

## **First Point Minerals** (FPX-TSXV)

*The following editorial is extracted from the November 2009-1 issue*

First Point has optioned its nickel-iron property to a major iron producer. A unit of Cliffs Natural Resources Inc. has an option to earn an initial 51% interest in the Decar nickel alloy property in central British Columbia. Cliffs has also agreed to subscribe to a private placement of First Point shares.

First Point is run by Dr. Peter Bradshaw, a highly regarded geologist. The project is at an early stage, but has considerable potential. The project hosts an unusual mineral called awaruite, with symbol Ni<sub>3</sub>Fe. It is a naturally occurring alloy of nickel and iron. It occurs as sizable particles and is highly magnetic, opening the possibility for magnetic separation. The nickel mineral is also dense, which would allow separation by gravity means.

The surface exposure of the mineralization is extensive, suggesting the possibility for a multi-hundred million tonne deposit with a grade in the order of 0.3% nickel. Much of the nickel content is in the awaruite, and since that mineral could be readily separated and may not require smelting, the size and the grade appears to make economic sense. The deposit is at surface and is well located,

with a rail line adjacent to the mineralized hillside.

The deal with Cliffs gives the iron miner the option to earn up to a 75% interest by funding the project through a feasibility study. The deal includes a firm commitment of \$1 million of spending in the first year. It was somewhat surprising to see a large company like Cliffs enter into a joint venture of this nature on a property on which there has not yet been any drilling. The deal attests to the large size potential of the project and to the geological work completed by Dr. Bradshaw and his team.

First Point also holds a property in Oregon with similar geology and Dr. Bradshaw has been conducting a comprehensive review of other similar settings. First Point also has three other gold-silver-base metal projects in Mexico and Honduras, all of which have seen enough previous work to demonstrate the potential for substantial discoveries. The company has been hampered by a lack of cash. The higher profile that the company now enjoys should make it possible to raise money to continue to advance those projects.

