

# Hot mining market drains drilling manpower

## Cabo Drilling Corp. facing shortage of qualified drillers as demand soars

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**J**ohn Versfelt has got drills – over 100 of them for mining applications ranging from surface and underground coring to geo-technical.

The North Vancouver businessman is also seeing unprecedented demand – and revenue – from an industry that's falling over itself to find the next significant deposit.

The one missing essential ingredient in the mix, however, is enough people to work the drills, despite his **Cabo Drilling Corp.** having 225 of them spread across Canada.

"I've got drills, and I have the demand. I just don't have the drillers, good drillers," said Versfelt. "If I had another 20 to 30 drillers, I'd have another six or seven drills going."

Mining companies usually negotiate drilling contracts in the spring of the year they're drilling for core samples, but **Association of Mineral Exploration British Columbia CEO Dan Jepsen** said that many of them have already signed drilling contracts for 2007.

"And that's something that we've never seen in the past. People are hungry to ensure that they've got drills in place for 2007."

With most metal prices at 10-year or all-time highs, and with junior exploration

companies increasing exploration budgets following heightened equity market activity in 2006, Jepsen said the race is on to secure drilling contracts.

Some companies either couldn't get a drill in 2006 or, if they did, couldn't find someone to work it, he said. Many had both, but then had

to battle to find a helicopter to fly them to remote locations.

Versfelt, who is chairman, president and **CEO of Cabo Drilling**, Canada's third largest public drilling company, said the mining service industry is now feeling the pinch after laying off workers en masse during the slow times between 1997 and 2002.

"The drillers went elsewhere and [for the most part] they're not coming back to the drilling industry," he said.

Those who remained had the most seniority and must now train younger drillers.

Despite the labour crunch, Cabo recently reported its highest quarterly revenue to date in 2007's first quarter.

The \$10.5 million reflected a 19.5 per cent increase over the same period in fiscal 2006.

Cabo also reported a pre-tax income of \$703,334 in the quarter, a 318 per cent jump compared with 2006's first quarter.

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