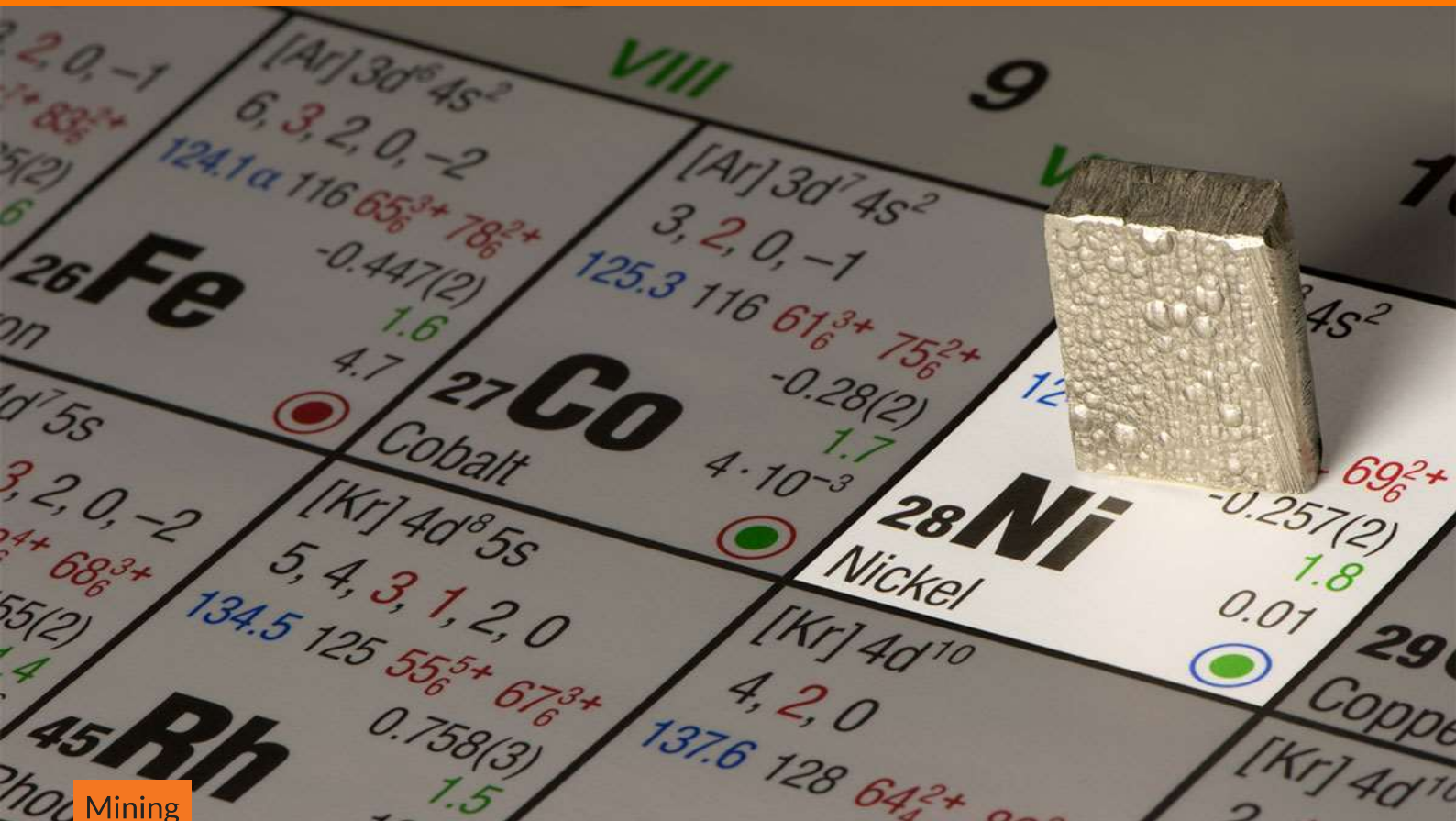




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Mining

Nickel rich batteries are here – but where's the nickel going to come from?

May 9, 2019 | [Special Report](#)

Special Report: The trend toward higher nickel content batteries is expected to continue – and securing enough nickel has now become a major concern for the EV industry.

Nickel is one of 2019's best performing metals, with prices up 18 percent since the start of year.

The outlook is just as strong. Wood Mackenzie predicts nickel prices will head back up to over \$US15,400, before rocketing towards \$US21,000 a tonne by 2025.

A metal which has been largely consumed in stainless steel production, nickel is now firmly in the spotlight as a key ingredient in long-life batteries.

Macquarie says battery demand is a key factor in it forecasting a 20 per cent rise in the nickel price over the next 12-months to around \$US15,000 a tonne, and then up again to \$US17,000/t in 2021.

“The amount of nickel used per battery could more than double over the next five-to-seven years,” Macquarie said.

“For car-makers to realise their goals, nickel supply growth over the next 10 years will basically need to outperform any growth cycle in nickel’s history.”

The move to NCM 811 has begun

Major EV manufacturer Tesla has voiced concerns that underinvestment by the mining sector could lead to global shortages of battery metals, like nickel.

And each battery is going to need more nickel going forward.

Battery manufacturers have been developing nickel-rich NCM 811 batteries (80 percent nickel, 10 percent cobalt and 10 percent manganese) because they have longer lifespans and allows electric vehicles to go further on a single charge.

In late April, China’s biggest battery manufacturer, Contemporary Amperex Technology (CATL), told investors it had begun mass production of the NCM 811.

“The company’s 811 products are already being mass-produced and the rate of progress will be based on customer demand,” CATL Chairman Zeng Yuqun said during an investor call.

Nickel juniors set to benefit

This is great news for investors in quality explorers like **Moho Resources (ASX:MOH)** which is drilling targets adjacent to **Poseidon Nickel’s (ASX:POS)** Silver Swan and Black Swan mines and 2.2-million-tonne-per-annum processing plant in Western Australia.

The explorer has one of the most talent-packed leadership groups on the small cap circuit.

Chairman Terry Streeter has a record of success in the WA nickel sector with companies like Western Areas, while consultant Dr Jon Hronsky is a world-renowned geologist responsible for the discovery of the Nebo-Babel deposits in WA – considered to be the largest nickel-sulphide find since 1993.

Moho’s search for a new type of nickel mineralisation

Moho is currently looking for Black Swan style nickel sulphide deposits at its Silver Swan North project, which has the potential to be an important cash generator if it yields a promising discovery.

On May 6, Poseidon announced that their drilling had hit a 223m-long intersection grading 1.02 per cent nickel, 900m below the Black Swan pit. Prior to this, Moho had already announced on 29 May that they had turned their focus to Black Swan-style disseminated, and blebby style nickel sulphide mineralisation on their ground.

“What needs to be understood is that, historically, companies have not explored for this type of disseminated and blebby nickel mineralisation, with their attention at the time being focussed on finding massive nickel sulphides,” says Moho commercial director, Ralph Winter.

“The main tool generally used in the exploration for massive nickel sulphides has been geophysics, particularly electromagnetic (EM) surveys that provide defined conductors.

“The big difference in searching for the Black Swan style of mineralisation is the EM survey data is more diffuse and much harder to interpret.”

Herein lies the challenge, but also unique opportunity, Winter says.

“The real prize for Moho would be the discovery of commercially extractable nickel sulphide mineralisation within our mining tenements which adjoin Poseidon’s Black Swan Nickel Processing facility.”

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