

## Canada's First Cobalt makes US acquisition

Henry Sanderson 8 HOURS AGO

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Canada's First Cobalt has acquired exploration company US Cobalt to create a North American-focused cobalt miner, as demand rises for the key electric car battery metal.

The combined company, which has projects in Ontario and Idaho, could provide a source of cobalt for car companies outside of the Democratic Republic of Congo, which is responsible for over 60 per cent of supplies of the metal.

The deal "strategically positions First Cobalt as a leading non-DRC cobalt company with North American projects located in proximity to infrastructure as well as electric vehicle and technology hubs such as Michigan and California," the company said.

"We foresee a shortage of cobalt over the next five years yet there are few companies doing significant work to identify new sources of supply," Trent Mell, chief executive of First Cobalt, said. "This transaction creates a larger platform to discover and develop cobalt projects for the growing electric vehicle market by combining high quality North American assets in two of the best cobalt jurisdictions outside the DRC."

Cobalt prices have more than doubled over the past year as car companies scramble to secure supplies to meet ambitious rollouts of electric cars.

[Volkswagen](#), which is in discussions with miners on cobalt supplies, said yesterday it would have 16 plants producing zero-emission cars by 2022 and had awarded €20bn worth of contracts to secure battery supplies.

In the deal all US Cobalt shares will be exchanged for First Cobalt shares, at a ratio of 1.5 First Cobalt shares for each US Cobalt share. That represents a premium of 61.8 per cent to US Cobalt's closing price on the Toronto Stock Exchange.

First Cobalt is looking to develop 50 historic mines in Ontario, while US Cobalt has the Iron Creek Cobalt Project in the US.

First Cobalt also has the only refinery in North America capable of producing battery materials, it says.

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