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# Chalice strikes the holy grail of a greener world

The largest find of platinum in 21 years is a sharp reminder that all the materials to fix the earth's climate health lie in the earth's crust itself.



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Nov 10, 2021 - 6.05pm



Nickel and copper, cobalt for batteries, and the platinum needed to make lots of hydrogen, all sit high on the ingredient list for a greener world. [The shares of Chalice Mining soared 35 per cent](#) in two days after an estimate said its Gonneville discovery is one of the richest resources of such platinum group metals found in recent times; perhaps ever, claims the company.

The resources lie not in the deep desert, but just 70 kilometres from Perth in an area more noted for tree changers and the hobby farms of well-off city dwellers.



Chalice Mining managing director Alex Dorsh has struck it big on the doorstep of Perth. **Trevor Collens**

The platinum and palladium it contains are used in converters and hydrogen fuel cells for low-emission vehicles. And it's the largest find of nickel sulphide in 21 years, a favoured metal for battery makers.

It's also a sharp reminder that all the materials to fix the Earth's climate health lie in the Earth's crust itself. When the oil shocks of the 1970s made the world fearful about the future of fuel supplies, coal was the answer and mine investment boomed. Now we have to end the collateral damage from burning carbon, another group of minerals have become the answer.

While other people are trying to find perpetual motion money-making machines in digital platforms or mining bitcoin rather than bullion, the skills of hewing the earth for raw materials are the oldest recurring business model going.

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They set up Australia's modern wealth in the wonder years of the 1960s, when coal, iron ore, oil, gas and aluminium industries were created to fuel Japan's postwar boom, and then the industrialisation of China in the 21st century.

The nickel booms of the 1960s grew out of surging aerospace industries. Demand creates its own supply. [The prospects now of Australia's luck in resources rolling](https://www.afr.com/companies/mining/chalice-strikes-the-holy-grail-of-a-greener-world-20211110-p5971p)

[on](#) from carbon-based powerhouse to green superpower are far from implausible.

## **With Australia in the top three for nickel, copper, lithium and cobalt, critical minerals could add 1 per cent to economic growth each year.**

The need for new generation metals is underscored by the addition this week of nickel and zinc to the US Geological Survey's list of critical minerals important for energy, military and high technology. Not only are the metals in demand as the world tries to decarbonise – with a six-fold increase in demand forecast by 2040 – but there is also a strategic scramble between China and the West for raw materials and a share of the clean energy supply chain, just as there was for oil in the last century.

Australia has a quarter of the world's nickel supply and will be a key player. And global geopolitical competition to find more resources is no bad thing if it spurs along the overall supply as a result.

The International Monetary Fund says that with Australia in the top three for nickel, copper, lithium and cobalt, critical minerals could add 1 per cent to economic growth each year. While it's unlikely that China can ever wean itself from Australian iron ore, critical minerals will help fill in Australia's national income once China's iron ore needs peak naturally.

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It's important not to make the transition from the old world to the new more difficult and expensive by obstruction at any point of the process. The excessive clamping of ESG regulatory and political constraints on global miners who are supplying green resources and metals, just when politicians – often the same ones – are also ramping up demand for those resources just means so-called greenflation, driving up their cost.



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Steel and aluminium are still needed to build wind and solar farms. Emerging economies cannot afford to go green if lack of fossil-fuel energy keeps them too poor to do so. Blocking the old is not going to automatically help the new.

That also means that Australian banks are right to maintain their disciplined approach to the transition, supporting fossil fuel investment even as it passes through its peak.

NAB's Ross McEwan said this week he is capping fossil fuel lending, but at a slightly higher level, aiming for green transition while keeping the lights on. That's after CBA chairman Catherine Livingstone stared down activists to get shareholder support for a similar real-world approach to fossil fuel lending. This is how the transition will occur. And the possible miner's holy grail discovered by Chalice shows that Australia is now well placed on the other side of it too.

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