

## First Cobalt buys US Cobalt in sprint to production

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TORONTO/VANCOUVER (Reuters) - First Cobalt Corp ([FCC.V](#)) on Wednesday announced a friendly takeover of US Cobalt Inc ([USCO.V](#)) as the Canadian mine developer accelerates its push to first production of the battery metal on forecasts for a boom in electric vehicles.

Under the all-share deal valued at approximately C\$149.9 million (\$115.74 million), First Cobalt will add US Cobalt's exploration properties in Idaho and Utah to its 50 mining properties in Cobalt, Ontario, alongside a mill and permitted cobalt refinery.

"The Idaho project is at a more advanced stage than our work in the Cobalt camp in Ontario. The appeal to us is that it is a faster pathway to production," First Cobalt Chief Executive Trent Mell said in an interview.

Neither company is mining cobalt yet, but both are exploring deposits of the mineral, a key ingredient in lithium-ion batteries for electric vehicles.

Prices for cobalt [CBD0](#) have spiked 60 percent over the past 12 months amid forecasts that demand will double in the next decade as consumers switch to less-polluting cars.

Nearly all cobalt, which prolongs battery life, is mined as a byproduct of copper and nickel, making it difficult for miners to increase output.

According to consultancy Wood Mackenzie, 64 percent of the 117,000 tonnes of cobalt mined in 2017 came from the Democratic Republic of Congo, where Amnesty International has identified mines using child labor.

A newly revised mining code in the Congo also has the potential to seriously affect mining projects there, consultancy Wood Mackenzie said in a report

released Wednesday.

## First Cobalt Corp

FCC.V TSX VENTURE EXCHANGE

0.94

-0.16 (-14.55%)



“We can execute on something outside the Congo and outside China. There are no concerns about unethical sourcing,” Mell said, adding that the company’s Ontario refinery could potentially be “a hub for North American cobalt production.”

Currently there are no cobalt mines in operation in North America.

The deal represents a 61.8 percent premium to US Cobalt’s closing stock price Tuesday.

(\$1 = 1.2952 Canadian dollars)

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