

Fortune Minerals Provides NICO Cobalt-Gold-Bismuth-Copper Project Technical Report Update

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[Fortune Minerals Ltd.](#) (TSX:FT) (OTCQB:FTMDF) (“Fortune” or the “Company”) (www.fortuneminerals.com) is providing a progress report on the study by Hatch Ltd. (“Hatch”), P&E Mining Consultants Inc. (“P&E”) and Micon International Limited (“Micon”) that was updating the 2014 National Instrument 43-101 Technical Report on the NICO Project Feasibility Study (“Technical Report”) by Micon. The previous Technical Report validated the feasibility of the NICO Cobalt-Gold-Bismuth-Copper Project (“NICO Project”) at a mill production rate of 4,650 tonnes of ore per day (“tpd”) using a combined open pit and underground mining strategy and vertically integrated development. The updated study was assessing an expanded mill throughput rate of 6,000 tpd and a number of process improvements for the vertically integrated development reflecting the demands for greater cobalt product output from potential strategic partners. It was also assessing lower capital cost options of producing gold and metal concentrates at the mine site for sale to third-party processors that would eliminate or defer the need to construct a vertically integrated refinery. The base case for both studies contemplated a mine and concentrator in Canada’s Northwest Territories and a related refinery in southern Canada producing cobalt sulphate used in lithium-ion rechargeable batteries, gold doré, bismuth ingot, and copper cement.

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After assessing the indicative economics of the expanded 6,000 tpd mill throughput rate, Fortune has concluded that the additional capital required to construct a larger project would not deliver a commensurate increase in cash flows to justify the expansion from 4,650 tpd at prevailing cobalt and bismuth prices. The Company has been evaluating a number of high level financial models assessing NICO Project indicative economics using different open pit sizes, various production rate sensitivities and factoring the updated capital and operating cost estimates from the 6,000 tpd case. This work has concluded that the 4,650 tpd rate used in the previous Micon Technical Report was likely optimum to produce the best balance between economies of scale and capital costs, while focusing on a smaller open pit with higher cobalt and gold grades. The modelling has also confirmed that using a mining strategy of combined open pit and underground mining in early years of the mine life will improve project economics. Focus on mining higher grade ores would also produce a higher quality cobalt concentrate to reduce transportation and downstream processing costs at the proposed refinery and is also a more attractive product to sell to third party processors if the Company elects to defer construction of the refinery.

Work on the 6,000 tpd project has been suspended. However, before completing an updated technical report based on a smaller, higher grade project, Fortune is evaluating a number of additional opportunities to optimize project economics as follows:

- Constraining the interpolation boundaries to reduce smearing of grades into lower grade areas of the deposit;
- Further optimization of the open pit shell to achieve the best balance between maximizing cobalt and gold grades, while keeping stripping ratios and mining costs low;
- A new mine plan based primarily on low cost open pit mining while augmenting production in early years of the mine life with selective underground mining of gold-rich mineralized material located close to the existing decline ramp developed for bulk sampling in 2007 and 2008;
- Optimize the size of the open pit mine equipment fleet to match the lower mining rate;
- Validate the optimum mill processing rate to minimize capital costs, while achieving sufficient economies of scale to keep operating costs low;
- Align the construction schedule for the mine with availability of the Tlicho all-season road (the “Tlicho Road”) to eliminate construction from winter ice roads to reduce capital costs and construction risks;

- Continue dialogue with third party processors interested in purchasing cobalt and bismuth concentrates directly from the mine site to defer the capital associated with building a refinery in southern Canada;
- Finalize the best site to build the vertically integrated refinery in southern Canada, including further evaluation of a brownfield location with existing synergistic facilities that is scheduled to close and could materially reduce capital costs for the development;
- Assess options for collaboration with other North American cobalt developers for a shared refinery that would treat similar cobalt concentrates using the same process technologies;
- Align the development schedule with the expected deficit in cobalt supply in 2022-23 when demand for batteries in electric vehicles is anticipated to outstrip production from existing mines and known development projects;

Robin Goad, President and CEO of Fortune commented, "An environment that has seen curtailment from the world's largest cobalt mines is not conducive for an expanded, capital intensive project at this time. However, the world continues to transition to electric mobility and will require new sources of cobalt that are independent of the Congo to meet the increase in demand from the battery sector. Fortune is optimizing its NICO development to be more robust at various cobalt prices and position the Company to support the transformation of the auto industry."

Fortune is pleased to report that construction of the Tlicho Road began in September and is progressing quickly. This C\$200 million initiative of the Canadian, Northwest Territories and Tlicho governments will provide important road access to the community of Whati, located 50 km south of the NICO deposit, by connecting the community to the Territorial highway system. Fortune has already received environmental assessment approval for a spur road between Whati and the mine site. The Tlicho Road is a critical enabler for the NICO development that will allow metal concentrates produced at the mine to be trucked to Hay River for transportation by rail to a refinery in southern Canada for processing or to a port of export.

Cobalt is an Energy and Technology Metal with growing demand for use in lithium-ion batteries used in electric vehicles ("EV's"), energy stationary storage to make electricity use more efficient and to power portable electronic devices such as mobile telephones, tablets, power tools and toys. Cobalt is also used in various superalloys, cutting tools, chemicals, catalysts and pigments. The cobalt market has had a cumulative annual growth rate of approximately 6% over the last 25 years, primarily due to increasing demand in the cathodes for rechargeable batteries, which now accounts for more than 50% of demand. Double digit growth in the market is expected over the next decade with greater adoption of EV's as a result of government legislation restricting greenhouse gas emissions, and as cost parity and performance superiority is achieved over cars with internal combustion engines. The more than one million ounces of gold contained in the NICO deposit is a highly liquid, countercyclical co-product that is receiving increasing investor interest because of concerns over trade and the global economy. Bismuth is an Eco Metal used primarily in the automotive and pharmaceutical industries and has growing use as an environmentally safe replacement for lead in various solders, brasses, paint pigments and free-machining steels where lead-toxicity is a concern or has been legislated from use.

Fortune is continuing discussions with potential strategic partners interested in a reliable North American supply of cobalt, gold and bismuth, while optimizing the development plans for NICO in an environment of metal price volatility. Fortune will continue to advance the NICO Project and position the development to support the transformation of the global automotive industry to electric mobility with an attractive gold co-product.

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. Certain technical information in this news release is derived from the Technical Report on the NICO Project, 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 which 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 NICO Cobalt-Gold-Bismuth-Copper Project in the Northwest Territories. The Company has an option to purchase lands in Saskatchewan where it may build the hydrometallurgical plant to process NICO metal concentrates. Fortune also owns the

Sue-Dianne Copper-Silver-Gold Deposit located 25 km north of the NICO Project, which is a potential future source of incremental mill feed to 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 proposed construction of the Tlicho Road, the Company's plans to develop the NICO Project, the preparation of an updated technical report for the NICO Project and the potential for the Sue-Dianne property to provide incremental mill feed to 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 timing of completion of the Tlicho Road; the timing of the updated technical report for the NICO Project and the results thereof; the Company's ability to arrange the necessary financing to continue operations and develop the NICO Project; the receipt of all necessary regulatory approvals for the construction and operation of the NICO Project and the related hydrometallurgical refinery 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 Tlicho Road may not be completed in the anticipated time frame, the updated technical report for the NICO Project may take longer than anticipated and the results thereof may not be as positive as anticipated, the Company may not be able to finance and develop NICO on favourable terms or at all, uncertainties with respect to the receipt or timing of required permits, approvals and agreements for the development of the NICO Project, including the related hydrometallurgical refinery, 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 Sue-Dianne property may not be developed to the point where it can provide mill feed to 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 Reserves and the risk that even if such resources prove accurate the risk that such Mineral 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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