

Koba Resources to make its mark in ethical cobalt space with high-grade US-based projects

By **Robin Bromby** - June 10, 2022



Cobalt is deemed a critical mineral in the US, Europe, Australia and many other nations, due to its necessity in the technology required for the world's transition to net zero.

Somewhere between 65% and 70% of the world's cobalt is produced in the Democratic Republic of Congo, but recently-listed Koba Resources (ASX: KOB) is aiming to provide a local and more ethical source from its portfolio in the US.

Of the DRC's output, it is estimated that 30% of its production is extracted by artisanal mining operations — which the US Labour Department estimates uses around 25,000 child labourers.

Attempts have been made to monitor the sources of cobalt in the DRC, but the artisanal metal is usually consolidated with the output of commercial mines by the time it begins the processing cycle. It has proved largely impossible to detect what cobalt is ethically mined, and which is not.

The only real solution: mine the metal somewhere else, and by reputable mining companies.

Winners in the cobalt space will be the 'green' producers

Then comes the next complexity: how do you get enough cobalt to satisfy Western demand if you block the DRC output?

A recent issue of the journal Scientific American estimated that, in terms of Europe alone, that continent will need to source an additional 330% of cobalt by 2050 to meet the net zero target.

So, we are now seeing a scramble by explorers to prove up cobalt projects that can meet "green" and ethical credentials given the future supply-demand gap that lies ahead.

Even better if the project is in the US (or Europe), both, of which, have designated cobalt a critical metal.

That puts new ASX listing Koba in the right place, with its strategy to establish a US source from its cobalt-rich projects within the country's Idaho Cobalt Belt.

Exploration begins on Idaho cobalt anomalies

Following its ASX debut last month, Koba was quick out of the blocks, kicking-off an induced polarisation (IP) survey at its flagship Blackpine cobalt-copper project in Idaho.

Koba's managing director and chief executive officer Ben Vallerine is a seasoned geologist who spent six years in the US managing exploration campaigns.

He says the IP survey will test 5km of what he describes as a "strong" cobalt-copper anomalism.

"Blackpine lies in the heart of North America's premier cobalt district but hasn't been explored in 25 years," Mr Vallerine explained.

"With exceptional high-grade cobalt in previous drilling, we're confident the IP survey will generate some high-quality targets for our upcoming maiden drill program."

Proximity to high-grade deposits

Blackpine lies 15km south the historical Blackbird cobalt-copper mine which produced 5 million tonnes at 0.6% cobalt and 1.5% copper up until 1968.

In the same region is the Idaho cobalt project owned by Jervois Global (ASX: JRV), which has a resource of 6.8Mt at 0.42% cobalt, 0.64% copper and 0.51 grams per tonne gold and will be in production later this year.

Colson cobalt-copper project

Koba has also managed to contract a drill rig at a time when they are very difficult to secure. Drilling is scheduled to begin at the company's other cobalt-copper project Colson in mid-June.

Colson is just 35km northwest of Blackpine and the upcoming drill program will test a series of strong IP anomalies.

These targets are coincident with high-grade cobalt and copper soil anomalies where grades of up to 0.11% cobalt and 0.39% copper were returned.

Mr Vallerine said these grades are "off the charts" for soil samples.

The drill targets are also located along strike from the historic Salmon Canyon copper-cobalt mine.

Once drilling is completed at Colson, the same rig will then move to Blackpine where it will follow up on previously identified cobalt and copper mineralisation and test new IP targets generated from the ongoing survey.

US prioritising critical metals reserve

Koba portfolio comprises several projects in the Idaho Cobalt Belt.

The belt was mined from the mid-1800s with the last cobalt production in 1969.

Apart from Blackpine and Colson, Koba owns the Panther and Elkhorn cobalt-copper projects also on the belt.

All of the projects have historical exploration records showing high-grade hits, from either surface sampling or drilling. Some have seen some mining with high-grade output in the past.

Cobalt has become a vital metal: more than 66% of it goes into rechargeable batteries in electric vehicles, smartphones and power tools (among other items).

The REEShore Act, now before Congress in Washington, has bipartisan support and is expected to become law.

It authorises the creation of a rare metals reserve: that include not only the 15 rare earth elements, but manganese, tungsten — and cobalt.

Koba is positioning itself to be in the right place at the right time.

Source: <https://smallcaps.com.au/koba-resources-ethical-cobalt-space-high-grade-us-based-projects/>