



The Performance Exchange

Thursday November 26th 2015

The CN Tower

Customer Success Story – Capstone Mining Corp



Jim Slattery,

SVP & Chief Financial Officer

Capstone Mining Corp



**The Performance
Exchange – 2015**

Introduction

- What is Capstone Mining Corp?
- What are we doing that might be relevant to you?
- What are the key lessons learned which could help?



Mid tier base metal mining company focused on copper in the Americas

Focus on value creation through operations and growth

- Portfolio of three operating assets
 - 90,000 tonnes of copper
 - 1,800 employees
 - 60 people in Vancouver
- Organic growth
 - Copper/Iron project in Chile
 - Exploration program in Chile
- Longer term vision
 - 5 operating assets
 - 220,000 tonnes of production
 - Focus on copper and the Americas
 - Autonomous operating model



Vision of growth organically and through acquisition

Very challenging market conditions

- Commodity prices have tumbled
- Share price has followed
- Financing has dried up
- Focus is on:
 - Liquidity preservation
 - Reducing costs
 - Preparing for upturn



Need to create efficiencies, cost savings and management capacity

Levering technology is key

- Migrate to the cloud
- Use collaborative technologies
- Take advantage of mobile devices
- Create alignment and transparency through dashboards and business intelligence
- Eliminate manual entry, spreadsheets wherever possible



System based consolidation was an essential step in this journey

Our roadmap was not exactly as planned

- Picked the right system
- Used the right project management tools
- Had the right people involved
- We did get, eventually, what we wanted, BUT.....
- We still ended up
 - Over budget
 - Much later than expected



Lessons learned exercise revealed a great deal

Picked the right system

- Involved the right people
 - Users
 - Technical
- Clear objectives
- Decision making criteria
- Aligned with a thorough RFP
- Organized process
- Interviews and hands-on assessment
- Reference checking



And devoted significant time and resources to the implementation

Used the right project management tools

- Adequate resources
- Classic structure
- Third party “expert” advisors
- Appropriate delegation/empowerment
- Regular meetings
- Measures and monitoring
- Communications
- Regular risk assessment



Hindsight suggests we went through the process and assumed the results would follow

Initially, we did not select the right partner

- All indicators were green, until they were red
- Warning signs we should have heeded
- Make sure your partner has
 - Technical competence
 - Maturity and professionalism
- Be careful about too much reliance
- Be demanding of third party technical advisors

And did not use the project management tools as effectively as we should have

We learned some valuable lessons

- Take due diligence to a different level
 - Ensure it extends to the individuals
 - Expand the reference checking on the system implementer and the advisor
- Be very clear on expectations and accountabilities
- Make sure that they have the details they need e.g.
 - Systems
 - IT environment and infrastructure
 - Long term direction of IT
- Hold implementation partner to account:
 - React immediately if there is any deviation (Panic early) to ensure these are not warning signs of bigger issues to come
- React decisively, escalate quickly and communicate openly

That we were able to take into the next phase

We went where we should have gone initially.....

- A real personal and professional commitment
- Open about the challenge we were facing
- Clear and unambiguous commitment
- Very close senior attention
- Initial step in a relationship, not just a transaction



But there were still things we will do better next time....

And it was mostly in the detail

- Be very realistic on timetable and resources. Ensure you plan for a delay.
- Define technical and project details clearly and early
- Think through the implications of decisions on things like:
 - Comparison of historical data developed using a different system
 - Changing your processes to fit the out of the box application or modifying the application
- Focus on data cleansing early
- Create an integrated plan – that of the implementation partner and yours should be one plan



Conclusion

- Project management best practices are necessary, but not sufficient.....
- Excellent application is just as important
- Honest, open and reliable partner relationships are also critical
- No project goes completely as planned



The most important lessons are those we learn the hard way...but that should not stop you from trying



For additional information, please visit capstonemining.com or contact us at:

Phone: +1-604-684-8894

Toll Free: 1-866-684-8894

Email: info@capstonemining.com