

Fathom Nickel is looking to become a leader in the Canadian nickel exploration industry

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The global pursuit of key battery metals like nickel and copper appears to be reaching a fevered pitch. Mining M&A is being spurred on by investors betting on rising demand for critical minerals that are key for the global green energy transition.

The [latest example](#) came this past Monday when global miner [Glencore PLC](#) (LSE: GLEN) (who is also in hot pursuit of Canada's [Teck Resources Limited](#) (TSX: TECK.A | TSX: TECK.B | NYSE: TECK)), [Stellantis N.V.](#) (NYSE: STLA | Euronext Milan: STLAM | Euronext Paris: STLAP) and [Volkswagen AG](#)'s (Xetra: VOW3 | OTCBK: VWAGY) battery unit PowerCo agreed to back a US\$1 billion deal by special purpose acquisition company (SPAC) ACG Acquisition Company to buy two mines in Brazil. The UK-listed SPAC will buy a nickel sulfide mine in Santa Rita and a copper mine in Serrote from private equity funds. The nickel sulfide will be refined at Glencore's facilities in Western Europe and North America once the sale has been finalized, with the final product used in EV batteries by Stellantis and PowerGo, along with other manufacturers.

It appears to be a great time to be in the nickel space as end users and mining majors continue to try and lock up key supply sources. One company looking to get in on the action is [Fathom Nickel Inc.](#) (CSE: FNI | OTCQB: FNICF), a publicly traded resource development and exploration company that is targeting high-grade nickel sulfide discoveries located in Saskatchewan.

The Company is accelerating exploration on its flagship [Albert Lake Project](#), a 90,000+ hectare project that was host to the historic and past-producing Rottenstone deposit which is recognized as one of the highest-grade deposits of its type ever mined in Canada. Also located in the prolific Trans Hudson Corridor in Saskatchewan is the Gochager Lake Project, a 19,560-hectare project that is host to a historic, open-pitabile resource.

What makes Fathom Nickel stand out to me is the historical numbers that came from the Rottenstone Mine. The Mine operated from 1965 -1969 and produced very high-grade Ni-Cu+PGE-Au (26,000 tonnes; 3.28% Ni, 1.83% Cu, 9.63 g/t Pd, Pt-Au). Albeit, this information is not considered NI 43-101 Compliant, it certainly grabs your attention.

Fathom funded exploration programs at Albert Lake in 2016, 2018, 2021, and 2022, with the 2021–22 drilling and borehole electromagnetic (BHEM) surveys leading to the discovery of the 300+ meter Bay-Island mineralized corridor which is open to the north and south. This new mineralized intrusive is located 400–500m west-northwest of historic Rottenstone deposit with consistent mineralized intervals up to 18 meters thick. Drill hole AL22052 intersected 0.62% Ni, 0.29% Cu, 0.58 g/t Pd-Pt over 13.3m (0.98% NiEq).

This is all a pretty good starting point but where is the catalyst for investors going forward? The Company is finalizing its summer plans for the initial phases of exploration at both Gochager Lake and Albert Lake. Geophysical crews are expected to mobilize to Gochager Lake on June 6 and initiate a geophysical program expected to last two to three weeks. A separate geophysical crew is expected to mobilize to Albert Lake later in June. The results from the summer program will lead to additional drilling to be conducted in Fall-2023/Winter-2024.

And to fund all this activity, Fathom recently closed the second and final tranche of its upsized non-brokered offering of flow-through units and non flow-through units, [previously announced](#) on May 8, 2023. Together with the previously closed [first tranche](#), the total gross proceeds of the offering is C\$2.96 million. This includes participation by a key strategic investor [Crescat Capital LLC](#), bringing Crescat's ownership/control position in Fathom to approximately 17.4% of the common shares currently outstanding.

With a bright long-term outlook for nickel used in the manufacturing of batteries needed for energy storage in the high-growth renewable energy and EV industries, companies like Fathom Nickel should have ample opportunity to raise funds and continue to pursue prospective opportunities in mining friendly jurisdictions. Perhaps sometime in the future, Fathom will be yet another Canadian mining company to be courted by Glencore.

Fathom Nickel trades with a market cap of C\$23.6 million following the closing of its latest equity offering.