

## **Canadian Survey of World's Leading Mining Executives Reveals Surprising Optimism for Industry Recovery**

- Leadership Recruitment and Talent Upgrade Key to Sector Stimulus -

**TORONTO, ON**— In an international report released this week by Canada's Bedford Consulting Group – one of the leading executive search and recruitment firms for the mining industry – 130 mining executives from around the world reveal for the first time their economic priorities as they look toward stimulating recovery in the next two years. Although the mining sector has seen a recent subsidence in prices, a surprising 47 per cent of respondents are either optimistic or moderately optimistic about 2009. While this group expects to see improvements by the latter half of the year, 45 per cent are expecting improvements no sooner than fourth quarter 2010.

Not surprisingly, 84 per cent of those surveyed indicate that industry improvements are most likely to come from the gold sector. "Gold is often considered a stable alternative currency and a safe haven, especially during times of economic uncertainty," says Russ Buckland, Managing Partner of the Bedford Group. "The rise of gold leads to increased production and stimulates employment growth in the mining industry, and other sectors affected, including retail."

The Bedford Group Mining Survey also indicated four factors holding back the recovery of the industry: lack of available credit (84%); declining markets for metals (83%); volatility of commodities (81%) and finding new sources of investment financing (72%). When asked to identify what is needed to stimulate recovery, credit flow was the top ranked priority (89%), followed by the start of new infrastructure projects (54%).

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As the mining sector adjusts to new economic realities, a full 92% anticipate capital project delays and 72% indicate that more shutdown of operations are to be expected. Further consolidation among sector juniors are presumed by 59% of respondents and 43% see a major selling of assets.

A strong focus on employee retainment (25%), leadership development and skills training (54%), and building relationships with schools and universities (64%) were also identified as recovery tactics in the report. “It’s crucial for organizations in the industry to retain top talent, especially in mining where talent across all levels is expected to decline in the next five years,” says Buckland. “When the industry emerges out of this turbulent economy, organizations armed with the best management and workers will prosper.” A bright spot for aspiring recruits, a resurgence of jobs is predicted to emerge as the industry recovers, as survey respondents project a strong need for mining engineers (66%), project managers (62%) and metallurgists (44%). Additional disciplines that respondents felt would be in demand include geologists, senior operations leadership, and mining trade skills.

### **Key Report Findings:**

- While the majority of respondents are optimistic about the year ahead for the mining industry, 9% see the industry in a deep recession, likely to last well beyond 2010.
- Highlighting key factors that are currently limiting the mining industry’s growth, 83% of respondents cited the declining market for metals, while 81% attribute the volatility of commodity prices for the slow recovery.
- Other limiting factors, unrelated to the current economy, include: operating costs (37%), socio-political risks (37%), lack of good projects (23%), government red tape (21%), and shortage of skills (20%).
- Realistic of the limitations caused by the economic downturn, a full 92% expect further delays in capital projects and 72% expect continued slowdowns of operations to be announced.
- A short supply of mining disciplines including: mining engineers (68%), followed by mining and trades (46%), technical specialists (46%), senior executives (45%), and geologists (40%) is expected over the next five years during industry recovery.

- Survey results suggest that the significant shortage of Mining Engineers and Project Managers will lead to upward wage pressures for these positions.
- To combat the shortage of skills and talent, respondents suggest improving the industry's recruitment brand (69%) and to recruit for key leadership roles during the down cycle (71%). Also recommended is development of leadership training programs for current talent (65%), acquiring better talent for key roles (54%), and to utilize innovations in recruiting from non-traditional talent pools (46%).
- While gold emerges as the only bright spot in terms of improvement in 2009, there is also expectation of improvement in some base metals (38%), uranium (34%), potash (20%), and iron ore (17%).
- Government's lack of execution of stimulus packages was seen as moderately holding back a recovery with 16% reporting this as a factor.

The report was compiled by Bedford Consulting Group, one of Canada's largest independent executive search firms and reflects global responses from Canada, U.S, Latin America, Europe, Asia Pacific, Australia, Russia, North Africa, India and the G.C.C., with 81% of respondents of "C Suite" or general management positions.

Russ Buckland is Managing Partner for the Bedford Group and also Global Practice Leader for TRANSEARCH International Resources, Energy and Infrastructure practice. He is widely recognized as one of the world's leading authorities in executive search for the mining industry.

#### **About The Bedford Consulting Group**

The Bedford Consulting Group: "*Inspiring Leaders to Choose You*" is one of Canada's largest privately held retained Executive Search firms and Toronto partner in TranSearch International, with 53 offices in 33 countries. Its Natural Resources Practice is regarded as one of the leading specialist firms in executive search for the mining industry globally, having successfully managed over 1,200 assignments for many of the world's leading mining companies over the past 20 years. Complementing our core Executive Search business, The Bedford Group offers an integrated suite of innovative Talent Management services to our clients worldwide. We are passionate about providing exceptional services to and strategically partnering with our clients to attract and retain the very best in talent to their organizations. For additional information, please visit [www.bedfordgoup.com/bedford-resources/index2.shtml](http://www.bedfordgoup.com/bedford-resources/index2.shtml)

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