



'Garimpeiro' columnist Barry FitzGerald has covered the resources industry for 35+ years.

Barry FitzGerald: Lithium is dead; long live these nickel juniors in 2023

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Nickel is on its way to being the best performed base metal of 2022 and Garimpeiro reckons it could be in for a repeat performance next year.

Garimpeiro used the old-fashioned base metal description in the opening because nickel is of course a key battery metal.

But lithium wins hand down as the best performed battery metal of 2022. Does lithium have more upside in 2023? Not likely.

So there it is, Garimpeiro's base or battery metal of choice for 2023 is nickel.

Nickel's average for the year-to-date of more than \$US25,800/t has been impressive compared with its 2021 average of \$US18,500/t.

Ha, you say, nickel's average this year is distorted by its charge off to more than \$US100,000/t in March when a mighty short squeeze was played out. But get this, nickel is currently sitting at more \$US31,000/t.

So it has seen off concerns about rising production from Indonesia, recession fears, and China's COVID shutdowns.

Little wonder about that.

On BHP projections, nickel supply needs to increase four-fold over the next 30 years if energy transition targets are to be met. Copper needs to increase two-fold yet it is much easier to find than battery preferred nickel sulphide deposits.

More and more new nickel projects need to come forward. But that will only happen with super incentive pricing for the metal. Even the current elevated nickel price is probably not enough to get the supply response required for the energy transition.

Garimpeiro's preference for small cap explorers with active exploration programs capable of creating 10-bagger type responses is on fully display in this week's rundown on some nickel stocks to watch in coming months.

The nickel class of '23

Nordic Nickel (ASX:NNL): Trading at 19c for a market cap of \$22 million. It is a lightly capitalised nickel exploration explorer which has the minerals-rich Central Lapland greenstone belt of northern Finland as its focus.

It only joined the ASX in June and has been a bit quiet since as it has been waiting for the weather window for drilling to open up. That means next month, making it one of the few nickel juniors out there promising some action in the near-term with the drill bit.

It already has a sizeable resource of shallow disseminated nickel mineralisation under its belt within the flagship Pulju project area. But the real excitement with this one is the potential for Nordic's project areas to host deeper high-grade massive sulphide lenses.

That is the focus of a drilling campaign about to kick off at the Hotinvarra prospect where modern-day geophysical sensing work has identified multiple targets. One to watch for sure, the great hope of some being that Finnish PM Sanna Marin rocks up to a mine opening by Nordic down the track.

Aston Minerals (ASX:ASO): Trading at 9.4c for a market cap of \$104 million. Tolga Kumova is on the board of this one. It has a gold and nickel project in Ontario, Canada. But it is the nickel that has come in to its own in recent times.

As Aston says itself, it is on to a “bulk tonnage, disseminated nickel sulphide project that is located in an infrastructure-rich region of a first-world jurisdiction (which) is going to have huge strategic value for end users.”

A resource estimate is not far off and the company’s MD Dale Ginn has flagged previously that the market should expect something big.

He had no problem suggesting the discovery could be of similar size and grade to OZ Minerals’ West Musgrave project in WA (on its way to becoming part of BHP) which is a 390Mt resource grading 0.31% nickel. West Musgrave also grades 0.34% copper but it is super remote.

Aston’s project on the other hand is all of a two-hour drive from Sudbury, one of the world’s great mining centres for nickel. The smelters there would love to see new regional supplies of nickel ore becoming available.

NickelSearch (ASX:NIS): Trading at 13.5c for a market cap of \$14 million. It has a nickel drilling program about to start at its Carlingup project in the nickel country around Ravensthorpe in WA.

The company joined the ASX in October last year and it has been busy working on commercialising an existing 170,000/t low-grade nickel resource using ore sorting and heap-leaching. A resource upgrade based on extensional and infill drilling is also not far off.

But the attention swings early in the New Year to what could come from the campaign drilling of multiple high-grade nickel targets which have been worked up in the background in the last 12 months.

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