Cobalt Blockchain Announces Supply Agreement for Cobalt Concentrate from DRC Artisanal Mines Cooperative

written by Raj Shah | April 6, 2018

April 6, 2018 (Source) – Cobalt Blockchain Inc. ("COBC" or the "Company") (TSXV: COBC) announced today that it has successfully negotiated a supply agreement with one of the largest local mining cooperatives in the Lualaba province of the Democratic Republic of the Congo (DRC).

Commencing in June 2018, COBC will be supplied with a minimum of 40,000 tonnes of cobalt concentrate per annum, with a minimum grade of 1% cobalt.

"This is a significant milestone in our strategy to generate near-term cash flow," noted Lance Hooper, COBC President & Chief Operating Officer. "Supply agreements with established mining cooperatives complement our plans for larger-scale, mechanised production activities on mineral concessions in our property portfolio."

Some of these mineral concessions were announced by the Company in a March 22 news release, specifically two definitive joint venture agreements for copper/cobalt concessions in the DRC, totalling over 48 square kilometers, with active negotiations on several other properties.

The Company has filed an application with the DRC's federal Ministry of Mines for a copper/cobalt trading and export license, which will allow the Company to establish regional

buying depots, process minerals in-country and export these metal concentrates internationally.

Procurement from artisanal and small-scale mining (ASM) sources is supported by an engagement with BetterChain S.L., as announced in a news release on March 1, to implement a framework demonstrating secure and transparent origin of materials, and support accountability tracking along the entire supply chain from source to store—starting with cobalt. The blockchain-based platform that integrates this framework is being developed through a joint venture between the Company and DLT Labs Inc., as announced in an April 3 news release, to ensure supply chain transparency and the ethical sourcing of minerals.

“We expect our licensing to be finalized in May 2018 and initial cobalt concentrate exports to start early in the third quarter,” said Peter Hooper, COBC Chief Executive Officer. “In parallel with developing our blockchain traceability and reporting systems, the next steps are to set up depot infrastructure, organize the ASM work force, and begin conducting metallurgical testing for our first process plant.”

More than twelve percent of global cobalt production currently originates from ASM operations in the DRC. COBC’s multi-pronged strategy—developing cobalt supply agreements, joint venture copper/cobalt mining, and blockchain certification—are progressing towards its ultimate goal of delivering to the market certified, ethically-sourced cobalt from the DRC.

About Cobalt Blockchain Inc.

Cobalt Blockchain Inc. (TSXV: COBC) is a Canadian resource company expanding its exploration and development business to include cobalt assets in the Democratic Republic of the Congo (DRC). COBC has acquired a 100% interest in an existing metals trading business specializing in sourcing minerals from

artisanal and small-scale mines in the DRC, in compliance with international procurement standards. Leveraging its experience with existing supply chain due diligence initiatives, COBC is working with partners to develop a blockchain-based reporting platform to provide greater certainty of provenance and further assurance that all minerals procured are ethically-sourced. Senior management have over twelve years of experience working in the DRC and a proven international track record in exploration success and the trading of certified conflict-free, child-labour-free minerals.

Forward-Looking Information

This release includes certain statements that may be deemed “forward-looking statements”. All statements in this release, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the statements. There are certain factors that could cause actual results to differ materially from those in forward-looking statements. These include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. For more information on the Company, investors should review registered filings at www.sedar.com.

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