

Highgrade interviews Jim O'Rourke of Copper Mountain Mining (TSX:CUM)

Posted by [Kirk](#) • May 3, 2011



Literally, Copper Mountain Mining is about to move a mountain.

What does an experimental electronic music band from the UK called The Shamen have to do with Copper Mountain? Admittedly, that is a very difficult question. The Shamen's first (and only) top 40 hit in the U.S. was released during the summer of 1991 and could very well be the perfect theme song for Copper Mountain. That song was "Move Any Mountain" and that's what Copper Mountain is about to do - all the way to Japan.

The company owns 75% of the Copper Mountain mine, and their Japanese partner, Mitsubishi Materials Corporation, owns the other 25%. The 18,000 acre mine site is located 20 km south of the town of Princeton in southern British Columbia. The mine has a resource of approximately 5 billion pounds of copper and the project is fully financed and nearing completion. Pre production mining activities are underway and the mine is set to enter production next month to produce approximately 100 million pounds of copper each year.

The mine will utilize conventional crushing, grinding and flotation processes and equipment. Once the copper concentrate is produced, it will be shipped to one of Mitsubishi Materials' existing copper smelters in Japan: first, by rail to the port of Vancouver, and then by ship across the Pacific Ocean. [B.C. Minister of Transportation and infrastructure Shirley Bond recently stated](#), "This really shows how the Pacific Gateway is the best transportation route for Asian businesses." And, "Mitsubishi Materials Corporation invests in the B.C. Copper Mountain Mine to get the copper concentrate they need, knowing that the best way to ship it is through the Port of Vancouver."

Highgrade Review connected with Jim O'Rourke, Copper Mountain's President & CEO and 2005 recipient of the Edgar A. Scholz Medal for Excellence In Mine Development in British Columbia and the Yukon to find out more about the company as it nears production.

After years of development you are quickly approaching your June target to have the mine in production. What does the production schedule look like?

The commissioning of processing equipment is progressing well. The primary crusher and conveyor system to the coarse ore stock pile has been tested and is also operating well. The commissioning team is currently active in the concentrator building and our start up is on schedule for production in June.

Preproduction mining is advancing well with major equipment fully operational and stock piling ore for the concentrator start up in May. We are currently mining at a rate of 100,000 tonnes per day with the planned mining rate to increase to 160,000 tonnes per day.

Once the copper concentrate is produced you plan on shipping it to your partner Mitsubishi's smelting operations in Japan - how does one go about shipping 100s of millions of tonnes of ore half way around the world?

Copper and precious metals are contained in a concentrate which are produced at the mine for shipping to Mitsubishi. The 185,000 (annual) tonnes of concentrate is trucked to the port of Vancouver at a rate of approximately 500 tonnes per day. The concentrate is then be stored at the Vancouver Port and shipped in approximately 12,000 tonne lots to the smelters in Japan.

Have you determined the costs per pound of copper associated with shipping the ore?

Total offside cost for moving concentrate to the smelters in Japan is approx. \$110 per 1 metric tonne of concentrate which equates to about \$0.18 per pound of Copper.

What are your overall costs factoring in the silver and gold net precious metal credits?

Our published cost is estimated at \$1.30 per pound of copper, net of precious metal credits which vary depending on metal prices and foreign exchange rates.

In what month will Copper Mountain see cash flow from operations?

Because of our favourable agreement with Mitsubishi Materials Corporation, we expect to have a shipment in late June or early July and receive a provisional payment for 90% of the concentrate shipped.

After you put your first and only project into production, what's next on the horizon for Copper Mountain?

We continuously take an entrepreneurial approach to evaluate other potential projects, companies, and mergers and acquisitions that may add shareholder value.