

# Mine future decided today

Gibraltar Mine management found some faint hope on Saturday in its bid to buy the operations.

Owner Boliden-Westmin Ltd. earlier this year announced it was closing the mine near McLeese Lake in early 1999 due to poor copper prices. This prompted Gibraltar management to form a new company, NGMT Resources Ltd., and attempt to purchase the mine. Mine manager Tom Milner said last minute legal manoeuvres on the weekend resulted in the deadline to purchase the mine being extended to today at 5 p.m. How-

ever, when the deadline, originally set for last Friday, passes and the financing isn't in place, the deal will fall through.

Despite the short extension, Milner said he has instructed employees not to hold much hope their jobs can be saved.

"I have advised the workers we are going back to our original shut down mode," he said.

Boliden officials could not be reached for comment Monday. Workers were given a 12-week layoff notice on Dec. 4 and the mine will continue to operate as normal until it closes Feb. 28. None of the 280 mining jobs will

be impacted until then, he added.

"We will be looking at mothballing and putting the mine in a shutdown mode," Milner said about the mine's immediate plans. "Beyond that there will be other reclamation work and other issues to be dealt with."

While he said more time would have been nice to try and secure the \$20 million from private investors needed to complete the purchase, the price of copper was the biggest factor in the decision to close the mine, Milner noted. The price of copper is 65 cents a pound U.S. --

the lowest in 12 years.

"Not in my wildest nightmare did I ever think I would see copper that low," he said.

Copper was over \$1 U.S. per pound the last three years but most world commodity prices have fallen in 1998, stated Employment and Investment Minister Dan Miller. He said Victoria is willing to help financially, but only if significant private funding is involved.

Victoria helped with a restructure package for Mount Polley Mine last summer, but it was not asked to buy the mine, he said. Stakeholders in the mine gave

cost breaks but the private investors kept their capital in. Even in Victoria's bailout of Skeena-Cellulose last winter the banks were participating in the restructuring.

NGMT developed a package which included cost breaks from suppliers while miners agreed to take wage cuts while copper prices were low. Milner said those were positive steps, but nothing could overcome copper prices.

"There were a lot of good things happening but the one big negative was copper prices," Milner said.



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