

Inco gets a leg-up with junior Heron



Some of the Inco team in Perth recently for the Australian Nickel Conference were, from left, John Jackson (consulting geoscientist), Bert McNabb and Bob Bell (exploration directors) with Nick Sheard (vice-president, exploration)

One of the criticisms increasingly levelled at the Australian mining industry is short-termism – and the emphasis on brown-fields exploration with a view to quick cash-flows and dividends to satisfy shareholders.

The sustained commodities boom has pushed short-termism along – but could also lead to its undoing. Mergers, acquisitions and rationalisation, particularly in the base metals sector, are likely to feature strongly on the outback horizon over coming years.

The rising presence in Australia of world leaders CVRD and Inco Ltd – the latter in the process of taking over Falconbridge Ltd – is a sure sign that things are changing.

For an indication of how things might be done in the future, the Heron Resources Ltd deal with Inco might be a good pointer.

In the deal, announced earlier this year, there is little room for short-termism – but it provides an enticing and compelling vision of a long-term, very large development at the Kalgoorlie Nickel Project (KNP). The intention is to grow the project, over time, into an internationally significant nickel producer.

Inco's Toronto-based vice-president of exploration, Nick Sheard, was in Perth recently and outlined his company's vision and aims in its expanded presence in Australia.

"Initially it was not our idea to do deals on

small blocks in the Yilgarn, even though there is great opportunity for high-grade komatiitic-hosted sulphides," he said.

"Our aim is to get into something which, at the end of the day, would deliver 40,000 tpa of nickel. So we're doing a lot of grass roots exploration outside of WA to try to discover new nickel camps."

He said these regions included large tenements near Broken Hill, which have been worked on this year, in Victoria and on the southern margins of the Yilgarn where Inco has other JVs.

"When we won the bid for the Heron lat-

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