Why Washington sees the Congo as a solution for the looming critical minerals disaster

written by Melissa (Mel) Sanderson | January 23, 2023
The December 13, 2022 US-DRC-Zambia Memorandum of Understanding recently published is unfortunately another example of the US desperately trying to solve the looming disaster confronting the electric vehicle, green energy and defense industries caused by a current and growing global shortage of vital inputs such as lithium and rare earths

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Congo expert shares the formula on how DRC mining may offer a real win-win

written by Melissa (Mel) Sanderson | January 23, 2023
For those who saw the Democratic Republic of the Congo (‘DRC’) President Etienne Tshikedi at the recent FT Africa Summit, you might have been struck by the curious mix of bellicosity and naiveté in both the substance and tone of his remarks. In his defense, Tshikedi, widely regarded as the illegitimate victor of the 2018 contested Presidential election, has trouble sounding credible in presenting a positive future for Congo, always “the land of great promise” where a prosperous tomorrow seems somehow illusive. However, he outdid himself when, close to the end of

an interview with an FT reporter, Tshikedi declared that “investors shouldn’t wait until we are perfect to invest, they should invest to make us perfect.” Laying aside perfection, the key question is whether it is possible to build and operate a profitable modern mine in DRC. My answer? It isn’t easy but with the right people and procedures, it can be done.

A quick snapshot of modern DRC history: Independence from Belgium in 1960 quickly leads to the assassination of Congo’s controversial but popular PM Lumumba, the rise of infamous kleptocrat General Mobutu Sese Seku, over-thrown by Laurent “Muzee” Kabila and his Rwandan allies in 1997, Kabila’s assassination in 2001 unleashes “Africa’s WWII,” intervention by the international community leads to a power-sharing transition government in 2003 headed by Joseph Kabila, son of Muzee, elections in 2006 and 2011 enshrine Kablia’s Presidency, then in 2018 Tshikedi emerges as President (after negotiations with Kabila) from an election widely judged to have been won by opposition leader Martin Fayulu.

It wasn’t all doom and gloom though. Kinshasa’s lovely tree-shaded boulevards and highrises, its lively music and café scenes earned it the sobriquet “Paris of Africa,” the country was the breadbasket of Central Africa and beyond, American companies such as GM were producing cars for the bourgeoning African market and the US military had a base in the southwest where it was providing training to Congolese military.

Why the history lesson? To be successful in Congo it’s important to understand the pattern of exploitation and corruption which has run through the country for 60 years, shaping both experiences of Congolese and perceptions of foreigners.

It is equally important to realize Congolese know they have been great and that they aspire to be so again.

In my 20 year experience with Congo, first as Political Counselor/Deputy Chief of Mission/Charge d'affaires of the US Embassy and then as VP for Africa of a major US mining company which built one of the world's largest copper-cobalt mines in Katanga, I've seen positive changes. Transportation and energy Infrastructure, key elements for the mining sector, have become more widely available and more reliable – although still spotty. DRC always has had an educated youthful workforce, and specifically in Katanga province, generational mining expertise. Violence remains a problem in parts of Eastern Congo with the same old militia and terrorist elements proving difficult to eradicate. On the other hand, given that Congo is the size of the US east of the Mississippi and from Maine to Florida, vast tracts of the nation are mostly peaceful – and hold largely untapped resources.

So, with the mixed bag of elements, why mine in DRC? The grades of materials ranging from copper to cobalt to coltan to gold continuously amaze – and elements in high demand to support global transformation such as lithium, graphite, rare earths and uranium are abundant. Particularly with the large deficit curves in virtually every critical material, DRC offers an abundance of possibilities for good return on investment.

One major pending rail project would further improve the ability of miners to export products and import materials from/to eastern Congo through Angola, opening a new and potentially faster channel. Likewise, a long-pending major energy project is again under discussion which could enhance the power grid through the eastern part of the country.

Speaking from experience, a company interested in doing business in DRC needs to understand the necessary investments up front, including 'hard' investments in energy and roads, and 'soft' investments in social programs and, most importantly,

relationships. These relationships include with NGOs and Embassies to ensure that production isn't complicated by poor monitoring of supply chains or allegations of human rights abuses. Above all, appropriate relationships with Congolese authorities and social leaders are key to avoiding the entanglements of corruption, a snare ever ready to trap the unwary. Knowledge of and adherence to laws such as the Foreign Corrupt Practices Act and similar laws in the EU and UK is key.

Bottom line? Doing business in DRC isn't easy, but can be done profitably and well. Politically, there is more continuity than may be evident or understood. There is more social unity than suggested sometimes by Congo's 252 tribal languages and "swahiliphone/lingalaphone" debates. There is dogged determination to overcome obstacles.

With the right people working in the right way, everyone can win.

CBLT's Clausi on selling assets for a profit.

written by InvestorNews | January 23, 2023

"As we all know it is a difficult mining market out there. There are many companies whose values are not reflected in their share price. You can either sit around and whine about it or you can do something about it. My board told me to do something about it. We bought non-core assets, packaged them, went to Australia, met with anybody who would meet with us and was able to sell these assets to create a profit for CBLT back in Canada. In

essence we did a hard $1 million dollar financing without any fees on top.” States Peter Clausi, President, CEO and Director of CBLT Inc. (TSXV: CBLT), in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

Tracy Weslosky: How does it feel to be a junior that is actually making money? Can you tell your shareholders and investors out there a little bit about what you are doing right now?

Peter Clausi: Sure. As we all know it is a difficult mining market out there. There are many companies whose values are not reflected in their share price. You can either sit around and whine about it or you can do something about it. My board told me to do something about it. We bought non-core assets, packaged them, went to Australia, met with anybody who would meet with us and was able to sell these assets to create a profit for CBLT back in Canada. In essence we did a hard $1 million dollar financing without any fees on top.

Tracy Weslosky: While you were in Australia we had a couple of investors in town last week they are telling me that Australia is experiencing a gold rush and they are redirecting their attention towards the resource sector. Is this correct? Is this consistent with your own conclusions having just gotten back from Australia?

Peter Clausi: Australia does not have the same kind of risk capital market that Canada or the United States has. They do not have a cannabis market. They do not have a crypto market. The risk capital has stayed in junior high-tech, junior mining, junior oil and gas. It has not fragmented so there is more capital available. Yes, there have been a couple of recent discoveries in the gold sector that have juiced the market generally. Plus the rebirth of rare earths and lithium, we will call it 2.5 because we are not quite at lithium 3.0 yet, has

also helped to excite the market. George and his buddies at Northern have done a real good job of bringing that project to market. They were a big hit when they were traveling in New York and it has helped to re-excite the rare earths market.

Tracy Weslosky: Peter I have to tell you, I do not know if you have seen how Neo's stock has moved. There is a lot of interest in electric cars as you know. We do not have the cobalt that we need. I do not understand why people are not lined up around the block to have your conflict-free mineral source of cobalt here in Canada. What is going on there? What is the disconnect between the cobalt demand, as we know there is a real shortage, and the interest in CBLT for instance?

Peter Clausi: There are a lot of reasons for it. It is a market that still lacks credibility. There is a group in Australia that reports in "cobalt equivalent" by taking a little bit of copper and a little bit of gold and a little bit of silver and doing some magic and increasing their cobalt number. Things like that hurt all of us. I wish they would stop doing it. The other problem we have is, cobalt is a bizarre metal. It is only found in a few places around the globe in mineable quantities. 60% of it comes from the Congo so anything that happens in the Congo affects cobalt globally…to access the complete interview, click here

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Cobalt Blockchain on changing the way the world sources conflict minerals

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July 4, 2018 – “Today minerals are traced in the Congo. You have got tin, tantalum, tungsten, cobalt, which are considered conflict metals. The early incumbent system is all paper-based log books. We think that blockchain is a significant way to improve mineral provenance and certify where it has come from, how it is produced and essentially it is a distributed ledger and it is really facilitating and automating trust between counterparties in the supply chain. We are the intermediary between artisanal miners and our offtake partner.” states Lance Hooper, President & COO and Director of Cobalt Blockchain Inc. (TSXV: COBC), in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

Tracy Weslosky: Lance I think you are basically going to be the first ethical supplier of DRC cobalt. Is that correct?

Lance Hooper: Yeah, that is our plan Tracy in the next quarter. We have put a number of the building blocks in place; initial supply agreement. Right now we are building out depot infrastructure and implementing the mineral traceability system that we have developed in the last 3 months.

Tracy Weslosky: InvestorIntel audience, here is what we have. We have cobalt, which is in demand around the world and, of course, we have technology with blockchain. Can you explain to us a little bit more about how you are utilizing blockchain technology to change the cobalt industry?

Lance Hooper: Sure. Today minerals are traced in the Congo. You have got tin, tantalum, tungsten, cobalt, which are considered conflict metals. The early incumbent system is all paper-based log books. We think that blockchain is a significant way to improve mineral provenance and certify where it has come from, how it is produced and essentially it is a distributed ledger and it is really facilitating and automating trust between counterparties in the supply chain. We are the intermediary between artisanal miners and our offtake partner…to access the complete interview, click here

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Farquharson on being the only near-term permitted primary cobalt company in the United States

written by InvestorNews | January 23, 2023
May 25, 2018 – "I am the President and CEO of eCobalt, the only near-term permitted primary cobalt company in the United States. By primary it means that our primary project has a native metal of high-grade cobalt. This differs from most of the deposits in the world which contain cobalt as byproducts, such as copper and nickel and usually fairly low grades." states Paul Farquharson, President & CEO of eCobalt Solutions Inc. (TSX: ECS | OTCQX: ECSIF), in a recent presentation at the 7th Annual InvestorIntel

Summit – Buds, Batteries & Blockchain 2018.

Paul Farquharson: When Tracy asked me to do the opening keynote for this conference, Buds, Batteries and Blockchains Conference, I thought to myself, what on earth do these three things have to do with one another? It became a lively debate around our office here and a discussion. We considered what unifies these three sectors. This is what we came to think about, they all represent a fundamental shift in society today being driven by innovation and technology across sectors, economic opportunity, consumer demand for change, corporate social responsibility and government action. An analyst at CRU, one of the most foremost business intelligent firms in the world has likened the shift we are seeing from internal combustion engines to electric vehicles to the same type of seismic shift that we saw when we went from horse and buggy to internal combustion engines in the 1900s. Some of us, like myself, were around then, most of you guys were not. The same type of groundbreaking shift is also occurring in cannabis with a wide range of implications, legal, economic and social and in blockchain, a term so new that it was just added to the Webster Dictionary on Marth the 5th of this year. I am the President and CEO of eCobalt, the only near-term permitted primary cobalt company in the United States. By primary it means that our primary project has a native metal of high-grade cobalt. This differs from most of the deposits in the world which contain cobalt as byproducts, such as copper and nickel and usually fairly low grades. Your DRC production is copper-cobalt. It depends on the copper price for production; the nickel-cobalt production, Russian, Cuban, Sudbury, our project, primary cobalt. I have been with the company since 1992. That was even before we had the Ram deposit staked. I have been with the company all along as we advanced the project from early-stage greenfields exploration to where we are today. As I like to say, we are a 25-year overnight success. As I met some people

there this morning, it is tenacity. You have to stay with this. You have to go through cycles. It takes a long time to bring these projects into production. In all those years I can generally say that I have never seen a market for cobalt as we have today. During the last cycle when eCobalt, then Formation Metals, was starting construction in 2012 we were planning to produce a super alloy grade cobalt metal used in wind turbines as a hardening agent and in jet engines. Approximately 400 pounds of cobalt is used in an average jet engine and it allows them to burn hotter so that they are much more fuel efficient. This market on its own, the super alloy grade market, is expected to double by 2020. The current cobalt market however is fundamentally different to what it was then. For that reason I believe it is here to stay. What is driving this fundamental change? The market for electric vehicles and renewable energy…to access the complete presentation, click here