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Sumitomo Metal Mining to Acquire 9.9% Stake in FPX Nickel Corp.

Acquired the right of second offer for production derived from a new nickel resource, the awaruite ore

Sumitomo Metal Mining Canada Ltd. (“SMCL”), a wholly owned subsidiary of Sumitomo Metal Mining Co., Ltd. (TSE: 5713) (“SMM”), and FPX Nickel Corp. (TSX-V: FPX, OTCQB: FPOCF) (“FPX”) have agreed that SMCL will acquire a 9.9% stake in FPX by subscribing to a private placement of new shares. The consideration for the share acquisition is expected to be approximately C\$14.4 million, and is subject to the acceptance of the TSX Venture Exchange.

FPX is developing the Baptiste Nickel Project (“Baptiste Project”) within the Decar Nickel District in British Columbia, Canada, and is considering the mining of nickel resources, where the awaruite ore is the principal mineral. Awaruite ore, an alloy mineral of nickel and iron, can be recovered through a less carbon-intensive process than existing nickel raw materials such as oxide ore and sulfide ore. Because of this feature, it is expected to become a new low-carbon nickel resource.

By this placement, SMM obtains the right of second offer for a cumulative 60,000 tonnes of nickel from the Baptiste Project, with the timing and annual volume to be negotiated at a later date. Furthermore, through this placement, SMM can have the opportunity to evaluate this development project in detail and to provide SMM’s technical expertise to the feasibility study to be implemented going forward. SMM expects that this investment will establish a strong relationship between the two companies and contribute to SMM’s production of 150,000 tonnes of nickel per year, which is one of the targets of its Long-Term Vision. SMM will also accumulate knowledge on the awaruite ore, a new nickel resource.

Baptiste Project Summary (Pre-Feasibility Study published by FPX in September 2023)

- Ownership: 100% by FPX
- Main Mineral: Awaruite ore
- Mine life: 29 years
- Annual Production: Average 59,000 tonnes Nickel

Media Contact

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