



Am I earning a fair salary? This is a question everyone asks but determining what is fair can be tricky.

“It’s like houses,” says Bill Coleman, Senior Vice-President of Compensation for Salary.com, a U.S.-based website that posts compensation information. “Two houses may have similar floor plans and the same amount of space, but they aren’t identical.”

One solution is to visit one of the many sites that compile wage information based on surveys of various industries. Internet sites such as Payscale.com offer

an online comparison of your job profile, salary and compensation packages with workers in the industry who have similar levels of skill and experience. Other sites such as JobStar, TrueCareers, WageWeb and the above-mentioned Salary.com offer similar resources.

CostMine (formerly Western Mine Engineering, Inc.) sells an industry-specific report that tracks mining wages in North America. According to CostMine’s [Canadian Mine Wages, Salaries & Benefits 2007](#), the average salary for the chairman of a major mining company is US\$1.1 million, based on 10

companies reporting. In addition, the chairmen who were surveyed received, on average, a bonus of U.S. \$805,000 and were granted security options worth about U.S. \$750,000. The shares they owned were worth about U.S. \$1.2 million and “other compensation” was worth about \$588,000.

Not a bad deal. It almost makes you feel sorry for the average chairman of a junior mining company who got a mere \$219,000 in salary, \$88,000 in bonuses, \$24,000 in security options, and other compensation worth about \$98,000. Findings were based on nine companies reporting. Meanwhile, the average chief executive officer of a junior mining company earned a salary of \$297,000 and a reasonable bonus of \$387,000.

It is clearly better to be an executive of a major mining company. Consider these salaries:

- Chief executive officer receives \$1 million
- President receives \$866,000
- Vice President receives \$378,000
- Chief financial officer receives \$431,000
- Chief operating officer receives \$418,000

While vice-presidents earn considerably less than other executives, their compensation is higher. According to the survey, “other compensation” for vice-presidents was \$2.7 million, whereas the president got only \$63,000.

A similar trend occurs at junior mining companies. The average “other



There is no clear trend as to whether people working on surface mines earn more or less than people in underground mines.

compensation" for presidents was only \$90,000, whereas vice-presidents got a whopping \$213,000; however, the salary difference is not as large. Presidents of junior mining companies got a salary of \$297,000 and vice-presidents got a salary of \$207,000.

What happens at mid-tier mining companies? Out of nine companies reporting, here are the maximum and minimum salaries:

- Salaries of chairmen range between \$539,000 and \$179,000
- Salaries of chief executive officers range between \$700,000 and \$339,000
- Salaries of presidents range between \$700,000 and \$200,000
- Salaries of vice-presidents range between \$475,000 and \$87,000
- Salaries of chief financial officers range between \$425,000 and \$125,000.

Quite a range when you think of it. Do not forget these seemingly poorly-paid folk also get bonuses, security options, shares and "other compensation." I see the average mid-tier mining company president got a bonus of \$519,000 and one lucky president got a bonus of \$2.4 million.

These salaries are lower than what executives in other industries are getting. [CorpWatch](#), a social justice website, published an article on this matter last June. [Soaring Executive Pay Attacked by Shareholder Activists](#) showed that in 2006 the CEOs of the 500 biggest U.S.

companies averaged \$15.2 million in total annual compensation. According to [Forbes](#) business magazine's annual executive [pay survey](#), the top eight CEOs pocketed over \$100 million each in 2006.

Better Underground or Surface?

There is no clear trend as to whether people working on surface mines earn more or less than people in underground mines. However, the information compiled from 42 mines, based upon 19 underground and 23 open-pit operations in Canada, sheds some light on the issue.

The average mine manager at a surface mine earns \$141,000 as compared to the average underground mine manager who earns \$122,000. By comparison, the surface mine secretary earns \$42,000 as compared to their counterpart at an underground mine who earns \$46,000. The average surface mine chemist earns \$71,000 while the average underground mine chemist makes just \$64,000.

Some of these discrepancies may be explained by the differences in average salaries at metal mines when compared to industrial mineral mines and fossil-fuel mines average salaries. For example, the general manager of an average fossil fuel mine earns \$203,000 as compared to the general manager of an average metal mine who earns but \$180,000. The fossil fuel mine environmental coordinator earns \$93,000 as compared to the

metal mine environmental coordinator at \$83,000. Secretaries do better on metal mines at \$48,000 compared to fossil fuel mines at \$43,000.

In addition to salaries, these skilled workers get [bonuses](#). The general manager of surface mines employing more than five hundred people got a bonus equal to 35 percent of their salary. Mine engineers, mine geologists, chemists and accountants were not so lucky: they got a bonus equal to only five per cent of their salary, and the same professionals at underground metal mines got bonuses of nine percent of their salary.

The U.S. Market

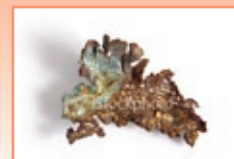
If you work in the U.S. or you are planning to move there, you might be surprised to see that the salaries between Canada and the U.S. are not substantially different. At least that is the conclusion you arrive to after reading three reports published by [CostMine](#), [U.S. Coal Compensation Report 2006](#), [U.S. Aggregate Compensation Report 2007](#) and [U.S. Metal & Industrial Mineral Mine Compensation 2006](#).

Starting with coal mines, the average hourly base wage at surface operation for an electrician is \$24.14, for a mechanic it's \$23.11 and for a labourer it's \$19.21. At underground mines, the rates are less. For example, the electrician gets only \$21.76 and the mechanic only \$21.30. I would have thought the

"ROCK SOLID" MILL DUTY SOLUTIONS



From hard rocks to heavy metal, GIW delivers non-stop solutions for boosting productivity *and* profits.



At the heart of the system, the mill pump can reduce operating costs when pump operating cycle times match scheduled mill outages. To perform in these extreme duty conditions, GIW introduces a new MDX pump line.

Using the latest materials technology and hydraulic design, GIW MDX pumps are built to extend pump operating cycles under varying conditions typical of mill circuit applications. Fewer unscheduled outages and more up time translates into increased production and profitability.

Contact your local GIW representative or Mill Product Manager to learn how GIW MDX pumps can increase your mill productivity.

GIW Industries, Inc.* Grovetown, GA 30813, USA * 1.706.863.1011 * 1.800.241.2702
www.giwindustries.com

A KSB Company •



underground worker would get more, not less. The answer may be that at large surface coal mines the electrician gets \$24.36 whereas at small open pit mines the average is dragged down by a rate of \$21.95. There is a similar large discrepancy between labourer's rates. In large open-pit mines, the hourly rate is \$20.80, and in small open-pit coal mines the rate is a mere \$14.04.

In large surface metal mines, the average hourly-base wage for an electrician is \$20.54. For a mechanic, it is \$19.08; for a driller, it is \$19.92; and for a labourer, it is \$14.72. The rates are not that much different for small metal mines and underground mines, although I notice the mill labourer gets more, namely \$15.06. Labourers in industrial mineral mines get only \$13.63, and it makes no difference how big or small the mine.

Let's jump to general managers. In coal mines, they earn \$151,600 while at metal mines they get only \$126,700. Quarry manager receive a mere \$87,900.

Similar wage discrepancies exist for the engineers:

Surprisingly, average salaries for metal mine professionals are lower than for quarry professionals. Also notice that environmental coordinators uniformly earn more than accountants. However, the situation varies by region; for example, in the western region that includes California, Nevada, Oregon, Washington and Alaska, the chief engineer's salary jumps to a nice \$104,300. Even the environmental coordinator gets more, \$82,300. However, the cost of living is higher in the West.

The [National Mining Association](#) lists mining-related statistics, including a comparison of [mining salaries with general industry salaries](#). The 2005 average annual mining salary in Alaska was \$72,125, the highest in the United States. The average overall industry salary in Alaska is \$38,817. The lowest paid miners are in Mississippi, taking home \$39,025. The average industrial worker in the United States takes home \$29,201.

Beyond the numbers, one thing that many professionals do not consider when deciding if they are being paid a competitive wage is their overall compensation

package. Arlene Vernon, President of [HRxcellence](#), an human resources consulting firm based in Eden Prairie, Minn., cautions about looking at salary alone to gauge compensation levels. Rather, she recommends examining health care benefits, the employer's 401(k) contributions, vacation, and sick leave. "A high salary may be offset by a poor benefits package," she notes.

So factor everything into the equation, and run the numbers regularly.

"Don't just look it up for a job or when you're looking for a raise. Keep your fingers on the pulse," says Salary.com's Coleman. "In other words, you should always know what you're worth." ■

POSITION	COAL	METAL	QUARRY
Chief engineer	\$81,000	\$86,000	\$89,000
Chief geologist	\$71,000	\$64,000	\$77,000
Mine geologist	\$69,000	\$58,000	\$68,000
Accountant	\$70,000	\$58,000	\$64,000
Environmental coordinator	\$79,000	\$70,000	\$65,000



The key to find a good job is to know what you're worth, say analysts.

Links and References

- [Salary.com](#)
- [Payscale.com](#)
- [JobStar](#)
- [TrueCareers](#)
- [WageWeb](#)
- [Salary.com](#)
- [CostMine](#)
- [Canadian Mine Wages, Salaries & Benefits 2007](#)
- [CorpWatch](#)
- [Soaring Executive Pay Attacked by Shareholder Activists](#)
- [Forbes](#)
- [Pay Survey](#)
- [Gap Between Canadian and U.S. Mine Salaries](#)
- [U.S. Coal Compensation Report 2006](#)
- [U.S. Aggregate Compensation Report 2007](#)
- [U.S. Metal & Industrial Mineral Mine Compensation 2006](#)
- [National Mining Association](#)
- [Mining salaries with general industry salaries](#)
- [HRxcellence](#)

Read this article online and follow the links at <http://go.mining.com/feb08-a2>. To view the links only, visit <http://go.mining.com/feb08-links>.



Leaders discovering Leaders around the world!

LEADERS UNEARTHED

SPECIALIST IN NATURAL RESOURCES, LEADERSHIP RECRUITMENT.

MINING | NATURAL RESOURCES | METALS | ENGINEERING | CONSTRUCTION

Over 27 years experience managing search assignments for Canadian and international clients alike.

Our core practice is specialized in Mining, Metals, Engineering and Construction, and we serve many of the world's leading natural resources and project engineering firms.

Global reach allows us to identify the right leader for you. Ensuring your longterm success.

Our partnership with TRANSEARCH International, one of the 'top 10' global executive search organizations, enables us to search globally through 54 offices in 33 countries.



"The Leadership Difference"

Call: 905-338-7008 or e-mail: russ@bedfordgroup.com or ebuckland@bedfordgroup.com

www.bedfordgroup.com