

STRIKING THE NICKEL JACKPOT

INVESTORS ARE EYEING JUNIOR MINERS WHO ARE IN THE MIDST OF EXPLORING FOR NICKEL-COPPER SULPHIDES ACROSS WESTERN AUSTRALIA. **NICKOLAS ZAKHARIA** SPEAKS TO SOME OF THE EMERGING COMPANIES LEADING THE CHARGE.

Eight years ago, Sirius Resources discovered the Nova deposit in the Fraser Range, today a major mine forecast to produce up to 30,000 tonnes of nickel and 12,500 tonnes of copper in the 2020 financial year.

The highly coveted success story saw Sirius' market value catapult from under \$10 million to around \$600 million.

In 2015, IGO inked a deal to acquire Sirius for \$1.8 billion, which highlighted the golden ticket that greenfield nickel exploration could gift to hopeful mineral explorers.

Veteran prospector Mark Creasy, through his private entity Creasy Group, has orchestrated the Fraser Range's nickel exploration potential into a reality.

Creasy Group was a major shareholder in Sirius during its discovery of Nova and has remained a major shareholder of IGO.

Junior explorers Legend Mining and Galileo Mining – both backed by Creasy – have claimed some of Creasy Group's best ground in the Fraser Range.

The spotlight has returned to the area with Legend's game-changing discovery late last year suggesting the company is on the verge of something big.

Legendary opportunity

Legend's Rockford project has reignited anticipation for another Nova-style discovery.

The company has worked with Creasy Group since 2015 to discover potential nickel deposits that lay under thick layers of soil cover at Rockford.

Its Mawson prospect first made a mark in December last year, when

Legend discovered one of its drill holes – RKDD007 – was part of a large mineralised system in the Fraser Range nickel belt.

This launched Legend's market capitalisation to \$200 million, with director Mark Wilson describing the discovery as a "watershed moment" at the time.

Since December 2019, the company has enjoyed a string of successes at Mawson, which have further cemented the possibility of a significant orebody in the area.

"We always had the belief, what the assays from RKDD007 did was to confirm our belief had substance," Wilson tells *Australian Mining*.

"What we've been saying to people is our interpretation of what we have drilled into is a squirt off the main orebody and our mission now is to find that."

Legend has ramped up its exploration activity this year, with the company securing \$20 million in funding during June to conduct further aircore drilling and a gravity survey to provide its next round of drilling targets.

"Our market cap has grown dramatically, our annual spend has doubled this year and generally we have a much higher profile in the sector," Wilson says.

While comparisons have been drawn between the Mawson prospect and Sirius' Nova discovery, Wilson points to the parallels between the Fraser Range's nickel belt and the Thompson belt in Canada.

"The interpretation of this Fraser zone, which is about 400 kilometres long and about 50 kilometres wide, is an identical footprint to what the Thompson belt in Canada is," Wilson explains.

"Going way back to the 1960s,

the Canadian Geological Survey identified this Fraser zone as an analogous situation to Thompson.

"What's really important at Thompson is the mineralisation occurs in clusters of economic deposits and the total endowment in the Thompson belt is 2.7 million tonnes of nickel. At the moment in an identical footprint of 400 kilometres by 50, we've only got 300,000 tonnes of nickel in the Fraser zone."

Legend is confident that more nickel discoveries will sprout from the region in the near future.

"Legend has clearly drilled the three most important intercepts of massive nickel copper sulphide in this entire area since the discovery of Nova. I think that's why the market is giving us such a strong recognition for what we've done," Wilson says.

Gallant Galileo

Galileo is another junior explorer that is backed by Creasy Group, with valuable tenements in the Fraser Range through joint ventures together.

The company's chairman and managing director, Brad Underwood,

previously worked for Creasy to explore the area between 2010 and 2018, where he played a major role in discovering the Silver Knight nickel-copper deposit – another major discovery in the Fraser Range.

"Exploration is an optimist's pursuit," Underwood tells *Australian Mining*. "We believe that the Fraser Range will develop into a new nickel belt and that the potential for new and large discoveries in the region is very high.

"It is not like the traditional nickel camps in WA, which were effectively explored using surface prospecting techniques. The Fraser Range is a demonstration area for modern exploration methods and we are starting to see results already."

Galileo is exploring two areas of the Fraser Range, with the Nova and Silver Knight deposits located between them. On the back of the Fraser Range's two major discoveries, Galileo's projects position the company to uncover similar findings.

While greenfields exploration may pose some risk to investors, the Fraser Range has the advantage of strong research over the past 10 years, combined with promising discoveries that suggest a nickel belt is somewhere in the area.

"What we are doing is testing the ground for mineable resources," Underwood says. "It is similar to a fishing trip which would not usually be described as a gamble. The fisherman's knowledge will definitely improve the likelihood of success, but it cannot be guaranteed."

Galileo has completed its first RC drilling program in the Fraser Range at the Lantern prospect, with the knowledge the rock types in the area of both its tenements could be hiding something large that is ready to be



DIAMOND DRILL RIG SET UP AT LEGEND'S ROCKFORD PROJECT IN THE FRASER RANGE.



BRAD UNDERWOOD ON SITE AT THE LANTERN PROSPECT.

uncovered with future drilling.

“The highlight for us so far has been the discovery of disseminated nickel-copper sulphides at our Lantern prospect,” Underwood says.

“The mineralisation is not yet of economic grade, however it is a fantastic start from our first ever RC drilling program. We know we have

the right rock types in the right area at both the northern and southern tenements.”

For Underwood, exploration in the Fraser Range has transformed significantly over the course of the past 10 years.

“It’s changed hugely,” he says. “There was almost no drilling when

we started. By the time I left the Creasy Group, we’d done a huge amount of drilling, a lot of detailed magnetic surveys, a lot of detailed gravity.

“So, it’s gone from a very low base to a moderately well-explored area.”

With a strong need for nickel, the commodity has remained an attractive option for investors.

“Nickel is a commodity with strong demand growth, both from the steel industry and from new battery technologies,” Underwood says.

“Nickel exploration companies like ourselves that are focussed on discovering high value nickel deposits are a great way to leverage an investment in nickel.”

A golden Chalice

The Fraser Range is not the only area in Western Australia rife with greenfield exploration projects in areas that have previously been overlooked.

Chalice Gold Mines’ Julimar project is just an hour’s drive from Perth’s doorstep, and has proven to be a key asset in the company’s search for nickel sulphides.

The company’s luck at Julimar is already paying off with initial drilling results revealing high-grade massive sulphides of nickel-copper PGEs earlier this year — and it wasn’t simply beginner’s luck.

Chalice is now sitting in a promising position off the back of these results after raising \$30 million from investors in May.

“We’re anticipating that \$25 million of that funding essentially goes directly to the Julimar project over the next few years,” Chalice managing director Alex Dorsch tells *Australian*

Mining. “Our aim is to get to a point where we have a resource to develop.”

For Dorsch, Julimar is an attractive project for investors due to the unique discovery of high-grade PGEs.

“High-grade nickel sulphide intercepts are always popular with investors,” he says. “What’s different about our project is we’ve got high-grade PGEs as well.

“Most PGE production comes from South Africa and Russia, so for us to find a potential new source just outside of Perth is significant from a strategic standpoint.”

Chalice’s impressive cash position also reflects its approach to early stage greenfield exploration.

“There’s a bit of a perception in the industry that all greenfield exploration is high risk,” Dorsch adds.

“Exploration can be high risk when the quantum of spend is high, because you’re betting a lot of capital on a low probability outcome. At Julimar though, we spent a very small amount of money – less than \$100,000 – prior to drilling the discovery hole.

“We completed a small scale but very targeted reconnaissance program, essentially taking the project from a concept to a discovery.”

While 2020 has caused worldwide business chaos from COVID-19, Chalice has continued to grow and set the scene for the next generation of Western Australian nickel projects.

“Our exploration team has grown from six to more than 12 people in the space of two months, and we are still hiring. The project has well and truly become a key focus for the company, alongside a large exploration program running at our Pyramid Hill gold project in Victoria,” Dorsch concludes. ■



DRILLCORE FROM LEGEND'S DIAMOND DRILLHOLE RKDD011.