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## First Cobalt Buys Idaho Explorer in Race to Tap Battery Boom

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First Cobalt Corp. is seeking to speed up its timetable to begin producing cobalt, riding the wave of interest in the metal used in electric-vehicle batteries and smartphones.

The Vancouver-based exploration company agreed to buy explorer US Cobalt Inc., which has properties in Idaho, in an all-stock deal with an implied equity value of about C\$149.9 million (\$116 million). Trading in the two companies' shares was suspended.

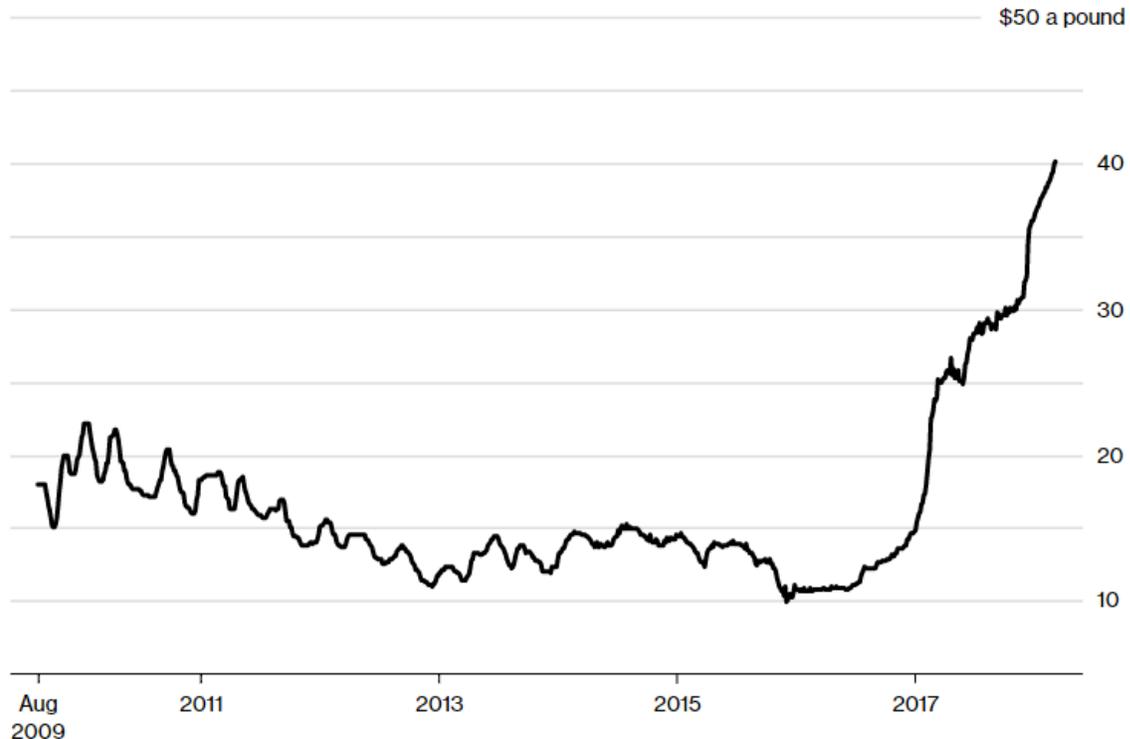
"We're trying to fast-track our way into North American mining and refining," First Cobalt Chief Executive Officer Trent Mell said in an interview.

The price of cobalt has more than tripled in the last 18 months amid fears of a looming shortage. Electric-vehicle and smartphone manufacturers from Volkswagen AG to Apple Inc. have been racing to lock down cobalt contracts. But most of the world's cobalt is mined as a by-product found with other metals such as nickel and copper, and most comes from the Democratic Republic of Congo, a jurisdiction that's become increasingly problematic.

## Crazy for Cobalt

Electric cars are causing a surge in demand for battery metals

■ Cobalt price



First Cobalt is a pure-play on the metal -- albeit an early-stage one -- with assets in Canada. It's been seeking to stitch together a parcel of 50 abandoned silver mines and re-purpose them as an open-pit cobalt mine in the aptly-named town of Cobalt, Ontario.

The outcome of that exploration is still "TBD" but the company would like to leverage an existing refinery in the camp long before it builds a mine on the site, Mell said. US Cobalt is further along the track to production and Mell would like to refine cobalt mined in Idaho in Ontario.

"It's still a few years away, certainly three years, but it gives us a clear path," Mell said of US Cobalt's time-line to production. "The opportunity here is to have cobalt mining and refining right here in North America."

US Cobalt also has lithium assets in Utah and Alberta, according to its website.

It's not the only Canadian company to be wheeling and dealing in the cobalt space. Gold producer Agnico Eagle Mines Ltd. has idled silver-and-cobalt mines in the same area as those of First Cobalt. In a Feb. 26 interview, CEO Sean Boyd said the company was dusting them off for a potential sale, after receiving multiple inquiries.

Earlier this week, Sherritt International Corp. CEO David Pathe said he's been approached by investors seeking to buy a stream on its cobalt production, which is mined in Cuba and Madagascar.

Vale SA is also said to be seeking bids on a cobalt stream at its Voisey's Bay complex in Canada. And Cobalt 27 Capital Corp., a Toronto-listed vehicle designed to invest in the battery metal, has been raising money to add streaming deals to its physical cobalt stash.