

# Two miners share B.C. industry's top award

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**Pair represent very different but successful sides of mining's return to prominence**



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VANCOUVER - Two of the key executives behind the renaissance of mining in British Columbia are sharing the Mining Association of B.C.'s top honour tonight for their work in developing two of the province's newest mines.

Rob Pease, former president of Terrane Metals, developer of the Mount Milligan copper and gold mine near Fort St. James, and Jim O'Rourke, chief executive officer of Copper Mountain Mining Corporation, which is in the process of reopening Copper Mountain mine near Princeton, will accept their awards for Mining Person of the Year at a reception tonight kicking off Mining Week in B.C.

The award is normally handed out to one outstanding miner a year, but this year both men represent two very different but successful sides of the industry's return to prominence in the B.C. economy, association president Pierre Gratton said in an interview.

O'Rourke, who was feted by the town of Princeton last week for the successful re-start of the Copper Mountain mine, pulled the project together at the deepest point in the financial crisis of 2008-09, taking a huge leap of faith by ordering equipment before he had lined up financing.

Pease started up a new company, acquired the Mount Milligan property and set a new benchmark for openness and transparency with communities, first nations and bureaucrats in distant Ottawa.

As a result of both projects, the town of Princeton, 18 km from Copper Mountain, and Fort St. James, 85 km from Mount Milligan, are experiencing economic revivals.

Pease, a former junior executive with Placer Dome, bought the Mount Milligan property out of the breakup of Placer Dome when it was taken over by Barrick Gold and its Canadian assets sold to Goldcorp.

Goldcorp was interested mainly in three operating mines in Ontario and in 2006 sold Mount Milligan to Pease's new company, Terrane Metals Corp.

"We knew there was a coppergold resource in the ground," Pease said in an interview.

To develop it, he said he and Terrane project vice-president Peter Marshall assembled a small, tight team of hand-picked staff to tackle the enormous job of conducting feasibility studies, bringing communities and first nations on board and then steering the project through the quagmire of both federal and provincial environmental approval processes.

Terrane spent \$100 million in the initial development stages and then, to acquire the rest of the financing for the \$913-million project, Terrane shareholders approved a takeover last summer by U.S. miner Thompson Creek Metals. The mine passed its last hurdle in November when then-federal environment minister Jim Prentice approved the project, calling it "a responsible, successful project proposal."

Pease said in the interview that Terrane took what to the corporate world was a novel approach: Designing the mine from the point of view of what they will leave behind after the mine's 22-year lifespan.

"We designed the whole Mount Milligan mine right from the beginning from a closure point of view," he said. "It's a concept that isn't widely used in the mining industry."

"In the mining world, we often think about tonnes and grades and metals, those are the kind of things we get excited about, but from a permitting perspective, frankly, they don't give a crap what your ore body is."

"It comes down to how are you going to manage your waste, how are you going to manage your water."

Terrane worked backwards, he said, starting with what the site will look like after it has been mined, restored and made environmentally stable. Then they shepherded their plan through a federal permitting process that involved different ministries, mostly not communicating with each other and unaccountable.

And, right from the start, communities and first nations were brought into the picture. They asked the communities what their priorities were. Top of the list was a road from Fort St. James to the mine 86 kilometres away. The town did not want the mine to be a camp; it wanted residents to work there and be able to drive back and forth.

Today, 400 people are working at the site building the mill for processing rock and a road connects them with Fort St. James and Mackenzie, 100 kilometres to the south. The mine is to go into production next year.

At Princeton, Copper Mountain Mining Corp. president O'Rourke's association with Japanese conglomerate Mitsubishi on other mining projects was a major key to reopening the open-pit mine. He bought Copper Mountain in 2006. At the time, the mine had been shut down for 10 years. Copper, and mining in B.C. in general, was still in a prolonged slump.

"Everything was very tired and worn out; it needed to be modernized," O'Rourke said in an interview.

He brought the financing together for the \$438 million project despite the 2009 financial crisis, surprising even Mitsubishi. He ordered equipment before Mitsubishi had signed the final deal to partner in raising the 25 per cent equity required by lenders. Copper Mountain Mining's stock had dropped from around \$2 to the 30-cent range but climbed again once Mitsubishi was on board, permitting Copper Mountain to complete an equity offering to raise its share of the 25 per cent.

"All along there was a lot of uncertainty, but we had faith that we had a good association with Mitsubishi," O'Rourke said.

Now the mine is in the final stage of being commissioned, employing 274 people. Giant shovels have been digging the pit since November. Massive 240-tonne trucks are hauling the ore to the primary crusher. Later this month, the crushed ore will go through another two mills to be reduced to the consistency of salt. Once it has been processed in flotation cells to 30-per-cent copper, it will be ready for shipment to Vancouver, 500 to 600 tonnes a day. The first shipload to Japan is expected to be filled and ready to leave in June.

"The hotels are now full, people are going to the bar and restaurants and spending dollars in a town that was very hard hit by the downturn in the local economy over the last 15 years," the mining association stated in a news release.

O'Rourke's achievement at Copper Mountain is just one success in a 46-year career that includes developing the Huckleberry Mine, the last greenfield mine developed in B.C., said Taseko Mines president Russell Hallbauer, a past-chairman of the mining association. Huckleberry Mine went into production in 1997.

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