

## Cobalt Supply Chain

As more attention is being directed at material supply chain sustainability on both the International and National levels we have seen efforts such as that of the OECD, the U.S. Government (Dodd-Frank Act) and various industry coalitions focus attention on the chain of custody of a group of minerals defined as “Conflict Minerals.” These generally are defined as gold, tantalum, tungsten and tin containing minerals originating from the Democratic Republic of the Congo (DRC) and adjacent countries. Although cobalt is not a Conflict Mineral it has on occasion been incorrectly associated with such and this has created some product uncertainty.

Cobalt is mined in a number of areas in the world including Canada, Australia, Brazil, Cuba, Russia, Zambia, China, and the Democratic Republic of the Congo (DRC). Cobalt is normally associated with nickel and copper containing ore and mined as a by-product or co-product of these operations. It is appropriate to comment that these primary metals are not associated with Conflict Minerals.

It is recognised that the DRC is an important source of cobalt representing about 50% of mine supply and almost 50% of known worldwide cobalt reserves, but it should also be realised that the primary mining activities that produce cobalt take place in the southern province of Katanga. Katanga is a long established copper and cobalt mining region which geologically extends into Zambia. The ‘copper belt’ region, as it is known, has been involved in commercial metals mining since the 1930’s and is quite distinct from the war-torn provinces of “Eastern Congo” North and South Kivu.

It is also important to appreciate that cobalt is a critical raw material for many developed economies. It is a substantial technology-enabling metal with numerous applications that are essential to the "green agenda" so crucial for sustainable global development and to support the innovation platform for Research and Development activities. Cobalt is used extensively in rechargeable batteries, as a catalyst enabling clean fuel technology, in the aerospace and defence industry and in the production of hard metals which are vital to manufacturing, along with a range of other important end uses. Miss-information about cobalt production could therefore have dramatic consequences to the innovation platform powering the global green agenda as well as significant adverse impact for established industries.

The CDI strongly supports the ongoing international efforts to encourage greater traceability of minerals sourced from conflict regions but also wishes to emphasise that cobalt is not a conflict mineral, nor would we expect this metal to be characterised as such.

All inquiries are welcome where we can assist in fully explaining our continuing effort to support and promote the sustainable development of the cobalt industry.