

Fortune's bismuth offtake plan secure

Aug 05, 2011 | 12:16 AM | Meredith Mazzilli

NEW YORK — Fortune Minerals Ltd. said that the acquisition of minor metals processor and distributor MCP Group SA by refiner 5N Plus Inc. isn't expected to change the terms of an offtake letter of intent with MCP.

"There's a lot of interest from 5N Plus to get our relationship solidified," said Robin E. Goad, president and chief executive officer of London, Ontario-based Fortune Minerals, although an official agreement has not yet been completed. "We have a relationship which at this point is a letter of intent. Both sides intend to pursue an agreement whereby we would be producing a reliable North American-based supply of bismuth."

The acquisition of MCP by Montreal-based minor metals refiner 5N Plus earlier this year (*AMM*, March 1) is not expected to have any material effects on an offtake agreement for most, if not all, of the bismuth cathode to be produced at Fortune's Nico deposit in the Northwest Territories.

The Nico bismuth, cobalt, gold and copper development is progressing through permitting. The deposit will be mined using a combination of open-pit and underground methods at a rate of 4,650 tonnes of ore per day, and the hydrometallurgical facility is expected to produce at least 1,650 tonnes of bismuth ingot per year. "It's been test mined. It's been pilot plant processed. It's in a very advanced stage of permitting," Goad said.

The planned operations at Nico have become more vertically integrated since Fortune Minerals first contemplated the project. "The original plan was that we were going to produce a concentrate which would have been toll processed in China and shipped backed to MCP. Now we're going right through and processing it ourselves," Goad said.

Fortune has used a \$10-per-pound bismuth price assumption in its economic modeling for the Nico project, and Goad said the project will capture prices at or above that level thanks to the existing lack of global supply diversity.

The *AMM* free-market price for bismuth is in a range of \$11.20 to \$11.70 per pound.

"We're bullish on commodities generally, and bismuth is a metal that in our view is supply constrained," he said, noting that about 80 percent of refined bismuth production comes from China. "Having a reliable North American source is going to probably help diversify and expand the market."

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