

Talga flags cobalt spin-off

DIVERSIFIED explorer and technology firm Talga Resources has decided to tidy up its Scandinavian cobalt projects and put them into a separate Swedish domiciled subsidiary – Talga Battery Metals – that will have a dedicated management team, ahead of a possible spin-out.



09 May 2018 **Haydn Black**, Editor

The junior, which has transitioned from precious metals exploration to advanced materials and technologies in recent years, intends to focus on its advanced graphite-graphene projects for the global energy and industrial applications, and says it makes sense to consider separating its early stage cobalt assets.

The restructure is designed to give cobalt its own focus and could more easily take advantage of interest generated by cobalt's escalating price, which has increased threefold to some US\$90,000 per tonne, and the growing European battery market demand for locally and responsibly sourced cobalt, opening new funding and development options.

Talga says its Swedish deposits - Kiskama, Ahmavuoma, Lautakoski and Aitik East - "represent a potentially important and strategic new source of supply" for the new battery factories being built across Europe and, with the European Union declaring cobalt as a critical mineral and mandating its members to develop independent supply to not be reliant on African exports, it is in a box seat to meet that demand.

It says developments could be fast-tracked given its deposits are close to some of the largest cobalt smelters in world, including Kokkola in Finland.

Kiskama is said to be Sweden's largest known cobalt deposit and comes with valuable copper and gold credits. It remains unexplored for cobalt and open along strike. Minimal drilling will be needed to develop a JORC resource and while significant metallurgical testing remains, early work has proven recoveries are possible.

Lautakoski is 50km south east of Kiskama and is defined by a single wildcat diamond drillhole testing a large EM conductor that intercepted strongly altered and broadly copper-cobalt-gold mineralised volcanic rocks and breccia during graphite exploration.

Ahmavuoma is a 1970s copper-cobalt discovery described as a "high-grade early stage discovery" while Aitik East is a polymetallic copper-gold-silver-molybdenum deposit near Europe's largest base metal mine and mill with encouraging grades at surface that has never been drilled.

Talga, which had A\$12.15 million in cash at the end of March, will continue to busy with its investments in research and development, including a recent memorandum of understanding with Bosch, and development of its graphite assets.

Talga won't make any decision on a spin-out until next year.

Shares in Talga were up 2.76% today to 74.5c, capitalising it at \$151 million.

