Fortune capitalises on bismuth demand

Having access to a mixed bag of critical minerals has put Canadian-based Fortune Minerals Ltd in pole position to supply some of the most in-demand commodities and gain national and international government funding.

The double win has Fortune living up to its name with a compliment of cobalt, gold, bismuth and copper prospects at its NICO project in the Northwest Territories of Canada, where the company plans to establish open pit and underground mines. A hydrometallurgical recovery plant is also planned for construction in Alberta to process concentrates from the mine, and other feed sources, and produce metals and chemicals for the energy transition and defence industry.

The NICO project is no small asset, boasting reserves of 33.1mt, consisting of 102.1 mlb bismuth, which could account for 12% of global reserves, 82.3 mlb cobalt and 1.1 moz gold.

Recent geopolitical and international instability has also played into Fortune's hands with China restricting export of bismuth at the beginning of the year and a surge in the gold price that appears unabated.

China's export restrictions on bismuth led to a rapid rise in prices from 12c in July to a 17-year high to 27c, at the time of print. Fortune's large reserves and the favourable geopolitical circumstances caught the eye of Canadian state and federal governments which approved $C887,170 to support metallurgical test work to progress the NICO project.

The US Department of Defense also locked in a slice of Fortune's asset growth with $US6.3 million of funding in May 2024. NICO is one of just two recognised IOCG projects in Canada and Fortune chief executive Robin Goad conceded the addition of bismuth and cobalt made the project a "bit of an odd ball".

However, Goad is content with his odd ball project given in-ground estimates worth about $US3.8 billion of gold and about $US1.6 billion in bismuth.

"Historically we've primarily been a cobalt asset and gold was number two with bismuth relatively small and copper trivial," he said. "Today we are a gold deposit and the bismuth we are quite excited about because we have 12% of the global reserves.

"Both cobalt and bismuth are metals that have supply chains that are effectively controlled by China so having a North American supply that's vertically integrated is attractive. We're going right through to value-added products, producing cobalt sulphate for rechargeable batteries, gold dore, bismuth ingots and copper cement."

Fortune has sunk about $C145 million into developing NICO with a total of $17 million coming from a combination of US and Canadian government-funded programmes.

A 2014 BFS is being updated along with updates to a FEED study, a feasibility study including financing and securing remaining permits for both sites, and metallurgical test work.

The highly liquid gold-cobalt asset will set Fortune up for its jump into bismuth and cobalt production which Goad views as the best avenue to become a midstream processor of critical minerals.

"With the midstream processing we're kind of a processing company with a captive mineral resource – it's just a different way of saying vertical integration," he said. "I'm most excited about the downstream processing and when you bring in product from Rio Tinto [Ltd] and other potential sources of supply, we are very focused on critical mineral production.

"If we talk about commodities, particularly bismuth, we see tremendous growth opportunities there."

Fortune has further opportunities to grow the NICO resource in newly identified zones of mineralisation where up to eight drill intersections with ore grade metal values are expected to be followed up.

A satellite deposit, located about 25km north of NICO, with a reserve estimated at about 27mt will also become a focus for exploration given it is comprised mostly of copper. In-pit resources are estimated at 10mt and another 14mt are indicated outside of the pit shell.

"There's huge exploration opportunities on both projects, we have geophysical anomalies that would indicate that we could find everything that you would hope to find in an IOCG," he said. "Typically, the best deposits in the class, occur in clusters of 1bt deposits, Olympic Dam being a very good example."

Goad is keen to get boots on the ground to make the project a production reality and a financial success before taking any significant steps towards scaled exploration, but he said that plan could change with the right partner.

"If we have a world-class partner then we could refocus on exploration – there's a lot of copper in the system and there's a lot of focus on copper exploration right now, globally," he said. "If we were to expand our relationship with Rio Tinto, I'm sure they would like to do some exploration, and we have some other large Canadian companies that have looked at the project.

"1.1 moz of gold is attractive but if you're a big gold producer you're going to probably want somewhere north of 3 moz. It really just depends on who's driving the bus."

– Rhonda Malkin

Fortune's NICO project is set to supply 12% of global bismuth reserves