

# Fortune Minerals Provides Corporate Update

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[Fortune Minerals Ltd.](#) (TSX: FT) (OTCQB: FTMDF) ("Fortune" or the "Company") ([www.fortuneminerals.com](http://www.fortuneminerals.com)) is pleased to provide an update of current activities toward development of the NICO cobalt-gold-bismuth-copper critical minerals project ("NICO Project") in Canada. The NICO Project consists of a planned open pit and underground mine and concentrator in the Northwest Territories ("NWT") and a related refinery in Alberta where the Company will process concentrates from the mine to value added metals and chemicals. The vertically integrated NICO Project is an advanced development stage critical minerals asset that has received environmental assessment approval and the major mine permits for the facilities in the NWT. The NICO Project has also been assessed in positive Feasibility and Front-End Engineering and Design ("FEED") studies that will be updated to reflect recent project optimizations and the new proposed refinery site.

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Land Use Permit Renewed:

On March 9, 2023, the Wek'èezhì? Land and Water Board accepted Fortune's application to renew its Land Use Permit ("LUP"). The LUP is required to maintain the NICO site where there is a camp to accommodate workers, equipment shops, warehousing, and fuel storage as well as heavy equipment used for exploration, quarrying, and road construction activities. The LUP has a term of five years.

Private Placement:

Fortune recently closed a private placement of 7,892,356 units issued at a price of C\$0.07 per unit to raise gross proceeds of C\$552,465. Each unit consists of one common share and a share purchase warrant that can be exercised at a price of C\$0.10 per warrant for a period of 24 months after closing. The net proceeds of this financing will be used to fund further development work for the NICO Project and for working capital and general corporate purposes, including audit fees.

This press release shall not constitute an offer to sell or solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities will not be and have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements.

Critical Minerals Urgency:

The world is in the midst of a transformative energy transition enabled by a different suite of raw materials used in new technologies and to support the growing green economy. They are commonly referred to as "critical minerals" and have growing consumption in essential industries, cannot be easily substituted by other metals, and their supply chains are commonly threatened by geographic concentration of production, or sourced in countries with political instability and/or policy risks, or poor Environmental-Social Governance ("ESG") standards. The NICO deposit ("NICO Deposit") in the NWT contains cobalt, bismuth and copper, which are identified on Canada's critical mineral list, plus more than one million ounces of gold as a highly liquid countercyclical co-product.

The competition for critical minerals supply is intense and is reversing decades of globalization with renewed

emphasis on shorter supply lines to where the minerals are consumed and increasingly in geographical silos with reliable mining friendly jurisdictions that can deliver supply chain transparency with high ESG values. The Canadian and U.S. governments have signed a Joint Action Plan on Critical Mineral Collaboration to enable more North American production of Critical Minerals. In August 2022, the U.S. also enacted the Inflation Reduction Act ("IRA") to promote clean energy solutions due to climate change. The IRA extends incentives for domestic production of electric vehicles ("EV's") including tax credits for EV's with batteries that contain escalating amounts of minerals extracted or refined within the U.S., or countries that have free-trade agreements with the U.S., including Canada. EV batteries require significant amounts of lithium, nickel, and cobalt and most of the current sources of supply would not qualify as domestic sources to access these U.S. government tax credits.

U.S. Treasury Secretary Janet Yellen, during recent testimony in the House Ways and Means Committee said, "The global demand for these minerals in the years to come will be enormous. And we're highly dependent on China. One of the goals of the IRA is to broadly strengthen supply chains for these critical minerals and their processing."

Cobalt is a particularly important critical mineral due to its consumption in lithium-ion batteries that power EV's, portable electronic devices and stationary storage cells. Cobalt is also consumed in aerospace, magnet and cutting tool alloys, pigments, and catalysts. More than 70% of cobalt is currently mined in the Democratic Republic of the Congo, and more than half of this production is controlled by Chinese state-owned enterprises. China also controls 76% of refinery production and 91% of cobalt chemical supply.

Bismuth is also identified as a critical mineral with unique physical and chemical properties used primarily in the automotive industry for glass and anti-corrosion coatings, metallic paints and pigments, and abrasives for brakes and clutch pads. Bismuth consumption is growing as a non-toxic and environmentally safe replacement for lead in free-machining steel and aluminum, solders and brasses used in potable drinking water sources and electronics, radiation shielding, ceramic glazes, ammunition and fishing weights. Demand is also increasing in decommissioning oil and gas wells with permanent, high-density metal alloy plugs that prevent blowouts and methane leakage. Recently the U.S. Department of Energy ("DOE") also determined that manganese-bismuth magnets have similar performance to magnets made with Rare Earth Elements and can be used in the powertrains for EV's with a lower cost and more sustainable alternative. Fortune has a customer list for its future bismuth production, most of which are looking for a vertically integrated North American source of supply. China currently controls approximately 75% of bismuth mine and refinery production. The NICO Deposit is the world's largest bismuth resource with Mineral Reserves containing approximately 12% of global reserves.

#### Government Support:

Fortune has been in discussions with the Canadian, U.S. and E.U. governments to secure financial support for the development of the NICO Project. The Government of Canada announced \$3.8 billion in financial support for critical minerals in the 2022 Budget to accelerate domestic production and processing. This was followed later last year by the Canadian Critical Minerals Strategy which identifies the areas where financial support will be focused. Cobalt, nickel, and lithium are a priority for support because of their use in lithium-ion rechargeable batteries. In an interview at PDAC 2023, Canada's Natural Resources Minister, Jonathan Wilkinson noted that the Canadian government is now considering taking equity stakes and advancing loans to Canadian critical minerals companies. Fortune currently has a grant application with Natural Resources Canada to support pilot tests to provide additional data for detailed engineering. Alberta Innovates has also indicated that it could support the bismuth component of this work. Fortune has also applied to the U.S. Department of Defense for matching grants of up to US\$25M, primarily for detailed engineering. This application was submitted further to the Defense Production Act Title III Presidential Directive supporting North American battery materials production due to the war in the Ukraine.

For more detailed information about the NICO Mineral Reserves and certain technical information in this news release, please refer to 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](http://www.sedar.com). 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.

#### About Fortune Minerals:

Fortune is a Canadian mining company focused on developing the NICO cobalt-gold-bismuth-copper critical minerals project in the NWT and Alberta. Fortune also owns the satellite Sue-Dianne copper-silver-gold deposit located 25 km north of the NICO Deposit and is a potential future source of incremental mill feed to extend the life of the NICO mill and concentrator.

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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 use of net proceeds from the Private Placement, the Company's plans to develop the NICO Project, including the successful development and construction of the planned NICO cobalt-gold-bismuth-copper mine and concentrator, the government support in the development of the NICO Project, and the NICO Deposit. 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: no other urgent project or expense would arise which may need the net proceeds of the Private Placement, the Company's ability to meet all requirements imposed by the government in order to receive government support, accuracy of the studies on NICO Deposit, the Company's ability to complete construction of a NICO Project refinery; 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, including the planned NICO cobalt-gold-bismuth-copper mine and concentrator 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 COVID-19 pandemic or global geopolitical situations may interfere with the Company's ability to continue development of the NICO Project, 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 government may enact legislation preventing it from providing support in its 2022 Budget, the study which provided results on NICO Deposit may not have been conducted accurately, the inherent risks involved in the exploration and development of mineral properties and in the mining industry in general, the market for products that use cobalt or bismuth may not grow to the extent anticipated, the future supply of cobalt and bismuth may not be as limited as anticipated, the risk of decreases in the market prices of cobalt, bismuth 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 Mineral 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, bismuth 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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