

# Fortune Minerals Advances NICO Project Environmental Work and Rezoning Required for Construction

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Canadian primary cobalt asset positioned for near-term development

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LONDON, ON, July 11, 2018 /CNW/ - [Fortune Minerals Ltd.](#) (TSX: FT) (OTCQX: FTMDF) ("Fortune" or the "Company") ([www.fortuneminerals.com](http://www.fortuneminerals.com)) is pleased to provide an update on the progress of environmental work and rezoning efforts needed to support construction of the NICO Cobalt-Gold-Bismuth-Copper Project in Canada ("NICO Project"). The 100% owned NICO Project is a development stage primary cobalt asset consisting of a planned mine, mill and concentrator in the Northwest Territories ("NWT") and hydrometallurgical refinery in Saskatchewan to process concentrates from the mine to cobalt sulphate, gold, bismuth and copper. Environmental work to support the water license issued by the Wek'èezhìi Land and Water Board ("WLWB") is being carried out for the NWT site. The Company is also advancing the rezoning of lands it owns near Langham, Saskatchewan to enable construction of the hydrometallurgical refinery. Fortune has already received its Environmental Assessment ("EA") approvals for both the NWT and Saskatchewan sites and is working to secure Project Financing.

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Mine Site Northwest Territories:

The Wek'èezhìi Land and Water Board issued a Land Use Permit and approved the Type A Water License required to construct and operate the NICO Project mine and concentrator in 2014.

In 2017, with the assistance of Tlicho residents from the community of Whati, Fortune completed the study design outlined in the Supplemental Baseline Monitoring Plan that is a requirement of the water license. This work included additional studies on hydrology, water quality, benthic invertebrates, sediment chemistry, fish population and fish flesh chemistry in the Marian River and lakes near the NICO Project mine site in the NWT. The data collected has since been analyzed and compiled into the Aquatic Baseline Summary Report which was submitted to the WLWB on June 19, 2018. This report will be an integral part of the Aquatic Effects Monitoring Plan for operations and requires approval from the WLWB prior to construction.

Fortune is now modelling the quality of the seepage water expected to be generated from the Co-Disposal Facility ("CDF") that the Company intends to build at the NICO Project mine site to permanently store waste rock and tailings generated from the mine. The results of this source term modelling will be used in the design of the CDF Management Plan, the CDF Final Design Report, and in the Constructed Wetland Treatment System pilot studies that are also required to be completed prior to construction. Fortune intends to collect cattails from the NICO Project mine site this summer for use in the wetland treatment study.

Pursuant to the requirements of the water license, Fortune is also in the process of completing the Geochemical Characterization and Management Plan. The Company will conduct a borrow source survey at the mine site this summer to determine the characteristics and quantities of soil, gravel, and sand near the proposed CDF location to determine the best options for cover material to be placed at closure. This information will also be used to develop the Interim Closure and Reclamation Plan.

Both the CDF Final Design Report and the Aquatic Effects Monitoring Plan require the input of separate

expert panelists. Three expert panel members are to be appointed by Fortune, the WLWB and the Tlicho Government. The Company is in the process of organizing these expert panels.

Fortune has engaged Tetra Tech Inc. to conduct additional geotechnical work in August for the NICO Project access road from the community of Whati to the mine site and for the proposed airstrip. This work is being completed to provide more detailed information on the amount of fill and civil works required to construct these facilities and enable construction companies participating in the Company's ("RFP") process to provide more detailed quotes.

#### Refinery Lands Rezoning in Saskatchewan:

Earlier this year Fortune submitted its Comprehensive Development Report to rezone the lands it owns in Saskatchewan to Industrial. The rezoning is required to construct and operate the NICO Project hydrometallurgical refinery. The lands purchased in Saskatchewan were identified in consultation with the Saskatchewan Ministry of Economy and the Saskatoon Regional Economic Development Authority to encourage Fortune to locate the facility in Saskatchewan. Fortune held an information session in the community of Langham on July 5, 2018 as part of the rezoning process that is expected to be completed later this year. Government officials, Fortune representatives, and teams from SNC-Lavalin and Associated Engineering were present to answer questions on the proposed refinery and the re-zoning process.

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, which are required for construction. The all-season road is expected to be available for the commencement of production and transportation of metal concentrates during operations. The refinery requires about 18 months for construction unless it is deferred if the Company decides to initially sell metal concentrates. This construction timeline would allow the NICO Project to be in commercial production in the early 2020's, at time when the global automotive industry is expected to increase electric vehicle production.

The cobalt market has had approximately 6% compounded annual growth ("CAGR") for more than 20 years, primarily due to the increasing use of cobalt in rechargeable batteries in portable electronic devices. At current prices for metal, the value of the cobalt market has risen to greater than US\$10 billion. Accelerated double digit CAGR is projected by auto OEM's and cobalt industry analysts in the 2020's, primarily from the demand in the cathodes of lithium-ion batteries used to power electric vehicles and stationary storage cells to improve the efficiency of the electrical grid.

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 International Limited (the "Technical Report"), 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](http://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 the NICO Project and a potential future source of incremental mill feed to potentially extend the life of the NICO Project 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 necessary reports, surveys and management plans, the Company's plans to secure project financing and regulatory approvals for the NICO Project, the commencement of construction of the NICO Project and the timing thereof, 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 Tlicho All-Season Road (the "TASR") and the timing of its completion; the receipt of all necessary regulatory approvals and the timing thereof, 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, approvals 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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