

# The 800lb Gorilla on the Cobalt market back

Anyone that is following the technology metals market knows that cobalt is a sizzling metal commodity. In fact, most people have no idea that 60% of the cobalt used in the lithium-ion batteries in their smartphones and laptop computers contains cobalt from the Democratic Republic of Congo (the "DRC").

With war, disease, new mining tax proposals, child labour, and human rights violations – the DRC is officially a mess.

On the BBC website they describe what has been happening in the DRC since 1998 as "Africa's world war". Having "claimed an up to six million lives, either as a direct result of fighting or because of disease and malnutrition..." this war has been "fuelled by the country's vast mineral wealth." (Source: [Click Here](#)) As a result, its about time that the mainstream market took a real interest in this conflict metal.

I was aware of the supply/demand imbalance of this conflict metal as we often have Peter Clausi of CBLT Inc. as a guest speaker at our annual Technology Metals Summits. Passionate on both the physical and ethical issues around this highly prized technology metal, he reminded me that cobalt was trading at a bit more than \$10 US per pound during PDAC in March and today, it's close to \$30 a pound.

With the price of the metal up over 300% in the last year, the juniors have not shown a respective increase and we have been discussing why. We revisited the prices of the junior cobalt companies trading on the stock exchange this week and while there have been minor price increases after initial surges, the overall increases don't correlate to movements in the price of cobalt. Following eCobalt Solutions Inc. for many

years, a leader with the TSX: ECS up 101.85% and OTCQB: ECSIF up 114.30% since January – my industry sources tell me that there is much more room to move. In fact, InvestorIntel analyst Lara Smith stated in her column a month ago titled Positive feasibility study results reinforce eCobalt's leadership position in U.S. cobalt market that "this is nothing compared to what will likely happen over the next five (years)."

While stock movements are often related to internal events in companies, there is no question that the price surge for this conflict metal is not translating effectively. As such, its clear that we in the industry must reflect on what we are doing to contribute to this formula. In reviewing the cobalt investment opportunities in the junior market, our team has noticed some "over-enthusiastic promoters" attempting to capitalize on the horrific conditions in the DRC with what our analysts claim are some "weak projects, unsuited geologists and management teams with questionable governance." This said, we believe the juniors are also full of incredibly hard-working good ethical people trying to build their mineralization into a real deposit to give investors a morally suitable source for their smartphones and the real challenge is simply trying to separate these two groups...

Because the junior cobalt market has not been around very long, many of the people in this sector are new to the public markets. This creates a credibility gap, and it might be this credibility gap that accounts for the lagging juniors?

For instance, I recently read some good news from a company that they were "pleased to report high grade cobalt from muckpile sampling." In mining, the definition of a muckpile is, ore or rock that has been broken by blasting. So, what the company is saying here is that they have accessed a historic pile of broken rock on one of their properties.

The news release goes on to state that "[the muckpile results]

confirms the presence of a productive vein system in the underexplored mafic volcanic rocks”...

The point is that while we here at **InvestorIntel** are thrilled that our readership is expanding to the technology sector in California – how many Silicon based investors really understand what this news release is saying?

We have been doing series on the impact of trust in communications as the most powerful currency in marketing a stock today. And many of the technology metal market agree with Peter Clausi and Lara Smith that the cobalt market is an inevitable market performer so perhaps we need more information in our news releases? This said, how does a reader translate if a muckpile confirms a productive vein system if the data is not properly integrated and translated for the reader?

The cobalt juniors not moving consistently with the price of cobalt is obviously being impacted by many factors. This said, the juniors that will respond the best in the market will be those with good management teams, projects worth exploring, and those that can close the credibility gap.