

iCobalt set to spin new tune

Battery minerals enthusiast David Riekie has dabbled in graphite and lithium plays in recent years, but it is the opportunities emerging in cobalt which are driving his latest career move.

“I think people are starting to realise that of the commodities in lithium-ion batteries, cobalt is a bit of a magic ingredient,” Riekie told **Paydirt**.

“I’m very, very bullish about it. I don’t think the sleeping giant in China has emerged yet, because when they start to change over the cars, the trucks, the scooters and everything else that goes with it, there’s going to be this massive demand that won’t be able to be fed by current outputs.

“Having seen what the Chinese require and desire, it needs to be high quality, low cost and there needs to be lots of it.”

Riekie – the former managing director of Avonlea Minerals (now AVZ Minerals Ltd) – is heading upcoming float iCobalt Ltd, a spin-out of Canadian lithium explorer MetalsTech Ltd’s non-core cobalt assets.

iCobalt plans to list on the ASX via a \$4.5 million IPO, with a priority offer for eligible MetalsTech shareholders. Upon listing, the new company is expected to have an undiluted market capitalisation of \$9.1 million and an enterprise value of \$4.6 million.

A prospectus is set to be lodged with the ASX sometime this month. Alto Capital has been appointed lead manager of the IPO.

Riekie said he had been “bowled over” by some of the early investor inquiries for iCobalt.

“I’ve been quite astounded by the level of interest for a relatively small market cap opportunity,” he said.

“The interest has been quite extreme. I think people are realising we’ve got a lot of upside and we’re going to have a very modest market cap on a fully diluted basis of about \$9-10 million.

“If you’ve got some near-term exploration opportunity and potential emerging like we have, you can quickly re-rate and command a much higher market cap. That’s what I like about it.”

The two projects central to iCobalt’s IPO are the Bay Lake cobalt project (acquired by MetalsTech shortly after its own listing early last year) and the former Rusty Lake silver-cobalt-nickel mine. Both projects are in Ontario.

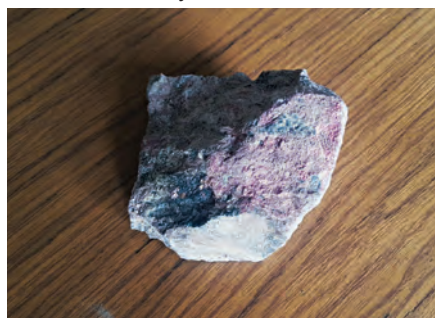
Bay Lake is 10km south-southwest of a historic cobalt mining camp and town-



Upcoming float iCobalt will begin serious exploration of the Bay Lake cobalt project in the coming months

ship and has assayed up to 15.36% cobalt, with 1.17% cobalt and 7.7 g/t silver recovered from a surface “dump” pile at the Van Chester (Last Chance) prospect.

MetalsTech moved on Rusty Lake in November before announcing its intentions to spin out its cobalt assets the following month, with iCobalt to inherit the option to acquire 100% of 52 mining claims, including the historic mine which operated across three separate incarnations last century.



Grades of up to 15.36% cobalt have been assayed at Bay Lake

Recent surface sampling at the Rusty Lake mine, 15km south of Gowganda, yielded assays of up to 11.85% cobalt and 8.64% nickel and more than 10,000 g/t silver from stockpiles off the main shaft, as well as angular boulders.

“There aren’t too many enterprises operating out of the ASX that have an opportunity like this in a Tier One jurisdiction like Canada,” Riekie said.

“Juniors normally have the task ahead of them to actually scratch a few holes

and scratch a few channel samples and rock chips to find out what might be there. We already know it’s there, it’s just a matter of building on that knowledge and trying to interrogate how big and how good it could be.

“It’s a good place, not too many people there – yet – but I reckon that might change with any increased level of activity and interest around it.”

Riekie said the opportunity to source a “conflict mineral” from an established mining region was also driving strong investor interest.

MetalsTech founders Russell Moran and Gino D’Anna will join Riekie and Qingtao Zeng on the board of iCobalt, with respected geologist Cherie Leeden recently appointed vice-president of exploration.

Riekie and Leeden have worked alongside each other for many years, most recently at Mozambique-focused graphite hopeful Battery Minerals Ltd (formerly Metals of Africa).

“Cherie has demonstrated time and time again her ability to explore, discover, uncover, optimise and go through the whole process of resource definition to very positive feasibility study outcomes,” Riekie said.

“She’s come on board on the basis of what she sees as a really unique opportunity in cobalt, just like I did. We’re both very excited about getting boots on the ground in the next couple of months.”

– Michael Washbourne