

Cobalt 27 Acquires Royalty on Dumont, a World Class, Construction Ready Nickel Cobalt Project in Canada

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TORONTO, Feb. 22, 2018 (GLOBE NEWSWIRE) -- Cobalt 27 Capital Corp. ("Cobalt 27" or the "Company") (TSXV:KBLT) (FRA:27O) is pleased to announce that it has acquired a 1.75% Net Smelter Return ("NSR") royalty on all future production over all metals from the Dumont Nickel-Cobalt Project (the "Dumont Project"), which contains the world's largest undeveloped, permitted, and construction-ready reserves of nickel and cobalt, located in the geopolitically secure and mining-friendly Abitibi region of the Canadian province of Québec.

Investment Highlights¹:

- [RNC Minerals Corp.](#) ("RNC Minerals") holds the operating interest in the advanced-stage Dumont Nickel-Cobalt Project which is positioned to deliver nickel and cobalt for, among other things, use in electric vehicle and grid storage batteries. Production is anticipated to commence in 2020.
- Cobalt 27 is not raising capital to fund the acquisition of the NSR, which is immediately accretive to NAV per share.
- The Dumont Project is a nickel sulphide project making it ideal for producing nickel and cobalt material feed to be sold directly into the battery industry. Only 50% of the world's nickel mine supply is suitable for battery manufacturing. The Dumont Project is the second largest nickel reserve and the largest undeveloped cobalt reserve globally.
- The Dumont Project is a long-life nickel and cobalt project with an initial 33-year life of mine, over 1 billion tonnes of reserves, and the potential for significant future expansion, up to an additional 30 years, from equally large nickel and cobalt resources. The NSR has a 60 year term plus an automatic 60 year renewal.
- Proven and probable reserves of 1.18 billion tonnes of ore containing 3.15 million tonnes (6.9 billion pounds) of nickel and 126,000 tonnes (278 million pounds) of cobalt.
- The NSR covers all metals produced from the Dumont Project, including Nickel, Cobalt, Platinum and Palladium.
- Initial annual production of 33 ktpa (73 million pounds) of nickel and 1.0 ktpa of cobalt (2.3 million pounds) contained in concentrate, with production to be expanded in year five to an annual average of 51 ktpa (113 million pounds) of nickel and 2.0 ktpa (4.3 million pounds) of cobalt. The production profile of the company will make it a critical source of raw materials from a safe jurisdiction to both the automobile and grid storage industries at a time when few development stage projects exist globally, and almost no such projects exist in stable jurisdictions.
- The timing and project location (Canada) are of particular note, considering the continued armed conflict and potential mining code changes in the DRC – home to over 65% of world cobalt production.
- The Dumont Project is a low cost, large scale development project with a low strip ratio of 1.1:1 and major supporting infrastructure including road, rail, power and water in place.
- To be paid quarterly in U.S. dollars once the Project enters production, Cobalt 27 anticipates the Dumont NSR royalty will provide the Company with cash flow over the 33 year initial life of mine, and beyond.

"We are very pleased to add the Dumont NSR to our portfolio and the timing couldn't be better. At a time when the DRC, which produces over 65% of the world's cobalt, grows ever-more unstable, OEMs, battery manufacturers, and automobile companies, are increasingly focused on sourcing nickel and cobalt in stable, conflict-free jurisdictions. The Dumont Nickel-Cobalt Project is a world-class, North American nickel-cobalt development asset, located in one of the world's best mining jurisdictions. As the second-largest nickel reserve and the largest undeveloped cobalt reserve globally, it ranks among the top battery metals projects in the world and one of only a few nickel-cobalt projects that will be built this

cycle,” commented Anthony Milewski, Chairman of Cobalt 27.

The 1.75% NSR royalty contains a US\$15 million buyback right to the Dumont joint venture to repurchase 0.375% of the 1.75% NSR (“Repurchase Option”), which if exercised would result in a 1.375% remaining NSR. The terms of the Repurchase Option imply a US\$70 million value for the entire 1.75% NSR. The one-time Repurchase Option is only exercisable on the third, fourth or fifth anniversary of the original royalty agreement dated July 8, 2015.

The Dumont NSR royalty will be the Company’s first investment in its new wholly-owned subsidiary, Electric Metals Streaming Corp. (“Electric Metals Streaming”), which will also hold Cobalt 27’s future streaming and royalty investments and is incorporated in the Province of Ontario. Cobalt 27 is currently negotiating additional cobalt streaming and royalty agreements where cobalt is mined as a byproduct metal and intends to finalize the first of several cobalt streaming agreements over the next year.

“With today’s announcement, Cobalt 27 continues to be ideally positioned to take advantage of the early stages of the technology metals upcycle where large-scale, base metal producers are actively seeking to leverage cobalt byproducts to fund mine expansion and repay debt using alternative, non-dilutive sources of capital,” further stated Mr. Milewski “With the formation of Electric Metals Streaming, our plan is to build on the Company’s 2017 acquisition of 2,982 tonnes of physical cobalt, to provide shareholders with near-term revenue and cash flow, diversified asset exposure and additional future avenues for growth.”

Mr. Justin Cochrane, Director and President of Cobalt 27, has been appointed Chairman and Chief Executive Officer of Electric Metals Streaming. Electric Metals Streaming will be overseen by an independent Streaming Committee of the board of directors of Cobalt 27. Mr. Cochrane will continue in his role as Director, President and COO of Cobalt 27.

Completion of the acquisition of the NSR is subject to certain customary conditions of closing, including approval of the TSX Venture Exchange, and is expected to be completed shortly. Cobalt 27 has not received any scientific or technical information in respect of the Dumont Nickel-Cobalt Project that is not otherwise publicly available. The scientific and technical information in respect of the Dumont Nickel-Cobalt Project in this release is derived in its entirety from Royal Nickel Corporation’s publicly filed disclosures and Cobalt 27 has not independently verified any such information.

In connection with the acquisition BMO Capital Markets acted as financial advisor to Cobalt 27 and Stikeman Elliott LLP acted as the Company’s legal advisor.

About Cobalt 27 Capital Corp.

[Cobalt 27 Capital Corp.](#) is a minerals company that offers direct exposure to cobalt, an integral element in key technologies of the electric vehicle and battery energy storage markets. The Company owns over 2,982 Mt of physical cobalt and manages a portfolio of cobalt royalties. The Company intends to continue investing in a cobalt-focused portfolio of streams, royalties and direct interests in mineral properties containing cobalt, while potentially adding to its cobalt physical holdings when opportunities arise.

For further information please visit the Company website at www.co27.com or contact:

Betty Joy LeBlanc, BA, MBA
Director, Corporate Communications
+1-604-828-0999
info@co27.com

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Forward-Looking Information: This press release contains certain information which constitutes

‘forward-looking statements’ and ‘forward-looking information’ within the meaning of applicable Canadian securities laws. Forward-looking statements in this news release include, without limitation: statements pertaining to the Dumont Nickel-Cobalt Project (including with respect to anticipated life of mine, timing of commencement of production, future rates of production, anticipated capital and operating expenses, and mineral reserves and resources); statements pertaining to the implied value of the NSR and the length of payments; statements pertaining to the anticipated performance of operations at the Dumont Nickel-Cobalt Project; statements pertaining to the Democratic Republic of Congo; statements pertaining to the OEM, battery and automobile industries; and statements pertaining to completion of the acquisition of the NSR and the timing thereof. Forward-looking statements involve known and unknown risks and uncertainties, most of which are beyond the Company's control. For more details on these and other risk factors see the Company's most recent Annual Information Form on file with Canadian securities regulatory authorities on SEDAR at www.sedar.com under the heading “Risk Factors”. Should one or more of the risks or uncertainties underlying these forward-looking statements materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements. Accordingly, undue reliance should not be placed on these forward-looking statements. The forward-looking statements contained herein are made as of the date of this release and, other than as required by applicable securities laws, the Company does not assume any obligation to update or revise it to reflect new events or circumstances. The forward-looking statements contained in this release are expressly qualified by this cautionary statement.

¹ All scientific and technical information in respect of the Dumont Nickel-Cobalt Project is based on a NI 43-101 Technical Report entitled “Technical Report on the Dumont Ni Project, Launay and Trécesson Townships, Quebec, Canada” dated July 25, 2013 and available at www.rncminerals.com and under Royal Nickel Corporation's profile on SEDAR at www.sedar.com.

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