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JUNIOR Nzuri Copper has cashed-in on the cobalt boom by raising A\$10 million from Chinese firm Zhejiang Huayou Cobalt Co, described as the largest cobalt chemicals producer in the world.

Michael Quinn | 14 Dec 2017 | 8:25

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Pre-development days at Nzuri's Kalongwe project.

Huayou will become a 14.76% shareholder in Nzuri, with the ASX-listed company to use the funds for ongoing development and optimisation studies on its Kalongwe copper-cobalt project in the Democratic Republic of Congo, and for exploration.

Kalongwe is currently pitched as a fully permitted US\$53 million open pit and 1 million tonne per annum DMS development that will annually produce concentrate products equivalent to 19,360 tonnes of copper and 1507t of cobalt.

Cash operating costs are put at \$1.35/lb of payable copper production, including by-product credits.

Nzuri believes significant upside "can be unlocked through future project expansions, including the potential for leaching of cobalt-only ore and mineralised rejects and potential offtake to some of the closer new SX-EW plants now under construction in the region".

The project currently has a reserve of 6.98 million tonnes grading 3.03% copper and 0.36% cobalt for 211,494t of contained copper and 25,128t of contained cobalt.

As is standard for operators in the DRC, significant exploration upside has been flagged by Nzuri.

Huayou is said to have operated in the DRC for 10 years.

The Chinese firm will pay A25.07c per share in the raising.

In March Nzuri raised \$4.9 million from undisclosed investors who paid 22.7c per share.

Sentiment for cobalt has soared with the electric vehicle and battery storage boom, with the price going from around US\$30,000/t 12 months ago to a high this week of nearly \$75,000/t.

Shares in Nzuri were down 1.4% to A35.5c in morning trade, capitalising the company at \$82 million.

Nzuri's share price has more or less doubled in the past month.

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