAL MINING INSTITUTE**

**OFFERS A TWO DAY
SHORT COURSE
FOR COAL MINING
PROFESSIONALS**

**Prior to the RMCMI 99th
Regular Meeting and
Convention**

**Mining Costs:
Identifying,
Understanding, and
Controlling Them**

Friday and Saturday
June 27 & 28, 2003
Copper Mountain, CO
7:30 a.m. to 5:00 p.m.

