

# Talon Metals Corp.

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## Elon Musk's plea for more nickel production sends shares in US-based juniors soaring

Tesla Inc (NASDAQ:TSLA) CEO Elon Musk is on the hunt for sustainably-mined nickel.

The Tesla CEO promised nickel companies, during the electric car maker's 2Q earnings call on Wednesday afternoon, a "giant contract" if they can quickly and efficiently mine the metal.

"Tesla will give you a giant contract for a long period of time if you mine nickel efficiently and in an environmentally sensitive way," Musk told investors.

### READ: Tesla posts second-quarter profit as cost cuts and strong deliveries help offset coronavirus shutdowns

On Thursday, the nickel price increased by around 3.5% over a 24-hour period to hit nearly US\$6.16 per pound.

Nickel is a critical component of electric car batteries, allowing vehicles to run further on a single charge. Production of the metal is currently dominated by three key players: Vale SA (NYSE:VALE), which had to shut down operations in Brazil amid the coronavirus pandemic, Russia's Norilsk Nickel and BHP Group (NYSE:BHP) in Australia.

But with its Gigafactory in Nevada and another one just proposed for Texas, Tesla could certainly benefit from having a stable supply of the metal in the US. For junior companies with US-based projects, Musk's comments are sending pulses racing - and share prices soaring.

"It is meaningful to receive validation from Tesla that there is a requirement for new nickel mines to come on stream to provide much needed additional supply for the expected electric vehicle boom," said Sean Werger, president of Talon Metals Corp (TSE:TLO), which is advancing the Tamarack project in Minnesota.

### READ: Talon Metals increases throughput at Tamarack thanks to "exciting" metallurgical test results

Talon shares jumped 28.6% on Thursday on no new news to trade in Toronto at C\$0.18.

"We have consistently said that (Tamarack) is extremely well-positioned given it is one of the only undeveloped nickel projects in the USA - and on top of that, it's on infrastructure and high-grade," Werger added.

Fellow nickel junior PolyMet Mining Corp (TSE:POM) (NYSEAMERICAN:PLM) was also up 43% in Toronto and New York at C\$0.83 while its shares traded south of the border at US\$0.64. PolyMet's NorthMet copper-nickel project is also in Minnesota.

Electric vehicles are expected to be the quickest growth market for nickel miners. Research firm Wood Mackenzie is

**Price:** 0.32

**Market Cap:** \$177.77 m

#### 1 Year Share Price Graph



December 2019 June 2020 November 20

#### Share Information

**Code:** TLO

**Listing:** TSX

**52 week High Low**  
0.43 0.075

**Sector:** Mining

**Website:** [www.talonmetals.com](http://www.talonmetals.com)

#### Company Synopsis:

Talon is a TSX-listed base metals company in a joint venture with Rio Tinto on the high-grade Tamarack Nickel-Copper-Cobalt Project located in Minnesota, USA, comprised of the Tamarack North Project and the Tamarack South Project. Talon has an earn-in right to acquire up to 60% of the Tamarack Project.

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forecasting nickel consumption in electric vehicle battery materials to soar 64% between 2019 and 2025.

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