

\$150-million refinery to be built near Langham

BY CASSANDRA KYLE, THE STARPHOENIX NOVEMBER 3, 2009

The company behind a \$150-million metallurgical processing facility to be built between Langham and Saskatoon said the province's interest in attracting the plant tipped the scales in the region's favour.

Robin Goad, president of Fortune Minerals Ltd., said Enterprise Saskatchewan's involvement in courting the London, Ont.-based company to the Saskatoon area played a major role in the company's decision to base its gold, copper, bismuth and copper refinery here.

The company announced Tuesday it has entered into an agreement to purchase land in the Saskatoon area on which it plans to construct the facility.

"Quite frankly, the Saskatchewan government worked very hard to motivate us to come to Saskatchewan and that was recognized," Goad said in an interview from his Ontario office.

"The indication we got from Saskatchewan is that the government would be behind us and help us get through any changes in zoning and introductions to communities."

Edmonton and Winnipeg were also in the running to host the facility.

The refinery would process ore from Fortune's NICO project in the Northwest Territories. The project is expected to come into production in 2012 with the processing plant up and running to meet the same timeline, Goad said.

The facility would employ 85 people in highly skilled positions, such as chemical and metallurgical engineers, over NICO's projected 15- to 20-year life.

"We specifically wanted to be near a community where people wanted to live, but . . . we're a little bit outside of Saskatoon because this is going to be an industrial site," he said.

The Saskatoon region also met the criteria set out by Fortune as imperative to the construction of the facility. The proposed site east of Langham, located about 30 kilometres west of Saskatoon, includes access to the main Canadian National rail line, is close to a major national highway and services such as power, natural gas and water.

The company decided earlier this year to move the processing facility south of the NICO project due to several factors including increasing power costs and employee retention, Goad said.

Fortune's refinery could expand to recycle metals in waste materials, the president said, and could also

attract other businesses involved in the metals sector to the region.

Goad said emissions from the plant would be minimal, with only a “very, very small amount of carbon dioxide going up the stack.” However, the Saskatchewan Environmental Society’s Ann Coxworth raised initial concerns Tuesday about water use at the facility, specifically where it comes from, how much is used and if it would be contaminated.

Jennifer Balon, director of business attraction at the Saskatoon Regional Economic Development Authority — which was also heavily involved in bringing Fortune to the area — said the company plans to hold information sessions about the facility in the surrounding communities, including Langham and Dalmeny.

“The people at Fortune are absolutely wonderful, very good corporate citizens, they’re doing a lot of due diligence on this from an environmental perspective,” Balon said.

Fortune wants to create a good relationship with the area, she added, saying the company chose the proposed site for the plant because of its large size and distance from surrounding communities.

Langham’s administrator Randy Sherstobitoff said the town of 1,300 people is excited about the project. Fortune has been upfront about its plans and has always provided information about the project when asked, he said.

“We’re hoping, of course, that it will spur some offshoots, small businesses, the kind of economic activity any small town hopes for,” Sherstobitoff said.

The facility will process about 80,000 tonnes of product from NICO each year, a site that is expected to become a significant global producer of cobalt and the world’s largest independent producer of bismuth.

Cobalt is becoming increasingly popular as an ingredient in rechargeable batteries and industrial magnets while bismuth, a key ingredient in Pepto Bismol, is being used to replace lead in several applications such as paint and ceramic glaze.

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