THE NORTHERN MINER

MAY 11–MAY 24, 2020 / VOL. 106 ISSUE 11 / GLOBAL MINING NEWS · SINCE 1915 / $5.25 / WWW.NORTHERNMINER.COM

Canada Nickel's Mark Selby sees Dumont-style deposit at Crawford

NICKEL | Former RNC Minerals CEO sees opportunity in Quebec

BY TRISH SAYWELL
tsaywell@northernminer.com

Mark Selby led a team that raised over $100 million and advanced the Dumont nickel-cobalt project in Quebec from an initial resource to a fully permitted, construction-ready project for **RNC Minerals** (TSX: RNX).

Now the mining executive believes he's onto the next big nickel project in Canada with Crawford – a large tonnage nickel-cobalt sulphide discovery, 20 km north of Glencore's enormous Kidd Creek base metal mine in Ontario's Timmins camp.

The chairman and CEO of **Canada Nickel Company** (TSXV: CNC) says there are similarities between Crawford and RNC Minerals' Dumont project – one of the world's largest undeveloped nickel sulphide deposits containing about 6.1 billion lb. nickel in proven and probable reserves.

Both Dumont and Crawford sit in what was the bottom of Lake Ojibway — a glacial lake that existed between 10,000 and 20,000 years ago, Selby explains.

"It was a massive glacial lake that covered all of Timmins right through over to Amos north of Val-d'Or," he says. "It basically covered the area with from five to 60 metres of clay and silt sediment, which limited the amount of outcrop, and that's why these deposits didn't get developed years ago. The deposit at Crawford has no outcrop and was found by geophysics."

Geologists who've been to both deposits say the core looks identical, Selby continues, noting that while it's still early days at Crawford, similarities in the geology and terrain will allow the team at Canada Nickel to leverage a lot of the work that Selby and his crew did at Dumont.

Dumont is a 6-km-long intrusion and contains a 2 billion tonne resource – enough to be mined for three decades, Selby says. So far, Canada Nickel has drilled just 1.7 km of the 8-km-long

Mark Selby, chairman and CEO of Canada Nickel, holding core from the Crawford project in Ontario.
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structure identified, but he's optimistic Crawford is going to be big.

"Given the scale of the anomaly at Crawford it could be a very large deposit," he says. "We believe from the geophysics that the structure goes down 1 km deep."

In addition, both Crawford and Dumont contain the same nickel-bearing minerals — pentlandite, heazlewoodite and awaruite.

"Deposits like Dumont and Crawford have a similar geophysical signature because of the process of serpentization of these deposits, which take nickel that is trapped in the olivine and that can't be recovered with flotation, and creates recoverable nickel minerals like heazlewoodite, awaruite, and pentlandite," Selby explains. "This serpentinization process also creates magnetite and causes the rock to expand and lower its density, which is the reason why you get this distinct geophysical signature."

Drilling to date has traced the mineralized structure at the project over a strike length of 1.7 km, over a width of 225 metres to 425 metres and down to a depth of up to 650 metres. A high-grade core is contained within an area that is 1.6 km long and up to 650 metres deep.

The company released a maiden resource estimate in March that was based on 13,042 metres of drilling within 24 holes. Measured and indicated resources stand at 600.4 million tonnes grading 0.25% nickel and 0.13% cobalt for a total of 1.53 million tonnes nickel and 78,000 tonnes of cobalt. Inferred resources add 310.5 million tonnes grading 0.23% nickel and 0.013% cobalt.

The resource features a higher grade core of 262.8 million tonnes in the measured and indicated category at 0.31% nickel and 0.013% cobalt, for 807,000 tonnes contained nickel and 34,000 tonnes cobalt. The higher grade inferred portion of the resource is made up of 66.4 million tonnes at 0.29% nickel and 0.013% cobalt.

The mineralization sits within a host ultramafic body and is open for expansion as drilling has tested only 20% of the Crawford structure.

In mid-March, the company released initial results from a mineralogical assessment of 44 samples from the higher grade core, which confirmed that 89% of the nickel was contained in nickel sulphide and nickel-alloy minerals, with 97% in pentlandite and heazlewoodite and 3% in awaruite, and 11% in unrecoverable silicate minerals.

For the lower grade zones, the assessment confirms that 59% of the nickel is present in the nickel sulphide and nickel-alloy minerals, with 89% contained in pentlandite and heazlewoodite and 11% in awaruite, and 41% in unrecoverable silicate minerals.

The study also demonstrates that both the higher and lower grade mineralized areas contain significant amounts of magnetite, with the higher grade core averaging 8.7% and the lower grade zones 6.9%.

Canada Nickel hopes to wrap-up a feasibility study before the end of next year.

"That is pretty fast," Selby acknowledges. "It would be two years from the start of new drilling in September 2019 to a feasibility study, but given the similarities we've seen so far with Dumont, we think we can move at that pace, and for investors, that's the most exciting part."

Selby notes that RNC Minerals spent seven years advancing the Dumont deposit "when nobody cared about nickel very much, but now we're getting to the point where there's a shortage of nickel projects. With the majors interested in battery metals, and if we can demonstrate that Crawford would give a major the scale they need to build a project around it, and not in place like Indonesia or the DRC, it should be a very compelling opportunity for the majors."

Canada Nickel acquired the Crawford project in November 2019 for about $2 million in cash and 32 million in shares and went public in February 2020. The project was previously owned by a joint venture between **Noble Mineral Exploration** (TSXV: NOB; US-OTC: NLPXF) and **Spruce Ridge Resources** (TSXV: SHL).

"We're advancing this in a market that really cares about nickel, and we're starting out with a pretty tight shareholder structure," he adds. "Those investors are also investors in Noble and Spruce Ridge, and it's a good shareholder base with only 55 million shares outstanding and no warrants."

Last month the company announced a private placement financing of 1.6 million units, up to 5 million flow-through common shares and up to 4.1 million flow-through units to raise about $4 million.

"I don't think people realize just what a high growth metal nickel is relative to other metals," Selby says. "To date, it has been driven by stainless steel growth which is still only 3% of the carbon/steel market, which gives it lots of runway to gain market share in the big steel market. And the result of this growth and the large increase in demand from electric vehicles will require nickel supply to double by 2030 with nowhere near the number of nickel projects ready to go to be able to meet that demand."

At the same time, he says, there is much political risk in terms of the current concentration of the nickel supply.

"Indonesia, the Philippines and New Caledonia effectively control the same amount of the nickel market as OPEC did of oil at its peak," he says, "and with nickel becoming the new gasoline, consumers will want projects outside those jurisdictions." TNM