

COMPANY NEWS

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First Cobalt favors quick restart of Canadian refinery

Jeff Lewis



CALGARY, Alberta, Sept 9 (Reuters) - First Cobalt Corp favors a quick restart of its idled cobalt refinery in Canada and will begin assessing the plant's condition next week, Chief Executive Trent Mell said on Monday.

The Toronto-based company has secured agreements under which commodity trader Glencore Plc would supply cobalt feedstock to the plant, with initial production targeted of about 2,000 to 2,500 tonnes per year.

Glencore agreed last month to fund a feasibility study to restart and potentially expand the refinery, which has been shut since 2015.

"The whole point of that is to get to this feasibility study level so that we can make a go, no-go decision," Mell said on a call with analysts and investors.

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Once operational, the plant would be the sole North American producer of refined cobalt for the electric vehicle market and lessen dependence of U.S. end-users on China, where most of the world's cobalt refining capacity is located.

“We’re pretty encouraged. The operating costs that we’re seeing there right now would appear to be competitive with Chinese refiners,” Mell said, citing studies commissioned by the company.

He said the company next week will begin assessing the condition of the plant, in Cobalt, Ontario about 600 kilometers (370 miles) from the U.S. border.

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The company will decide whether to restart the refinery in the first quarter next year, with initial throughput of 12 tonnes per day (tpd) targeted for late 2020.

Throughput could grow to 55 tpd, yielding 5,000 tonnes of cobalt sulphate per year, by 2021 pending further study and receipt of additional permits, the company has said. (Reporting by Jeff Lewis; Editing by Steve Orlofsky)



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