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Big boost for Mt Garnet as copper mine starts again

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A \$130 MILLION-a-year copper mine has been rekindled southwest of Cairns.

The former Kagara mine is being operated by Snow Peak Mining with 40 staff and production will crank up in days after a \$3m refurbishment of a processing plant at Mount Garnet.

Cairns-based company Consolidated Tin Mines is managing the Surveyor mine about 240km from Cairns. The mine was owned by Kagara Ltd, now in liquidation, and bought by Hong Kong's Snow Peak early last year in a \$40m deal.

Managing director Ralph De Lacey said at this stage the mine had a three-year life but it could be extended.

"The area has huge exploration potential and within the mine corridor there is still a lot of ore to be mined," he said.

"A good example is a shoot mined this week with about 1000 tonnes averaging around 13 per cent copper with pockets of up to 60 per cent copper."

Mr De Lacey said the mine was operating at about 2500 tonnes a week with plans to ramp up to 10,000 tonnes.

The ore is trucked to Mount Garnet

for processing and then taken by road to Townsville for exporting by ship.

Mr De Lacey said a trial run of the Mount Garnet processing plant this month was successful and it would start full-time production on March 3.

He said it was possible Baal Gammon could start producing again soon after the completion of the Stage 1 pit, after being affected by a contaminated water spill in early 2012.

Stage 2 involves an underground operation to avoid adverse environmental impacts.

Chamber of Commerce and Industry Far North Queensland chairman Brett Moller said he hoped some of the employees and creditors from the previous mine operator, which went into liquidation, would get a bounce from this reinvestment and recoup some of the lost income.

"The initial investment spend and projected \$130 million over the next three years, as well as 40 full-time jobs that will be created, will breathe life back into the Mount Garnet and Tableland communities, and businesses in Cairns and the region will also benefit," Mr Moller said.