

Blackstone isolates from general market

If there was a list of upbeat mining executives going around right now, it would be small given the state of global affairs but despite a share price smashing and nickel's doldrums Blackstone Minerals Ltd managing director Scott Williamson would likely make it on the list.

Company-wise there is good reason for Williamson's positive outlook, as the last 12 months has seen significant progress at the Ta Khoa nickel sulphide project, 160km west of Hanoi, Vietnam.

During this period, Blackstone not only acquired Ta Khoa, but raised the project's potential to a level not seen in its recent history.

Initially attracted to a mine which produced 20,700t nickel and 10,100t copper between 2013-2016, Blackstone has quickly revealed potential value in palladium-platinum-gold-rhodium-cobalt as by-products, while also making the high-grade disseminated nickel sulphide King Cobra discovery (39m @ 1.1% nickel and 28m @ 1.2% nickel latest results).

At the time of print, Blackstone reported that drilling was continuing to intersect the King Cobra zone over a 200m strike length, with the discovery remaining open down-dip and long strike to the north-west and south-east.

"The King Cobra discovery brought up the entire grade from surface early on in the mine life. We were expecting to drill something that was going to be 0.5% nickel and we're getting 1% nickel from surface. You can imagine what that does to the NPV; doubling the grade so you are getting twice as much metal through early in the mine life," Williamson said.

There is clear cause for enthusiasm on

the nickel sulphide front at Ta Khoa and while the commodity has been talked about as a key part of the EV story, prices have yet to reflect growing demand and/or the importance of the metal.

Williamson remains unfazed with the dynamics playing out in the nickel sector for the time being.

"We have to try and think a bit further than the current market. I think the good thing about this is that on the other side of it we will go into a proper bull market for a change and it will be back on," he said.

"The EV story isn't a short-term story, it is a 2023 story. The reason why the nickel price was running last time was due to the supply constrain out of Indonesia. The demand for EVs doesn't kick in until another 2-3 years which is when we will be mining. For us we are not too worried about the short-term price because we know that in 2-3 years' time it will be in the order of \$US20,000/t or more."

Williamson is confident that the nickel price will rise above current levels in due course, however, if it doesn't and there is a lag in EV demand, Blackstone can absorb some of the downside.

"Palladium and rhodium prices are [currently] going very well. In a way we are sort of hedged if the EV take-up is slower than expected because we have the palladium-platinum-rhodium that go into an internal combustion engine as a catalytic converter," he said.

The clear focus for Blackstone is re-booting a nickel sulphide project to supply Asia's growing lithium-ion battery industry with Korea's largest EV battery cathode producer showing interest.

In December, an alliance between Blackstone and Korea's Eco-pro CM Co. Ltd was struck via a non-binding MoU for the potential partnership to develop a downstream processing facility in association with Ta Khoa.



Scott Williamson

"Korea is our funding source, so we don't have to worry so much about the conventional capital markets; we have someone much bigger ready to help us, we're lucky there," Williamson said.

"We are focusing on that and trying to get some deals done there. As soon as we get funding out of Korea then there will be no stopping us because the market will realise we don't have to worry about fluctuations in share prices."

A discovery in the ilk of King Cobra – Blackstone rose from 12c/share when King Cobra was announced in December up to as high as 22c/share on the back of follow-up intersections of 60m @ 1.3% nickel in January – would move the Blackstone dial in the short term, however, there are pending major milestones looming on the horizon.

"Our maiden resource in late Q2 and scoping study in late Q3 is really when the market will wake up and realise that our nickel mine works in any nickel price environment because we have nickel sulphides, which works in any price environment whereas laterites require at least \$US20,000/t," Williamson said.

"At the moment the market doesn't quite understand what we have got because we haven't put any numbers out. We have drill hits and will do a block model for people to understand what the resource looks like and the economics behind it. It will take another three months or so. At that point, that is when the market wakes up. If I was putting that news into the market now, I wouldn't be very impressed, but I think in 3-6 months we should be in a better market and I'd be happy putting that news out then."

– Mark Andrews



A maiden resource from Tao Khoa is expected in Q2. There is existing infrastructure at Ta Khoa for Blackstone to leverage future operations from