

Hallgarten + Company Initiates Research Coverage on Cobre Limited (ASX: CBE)

written by InvestorNews | June 25, 2024

[Hallgarten + Company](#) recently issued a research report on [Cobre Limited](#) (ASX: CBE), a mining company advancing its Ngami Copper Project (NCP) in Botswana. The [report](#) dated June 24, 2024, and written by Sr Analyst [Christopher Ecclestone](#), details the application of In Situ Copper Recovery (ISCR) technology at the Ngami deposit, a strategy aimed at shortening the pathway to production by leveraging advanced metallurgical testing and pilot well-fields.

Cobre's exploration focus is on the Kalahari Copper Belt, where it aims to leverage ISCR, a less invasive and potentially more cost-effective mining technology compared to traditional methods. The Ngami Copper Project, located on the northern margin of the belt, has shown potential for substantial returns even under conservative assumptions about pricing, grades, and tonnages. This is attributed to the deposit's geology—predominantly fine-grained chalcocite suitable for acid leaching and located below the water table, which is ideal for ISCR.

Hallgarten's analysis highlights the proof of concept established by extensive testing since late 2023. The technology is being benchmarked against Taseko Mines Limited's (TSX: TKO | NYSE: TGB) Florence Copper Project in Arizona, which utilizes a similar ISCR process. This comparative analysis supports the viability of ISCR at NCP, suggesting a faster track to production with reduced environmental impacts.

The financial metrics provided in the report underscore a significant potential upside for Cobre, with the current price at AUD\$0.07 and a target price of AUD\$0.34, indicating a 407% potential upside. This optimistic forecast is based on a market capitalization of AUD\$22.19 million and a share count of 331.13 million (368.73 million fully diluted).

Despite challenges in the broader battery metals sector and fluctuating copper prices influenced by economic conditions in China and the West, Cobre's strategy is distinctively focused on copper, reducing its dependency on the volatile electric vehicle market. This positioning is favorable given the current economic landscape where investors are selective, favoring companies with clear paths to production over those engaged in perpetual exploration.

The report also outlines the progress made in developing a hydrogeological model through the drilling of monitoring and injection wells. This work aims to demonstrate the aquifer characteristics necessary for successful ISCR implementation. Preliminary results from the injection tests have been positive, showing the aquifer's suitability for this recovery method. The ongoing tests and data collection are expected to refine the understanding of fluid dynamics within the mineralized zones, which is crucial for scaling up the ISCR process.

In conclusion, Hallgarten + Company's [report](#) presents a robust case for Cobre's innovative approach at the Ngami Copper Project. By deploying ISCR, Cobre not only aims to expedite production timelines but also to potentially revolutionize copper mining in the region, which could lead to significant financial and environmental benefits.