

When a mining company needed help in evaluating project feasibility We assisted in power options evaluation and moved the project ahead through rigorous analysis

The Challenge

An Australian mining company was approaching completion of the pre-feasibility phase of its joint venture development project. They identified the need for increased analytical rigour in relation to external economic inputs, especially in considering more capital-intensive options. The options that were being considered included four potential power options:

- Diesel
- Solar
- Natural gas
- Power grid.

A framework for coherent assessment of the risks associated with the project was required, as well as an evaluation of options that would improve the overall project feasibility and support of phased project approval. The business also indicated the need for assistance with scoping the feasibility phase (i.e. identifying and testing opportunities to improve process flows and find the appropriate balance between capital expense and operational expense).

How we helped?

Deloitte adopted the following approach to help the client to achieve its objectives:

- Identified key risks and assumptions
- Assessed the current business case
- Developed a model
- Modelled the expected returns based on assumption sets
- Developed a risk-management plan and opportunity list
- Evaluation of options.

Value delivered

The enhanced pre-feasibility phase business case review was presented to the client and subsequently considered by executives. The client announced that it will be pushing ahead with the feasibility study after positive results from its pre-feasibility study. The approved project will produce 3.45 million ounces of mining yield over a 10-year mine life.



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