

# THE NORTHERN MINER

THE GLOBAL  
MINING  
NEWSPAPER

www.northernminer.com

SEPTEMBER 12-18, 2011 • VOL. 97, NO. 30 • SINCE 1915

## Copper Mountain opening marks new era in BC mining

### SITE VISIT

BY IAN BICKIS

PRINCETON, BRITISH COLUMBIA — With the simple snip of a copper-tinged ribbon, **Copper Mountain Mining** (CUM-T) CEO Jim O'Rourke, **Mitsubishi Materials** CEO Hiroshi Yao and Consul General of Japan Hideki Ito officially opened B.C.'s first major metals mine of the twenty-first century.

The Aug. 18 Copper Mountain mine opening was attended by various dignitaries, contractors and employees, along with roughly half the town of nearby Princeton. The 1,700 in attendance watched the opening ceremony in the cavernous five-bay truck shop, one of the many new buildings on the property that has seen mining off and on in some form since 1923.

The latest incarnation of the mine continues a pattern of scaling up, with the 35,000-tonne-per-day mill hosting nearly twice the capacity of the mine that operated under Princeton Mining until 1996. Matching the increased mill capacity is a fleet of 240-ton haul trucks, two hulking PC8000 Komastu shovels and the world's largest mechanical loader. The giant fleet and corresponding infrastructure will allow Copper Mountain to move up to 170,000 tonnes per day and produce 105 million lbs. copper, 27,000 oz. gold and 330,000 oz. silver per year.

But opening day was less about the numbers and more about the people who made the mine possible. Employees and locals were treated to music, a barbeque and a balloon-contorting entertainer for the kids — and more than a few adults — before the congratulatory speeches started.

"This is a great accomplishment," O'Rourke told the crowd. "Not many projects in the world of this magnitude get completed on-time, on schedule and I think this was just due to having great people here, great resources and strong support from everyone."

Princeton Mayor Randy McLean echoed that theme, saying the local community supported the project from the get-go.

"From the very beginning of rumours that something might be happening up there on the hill, there has been nothing but the most positive re-

sponse from the community," McLean said of the mine that sits some 15 km south of the town. "And why not? With the influx of an economic boom and mine workers, our whole community has been transformed."

Minister of Energy and Mines Rich Coleman, meanwhile, noted that the last major metals mine in B.C. opened in 1998, and declared that Copper Mountain is just the first of many new mines.

"We're going to be a mining province again, no doubt about it," Coleman said, before highlighting the benefits of bring-



PHOTO BY IAN BICKIS

Cutting the ribbon at Copper Mountain, starting second from left: Consul General of Japan Hideki Ito; Mitsubishi Materials president and CEO Hiroshi Yao; and Copper Mountain Mining president and CEO Jim O'Rourke.

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ing good jobs to the area.

“It’s also about those folks’ contributions to your community,” Coleman said, “because they will join your clubs, they will be part of your community, their children will go to your schools and they will become your friends, and they will help you build a strong Princeton for the long-term for everyone.”

With a current mine life of 17 years, the mine should be around for at least a generation. And while copper reserves of 232.8 million proven and probable tonnes grading 0.36% copper are spread over three historic pits that will be swallowed up by one super-pit, there is still significant mineralization outside the pit design. Measured and indicated resources stand at 518.6 million tonnes grading 0.31% copper, and inferred resources add 390.7 million tonnes grading 0.23%, all at a 0.15% copper cut-off.

But more significantly for the mine’s potential is that all the resources and economics are based on US\$1.80 per lb. copper. The net present value at an 8% discount rate, for instance, jumps from

US\$286 million to US\$1 billion by incorporating a US\$3-per-lb. copper price, while current prices are still higher.

“At today’s price of US\$4 per lb. copper, the future looks extremely bright,” O’Rourke said.

In July, analysts translated that potential to share price targets ranging from \$8.50 to \$9 for the company, which closed at \$6.32 on the day of the mine opening, with 98 million shares outstanding.

Copper Mountain doesn’t get full valuation for the mine’s output because it only owns 75% of it, with key partner Mitsubishi Metals controlling the rest. Along with being instrumental in securing a US\$322-million debt financing, Mitsubishi was critical during the early stages of Copper Mountain, injecting US\$29 million in the company for that 25% stake of the project in late 2008 when other funding sources were scarce.

And while Mitsubishi has been important in opening this mine, many were quick to credit O’Rourke for pushing ahead with the project throughout the downturn, which has resulted in the

mine coming online as copper, gold and silver prices are booming.

“When a lot of people were concerned about what was happening in the world, Jim O’Rourke had the vision of forging ahead,” Walt Halipchuk, administration manager at Copper Mountain, said before the ceremony.

Halipchuk also noted that by pushing forward in 2008 and 2009, when the economy was cooler, the company was able to keep costs down. The extensive infrastructure was also a big help, with Copper Mountain using an existing tailings pond, road network, and power and water supplies. But with a brand-new mobile fleet and mill, the overall cost to get the mine running still came to about US\$438 million.

Construction of the mine went fairly smoothly, though the company is still working through some kinks in the operation.

“We had a few bumps there when we tried to get the mill going, but nothing major,” mine manager Bill Dodds said. The company had to correct the grate



A pit at the Copper Mountain mine in Princeton, B.C.

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size on the SAG mill, which was limiting tonnage, and it had problems with the SAG transfer pumps sanding up. The crew was also forced to shut down the main crusher for eight days to repair the base, replacing the grout under the main frame.

At the mine opening, the mill was running at around 30,000 tonnes per day, with Dodds saying his biggest priority in the short term is getting that tonnage up to at least the 35,000-tonne-per-day target.

Geology will also present challenges as mining continues. The Copper Mountain mine sits in a structurally complex alkali-porphry system, but exploration geologist Richard Joyes said it was almost closer to an epithermal gold-type deposit. Mineralization generally consists of structur-

ally controlled multi-directional veins and vein stockworks, with the character and distribution of the mineralization, and the alteration, varying from pit to pit.

The company is targeting a somewhat higher-grade section of the mine in the early years, which should give it a buffer as it continues to work to understand the orebody and explore regional targets.

Copper Mountain has the added head start on getting to know the mine because many of the employees who worked on the mine in 1996 have returned after having followed O'Rourke to the Huckleberry mine near Smithers, B.C.

Halipchuk is one of those returning to the mine, though when Copper Mountain was last shut down, he didn't think he'd be back again some day.

"In 1996 when we left it, no, I wouldn't have thought," Halipchuk recalled. "But we knew the copper was here and it was a matter of bringing the capital together, so [it depended on] finding someone who had the vision to get the investment together to start it.

That someone was, of course, Jim O'Rourke, whom Mayor McLean also praised.

"Fourteen years ago when Jim O'Rourke left this site, he made it clear that there was still a potential property here," McLean said. "And today, after fourteen years of hard work and dedication, he is back with two hundred and seventy workers and a four-hundred-million-dollar operation . . . Jim O'Rourke, Princeton is so grateful for all that you have done for us."