

Copper Mountain brings golden economic glitter to the Lower Similkameen



The Copper Mountain Mine near Princeton operates two of the largest hydraulic shovels in the world - electrically powered Komatsu shovels with a 45 cubic metre capacity - large enough to swallow the pickup truck parked in front. The mine's scale - both economic and physical - is impressive, providing an economic boom to the Princeton area.

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Directors of the Regional District Okanagan - Similkameen, including all of the Similkameen directors, were given a tour of the Copper Mountain Mine facilities 15 kilometres southwest of Princeton last Thursday, June 23.

Copper Mountain recently began a new era of mining when operations got underway earlier this month. Expectations are that the mine will be in full production in the next few weeks. Plans call for a 24 hours a day, seven day a week operation, employing 270 employees, along with 29 university students.

Copper Mountain has been mined almost continuously since 1923, after the initial accidental discovery of the orebody by American hunter James Jameson in 1884 and the subsequent staking of the mountain by the famous pioneer prospector "Volcanic" Brown.

In 1923, Granby Consolidated Mining, Smelting and Power Company (Granby) acquired the property, built a milling facility in Allenby adjacent to Princeton and extracted 31.5 million tonnes of ore with a grade of 1.08 per cent copper, primarily from underground excavations, in and below what are now the Pit 1 and Pit 3 areas. Mining operations ceased in 1957, due to low metal prices and transportation costs on the rail line.

Newmont Mining Corporation of Canada purchased Granby's entire mining interest in the district and began mining from the Ingerbelle deposit in 1972. In 1979, development of mineable reserves on the Copper Mountain side of the project commenced with the installation of a new primary crusher and conveyer system. Initial production on the Copper Mountain side was from Pit 2 with additional production from Pit three in 1983. Mining of Pit 2 ceased in 1985.

In 1988 Cassiar Mining Corporation (later to become Princeton Mining Corp.) purchased Similco Mines Ltd. which owned the property. Production continued mining from Pits three and one until the mine closed down in late 1993 and stayed

on a “care and maintenance” basis until copper prices improved in mid 1994. Mining concentrated in the Ingerbelle pit and low grade stockpiles in 1995 and was again closed at the end of 1995. A lack of easily accessible reserves, rising production costs and necessary capital expenditures resulted in the mine closing down in November of 1996.

This time around plans call for mining on a scale not previously seen on Copper Mountain. The 18,000 acre property is currently comprised of 135 Crown Grants, 132 mineral claims, 14 mining licenses, eight cell mineral claims and 12 fee simple lots. Eventually, the series of three pits, created in past production will be excavated into one huge “superpit.”

The current fleet of 13 haulage vehicles, capable of carrying 240 short tonnes each, move 35,000 metric tons of material per day, while a pair of electrically powered Komatsu excavators (the biggest hydraulic shovels in the world at 45 cubic metres), gnaw away at the existing pit perimeters as the walls are expanded to create the new superpit.

It’s an impressive operation - but in industry terms is only a medium sized open pit mine. Highland Valley Copper, near Kamloops, is a 110,000 ton per day operation, by comparison.

The regional directors most affected by the mine - Princeton rural director Brad Hope and Princeton director Randy MacLean - see the project as a form of economic salvation for their area, having had its share of ups and downs in the past decade. Indeed, for the whole regional district, Copper Mountain has provided a massive economic injection- to the tune of a 400 million dollar development cost - into a local economy that continues to find ways to recover from the 2008 recession. Copper Mountain might be mostly about copper mining, but the project’s timely development shines like gold in the regional economy.

“This has been such a positive thing for Princeton - when you look at the economic devastation caused by the pine beetle epidemic in interior communities like ours, it’s one of the positive things that can happen to a small interior community, to have an orebody nearby that can be developed,” MaLean said.

Mine Manager Bill Dodds reinforced McLean’s point of view with some economic facts.

“Copper Mountain has an operating budget of \$100,000,000 per year,” he told the regional directors. “We are a large purchaser of fuel from Kamloops and explosives from Prince George.

Some of our biggest expenses are truck tires - they last about 2,500 hours and cost between 25 - 35,000 dollars each - and these are supplied by Kal Tire locally.

We also use a lot of steel in the mill (grinding medium in the form of steel balls) - most of our suppliers are B.C. based.

Our payroll runs between 25 and 30 million dollars per year, and 50 per cent of our workers come from the Similkameen valley.

We try to support local business as much as we can - and we will continue to do that.”

A staggering 99.7 per cent of that 35,000 metric tonnes per day of production passes through the operation as waste at the end of milling operations. With metal prices at historically high prices however, the copper, and lesser amounts of recoverable gold and silver are still sufficient to make the operation a profitable one. A 25 per cent ownership interest by Japanese corporate giant Mitsubishi includes an agreement that sees 100 per cent of the concentrates shipped to their facilities in Japan after being stockpiled at the docks in Vancouver.

Exploration to date has uncovered a potential of five billion pounds of copper in the various orebodies that make up Copper Mountain Mine. With a projected 17 year mine life, however, only 1.7 billion pounds is currently recoverable. As copper is a commodity that has a historical precedent of wide fluctuations, forecasting future values of the resource - and capital intensive projects such as this- is difficult to predict. It should be reassuring, then, that if present trends continue, there will still be lots of life left at Copper Mountain beyond the next 17 years, as development then moves into a second century of mining of the Copper Mountain orebody.