

Focused on feeding the EV boom with battery metals, Global Energy Metals understands the value of their Nevada location

Without doubt one of the biggest disruptions this decade will be the rapid move to electric vehicles (EV). As reported here, UBS recently forecasted US\$100kWh batteries by 2022, EV/ICE (Internal Combustion Engine) parity by 2024 and that “there are not many reasons left to buy an ICE car after 2025”. Three of the key metals in demand to feed the EV boom will be cobalt, nickel, and copper. Today I discuss a company that has all three as well as some gold potential. The Company still has a very low market cap and has 3 combined projects in safe countries. These include a recently purchased project (Lovelock Mine & Treasure Box) in Nevada only 150 kilometers from Tesla’s gigafactory.

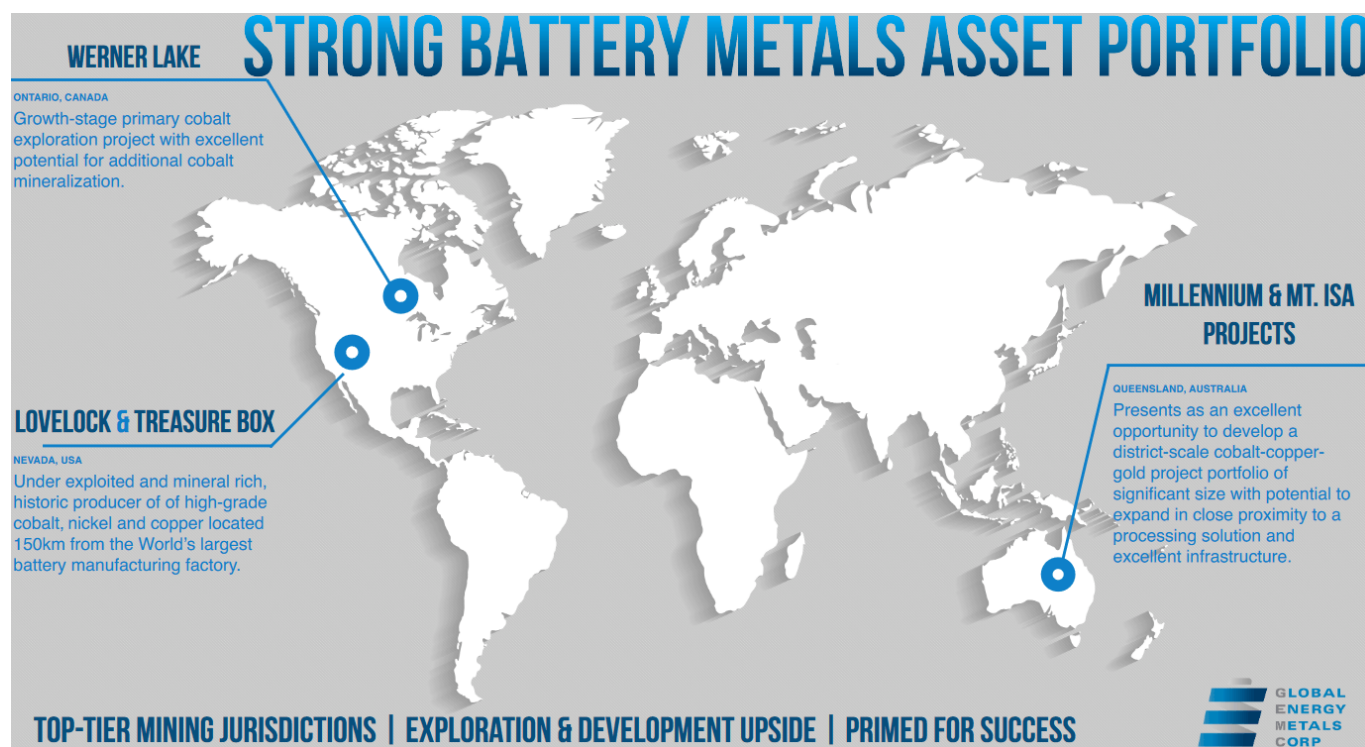
That company is Global Energy Metals Corp. (TSXV: GEMC | OTCQB: GBLEF) (‘GEMC’). Their focus is to build a portfolio of battery metal assets across key locations such as the USA, Canada, and Australia.

GEMC’s 3 projects are:

- Lovelock Mine & Treasure Box Projects – Nevada, USA (85%)
- Werner Lake Cobalt Project – Ontario, Canada (70%)
- Millennium Cobalt Project (flagship) and Mount Isa Cobalt-Copper-Gold Projects – Queensland, Australia (100%)

GEMC’s 3 combined battery metal projects – USA (Lovelock Mine

& Treasure Box), Canada (Werner Lake), and Australia (Millennium & Mount Isa)



Source

The Lovelock Mine & Treasure Box Projects in Nevada USA (85%)

In a very exciting and strategic move recently announced, GEMC has issued shares and made a cash payment as consideration for its acquisition of an 85% interest in the Lovelock Mine and Treasure Box Projects. The properties will be held in GEMC's newly established U.S. Battery Metals Corp., a new U.S. listed vehicle and wholly owned subsidiary of GEMC.

The Lovelock Mine and property consists of approximately 1,400 acres (567 hectares) in the Stillwater Range of Nevada, USA. It was discovered by George Lovelock and Charles Bell in about 1880 and saw limited production of nickel, copper and cobalt beginning in 1883. GEMC reported that **“the general average of the 200 tons shipped in 1886 averaged 14% cobalt and 12% nickel”**, which is extremely high grades. After intermittent production no further production from the Lovelock Mine is known for well over a century. Several of the rock samples

collected in 2017 showed strong enrichment in cobalt, nickel and copper.

The Treasure Box Project hosts mine workings from limited copper production, which occurred until early into the 20th century. A reverse circulation hole drilled on the Treasure Box in 1976 returned 1.55% copper over 12.2 metres from a depth of 25.9 to 38.1 metres.

Both projects are at the very early stage but appear to have good exploration potential based on their history. A bonus is their location in mining friendly Nevada, USA, and just 150 kilometers from the Tesla Gigafactory.

The Lovelock Mine & Treasure Box Projects are located effectively on the doorstep of Tesla's Gigafactory in Nevada just 150kms away



Source

Werner Lake Cobalt Project in Ontario, Canada (70%)

The Werner Lake Cobalt Project has an Updated NI 43-101 (2018)

Indicated Mineral Resource of 79,400 tonnes at 0.43% Co not including the 2018 drill program. This is an excellent grade for a western located project. There is also exploration potential for copper and gold.

Millennium Cobalt Project and Mount Isa Cobalt-Copper-Gold Projects – Queensland, Australia (100%)

The Millennium Project is a significant cobalt-copper deposit which remains open for further expansion. There is a historical JORC (2012) Inferred Resource estimate which showed grades of 0.14% Co, 0.35% Cu and 0.12g/t Au (using CuEq cutoff of 1.0%). This historical resource estimate is not yet NI43-101 compliant. GEMC intends to upgrade this resource to a current NI43-101 compliant resource.

The Mount Isa Projects include Mount Dorothy and Cobalt Ridge. Early stage drilling results included 7m @ 0.14% Co, 2.55% Cu, and 2m @ 0.12% Co, 0.13% Cu at Mount Dorothy, and exploration rock chip sampling results of 0.31% Co, 3.63% Cu, 1.25g/t Au at Cobalt Ridge.

Closing remarks

GEMC has a current market cap of just C\$2.8m. Perhaps the reason the market cap is so low is that the company has had to endure the past 2.5 year cobalt bear market, and has only recently made the USA acquisition.

Recently, companies with USA EV metal assets have done very well as we saw with Piedmont Lithium, Lithium Americas, Westwater Resources, and many others. For investors that are positive on the outlook for EVs and the key EV metals (cobalt, copper, nickel) then GEMC should definitely be on your radar. Plus there is always the chance of GEMC finding gold.

Clausi on Giga Metals insiders riding the Reuters' Tesla story and the regulators who turned a blind eye

For background, you can't do better than read Chris Parry's excellent article here. To summarize, some insiders at Giga Metals Corporation (TSX.V: GIGA | OTCQB: HNCKF) exercised cheap derivatives (including stock warrants at \$0.08 and options at \$0.20), and a few short weeks later the stock magically sprinted to \$1.65, eventually topping \$2.00. Some insiders pounded bids and aggressively took millions of dollars out of the market into their own pockets.

Anthony Milewski, Giga's Non-Executive Chair and a board member, sucked over CAD\$6M out of the market on Giga's sprint. Giga's President Martin Vydra took close to \$2M out of the market as he sold sold sold. Chair Lyle Davis exercised his options on September 9. He then promptly traded his shares for other people's cash, to the tune of about \$124k. CFO Matt Anderson grossed 'only' \$142k out of the market. The Corporate Secretary Leslie Young got in on the exercising and the selling, taking over \$100,000 out of the market.

Pulled from Sedi.ca, here's a summary of their respective costs and the stunning profits realized:

	Milewski	Vydra	Anderson	Young	Lyle
Number of Warrants Exercised	1,500,000				
Warrant Exercise Price	\$ 0.08				
Number of Options Exercised	500,000	500,000	100,000	100,000	100,000
Option Exercise Price	\$ 0.20	\$ 0.370	\$ 0.575	\$ 0.10	\$ 0.10
Gross Proceeds on Sale	\$ 6,294,000	\$ 1,525,120	\$ 142,000	\$ 103,170	\$ 124,000
Net Proceeds	\$ 6,074,000	\$ 1,340,120	\$ 84,500	\$ 93,170	\$ 114,000

What happened to make the share price take off? An obscure journalist named Pratima Desai wrote an article, distributed with the credibility of Reuters behind her on September 10, alleging Giga was in discussions with Tesla Motors “...*about helping to develop a large mine that would give the electric carmaker access to low carbon nickel for its batteries, three sources familiar with the matter said*”. *The Globe and Mail* reprinted her story on **September 11**. *The Globe* and Reuters have a controlling shareholder in common so the reprint was normal course. Giga Metals moved up +184.48% that day.

The problem is, Desai’s story wasn’t accurate.

Does Giga have a deal with Tesla? Definitely no. How do we know? First, no deal has been announced – the absence of evidence is in itself evidence. Second, **Giga itself put out a news release on September 11th saying there isn’t a deal** (link here). Third, because any insider who exercised options while those material negotiations were underway would have been breaking insider trading rules. And lastly, from a human perspective, if negotiations with Tesla were that advanced with the future so bright they’d have to wear shades, the selling insiders would not have been bid bangers. So no Tesla deal.

There are a lot of weird parts to this story. Desai and Anthony Milewski, Giga’s Non-Executive Chair and a board member, have history involving a story she earlier wrote about his prior company, Cobalt 27 Capital Corp. Giga’s President Martin Vydra was actually quoted in Desai’s story, so he knew it was coming. Davis exercised his options on September 9, the

day before Desai's story hit the wire. And this isn't an area Desai usually covers, so why did she write it and why did Reuters allow it to go to press? And why hasn't Reuters withdrawn the story or apologized for shoddy reporting?

Chris Parry has been chasing Reuters for answers. In an email he shared with me, Reuters wouldn't confirm or deny it had verified Desai's anonymous sources prior to or since running her story. That's crummy journalism.

There are only three possible plotlines here that make any sense:

1. Insiders knew the story was coming and Desai was a willing participant in a market scam.
2. Insiders appear to have known the story was coming and Desai was duped into writing it.
3. Insiders were as surprised as everyone else by Desai's grossly inaccurate reporting, leading one to wonder why she wrote the story in the first place.

If you follow Chris Parry's Twitter feed you'll see an implied litigation threat from Milewski. Parry's response was "If you're coming, you better come strong, Anthony." Parry confirmed to me in writing on October 3 that he knows of no such litigation against him.

It's a strange mess, made worse by the fact it's not just bandits in this story. Good people work at Giga too, people with long credible histories in mining and the public markets. They are going to be tainted by this for a long time. They don't deserve it and they ought to be furious. They need justice.

Then there are the market participants who believed Desai's story and bought stock at elevated prices. **Those are real people who lost real money.** With the stock firmly on a downward trend and no Tesla deal, they need justice, too.

And 'the markets' generally deserve justice. A scam like this is so obvious it seriously undermines the public's faith in a fair and open market. **This makes Bre-X look like a George Clooney casino job.**

But from whom are they going to get justice? It's been almost a month since Desai's inaccurate story was published. We've seen nothing from IIROC, the TSX Ventures Exchange, the British Columbia Securities Commission or any securities commission in Canada, the Ontario Provincial Police fraud squad, or the Royal Canadian Mounted Police. All have jurisdiction, no one seems to be doing anything.

Of the list, the most likely regulator to do anything is the BCSC. It has incredibly broad investigative powers given to it in sections 142 and 143 of the *British Columbia Securities Act*, powers that could be used to pitchfork through this manure pile. It can search premises, compel the production of documents, and, editing section 143(1)(e):

An investigator appointed under section 142 or 147 may, with respect to the person who is the subject of the investigation, investigate, inquire into, inspect and examine the relationship that may at any time exist or have existed between that person and any other person by reason of

1. *investments made,*
2. *commissions promised, secured or paid,*
3. *interests held or acquired,*
4. *the lending or borrowing of money, securities or other property,*
5. *transfer, negotiation or holding of securities or the trading of or holding of derivatives,*
6. *interlocking directorates,*
7. *common control,*
8. *undue influence or control, or*
9. *any other relationship.*

Let's find out who the bad guys in this story are. Go ask some basic questions of the Giga insiders. **What was the relationship between Desai and any of the insiders at Giga?** When did the insiders find out Desai was writing the article and when did they find out it would be published? Why did all of you decide to exercise warrants and options at more or less the same time? **Was Giga ever in discussions with Tesla as alleged in Desai's article?** Did Giga's board or governance committee have a meeting after Desai's article was published, and if so, where are the minutes? Follow the trades through IIROC and all registrants.

Ask Desai, who were your sources? (I don't expect her to answer that one.) What's your relationship with anyone at Giga? Please produce your drafts of the article. Did you contact Martin Vryda for the quote for your article, or did he contact you first? What motivated you to write this story? Were you compensated in any way for writing this article?

Have a session with Reuters. Did you verify the anonymous sources before you ran Desai's story? After? Without disclosing their identities, do you know who they are? Did you ask Desai why she decided to write a story out of her usual coverage area? When did she come to her editor / publisher with the idea for the story?

And finally, the BigFun, invite Tesla to answer whether it was in meaningful discussions with Giga at any time. Remember the BCSC has the legislated powers to make Tesla's life hell, and Tesla will want to engage rather than have a repeat of its SEC battles.

Simple questions, the answers to which will show who the malfeasors are.

The BCSC has the best chance of bringing justice but the TSX-V has some authority here as well, though it (like IIROC) has to be careful not to punish the shareholders for someone else's

sins. It has the authority to manage its own affairs including who is allowed to be an officer or director of a company listed on it, and it has a well-staffed compliance department. So investigate! If the bad guys are insiders, remove them and ban them from other companies on your exchange, too. Work with the OSC and the BCSC to have them permanently banned from trading in Canada's markets. Do proactive work to reach agreements with Canada's other exchanges so that in the future in a case like this a ban from one is a ban from all. Think big and reach a similar reciprocal agreement with the *Securities and Exchange Commission*.

I don't have much faith in the other regulators. Look at the Bre-X mess that led to the creation of *National Instrument 43-101*. Even in that vast criminal enterprise, the only person ever prosecuted was John Felderhoff, and he was ultimately acquitted. The OSC put as much effort into fighting his lawyer (the bearded and wonderfully annoying advocate Joe Groia) as it did in the actual case against Felderhoff!

The exchanges and the commissions, despite having considerable power, make policy decisions not to get involved where they have to do too much work. Too great an investment of resources only to reach an uncertain conclusion and a likely appeal, they say. They would prefer law enforcement (OPP fraud squad and the RCMP) to investigate and take the perps away in cuffs, like in the United States. Jail time and massive fines are effective general deterrents.

Ultimately, I fear, the only 'justice' is going to come from class action litigation that will drag for years, cost Giga time and money, distract Giga from what it should be doing, punish the shareholders, and ultimately be settled under the company's D&O policy without any admission of liability. We may never know who the criminals are here.

Consider this a call to arms, a rallying cry, a challenge to the regulators and their own governing bodies. Don't put

together yet another committee headed by a Bay Street lawyer for the sake of optics. Make real change. You know what the problems are so go fix them! Get more power and use it responsibly. Don't waste time on a broker who accidentally printed a blue ticket instead of a pink. Go elephant hunting. Work with law enforcement to coordinate investigations and share as much information as constitutionally possible. **Investigate, charge, prosecute.** Repeat as needed. Nothing else will restore the public's faith in a fair marketplace.

Drolet Stock Note: Is Giga Metals the next take-over target of TESLA?

Mario Drolet, President of MI3 Communications Financières Inc. (MI3), released his Stock Notes on Giga Metals Corp. (TSXV: GIGA | OTCQB: HNCKF) for exclusive distribution on InvestorIntel. Highlights include:

- Giga Metals focus on two of the key metals used in the batteries of electric vehicles: Nickel and Cobalt.
- The company's core asset is the Turnagain Project, located in northern British Columbia. It contains one of the largest undeveloped sulphide nickel and cobalt resources in the world.
- Tesla is looking to have an interest in a Canadian mine to secure a supply of low-carbon nickel, according to a Reuters report. The battery electric vehicle maker is in talks with Canadian mining company Giga Metals to help develop a large mine to secure a source of environmentally friendly nickel.

- Giga jump in volume... rumors of talks with TESLA.
- Support: S2; \$0.93 S1; \$ 1.68
- Resistance: R1; \$2.05 R2; \$2.25



About Giga Metals Corp.:

Giga Metals aims to be a premier supplier of the battery metals that will be needed as the world progresses to a future powered by clean energy. They are currently focused on two of the key metals used in the batteries of electric vehicles: Nickel and Cobalt. Their Turnagain Project is among the largest undeveloped nickel-cobalt sulphide deposits in the world in terms of total contained nickel. The NI 43-101 compliant resource contains 5.2 billion pounds of nickel and 312 million pounds of cobalt in the measured and indicated categories, plus a further 5.5 billion pounds of nickel and 327 million pounds of cobalt in the inferred resource category.

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Drolet Stock Note: CBLT Inc. – Innovation in Exploration

Mario Drolet, President of MI3 Communications Financières Inc. (MI3), released his Stock Notes on CBLT Inc. (TSXV: CBLT) for exclusive distribution on InvestorIntel. In this note, MI3 highlights the following points on CBLT Inc.:

- CBLT Inc. is a Canadian mineral exploration company with a proven leadership team, targeting cobalt in reliable mining jurisdictions
- Only 50M shares outstanding
- CBLT surge with volume since the beginning of August with over 3.5 Million shares traded

- The surge in volume could mean something more important is yet to come...
- Support: S2; \$0.035 – S1; \$0.05
- Resistance: R1; \$ 0.06 – R2; \$0.075



About CBLT Inc.

CBLT Inc. is a Canadian mineral exploration company with a proven leadership team, targeting cobalt in reliable mining jurisdictions. The Company is well-poised to deliver real value to its shareholders.

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Don Bubar on Avalon's 20 years in rare earths and their diversified asset base of critical materials

"We have been in rare earths business for over 20 years now," Don Bubar, President, CEO and Director of Avalon Advanced Materials Inc. (TSX: AVL | OTCQB: AVLNF), tells InvestorIntel's Tracy Weslosky in an interview. "And we are very well known among investors in the US for our lead role in the rare earths bubble 10 years ago. Whenever there is new development and news headline related to the risk on security of supply, then you will see speculative trading activity in Avalon."

"Our strategy has been to have a diversified asset base," Bubar continued. "That gives us exposure to broad range of these new emerging critical materials. We are basically positioned to react to when there is a new demand in the marketplace."

Bubar went on to say that Avalon is working with a partner on

its Nechalacho rare earth elements property and has maintained its main resource for any future upside. “We continue to look at other possibilities to create new rare earths supplies, by looking at how we can use new technology to recover rare earths from non-traditional sources such as historic mine wastes,” he said.

Bubar also commented on Avalon’s Separation Rapids Lithium Project: “Our focus now is on taking advantage of the opportunity in lithium markets. We are permitted now to recover a bulk sample to finalize our process flowsheet, do a pilot plant run and produce some product samples for customers who have expressed interest in the product in the glass industry as well as start to revisit serving the battery materials market going forward.”

To access the complete interview, [click here](#).

Disclaimer: Avalon Advanced Materials Inc. is an advertorial member of InvestorIntel Corp.

The Tesla led electric vehicle boom will lead to a tsunami of demand for the EV metal miners

The recent electric vehicle (EV) stock prices surge is telling a story. The story is one of change. The change is that electric vehicles are coming much sooner than many think. While EV manufacturer stocks have surged, battery manufacturers have done well, the EV metal miners are yet to

jump. This presents one of the biggest investment opportunities of the 2020s decade, as a tsunami of demand hits the EV metal miners.

Tesla's (NASDAQ: TSLA) stock is up over 8 fold the past 14 months (up 492% the past 1 year) and is now the world's largest car company by market cap. Tesla is rapidly gaining market share and is severely production constrained, as shown by their over 650,000 Cybertruck orders, not to mention a backlog of orders for Model Y, Roadster 2 and Semi.

In fact it was reported yesterday: "Later this year, we (Tesla) will be building three factories on three continents simultaneously." This followed the Tesla Q2 earnings release with Tesla now achieving 4 quarters of consecutive profitability making them now eligible to join the S&P500, a move that would typically see a surge of Index funds buying the stock. Meanwhile other pure EV plays are also booming. Nikola Corporation (NASDAQ: NKLA) is up 285% in the past year and NIO Inc. (NYSE: NIO) is up 250%. Will Fisker (NYSE: SPAQ) be next?

Lithium-ion battery megafactories are being built as fast as they can to meet the surging battery demand. There is currently over 115 Li-ion battery megafactories either built or in planning until 2029. This equates to enough capacity to make 39 million EVs per annum by 2029. This is a massive increase on the 2.2 million electric cars sold worldwide last year.

As a result, shares of the leading battery manufacturers are flying higher. LG Chem is 57% higher the past year and Chinese giant Contemporary Amperex Technology Co., Limited ("CATL") is 174% higher over the past year.

The 2017 boom in EV metals was merely the entree. What is coming this decade is so much bigger. Nickel sulphate battery demand is set to lead the pack with a staggering **14x** increase

in demand from 2019 to 2030. Aluminum, phosphorous, and iron will also be needed to meet the EV production surge. Copper demand for EVs is forecast to surge **10x** due to its use in electric motors, wiring, and charging infrastructure. Finally the other battery metals are all set for a surge in demand. These can perform the best as they are often smaller markets with supply constraints as most investors know with cobalt in particular highly reliant on the volatile and corrupt DRC.

- Graphite – A **10x** increase in battery demand from 2019 to 2030.
- Lithium – A **9x** increase in battery demand from 2019 to 2030.
- Cobalt – A **3x** increase in battery demand from 2019 to 2030.
- Manganese – A **3x** increase in battery demand from 2019 to 2030.

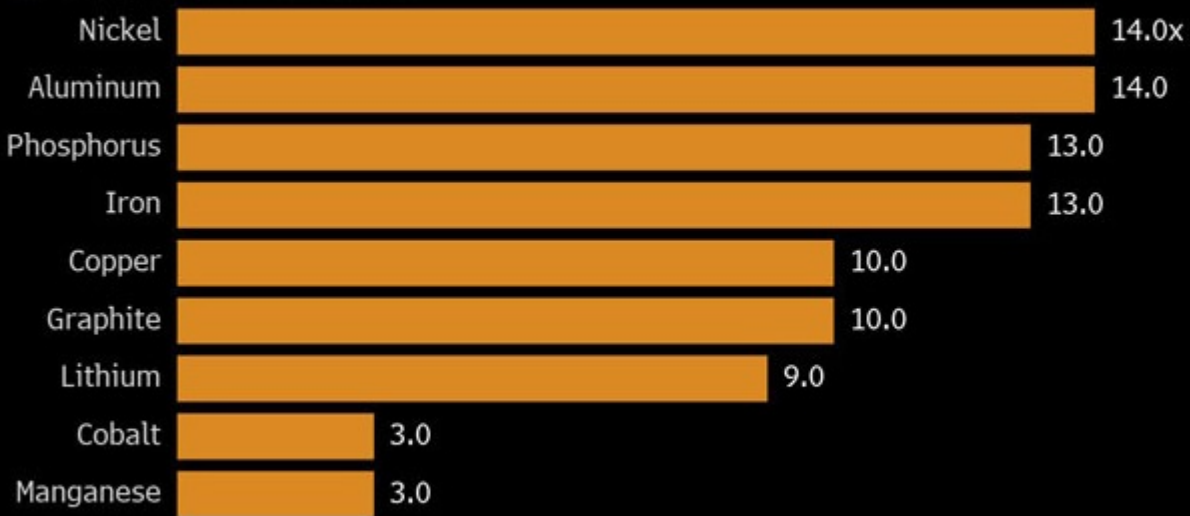
Note: Rare earths will also see a surge in demand as they are needed for powerful magnets in EV motors and wind turbines.

Bloomberg forecasts a tsunami of demand coming for EV battery metals this decade

Battery Boost

Demand from electric vehicle batteries will spur a group of metals

■ 2019 v 2030 demand growth



Source: BloombergNEF

Bloomberg

When have you ever heard of a car manufacturer publically saying this? Elon Musk's plea yesterday for mining companies is quoted below:

"Please mine more nickel.....Tesla will give you a giant contract for a long period of time if you mine nickel efficiently and in an environmentally sensitive way."

Closing remarks

The EV boom is about to take off as EV prices become purchase price competitive with conventional cars by ~2022. The battery factory build out is well underway. What is lacking is investment into the EV miners to supply what will be the much needed raw materials, hence Elon Musk's plea to miners. Many investors don't understand to bring on a new mine to full production can take 5-10 years, compared to 1-2 years for an EV or battery factory. EV metals supply constraints will be the biggest obstacle that the EV boom will face this next decade.

For investors the opportunity is now clearer than ever. Buy EV metal miners with quality assets in safe jurisdictions and with ability to scale rapidly to meet surging demand. While current producers are the safest and preferred way, the near term junior producers (developers) can offer tremendous returns, albeit with higher risk.

Disclaimer: The InvestorIntel Sr Editor Matthew Bohlsen currently owns shares in Tesla. The information in this article is general in nature and should not be relied upon as personal financial advice. For more information, contact Tracy Weslosky at info@investorintel.com.

Tesla's decision to source cobalt from Glencore raises concerns in the investment community about all electric vehicles

As we move towards electrification of the global transport fleet one of the biggest concerns is the sourcing of cobalt. That is because approximately 70% of the world's cobalt production comes from the Democratic Republic of Congo (DRC) – A country rampant with issues such as corruption, child labor and exploitation.

The recent Tesla's decision to source cobalt from Glencore, along with others (BMW, Samsung SDI, SK Innovation, GEM Co,

and Umicore) is very concerning. It means that all these companies are totally reliant on the DRC (excluding BMW who has secured Glencore's Australian cobalt from Murrin Murrin) for cobalt. Furthermore it means that Glencore has locked in sales of about 82% of its current cobalt production, leaving very little available cobalt supply in the market.

The bigger question is: **'When will car and battery manufacturers and western governments start to support western cobalt miners?'** Until they do that the electrification of the transport sector will be heavily reliant on the DRC and China, which represents a huge risk to the supply chain.

There are several good quality cobalt options without resorting to the DRC and China. Yes they will need financing and support, but in the long run **some investment now is better than total disruption later.** For investors it would also be wise to support the non-DRC cobalt miners. Firstly they are generally very cheap right now, and secondly if they can make it to production they will have multiple battery and car manufacturers lining up to secure a safe supply of cobalt. They may even pay a premium for safe cobalt supply.

The following cobalt miners do NOT source cobalt from the DRC and are worth serious investor consideration.

Producers (and country source of cobalt)

- Sumitomo Metal Mining Co. (TYO: 5713 | OTC: SMMYY) – Sources from Philippines and Madagascar.
- MMC Norilsk Nickel PJSC (LSX: MNOD | OTC: NILSY) – Sources from Russia.
- Vale SA (NYSE: VALE) – Sources from Canada.
- Sherritt International Corporation (TSX: S | OTC: SHERF) – Sources from Cuba and Madagascar.
- Conic Metals Corp. (TSXV: NKL) – Sources from Papua New Guinea.
- Korea Resources Corporation – Sources from Madagascar.

Juniors and potentially the next cobalt producers

- Aeon Metals Limited (ASX: AML)
- Ardea Resources Limited (ASX: ARL | OTC: ARRRF)
- Australian Mines Limited (ASX: AUZ | OTCQB: AMSLF)
- Bankers Cobalt Corp. (TSXV: BANC | OTCQB: NDENF)
- Blackstone Minerals Limited (ASX: BSX | OTC: BLSTF)
- BlueBird Battery Metals Inc. (TSXV: BATT | OTC: BBBMF)
- Brixton Metals Corporation (TSXV: BBB | OTCQB: BBBXF)
- Canada Nickel Company Inc. (TSXV: CNC)
- Canada Silver Cobalt Works Inc. (TSXV: CCW | OTCQB: CCWOF)
- Cassini Resources Limited (ASX: CZI) – To be acquired by OZ Minerals Ltd. (ASX: OZL | OTC: OZMLF)
- CBLT Inc. (TSXV: CBLT)
- Clean TeQ Holdings Limited (ASX: CLQ | TSX: CLQ | OTCQX: CTEQF)
- Cobalt Blue Holdings Limited (ASX: COB | OTC: CBBHF)
- First Cobalt Corp. (TSXV: FCC | OTCQB: FTSSF)
- Fortune Minerals Limited (TSX: FT | OTCQB: FT MDF)
- Fuse Cobalt Inc. (TSXV: FUSE | OTCQB: FUSEF)
- GME Resources Limited (ASX: GME)
- Havilah Resources Limited (ASX: HAV)
- Jervois Mining Limited (ASX: JRV | TSXV: JRV | OTCQB: JRVMF)
- Leading Edge Materials Corp. (TSXV: LEM | OTCQB: LEMIF)
- Power Group Projects Corp. (TSXV: PGP)
- Talon Metals Corp. (TSX: TLO) – Located in the USA

All of the above junior cobalt miners are located either in the safe jurisdictions of Canada or Australia and are featured on the InvestorChannel watchlist.

If the world wants to see a safe cobalt supply, free from the corrupt DRC issues, then the above junior cobalt miners will need to be supported. Together they can solve the problem of +70% reliance on DRC cobalt. The support that is needed is start up project funding (start up CapEx). USA, Europe, and

other western governments can step in and offer low rate long term debt funding, just as what Japan did to support the start up of rare earths miner Lynas Corporation. Until this happens we will continue to be at the mercy of the DRC and Chinese supply chain.

“Cobalt is a key critical material needed in lithium-ion batteries used to make electric vehicles (EVs) – The Tesla Model 3 is by far the world’s best selling electric car”

Closing remarks

Demand for cobalt is set increase about fourfold over the 2020s decade based on my model forecast (assumes EV market share reaches 36% by 2030). This will most likely lead to severe cobalt deficits. New cobalt supply is extremely hard to bring on quickly, especially given most cobalt is produced as a by-product of copper and nickel production.

Cobalt is on the US list of critical materials for a good reason. It is needed in aerospace, jet engines (and military applications), and is a key component in lithium-ion batteries (essential for EVs and consumer electronics). Yes the EV related battery industry is reducing the cobalt per battery; however the better quality NMC, NCA, and NMCA batteries all require cobalt to keep the battery safe. Not enough cobalt and you get thermal runaway (aka fire).

Just as what happened with uranium this year, and is likely to happen soon with rare earths; the US and Europe need to act now to develop a safe cobalt supply chain. If they don’t act soon then the West will be totally at the mercy of the DRC/China supply chain, which makes the West very vulnerable should trade war issues, cobalt shortages, or other supply chain issues continue as I would expect will be the case. The latest concern is that Glencore is now facing a Swiss corruption investigation related to its DRC activities. What would happen to cobalt supply if Glencore was halted in

dealings with the DRC?

The world's leading Li-ion battery supply chain expert Simon Moores (Benchmark Mineral Intelligence) appeared before the US Senate again last week warning that the US domestic supply chain build out is far too slow and that the US risks being left behind.

Let's hope that the West finally wakes up before it is too late.