

Announcement

HAULSIM Market Acceptance Update

23 June 2014

RungePincockMinarco Limited (ASX: RUL) [RPM] has today provided an update on its haulage simulation solution, HAULSIM™, following its release in late February 2014. Having successfully used the simulation capabilities of HAULSIM in a number of operational advisory projects, software licences for HAULSIM have now been purchased for use by three customers.

Richard Mathews RPM's CEO and Managing Director said, "This remarkably short turnaround from product release to clients actually purchasing HAULSIM to use in anger is very satisfying. We knew this product was going to go well, but did not expect to be selling licenses within a quarter and before the end of our financial year."

It is widely understood that mine haulage is one of the highest cost components within the mining process. HAULSIM incorporates RPM's 35 years of experience in mining and haulage system design to give users the ability to accurately model and visually simulate complex mine haulage systems.

HAULSIM's ability to quickly simulate multiple operational scenarios allows users to easily identify operational bottlenecks and to quantify the consequences and outcomes of potential changes to the haulage environment. This new level of insight significantly reduces the risk of making process improvement and investment decisions aimed at maximising productivity and minimising haulage and equipment costs.

Following its release in February 2014, HAULSIM has been used by RPM advisory consultants on a number of projects including mine expansion and equipment efficiency studies at open-cut and underground mines. These practical demonstrations of HAULSIM's benefits have led to initial software license sales within three months of the products release in Australia and Latin America.

Iluka Resources was quick to see the potential of HAULSIM for their Australian mining operations. "We implemented HAULSIM as a tool to model how our pit will operate day to day, and answer the 'what if' questions that are asked during the feasibility process. We are impressed with how quickly and easily the simulations are to set up and maintain, given the complexity of our models. Thanks to HAULSIM, we are able to optimise haulage systems, evaluate challenging mining strategies and visually communicate outcomes to stakeholders in a reliable and accurate 3D interface" said Stephan Esterhuysen, Manager Innovative Mining at Iluka.

Southern Peru Copper deploys over 80 pieces of heavy equipment from multiple equipment manufactures at their Toquepala mine in Peru. Difficulties in planning the optimal deployment of this haulage fleet were behind their decision to purchase HAULSIM. The mine will now move from making haulage decisions based on manufacturer equipment statistics, to using HAULSIM to simulate outcomes based on actual production and equipment data from their operations.

Newcrest Mining, a long term client of RPM's software and advisory services, have also acquired the HAULSIM solution after seeing it in use by RPM consultants on an operational study. HAULSIM will be used at the Cadia Valley underground mine to assist in the efficient deployment of haulage equipment and to quantify outcomes from alternate capital and maintenance expenditure decisions. The ability of HAULSIM to visualise the operations of a complex underground mine and to analyse the variables that impact efficiency and production were key to Newcrest.

Commenting on the success of the new product release, Richard Mathews said "We expected the simulation power of HAULSIM to be positively accepted by the industry and that is certainly proving to be the case. Haulage makes up such a large proportion of the operational costs of a mine that any efficiency delivered from equipment selection and utilisation are key to driving down the cost of mining operations."

Mr Mathews went on to explain "With capital expenditure being heavily scrutinised, HAULSIM provides a quick and easy method of modelling the impact of new or different equipment without requiring the costly need to perform physical trials. We are also seeing the recognition by our clients of the benefits of HAULSIM

in day-to-day operational planning. Although it has only been a short time from our initial release, this feedback prompted us to bring forward to today the release of our next version of HAULSIM which includes enhanced features for underground miners and improved equipment allocation logic. Based on this release and the wonderful pipeline that we now have, we expect our early success with this product to accelerate into the next financial year.”

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About RungePincockMinarco:

RungePincockMinarco Limited (ASX: RUL) is the world's largest publicly traded independent group of mining technical experts, with history stretching back to 1968. We have local expertise in all mining regions and are experienced across all commodities and mining methods.

Listed on the Australian Securities Exchange on 27 May 2008, RungePincockMinarco is a global leader in the provision of advisory consulting, technology and professional development solutions to the mining industry. We have global expertise achieved through our work in over 118 countries and our approach to the business of mining is strongly grounded in economic principles.

We operate offices in 18 locations across 12 countries.

