

## Koba positioned for key role in US cobalt expansion

KOBA Resources boss Ben Vallerine reckons his company is the only pure-play cobalt player on the ASX, and sits at the centre of a “perfect storm” of soaring demand and troubled supply.



*Koba has a position in the Idaho cobalt belt*

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The junior, which was spun-out of New World Resources in May, has perhaps the most advanced exploration positions in what Vallerine calls the western world's premier cobalt belt, in the US, which now calls cobalt a critical energy metal.

Speaking to investors recently, Vallerine said Koba was set to benefit from work done by New World during the mini-cobalt boom five years ago, putting together some of the best assets in the high-grade Idaho Cobalt Belt.

It has large anomalies, many close to past production centres, but where there has been limited exploration since the 1960s, and much of that focused on copper.

Interest in cobalt for batteries, magnets, and electronics soaring, with plenty of support in the western world to develop ethical sources beyond the current dominant players.

The Democratic Republic of Congo provides 70% of global supply, but which comes with a range of ESG concerns such as child labour and poor mining practises; while China processes 80% of the metal.

The US wants to redevelop domestic production, and Vallerine said Koba was well positioned to benefit from that drive.

If it can get into production, either as a standalone miner or by processing through Jervois Global's new facility, Vallerine believes Koba will have plenty of willing buyers.

And because it is a pure-play cobalt company, it won't be beholden to the vagaries of nickel and copper prices, as most current producers are, given they produce cobalt as a by-product.

The cobalt price has risen from around US\$33,000 per tonne in early 2021 to above \$72,000/t today.

By some forecasts, cobalt demand is set to increase from 156,000tpa today to as much as 400,000tpa by 2030, creating a potential deficit of up to 45,000tpa.

"The EV thematic has really grown, and this time it is here to stay," Vallerine said.

He believes the factors that caused the bottom to fall out of the market in 2018 are no longer in play, and given prices back then exceeded \$90,000/t there are indications there's plenty of headroom to grow.

It has taken a while to get Koba funded and ready for action, but the explorer is now poised to accelerate exploration of the Idaho Belt, where it has worked up a pipeline of prospects from brownfields to greenfields.

"It's rare to have a position in such a highly prospective area that is famous for cobalt, with numerous prospects to follow-up. We only need for one to become a mine," Vallerine said.

It has commenced its maiden drilling program at the Colson project, with assays expected in August or September. The rig will then move to Blackpine.

The 2500-5000m campaign will test high-tenor soil and IP anomalies at Long Tom, and follow-up previous high-grade cobalt results at the Salmon Canyon mine that was briefly operated in the 1960s.

Vallerine describes Long Tom as a "massive" but undrilled 2km-long anomaly, along strike from Salmon Canyon with soil grades up to 0.11% cobalt and 0.39% copper, far higher than at the mine.

A small program in 2018 looking for an extension of the Salmon Canyon mine was described as "very encouraging" with assays such as 5.5m at 0.2% cobalt and 0.69gpt gold, including 0.3m at 1.26% cobalt, 0.17% copper, and 2.95gpt gold, although it did not test the strongest IP anomaly.

The drilling will be followed by an IP survey at Blackpine, which it secured from Jervois as part of its IPO.

While it processes the survey data for drilling targeted at the Troll and Regina prospects, it plans a 2000m program at Swift, which surrounds the historical Blackpine mine from which 6000 tons of ore grading 2% copper was recovered prior to 1965.

The Swift prospect has a 500m strike, and is the most drilled of the targets within the area with 83 holes helping define high-grade mineralisation with grades peaking at 0.66% cobalt, 9.41% copper, and 14.71 grams per tonne gold.

It will be the first significant work at Blackpine since 1996 when assays such as 0.15m at 4.8% cobalt from 82m were returned.

"An assay of 4.8% cobalt is 60gpt gold equivalent - you just don't see grades like that around the world," Vallerine said.

The plan is to work through its projects, including the earlier stage Panther.

Given the grades evident, exploration upside, production history and soaring demand, Vallerine is confident that Koba can become a major player in the US cobalt market.

The company, which raised \$9 million at 20c earlier this year, has seen its shares trade between 12-26c since listing.

At current levels of 14c it was worth \$9 million today.

**Source:** <https://www.miningnews.net/leader-interviews/news/1434868/koba-positioned-for-key-role-in-us-cobalt-expansion>