

# eCobalt Provides an Update on the Idaho Cobalt Project Optimization

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VANCOUVER, Dec. 7, 2017 /CNW/ - [eCobalt Solutions Inc.](#) (TSX: ECS; OTCQX: ECSIF; Frankfurt: ECO) ("eCobalt" or the "Company") is reporting that significant progress has been made to date on optimization of the Idaho Cobalt Project ("ICP") resulting in a new direction to produce a clean (low arsenic content) cobalt concentrate product, an upstream precursor material for battery cathode production, that may result in material reduction of capital and operating cost at the Cobalt Production Facility ("CPF"). This product change and other project optimization efforts have the potential to result in a significant improvement in economics for the ICP. This new opportunity is being pursued in response to changes in battery supply chain dynamics and in-depth discussions with potential offtake partners.

Mr. Paul Farquharson, President and C.E.O. of the Company commented: "Consolidation of battery materials manufacturing in China to decrease cost and increase production capacity has reduced the premium in the price of cobalt sulphate over cobalt metal. Due to these changing battery market dynamics, and in response to discussions with numerous potential offtake parties, the Company has determined that delivering a clean cobalt concentrate product is the fastest route to production, generation of cash-flows and reduction of price and technical risk to the project. A clean cobalt concentrate is an upstream material for battery cathodes compared to cobalt sulphate which would eliminate the requirement to build a full CPF, as reported in the September 27, 2017 Feasibility Study, which is expected to result in substantially reduced capital and operating cost for a more simplified flow sheet. The significant incremental capital investment required to build a full CPF is not supported by the forecast price differential between cobalt concentrate and cobalt sulphate. Initial offtake terms received have indicated attractive pricing for the ICP's clean cobalt concentrate product due to the product's unique high cobalt content and medium to long term cobalt supply constraints resulting in a considerable improvement in project economics. We are very excited about this new path as it further de-risks the project and has the potential to significantly decrease total capital requirements. The Company's original project initiation timeline is not altered." He concluded; "Urgency among OEMs' to secure cobalt supply has driven the price of cobalt to US\$30 per lb. which drives the desire for the ICP to achieve early production to deliver optimal value to its shareholders."

## Clean Cobalt Concentrate Production

In response to changing battery market dynamics and in-depth discussions with potential off-takers during Senior Management's recent marketing campaigns in North America, Asia, Australia and Europe, there is an opportunity to reduce capital and operating cost at the CPF and improve construction timelines by pursuing a clean cobalt concentrate product and by-product of copper/gold concentrate. Clean cobalt concentrate is an upstream product, containing less than 1% arsenic, that is used in the production of precursor battery cathode material. Since it is a less refined product compared to cobalt sulphate, investment in a CPF can be reduced to a fraction of the capital identified in the September 27, 2017 Feasibility Study ("FS").

The total capital cost estimate for the ICP per the FS is US\$187M of which US\$124M (66%) is for the CPF. Operating cash cost for the ICP, net of by-product credits, is US\$5.05/lb cobalt, of which US\$13.88 is direct cost before by-product credits and 34% of direct cost is related to the CPF. Based on today's LME cobalt price of US\$30.00/lb (Co-99.3%), the ICP's after tax NPV (7.5% discount rate) and IRR per the FS is US\$183M and 25.5% respectively. Since capital and operating cost to produce cobalt sulphate at the CPF formed a significant burden on project economics, the Company believes that a more simplified flowsheet to produce a clean cobalt concentrate product may result in material reduction in both of these areas which may have a further significant positive impact on overall project economics.

These opportunities are being further evaluated by advancing offtake discussions and detailed CPF design to pursue this optimal direction. To this end, the Company has engaged Micon International Ltd. ("Micon"), SNC Lavalin and Dundee Sustainable Technologies to conduct detailed metallurgical testing and engineering for the revised flowsheet with the intent to develop feasibility level designs and costs for the revised flowsheet. The Company has begun receiving Letters of Intent for offtake and project financing from

multiple parties on this new strategy and intends to identify its partner(s) by early 2018 after thorough evaluation.

#### Mineral Resource and Reserve Optimization

The Company has completed the planned three-hole, 5,000-foot drill program on schedule. The three completed holes all intersected mineralized zones anticipated in the FS resource model. Based on core logging, and pending assay results, this drill program is expected to have a positive impact on the project's resource model. The Company has engaged Micon to update the FS resource model in Q1 2018 once assays are received. In addition, a fourth drill hole is in progress in coordination with an independent geotechnical firm to provide rock mass data and acquire additional mineralized material for metallurgical testing and detailed engineering.

The Company has also engaged Micon to evaluate a detailed mine design and production schedule developed in-house with third party consultants to reduce planned dilution. Working with Micon, this design enhancement will be applied to the updated resource model and evaluated using Micon's FS cost model. The Company believes the updated resource and mine plans will have a positive impact on mine units costs per lb of cobalt and life of mine cobalt production which would positively impact project economics.

E.R. (Rick) Honsinger, P.Geo., Senior V.P. with eCobalt, is the Qualified Person who has reviewed and approved the contents of this news release.

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About eCobalt Solutions Inc. ([www.eCobalt.com](http://www.eCobalt.com))

eCobalt is a well-established Toronto Stock Exchange listed company committed to providing ethically produced, environmentally sound, battery grade cobalt products, essential for the rapidly growing rechargeable battery and renewable energy sectors, made safely, responsibly, and transparently in the United States. The Company's ICP, located in East Central Idaho, is the only environmentally permitted, primary cobalt project in the United States. It is 100% owned by the Company's wholly owned subsidiary, Formation Capital Corporation, U.S.

eCobalt Solutions Inc.

"J. Paul Farquharson"  
J. Paul Farquharson  
President & CEO

#### Cautionary Statement on Forward Looking Statements

This news release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Statements in this news release pertaining to expected financings, filings, uses of proceeds or project completion dates are forward-looking statements. These forward-looking statements are based on assumptions and address future events and conditions and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future results, performance or achievement. These risks, uncertainties and factors include general business, economic, competitive, political, regulatory and social uncertainties; actual results of exploration activities and economic evaluations; fluctuations in currency exchange rates; changes in project parameters; changes in costs, including labour, infrastructure, operating and production costs; future prices of cobalt; variations of mineral grade or recovery rates; operating or technical difficulties in connection with exploration, development or mining activities, including the failure of plant, equipment or processes to operate as anticipated; delays in completion of exploration, development or construction activities; changes in government legislation and regulation; the ability to maintain and renew existing licenses and permits or obtain required licenses and permits in a timely manner; the ability to obtain financing on acceptable terms in a timely manner; contests over title to properties; employee relations and

shortages of skilled personnel and contractors; the speculative nature of, and the risks involved in, the exploration, development and mining business.

Such projections are and will inevitably always be dependent on assumptions about future mineral prices and development costs which will be subject to fluctuation due to global and local economic and industry conditions. Further information regarding risks and uncertainties which may cause results to differ from those contained in forward-looking statements is included in filings by the Company with securities regulatory authorities and is available at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Although the Company has disclosed that the ICP remains the sole, near term, environmentally permitted, primary cobalt deposit in the United States and offers a unique potential for North American consumers to secure an ethically sourced, environmentally sound supply of battery grade cobalt products, there is no guarantee that the Company will attain commercial production of such cobalt products for use in the rechargeable battery sector. Accordingly, **readers should not place undue reliance on forward-looking statements.** The Company does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws.

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