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Ardea soars on cobalt boom

■ Josh Chiat

Ardea Resources' dramatic share spike yesterday underscored cobalt's rise as 2017's boom metal, as it added \$20 million to its market cap in three hours after announcing a pre-feasibility study into extracting the long-life battery ingredient from the Kalgoorlie Nickel Project.

Managing director Matt Painter said Ardea had not received a speeding ticket, insisting the buy-up could be driven by "firm" fundamentals after the price of the long-life battery input gained 33 per cent on the London Metals Exchange in the past month, trading at \$US47,500 a tonne yesterday.

Ardea claims to host the largest cobalt deposit in the developed world at the Kalgoorlie Nickel Project, north of the Goldfields city, which it took in a spin-off of Heron's non-core assets earlier this month.

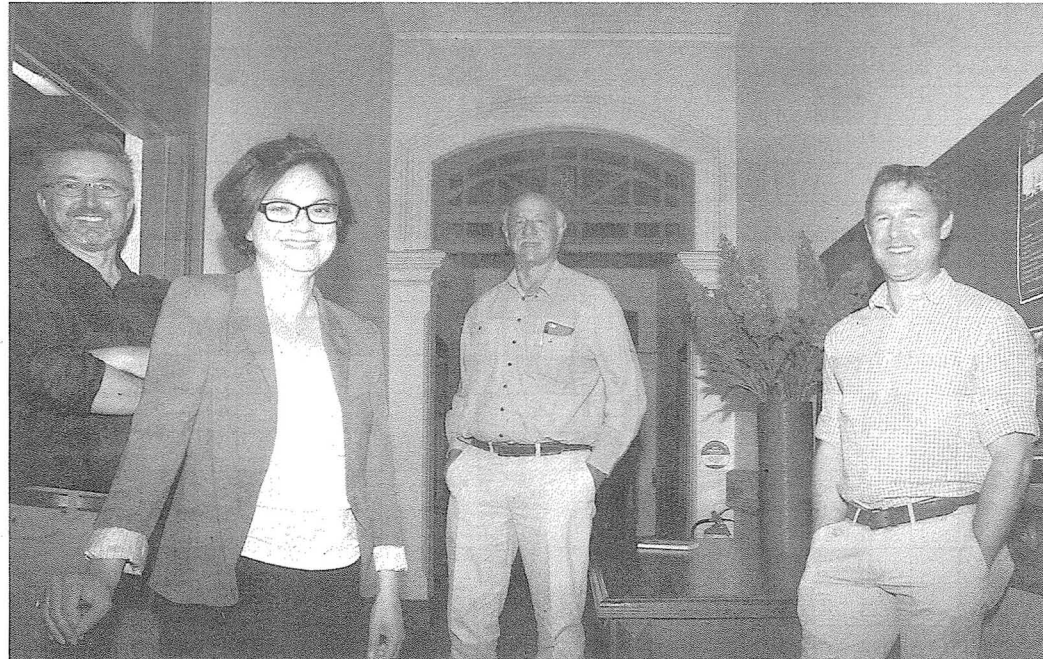
Shares in Ardea rose 66 per cent or 30.5c to 76.5c at 11.15am yesterday before coming back to 70c thirty minutes later, a 52 per cent or 24c gain on Thursday's close.

Just last Monday Ardea stock was trading at 19c a share, gaining 368 per cent in just over a week.

Mr Painter said the growth of the long-life battery market and political tensions in the Democratic Republic of the Congo, where cobalt by-product from copper is the major source of the 110,000-tonne-a-year global market, underpinned the interest in Ardea's fortunes.

"It's fascinating to watch, actually, I'm constantly blown away," he said.

"It's great to see that the recognition is coming through, it's



Ardea Resources managing director Matt Painter, chairwoman Katina Law, director Ian Buchhorn and senior exploration geologist Lorne McCrum at Kalgoorlie-Boulder's Hannans Club. Picture: Josh Chiat

daunting at the same time but we're certainly up for the challenge I think.

"I don't want to use either "B" word (boom or bubble) if I can help it, but I think the fundamentals have been quite firm for it."

Global mining and agriculture giant Glencore's chief executive Ivan Glasenberg said cobalt had also piqued his interest.

Glencore produced about 20 per cent of global cobalt supply in 2016, putting out 28.3kt as by-products from its African copper mines and from the Murrin Murrin Nickel Laterite Mine in the Northern

Goldfields, which delivered 2800t.

Mr Glasenberg said he anticipated demand for cobalt growing this year.

"That is growing and demand is growing," he told analysts on an earnings call on Thursday night.

"Supply is not — it's (a) 100,000 tonne market and ... we're currently round about 32,000, 33,000 tonnes.

"When Katanga (a copper mine in the DRC majority owned by Glencore) comes up, we'll be somewhat higher, we'll be a big per cent of that market.

"But remember, cobalt has been

\$40, \$50 (a pound) not long ago.

"I think before the crash in 2007-2008, I think that's when it was about \$40, \$50.

"Today it's doubled from \$10 to \$20, let's see where it goes."

Riva Resources was also a beneficiary of the cobalt run yesterday, closing an oversubscribed \$2.2 million Morgans-led raising at 2.4c a share towards drilling at its Paroo Station joint venture with Rosslyn Hill Mining near Wiluna, adjacent to its sole-owned Tabac Cobalt-Gold Project.

Shares in Riva were up 41.6 per cent or 1c to 3.4c yesterday.