
Itaoeste negotiates partnership in Thallium

Businessman Olacyr de Moraes, about to complete 81 years of age, bets in mining as a new business front. He is negotiating with three foreign groups to constitute a partnership to exploit and produce Thallium, a mineral which is rare in nature, up to now only extracted as "impurity" of other metals, especially Zinc. By means of its mineral research and development company, Itaoeste, created in 2002, the former Soya king of the country, expects to obtain license, still this year, to start extracting the metal.

"We are confident. Thallium is our best maturity level project" stated Moraes in interview to Valor. Discovered last year, the Thallium reserve in Barreiras, Bahia, exceeds 60 tons in only one area (704 hectares), which correspond to only 2% of a total of 44 thousand hectares prospected by Itaoeste. Our days, according to the US Geological Institute (USGS), the global consumption of Thallium is of 10 tons per year.

Quoted at US\$ 6 per gram, Thallium is a high added value mineral, used in industries which adopt edge Technologies. It is applied as contrast in cardiovascular essays, in superconductor alloys, in addition to being used as thermoelectric material, generating electric power with the difference of temperature (used in vehicle motors, refrigerators and even chips), in addition to leds, lenses, photoelectric cells and glass.

The sole large producers of the metal are China and Kazakstan. In 2009, however, China eliminated tax benefits to the export and started to import, in effort to meet the internal demand. Kazakstan is therefore leading the metal production. "The demand for Thallium is depressed and will accompany the increase of offer of the metal" said the operations director of Itaoeste, Carlos Cerri.

In Bahia, the mineral was found in an open pit, associated to Manganese and Cobalt. In the other reserves of the world, however, it appears associated to Zinc, Lead and Copper, generally in underground mines, with high exploitation cost. "In Brazil, Thallium is outcropping", said Cerri. According to him, the same potentiality has been determined throughout the whole area required. Thallium shall be extracted together with 300 thousand tons of Manganese, suitable to produce Sulphite (agricultural use) and electrolytic (for special allows).

Itaoeste admits it is capable of implementing a production project, which may be a first module, of 6 to 10 tons of Thallium plus 30 thousand tons of Manganese per year. For this phase, the investments would be of US\$ 50 million. With the sale of such production, an initial turnover could be attained, at US\$ 70 million to US\$ 100 million per year.

The idea, informed Moraes, is to start exporting the concentrate (non-refined material) to countries such as South Korea, Japan, China and to Europe, until such time when the refining technology is implemented. "I see the chance of doing, in the mining area, a replay of what I did in the Soya business. I was a pioneer, but paid a high price", he stated. If everything goes as hoped, he estimates that the exploitation, only of this rare material, may generate US\$ 1 billion turnover.

"A partner would accelerate the process and would be ideal, to bring in market experience", explained Moraes. According to him, the Company masters the extraction and separation procedures and is waiting for a license to mine the metal, which it expects to receive in less than one year. "When we gain the mining power, we start to make money. Up to the end of 2013, we will start to process the metal".

Itaoeste invests R\$ 1,5 million per month in research and prospection, with own resources, according to him, mostly originated from his former business. The company has 200 thousand hectares in the States of São Paulo, Piauí and Bahia, in Iron, Copper, Titanium, Phosphide, Limestone for cement, black granite and marble.

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