

Pure Minerals Ltd

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Pure Minerals on schedule to deliver PFS for nickel cobalt project this quarter

Pure Minerals Ltd (ASX:PM1) continues to progress its pre-feasibility study (PFS) on a processing operation that would produce battery-grade nickel and cobalt sulphate.

The TECH Project located on the southern outskirts of Townsville in Queensland plans to process laterite ore into a mixed hydroxide precipitate (MHP) which will be refined to produce a battery-grade nickel and cobalt sulphate.

The PFS is building on a successful scoping study released in January 2019, which assessed the feasibility of constructing a battery materials refinery in Townsville to process ore sourced from third parties.

Scoping study estimated opex of \$0.93 per pound nickel

The scoping study was based on a throughput of 600,000 wet tonnes per annum (tpa) over 25 years for a refinery that could produce around 25,400 tpa nickel sulphate and 3,000 tpa cobalt sulphate.

Other valuable co-products will be produced including hematite, alumina and magnesium oxide.

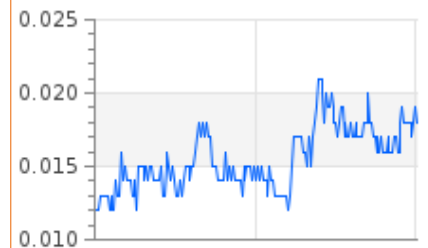
The scoping study estimated project capital expenditure including a 20% contingency at US\$297 million and annual operating expenses of \$108 million or \$0.93 per pound of nickel.

To provide context for the estimated opex, in early September 2019, the nickel price is US\$8.51 per pound and the scoping study estimates a US\$2 per pound premium for nickel sulphate.

Price: \$0.02

Market Cap: \$8.95 m

1 Year Share Price Graph



September 2018 March 2019 September 2019

Share Information

Code: PM1

Listing: ASX

52 week High Low
0.022 0.012

Sector: Mining

Website: www.pureminerals.com.au

Company Synopsis:

Pure Minerals Ltd (ASX:PM1), through its wholly owned subsidiary Queensland Pacific Metals Pty Ltd (QPM), is focused on developing a modern battery metals refinery in northern Queensland. The refinery, dubbed the Townsville Energy Chemicals Hub or TECH, will process imported, high grade Ni-Co laterite ore from New Caledonia to produce nickel sulphate, cobalt sulphate and other valuable co-products.

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Ore for processing secured

The refinery that will process nickel-cobalt ore sourced from two third parties via an ore supply agreement.

The ore will be imported from New Caledonia, which is an island located around 2,000 kilometres offshore Townsville.

This relatively short seaborne distance will assist to minimise ocean freight costs and provides the project with a competitive advantage over other potential locations, in particular, Asia.

New Caledonia is a reliable ore source and previously supplied the Queensland Nickel Refinery.

The expected ore grades are 1.6% nickel and 0.17% cobalt with a contract minimum of 1.4% nickel and 0.15% cobalt.

Two-stage processing: Stage 1 DNi Process

Once the ore has been shipped from New Caledonia to Townville, there are two stages of processing to produce the desired end products.

The DNi Process is a modern processing technology that utilises nitric acid to digest, at atmospheric pressure, a range of minerals found in lateritic ores. The nitric acid is then recycled.

Two-stage processing: Stage 2 CSIRO Process

The primary product output of the DNi Process is a nickel-cobalt MHP, which is a commonly traded product.

Notably, the emergence of the battery market has increased demand for nickel and cobalt sulphate.

Therefore there is an economic rationale for MHP producers to upgrade this intermediate product to a product that is suitable for battery manufacturers.

The proposed flowsheet to be used by the project to achieve this has been developed in conjunction with CSIRO.

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