



Alberta's newest resource: rare metals

December 12, 2011: By Todd Hirsch, Senior Economist with ATB Financial

CALGARY, AB, Dec. 12, 2011/ Troy Media/ – When we think of Alberta's natural resources, most of us tend to default to oil, oil sands, or maybe natural gas. Some may think of our timber resources, or maybe agriculture. But rare metals? If a Canadian company is successful with some new discoveries it's making, Alberta could be set to unleash a whole new kind of natural resource in the coming years – and with it, perhaps, a more diversified economic base.

Toronto-based DNI Metals Inc. has been poking around in some of the shale deposits in northern Alberta, looking for a series of rare metals that are often difficult to find or extract. Elements such as molybdenum (Mo), nickel (Ni), uranium (U), vanadium (V), zinc (Zn), copper (Cu), cobalt (Co) and lithium (Li) sound more like things you'd study on the periodic table of elements in high school than up-and-coming resources in Alberta. Who's ever heard of vanadium?

But at DNI's polymetallic black shale projects in the Athabasca region of northern Alberta (a project DNI calls its Buckton inferred resource), such rare metals are being discovered. Now DNI is looking for a way to extract them and make the project commercially successful.

In a press release from December 2nd, the company tabulated its findings of the Buckton resource elements, and seem to be encouraged by what they found: ". . . the apparently modest grades tabulated are significant and represent an immense in-situ metallic budget of recoverable specialty metals and rare earth elements." That seems to be legal-speak for "this could actually make us money!"

Curiously, the press release did not garner much attention in Alberta, and it was not until I was attending a conference in Toronto this week that I even heard of it. Apparently it's on at least some radar screens out east!

It is far too early in the process to be uncorking the champagne and announcing Alberta will launch into a whole new area of resource production. And to be clear, the folks at DNI state that the "assessment of the economic impacts that these metals might have . . . cannot be determined at this time." Also, twice in their December press release, they state: "Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no guarantee that all or any part of the mineral resource reported herein will be converted into a mineral reserve."

Still, the news is encouraging – and it's hard not to get ahead of ourselves in thinking about what such a resource could do to expand and diversify Alberta's natural resources. Every type of natural resource discovery would have started out with approximately the same cautiously written press release . . . we're not sure if this can be economically feasible, but we're encouraged enough by what we found to issue a press release, and we're going to explore this some more.
