

Jim Excell

By Joel McKay

Diamond Jim

Jim Excell has come out of retirement in the midst of a bull market with one goal in mind: to resurrect a major copper mine in B.C. and put it back into production in the next four years.

"That might be somewhat idealistic, but at the same time if you don't have those big goals you don't get anything," Excell recently told *Business in Vancouver*.

It's a lofty goal given that most mineral deposits take a decade or more to transition from grassroots exploration into a mine.

But Excell has done it before.

In fact, the 61-year-old metallurgical engineer from Burnaby has a resumé packed with enough achievements to make even the most reticent headhunter salivate.

These days, the career miner is at the helm of Vancouver junior **Abacus Mining & Exploration Co.** (TSX:V:AME).

He joined the company as president and CEO last July following a two-year retirement.

It was his second attempt at retirement.

Both of them failed, mostly because Excell doesn't like to sit still. But also because he's been in the business for more than 40 years, and the adrenaline rush of travelling to the world's most remote locales in search of hard-rock treasure has never worn off.

"The buzz is good," he said. "My friends are here."

Abacus' main asset is the past-producing Ajax copper-gold camp near Kamloops, which it bought from **Teck Resources** (TSX:TCK.B) in 2005.

The company plans to breathe new life into the asset, envisioning a 23-year mine that would produce some 110 million pounds of copper and 100,000 ounces of gold per year.

Last October, Abacus closed a major joint-venture agreement on the project with **KGHM Polska Miedz**, Europe's second-largest copper producer.

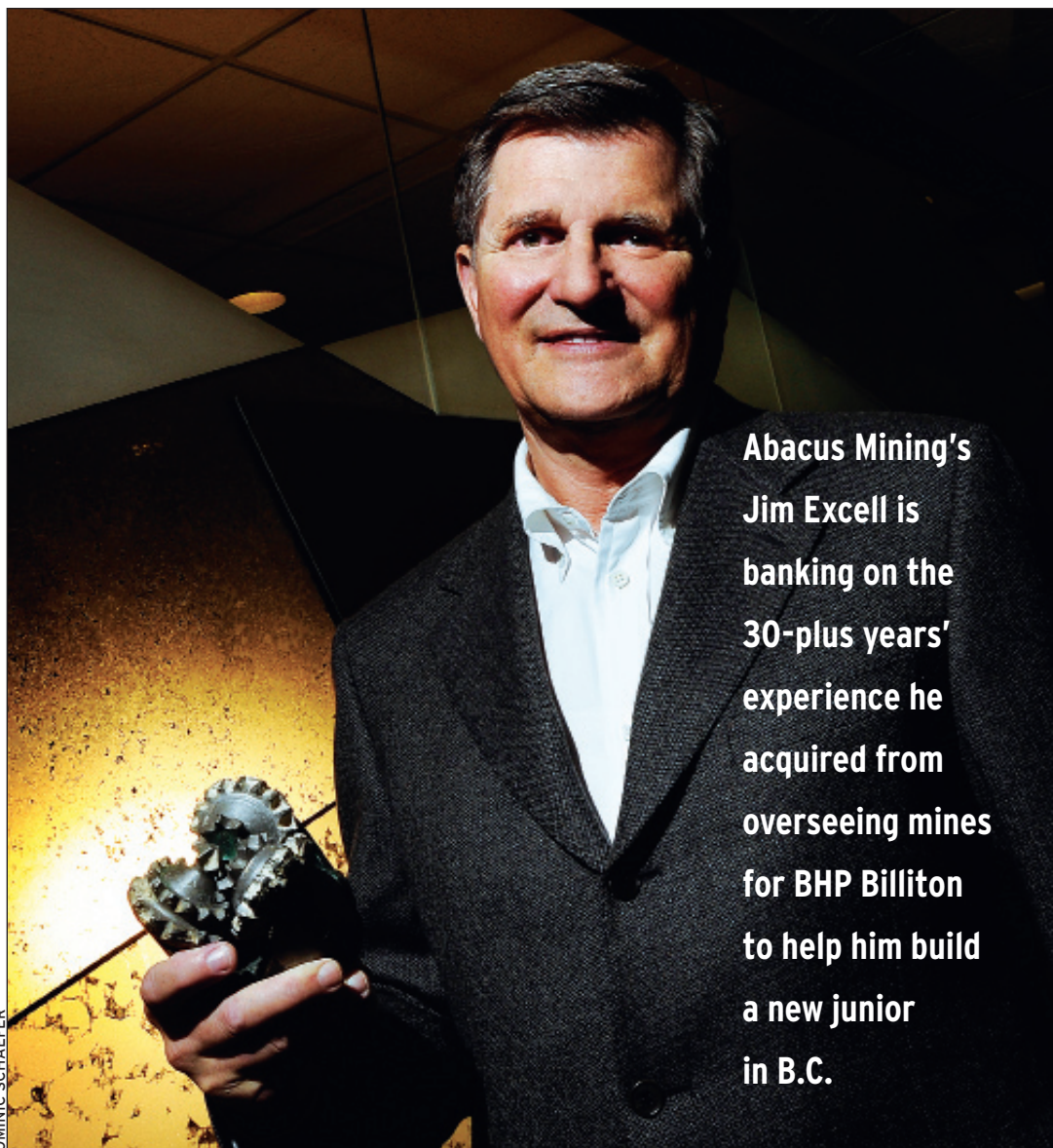
The deal saw KGHM take a 51% stake in Ajax in exchange for a US\$37 million payment to fund a bankable feasibility study.

Abacus has retained a 49% interest in the joint venture and will continue on as project operator.

Once the study is complete, KGHM can acquire an additional 29% of the project. The Polish company would then bankroll the Ajax project.

On top of that, Abacus signed an exploration agreement with the **Stk'emlupsemc te Secwepemc** First Nations to jointly facilitate exploration work and advance the project.

With a source of funding secured



DOMINIC SCHAEFER

Jim Excell, drill bits in hand: "just bringing in one project like ours, employing some 700 employees when it came into production, we essentially reduced the aboriginal unemployment [in that area] to zero"

and a working relationship with local aboriginals, the project is expected to move full-steam ahead and the company has initiated an environmental review process.

Amid ongoing studies, agreements and exploration, Excell has no shortage of work, but that's how he likes to do things.

In fact, a conversation with the man quickly reveals that he likes to keep things short and to the point.

It might explain how he was able to transform **BHP Billiton's** (NYSE:BHP) Ekati deposit into Canada's first diamond mine in 1998, only seven years after diamonds were discovered in that part of the Northwest Territories.

At the time, there was a ban on regional development in the Northwest Territories, and both the territorial government and Ottawa had never been exposed to diamond mining, an arcane business long dominated by **De Beers**.

Excell got involved with the project in 1995.

He had already been with BHP,

the world's largest mining company, since 1973, overseeing coal and copper mines throughout Australia, the U.S. and Canada.

After a period as general manager of BHP's Island Copper mine on Vancouver Island, Excell became the project manager for what would be the company's first diamond mine.

The concept of building a diamond mine in Canada was so new that BHP not only had to convince both governments that Ekati was economically feasible, but it also had to develop a strong partnership with the local First Nations.

In those days the diamond market had been dominated by so few players for so long that Excell said there was little information available about how to properly mine diamonds.

BHP had to puzzle it out and design the equipment it would use to extract Ekati's treasure from the tundra.

Amazingly, the project was delivered on time and within budget, changing the business climate of the Northwest Territories.

Abacus Mining's Jim Excell is banking on the 30-plus years' experience he acquired from overseeing mines for BHP Billiton to help him build a new junior in B.C.

Mission: To turn Abacus Mining into B.C.'s next mid-tier mining company

Assets: 30-plus years of management roles with the world's largest mining company, BHP Billiton

Yield: Canada's first diamond mine, Ekati, and a new junior company that has already landed a major funding agreement

"Nothing [had] happened there for 20 years," he said. "Of course, there was major unemployment in aboriginal communities and just bringing in one project like ours, employing some 700 employees when it came into production, we essentially reduced the aboriginal unemployment [in that area] to zero. One project. It was amazing."

Three more diamond mines have been built in Canada since then, and Ekati's annual sales represent roughly 5% of world diamond supply by value.

Excell went on to become president and COO of **BHP Billiton Diamonds Inc.** and was promoted to chairman until his first retirement in 2005.

In 2006, he got back into the game with Toronto-based **North American Palladium Ltd.** (TSX:PDL).

Pierre Gratton, president and CEO of the **Mining Association of B.C.**, said Excell's emergence from retirement is evidence of an exceptional work ethic.

"He's really been a leader in many respects around modern mine development [and] engagement with First Nations," Gratton said. "When he left Ekati he tried to retire and failed and ended up being CEO of **North American Palladium**, where he took this mine that had a really long history of being poorly managed and transformed it into a much more sophisticated operation."

Gratton described him as a "no nonsense, tough miner," but he added that Excell could also see the bigger picture about how the mining industry affects communities and First Nations people.

In fact, at the behest of industry and government, Excell wrote **Natural Resources Canada's Mining Information Kit for Aboriginal Communities**, a book designed to help aboriginals take advantage of the mining community.

He believes that softer issues such as community relations and aboriginal engagement are as important to a project as engineering reports.

Excell called the provincial government's decision to adopt mine royalty sharing agreements with First Nations a "big plus" for the industry.

And his advice for mining companies that want to work in B.C.?

Forge strong relationships with First Nations communities.

"You want these people to be your partner as if they were your financial partner," Excell said. "That recipe, where it works, seems to work well." ■

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