

Commerce and Industry Magazine interviews Brent Thompson

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Commerce and Industry Magazine, a national publication focused on the industrial, manufacturing, resource, transportation and construction sectors, recently interviewed Wardrop's Brent Thompson on the firm's positioning in the mining industry and take on recent market events.

A transcript of the interview with writer David Coop appears below.

Coop: Could you briefly summarize the scope of Wardrop's role and activities in serving the mining industry? (feasibility studies, environmental assessments, procurement, construction management, mine start-up/commissioning, other)?

Brent Thompson: Wardrop provides the suite of services needed throughout the life cycle of a mine. From the design of exploration programs and resource/reserve calculations, through scoping, pre-feasibility and feasibility studies to detailed engineering design, procurement and construction management, Wardrop can bring the team together for successful mine development projects around the world.

Unique to Wardrop is the coupling of our environmental services that aid mining projects through the EA and permitting stages, and embedding environmental considerations into our design process, helping to bring sound environmental practices to everything we do.

Important to Wardrop is the relationship with our customers. At Wardrop, we seek and nurture relationships with key customers that share our company values, values aligned with a rewarding environment for our people, the client, suppliers and industry partners as well as the communities we serve. We seek relationships with customers that are passionate about the industry, about success and about making a difference. And we seek relationships with customers that value performance, performance from us through the services we provide as well as business performance, both theirs and ours. It's a global society. Our key customer relationships understand this and seek to leverage the talent of our global workforce at every opportunity. It's all about People, Passion, Performance ... Trusted Globally!

Coop: Are there any innovations, such as new technologies and services you would like to comment on that would be of interest to our readership, as well as productivity improvements and equipment that you are bringing to some major projects and clients?

Brent Thompson: At Wardrop, we bring new innovations to the services we offer on an ongoing basis. Be it an alternative application of known technology such as the High Pressure Grinding Rolls (HPGR), or innovative approaches to feasibility studies allowing for the definition of long lead items in parallel to the study completion, we pride ourselves on working with our customers to "make it work" while at the same time adhering to the industry standards demanded by the financial community. We are not afraid of rolling up our sleeves and thinking outside the box to find alternative ways to make business a success.

Coop: A few months ago, it seemed like a metals and mining boom would continue unabated — in part driven by the intense pace of industrialization and urbanization in China. Now we have

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seen a virtual collapse in metals prices, with some types such as nickel and zinc particularly vulnerable. Mines are closing or halting production, and people are losing jobs at some major operations. In general, the market appears to be very risk averse, and this would seem to have particular implications for new exploration and start-up activities. How is Wardrop responding to these formidable challenges in the metals and mining market, and what are the particular implications to your business in Canada?

Brent Thompson: As most of us are aware, money from traditional sources has become scarce to the junior mining market. Fortunately, the Canadian Junior Mining Community are true business people. They will find a way to bridge the gaps. The cycles have happened before and they will happen again. Key to this cycle is that the traditional sources are tight, but there is money out there. Companies based in China, India and Brazil have shown increasing interest in investing in the junior market. This could be a boon, but also a challenge. Bottom line, even the financing is becoming more and more international.

At Wardrop, we are managing the market risks by ensuring that we retain the best staff in the industry and ensure that our services continue to provide value for our customers. Our diversity of services allows us to work within the operating locations with the majors when the junior market is tight. When exploration opens up again, we can once again, move to provide services in the front end of the mining cycle. Ensuring that we are maintaining a healthy diversity in the services we offer, the geographies we operate in, and the metals/minerals we play allows us to weather the ups and downs of the market.

Coop: What is your short and long term views of this crisis? Do you anticipate that once confidence in the financial system is restored, that we will be seeing a relatively speedy recovery?

Brent Thompson: It appears as though the economy is in for sluggish growth until Q4 of 2009. During this time, the financial system and the leveraged debt that is being carried in the U.S. will start to stabilize. Once this is done, I believe the commodities will once again be evaluated more on base fundamentals than the speculative influences we have seen recently. With very few new mines being developed and demand continuing, the trend looks positive for recovery in late 2009. Due to weak inventory positions, some commodities may start a recovery sooner.

I also believe that once the financial system starts to stabilize and confidence begins to be restored, we will see a rash of acquisitions once again when companies seek to take advantage of the existing market conditions and pick up companies that are presently undervalued. There are numerous juniors and mid-tiers that have had their stock value decrease quite significantly recently.

Coop: What opportunities exist to develop your business in the current business environment?

Brent Thompson: We are still very bullish about the future of the mining industry. This provides numerous opportunities for Wardrop in the future. We see the continued increase of influence from the BRIC nations and some of these nations moving to solidify their commodity supplies. For Wardrop, this means that we will look for investments in these regions, to ensure that we are a part of the ongoing globalization of the industry.