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# Glencore to invest US\$45M for cobalt refinery restart

Diversified metals miner and trader Glencore has signed a definitive agreement with Canadian junior First Cobalt under which it will lend it an initial US\$5 million to complete work associated with recommissioning and expansion of a cobalt refinery in Ontario, Canada.



**Energy Minerals > Energy-minerals-news** The loan will be used to complete advanced engineering, metallurgical testing, field work and permitting for the facility. A further \$40 million will be invested to recommission and expand it once a feasibility study for the expansion is completed.

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**Staff Reporter**

"We are delighted to be working with Glencore to bring a domestic supply of battery grade cobalt to the North American market," said First Cobalt president and CEO Trent Mell.

First Cobalt plans to produce 5,000 tonnes per year of cobalt in sulphate, if the refinery operates at 55 tonnes per day with first production targeted in late 2020, assuming cobalt hydroxide feed grading 30% cobalt.

The \$5 million loan will assess the suitability of the refinery to treat Glencore material under a long-term supply agreement to produce cobalt sulphate for the North American electric vehicle market.

A second phase envisions recommissioning the refinery at 12tpd in late 2020 with an expansion to 55tpd in a third phase in 2021.

The loan facility bears interest at LIBOR plus 5% and has a two-year term. Glencore may elect to convert all or a portion of the balance owing to equity at discount to market of up to 15%.

The First Cobalt refinery is an hydrometallurgical cobalt refinery were testing of third-party cobalt hydroxide as a potential source of feed recently confirmed the existing are capable of producing a high purity, battery grade cobalt sulphate.

The First Cobalt facility is the only permitted primary cobalt refinery in North America, which means the company could potentially become the first producer for the American electric vehicle market.

Shares in First Cobalt (TSXV:FCC) are trading at C14¢, valuing the company at \$50 million.



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