

# Strong global markets help make 2011 optimistic time for B.C. miners

By Derrick Penner, Vancouver Sun January 24, 2011 [Comments \(2\)](#)

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## **Taseko Mines Ltd. has invested heavily in its Gibraltar mine north of Williams Lake and has plans to do so again as the property continues to be a star performer in a bull market for commodities.**

### **Photograph by: Handout, Taseko Mines Ltd.**

VANCOUVER - Like a lot of British Columbia-based miners, Taseko Mines Ltd. is preparing for a busy 2011 with plans for work on all its projects around B.C.

There is work in planning what could be a \$300-million to \$350-million expansion of Taseko's Gibraltar copper-gold mine north of Williams Lake and continuing exploration work on its Aley niobium deposit north of Mackenzie.

Then Taseko is also forging ahead with re-engineering its Prosperity gold-copper project. The company hopes it can find a configuration that will still be profitable and satisfy the environmental concerns that resulted in its rejection last November.

Notwithstanding the setback with Prosperity, Taseko remains optimistic about mining in B.C.

"It's a great time to be a producing mining company in B.C.," said Brian Battison, Taseko's vice-president of corporate affairs. "If you're producing, you're producing at the right time."

World prices for the key commodities that B.C. mines produce — coal and copper in particular — are soaring near records, or at least cyclical highs.

In 2010, the provincial government estimated mining was a \$6-billion industry between the value of commodity sales and the value of exploration.

And in 2011, B.C. will see Copper Mountain Mining Corp. open a redevelopment of the old Similco mine near Princeton, New Gold Inc. will continue work toward a 2012 opening of its New Afton mine near Kamloops and Thompson Creek Metals Co. will start work on its Mount Milligan copper-gold mine north of Fort St. James.

In total, mining companies spent some \$1 billion on new-mine construction in 2010, said Pierre Gratton, CEO of the Mining Association of B.C., and he expects at least that much again will be spent in 2011.

And following Mount Milligan's anticipated opening in 2013, B.C.'s first greenfield mine since the late 1990s, Grattton said Imperial Metals Corp.'s Red Chris project near Dease Lake shouldn't be far behind.

"So [mining] is coming back to levels we saw before the crash, and there are many other projects behind Red Chris," Grattton added.

On the exploration side, B.C. recorded something in the range of \$300 million in spending on prospecting for new resources in B.C. during 2010, which wasn't a record high, but represented a hopeful recovery from the \$154 million spent in 2009.

"We've seen a good recovery, particularly on the exploration front," said Pat Bell, the minister of Forests, Mines and Lands. "I don't know where we will land for 2010, something north of \$250 million, and I think we'll see significant growth again in 2011."

B.C. is a key hub for global mining exploration, and if the Association for Mining Exploration, B.C. (AME) is any guide, there is indeed renewed interest in mining the province.

"Before the major economic recession, there was all that enthusiasm [for mining] and money was relatively easy to acquire," said Gavin Dirom, AME's president and CEO. "Now, we see similar interest to raise capital and invest in these projects."

And the enthusiasm is evident in AME's annual Roundup conference. AME chairwoman Lena Brommeland said some 4,700 geologists, engineers and other experts in mining exploration have pre-registered for the event, which begins this weekend in Vancouver.

That is 700 more than 2009's pre-registered attendance and Brommeland added they usually get an additional 2,000 walking up at the door.

"It will probably be the biggest Roundup ever," Dirom said.

AME vice-chairwoman Mona Forster said B.C.'s geology remains another attraction. The province has been home to successful mines, yet remains relatively underexplored.

"All of those things added up mean people are still interested in exploring in B.C.," she said.

Forster added B.C. is also helped by the fact that exploration companies, along with their bankers and financial institutions that all understand mining, are located here.

The challenge remains, however, in developing mine projects in a timely manner.

Battison said the cyclical nature of mining always makes new-mine development somewhat precarious.

"You should be building your facilities as prices are strengthening so that you open and operate them during these periods of high prices," he said.

Miners are looking for more streamlining of the regulatory process.

Thursday, Dirom renewed AME's call for the provincial and federal governments to create a single, co-ordinated environmental assessment project in an opinion article published in The Sun.

Taseko's Prosperity project, for instance, was approved in a provincial review, but was rejected at the federal level over the concern that it would destroy a fish-bearing lake, a prospect that generated strenuous objections from the Tsilhqot'in First Nation.

Bell said an improved relationship with first nations around potential mining projects is high on his agenda for 2011, along with pushing for more regulatory certainty.

"A really key priority for us is to continue to deliver mines through the regulatory process and give people confidence that once they discover an ore body that is economically viable, that they can get it into production."

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**Copper Mountain Mining is reopening its eponymous property near Princeton, one of three mines to start operation in the next three years providing employment and optimism for B.C.**

**Photograph by: Handout, Copper Mountain Mining Corp.**