

Fortune Minerals Provides NICO Technical Report Update

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Third party refiners interested in purchasing NICO concentrates directly from the mine

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LONDON, ON, June 14, 2018 /CNW/ - [Fortune Minerals Ltd.](#) (TSX: FT) (OTCQX: FTMDF) ("Fortune" or the "Company") (www.fortuneminerals.com) is pleased to provide an update for its 100% owned NICO Cobalt-Gold-Bismuth-Copper Project in Canada ("NICO Project"). The NICO Project is a development stage primary cobalt asset currently consisting of a planned mine, mill and concentrator in the Northwest Territories and hydrometallurgical refinery in Saskatchewan to process concentrates from the mine to cobalt sulphate, gold, bismuth ingot and oxide, and copper precipitate. Fortune was recently approached by several global mining and refining companies interested in purchasing metal concentrates directly from the mine. If this is pursued, it would enable the Company to defer the Saskatchewan refinery, reducing up-front capital by about 50% and mitigating risks in commissioning and downstream processing. Fortune is making the requisite adjustments to the NICO Project engineering designs to allow flexibility to accommodate all of its downstream process options.

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The cobalt industry has experienced more than 20-year, approximately 6% compounded annual growth rates ("CAGR") and at current prices for metal, the value of the market is greater than US\$10 billion. Accelerated double digit CAGR is projected by most industry analysts in the 2020's, primarily due to cobalt demand in the cathodes of lithium-ion batteries that power portable electronic devices, electric vehicles and stationary storage cells to improve the efficiency of the electrical grid.

Fortune is in discussions with a number of companies interested in participating in the development of the NICO Project and/or securing a reliable Canadian and ethical supply of cobalt. The Company has entered into approximately 30 confidentiality agreements with potential strategic partners from diverse business sectors. Transformative automotive electrification and disruptive evolution of energy supply and storage is motivating global mining companies to align their product mix with these technological advancements and participate in the value chain for battery materials. Fortune is pleased to report that it has recently been contacted by several of these companies interested in purchasing metal concentrates directly from the NICO mine for treatment in their existing process facilities. Fortune is advancing discussions with a number of parties to secure indicative pricing under a variety of potential development scenarios:

1. Produce a single "Bulk Flotation Concentrate" at the mine as currently envisioned for sale to a third party refinery or, transport it to Saskatchewan for downstream processing at the Company's planned refinery;
2. Produce separate "Cobalt-Gold Concentrate" and "Bismuth-Gold Concentrate" at the mine and sell either or both of these to third party refineries or, transport either or both of these to Saskatchewan for downstream processing with facilities configured with only the required unit operations needed to recover the desired metal(s);
3. Defer the sale of some of the "Bismuth" to align production with the market demand;
4. Phase the development of the Saskatchewan refinery with market demand and the needs of the potential strategic partners.

Although the sale of concentrates was previously investigated by Fortune, the expanded cobalt market, strong future growth, and attractive prices have collectively made this into a potentially attractive

development option to defer significant up-front capital. Technologies are also being investigated that would enable Fortune to upgrade the metal content of its concentrates and reduce deleterious metals that are typically penalized by third party process plants.

Updated Technical Report:

Fortune has engaged Hatch Ltd. ("Hatch"), P&E Mining Consultants Inc. ("P&E") and Micon International Limited ("Micon") to update the 2014 NI-43-101 Technical Report on the NICO project Feasibility Study ("Technical Report") based on current operating and capital costs, commodity prices and currency exchange rates. The Technical Report is also assessing the economies of scale of a 30% expanded mill throughput rate, higher mining rate, and other mine, process and environmental improvements made to the NICO Project over the past year. In order to allow for the flexibility of selling metal concentrates directly from the mine, Fortune has instructed Hatch to adjust the engineering design and move the bulk concentrate regrind circuit and secondary flotation concentration process back to the Northwest Territories site. With the flexibility of proceeding with, or deferring the downstream process plant in Saskatchewan, Fortune would not only have the ability to reduce up-front capital costs, but also to stage the various unit operations as required to reduce commissioning risks.

Other than the afore-mentioned changes to the design engineering, the Technical Report for the mine and concentrator portions of the report is nearing completion. Fortune and its consultants are in the process of conducting reviews of the capital and operating costs for the proposed Northwest Territories operations to optimize costs where appropriate. These value improvements are being incorporated into the Technical Report concurrently with Fortune's discussions with the third-party refineries to determine the best development scenario.

The engineering for the refinery in the updated Technical Report was commenced after the mine and concentrator and is still in progress.

Refinery Lands Rezoning:

Fortune has already received its Environmental Assessment approvals for both the Northwest Territories and Saskatchewan sites where it has proposed to build the mine/concentrator and refinery, respectively. The Company has submitted its Comprehensive Development Report to change the zoning for the lands for the refinery that Fortune owns in Saskatchewan to Industrial. The rezoning is required to construct and operate the refinery. The lands purchased in Saskatchewan were identified in consultation with the Saskatchewan Ministry of Economy and the Saskatoon Regional Economic Development Authority. The rezoning process is expected to be completed later this year.

Tlicho All-Season Road:

The Government of the Northwest Territories ("GNWT") is working in partnership with the Tlicho Government to develop the 97-kilometre Tlicho All-Season Road ("Tlicho Road") and provide access from Highway 3 west of Yellowknife to the community of Whati. Fortune's NICO deposit and proposed mine is located approximately 50 km north of Whati and the Company has already received its Environmental Assessment approval for a spur road that will service the mine. The Tlicho Road is required for mine operations to allow metal concentrates to be trucked south to the rail head at Hay River for railway delivery to the proposed Saskatchewan refinery, and/or a third-party processor in North America and/or a Canadian port for export overseas. Construction of the NICO mine facilities will be accomplished using the existing GNWT winter ice road and an airstrip the Company plans to construct.

The Mackenzie Valley Environmental Impact Review Board has already recommended that the Tlicho Road be approved, subject to measures designed to mitigate potential environmental, social and cultural impacts. The Responsible Ministers are expected to release their decision on the Tlicho Road Environmental Assessment this summer.

The Government of Canada has agreed to provide 25% of the construction costs for the Tlicho Road and the GNWT is funding the remaining 75% through a P3 funding structure with one of three short-listed international construction consortiums. The GNWT is expected to announce the selection of the winning proponent this fall to construct, operate and maintain the road. Construction of the Tlicho Road is expected to commence in 2019.

Provided Fortune receives the requisite financing for the NICO Project and the remaining regulatory

approvals in 2018, construction of the mine facilities could begin in 2019 and is expected to take approximately two years depending on ice-road logistics. The refinery requires about 18 months for construction unless it is deferred. This construction timeline would allow the NICO Project to be in commercial production in the early 2020's as the global automotive industry intensifies electric vehicle production.

The disclosure of scientific and technical information contained in this news release has been approved by Robin Goad, M.Sc., P.Geo., President and Chief Executive Officer of Fortune, who is a "Qualified Person" under National Instrument 43-101. The Technical Report on the Feasibility Study referred to above, entitled "Technical Report on the Feasibility Study for the NICO-Gold-Cobalt-Bismuth-Copper Project, Northwest Territories, Canada", dated April 2, 2014 and prepared by Micon, from which certain information in this press release has been extracted, has been filed on SEDAR and is available under the Company's profile at www.sedar.com.

About Fortune Minerals

Fortune is a Canadian mining company focused on developing the vertically integrated NICO cobalt-gold-bismuth-copper project in the Northwest Territories and a related refinery the Company plans to construct in Saskatchewan. Fortune also owns the Sue-Dianne copper-silver-gold deposit located 25 km north of NICO and a potential future source of incremental mill feed to potentially extend the life of the NICO mill.

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This press release contains forward-looking information and forward-looking statements within the meaning of applicable securities legislation. This forward-looking information includes statements with respect to, among other things, the Company's plans to develop the NICO Project, the timing and results of the updated Technical Report, the completion of the TASR and timing thereof, the Company's plans to secure project financing and offtake agreements for the NICO Project, the rezoning of the Saskatchewan refinery lands and the timing thereof, anticipated growth in the demand for cobalt and the estimated timing for construction of the NICO Project. Forward-looking information is based on the opinions and estimates of management as well as certain assumptions at the date the information is given (including, in respect of the forward-looking information contained in this press release, assumptions regarding: the Company's ability to arrange the necessary financing to continue operations and develop the NICO Project; the construction of the TASR and the timing of its completion; the results of the updated Technical Report; the rezoning of the Saskatchewan refinery lands and the timing thereof; growth in the demand for cobalt; the time required to construct the NICO Project; and the economic environment in which the Company will operate in the future, including the price of gold, cobalt and other by-product metals, anticipated costs and the volumes of metals to be produced at the NICO Project). However, such forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the risks that the Company may not be able to finance and develop NICO on favourable terms or at all, the updated Technical Report may take longer than anticipated, uncertainties with respect to the receipt or timing of required permits and agreements for the development of the Nico Project, the Technical Report may not generate improved economics for the NICO Project to the extent anticipated, the TASR may not be constructed in a timely fashion or at all, the construction of the NICO Project may take longer than anticipated, the Company may not be able to secure offtake agreements for the metals to be produced at the NICO Project, the inherent risks involved in the exploration and development of mineral properties and in the mining industry in general, the market for rechargeable batteries and the use of stationary storage cells may not grow to the extent anticipated, the future supply of cobalt may not be as limited as anticipated, the risk of decreases in the market prices of cobalt and other metals to be produced by the NICO project, discrepancies between actual and estimated mineral resources or between actual and estimated metallurgical recoveries, uncertainties associated with estimating mineral resources and the risk that even if such resources prove accurate the risk that such resources may not be converted into mineral reserves, once economic conditions are applied, the Company's production of cobalt and other metals may be less than anticipated and other operational and development risks, market risks and regulatory risks. Readers are cautioned to not place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by the Company. The forward-looking information contained

herein is made as of the date hereof and the Company assumes no responsibility to update or revise it to reflect new events or circumstances, except as required by law.

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