

Cobalt players ready to combine

2 h by: Northern Ontario Business Staff



Drilling at the former Keeley-Frontier silver mine in the Cobalt, Ont. camp.

[First Cobalt](#) said it's prepared to widen its presence in the historic Cobalt mining camp.

The Toronto explorer announced it has entered into a definitive merger agreement with [CobalTech](#) following the signing of a binding letter of intent on June 23.

The merger creates a pure cobalt exploration play with a roster of 11 former producing mines and a mill facility in northeastern Ontario.

Besides having copper-cobalt properties in the Congo, First Cobalt has close to 3,000 hectares of property in the Cobalt area, including an option for the former past producing Keeley-Frontier silver mine.

CobalTech owns the past producing Duncan Kerr property outside of the town of Cobalt.

“The Cobalt Camp has been underexplored for its cobalt potential and has never seen the meaningful land consolidation achieved through this merger and the proposed merger between First Cobalt and Cobalt One,” said First Cobalt president Trent Mell in an Aug. 21 news release.

“These transactions are expected to create the largest pure play cobalt explorer in the world and offer [an opportunity to revisit this camp on a district scale for open pit mining potential.](#)”

The completion of the transaction is subject to approval by CobalTech shareholders and regulatory approvals, including the approval of the TSXV.

Under the terms of the agreement, First Cobalt will acquire all issued and outstanding common shares of CobalTech by way of a court approved plan of arrangement.

CobalTech shareholders will receive 0.2632 of a First Cobalt common share for each CobalTech common share, representing the equivalent of \$0.20 per CobalTech common share.

“This transaction creates immediate value for CobalTech shareholders and allows them to participate in further upside within a larger, more liquid company,” said CobalTech CEO Bruce Bragagnolo in a statement.

“Our shared vision of exploring for bulk cobalt mining opportunities in the Ontario Cobalt Camp will be facilitated with this merger.”

First Cobalt is talking with Canadian regulators to resume the trading of its common shares as soon as possible.

Trading had been halted pending a course review by the TSX Venture Exchange of filings relating to the acquisition by First Cobalt of Cobalt One on June 26.

The resumption of trading remains subject to the approval of the TSX Venture Exchange and First Cobalt will provide a further update once a trading date has been confirmed.

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