

# THE VANCOUVER SUN

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## Copper Mountain operating close to capacity at official opening

**The former mine started production in mid-June and quickly ramped up**

By Derrick Penner, Vancouver Sun August 17, 2011



*Copper Mountain is a brownfield mine, located on the site of a previous extraction site near Princeton.*

As dignitaries head up Highway 3 to Princeton for the official grand opening of Copper Mountain Mining Corp.'s newly opened mine on Thursday, some of the mine's specially built ore trucks will be preparing to make their return trip to the Port of Vancouver.

At ribbon cutting, Copper Mountain, a major revamp of the former Similco mine, and the first mine to open in British Columbia since 1997, will be running at close to full capacity from its start of production in mid June.

Rod Shier, Copper Mountain's CEO, said some 8,000 tonnes of copper concentrate from the mine, worth about \$21 million at today's prices, are already sitting in storage at its dock in North Vancouver and he expects there

to be 12,000 tonnes - \$25 million worth - ready to send with its first cargo ship scheduled to leave Vancouver for Onahama, Japan.

"We're saying that we [were] in production at Aug. 1," Shier said in an interview. "We're trucking daily [to the port] now and we're going to be in a position to make the first [ocean] shipment come the last week of August."

Shier added that it has been a quick ride for the company since it received its permits from the province to build Copper Mountain on April 1, 2010, to its grand opening this week. And not even the global economic uncertainty that has pushed world copper prices off near-record highs is enough to metaphorically rain on Copper Mountain's parade as it invites provincial Energy and Mines Minister Rich Coleman, Japanese Consul General Hideki Ito and Mitsubishi Materials Corp. CEO Hiroshi Yao for the official ceremony.

Mitsubishi is Copper Mountain's 25-per-cent partner in the venture and has committed to purchasing the mine's output.

Copper futures for September delivery on the New York Mercantile Exchange fell almost four cents to close at \$3.99 US per pound.

Earlier this year, copper traded at prices as high as \$4.60 US per pound.

"You have to put it in perspective," Shier said. "When we did our financing, our [mine] feasibility study was based on a \$1.80 US long-term price."

And considering the mine's plan is to run at an average operating cost of \$1.30 per pound of copper it produces, "you've got a very good margin and very good payback for shareholders."

Copper Mountain Mining's shares edged up two cents to close at \$6.61 in trading Tuesday on the Toronto Stock Exchange.

Based on its costs and the amount of ore that it is running through its facilities in Princeton, Shier said the Copper Mountain Mine is "more than covering [its] costs." The opening is also payback for the town of Princeton as well, which went from boom to bust when the open-pit mine, operating as Similco, shut down in 1996 when copper prices fell as low as 70 cents a pound.

Rebounding copper prices allowed Copper Mountain Mining to take over the mothballed property in 2006, expand its known ore body and re-engineer it into a new "super pit."

Bringing it back to life has been a \$438-million project, which brought 340 construction workers to the town of 2,600 and leaves behind a workforce of 272 employees.

Shier added that the mine's payroll alone will be a \$22-million-per-year injection to Princeton.

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## COPPER MOUNTAIN MINE – Quick Facts

*\$438 million capital cost*

*272 employees*

*35,000 tonnes per day milling capacity*

*175,000 tonnes annual copper concentrate*

*17-year mine life*