

International Cobalt Corp

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International Cobalt strategy takes shape following \$10mIn financing

International Cobalt Corp. (CSE:CO) focuses on primary cobalt projects, and while it has a couple of good land packages under its control in Idaho, a recently closed \$10 million financing means the company now has the wherewithal to consider additions to its portfolio as well. Chief Executive Officer Tim Johnson explains the outlook for cobalt, why supply constraints are here to stay, and how International Cobalt is positioning itself to take advantage of the favourable supply/demand environment.

What outlook for the cobalt market do you hold at International Cobalt and how does that shape your strategy in terms of project acquisition and allocating human and capital resources?

We think prices will remain strong both near term and long term. Basically, we just cannot see anything on the horizon that's really going to change the amount of cobalt coming on line. In December 2017, Glencore announced it was going to double their production in the DRC (Democratic Republic of the Congo) and there was no effect on the market whatsoever. As long as the battery space stays strong, we think cobalt will stay strong.

This environment really puts us into acquisition mode - we are actively looking for new projects in the space. Exploration in the cobalt space is not very mature at all, and there are going to be a lot of discoveries and news releases from various companies over the next few years. We want to be right in the middle of the mix.

Walk us through the components of your project portfolio. What has you the most excited and what work is upcoming?

We've got two projects in the Idaho Cobalt Belt and we bracket eCobalt Solutions' advanced project. Although there has been a fair amount of historic work done on our landholdings, the majority of it by Noranda in the 1980s, our team has not really had boots on the ground yet except for a site visit.

We anticipate doing a full geological work-up on both projects, to include extensive soiling and mapping. I'd say half of our Blackbird project has not been mapped geologically.

So, we are excited to get to work on the projects and because there are many companies in the belt, including us, there is going to be a lot more exploration. It is a world class belt as far as cobalt goes, so you are going to see lots of news coming out of it.

You mentioned that you are in acquisition mode. What types of additional projects would appeal to you, and how do you assess them?

We are looking for primary cobalt. We are not as interested in nickel secondary cobalt or silver secondary cobalt.

Price: C\$0.015

Market Cap: C\$2.81M

1 Year Share Price Graph



Share Information

Code: CO

Listing: CSE

52 week High Low
C\$0.15 C\$0.01

Sector: General Mining - Cobalt

Website: internationalcobalt.com

Company Synopsis:

International Cobalt is a Canadian-based mineral exploration and development Company focusing on the burgeoning battery metals sector. The company seeks to add shareholder value by sourcing and developing projects in safe, progressive jurisdictions adhering to strict environmental and social standards.

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Primary cobalt projects are few and far between and we are doing a lot of digging to find good ones, looking mostly in North America. We have feelers out in Africa as well, but any acquisitions we make in the near term are likely to be North American.

Cobalt really is an underexplored mineral. It is not like the molybdenum days of the early 2000s, when once moly started to rise in price everyone had a near-term moly mine. A lot of work will be needed to bring supply on line.

Does that mean most of the projects are early stage?

Right now, most of the cobalt supply is from secondary sources such as nickel and copper. There hasn't really been a focus on looking for primary cobalt projects, so anything you find is quite early stage. It is not like you are going to find something that was almost a mine and didn't make it because of prices and now it is coming back up. And if you do find that it is most likely in the DRC. You know anything you get into is going to be a long-term project and you'll have to structure your efforts to support that.

The financial markets are supporting mining exploration companies once again. What observations do you have on the current health of the market, and particularly with regard to the cobalt space?

Cobalt is definitely popular. There are a lot of financial professionals we have talked to who would like to get in on the space, but there are limited opportunities to do so. It has to do with the maturity of the exploration cycle - there really aren't a lot of high-quality projects out there and the price of cobalt does not seem to be going down. Any decent projects have high valuations, and those are the projects the money is looking for.

What kind of timeline are you giving interested parties in terms of the work you have planned. And are you only interested in projects you can own 100%?

We are open to looking at other opportunities, whether it be joint ventures or strategic investment. Because we are an early entrant into the Idaho space you kind of wait to see how things shake out. I think the belt will potentially see consolidation, as there are some smaller players getting good results but there are no majors there yet. Once some of the juniors have more success the majors will come knocking.

Cobalt is hot and there are lots of entities jockeying for position. Are they mostly Canadian companies or are some from other jurisdictions?

There are a few Australian companies in the space, and money is coming out of Australia as well. We got some backing out of Australia and other companies we have seen did as well. Some groups that had success in the DRC are starting to look for safer jurisdictions.

How are you going to pay for the acquisitions and work on the project portfolio?

We recently closed a \$10m financing. Our plan is that the new capital would support at least two years of exploration. We are talking all of our ground proofing this summer, a potential initial drill program in the fall, followed by another drill program in 2019. That is the plan with our existing assets, so things could change, of course, if we completed acquisitions.

International cobalt has enjoyed a good start to 2018 in the markets and on the corporate front. Is there anything else you'd like to comment on?

Just that we are very happy with our land position in the Idaho Cobalt Belt. The historic data we are turning up is proving our theory right. There are new reports being made available by the Idaho Geological Survey all the time and each time we find one we get excited again. Most of the work is by Noranda so we have high confidence in its quality and really want to get boots on the ground and follow up on everything.

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