TRANSCRIPTION

Company: Jervois Global Limited
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[START OF TRANSCRIPT]

Operator:

Thank you for standing by. And welcome to the Jervois Global Q4 2022 Results Investor Call. All participants are in a listen-only mode. There will be a presentation followed by a question and answer session. If you wish to ask a question, you will need to press the star key followed by the number 1 on your telephone keypad. I would now like to hand the conference over to Mr. Bryce Crocker, CEO. Please go ahead.

Bryce Crocker:

Thanks, Ashley. I've often said to many of you during investor meetings that building mines is not easy, and the last couple of months Jervois has certainly demonstrated that. But despite the recent challenges in Idaho, I'm nonetheless pleased with our overall progress as a company. Following the US$150 million equity raise in November 2022, we're now well capitalised. Clearly, like you, we're disappointed with how our shares have traded since, albeit the cobalt price has decreased from $23 per pound since we commenced the institutional wall-crossing process, to $17 today, largely associated again with China and Chinese oversupply.

But let me be clear. We remain extremely positive on the outlook for the cobalt market. Whilst we're cognisant of investor feedback to reduce cobalt inventories, we do not believe that this is the right time, in the price or demand cycle, to aggressively pursue this in a commercially-unbalanced way.

The financier of our physical cobalt and substantial shareholder, Mercuria, remains supportive of this strategy. And we strongly believe it's the right approach to maintain pricing and product upside for our shareholders for when China does turn back on and the cobalt market rebounds.

We placed material sales tonnes into a European gigafactory in Q4, and the OEM inquiries for 2024 and beyond are now large numbers, far more than what we can provide today. This is very encouraging and it's an early endorsement of our strategy to maintain 100% ownership of all assets via the November equity raise.

At ICO, mine development is now complete. Surface construction is in the final stages. As I noted, whilst it's been a difficult six weeks, in terms of construction not being where we would like, we will be producing concentrate by the end of this quarter.

At Jervois Finland, the physical cobalt did reduce over the quarter, and we expect this to continue across 2023 until we’re back at target levels. James will touch on that later in the presentation.

The financial results have continued to be affected by the flow through of feed costs associated with purchases settled in a higher-price environment. The reality is that Jervois Finland and its commercial structure wasn't as well placed coming into a cyclical downturn in the cobalt market as we would've liked. I'll touch on steps we've initiated to improve this situation later.

Sales have largely been in line with expectations, with revenue impacted by the lower cobalt price. At SMP: board approved FID to restart the refinery during the quarter. Carlos Braga has been appointed to lead, and he's continued to expand the breadth, capability and depth of the owners team. Ausenco are well underway in the early works. Detailed 3D scanning of the plant is now over three quarters complete. Tenders for long-lead items are on track. There's been a number of site inspections recently, and the main site contractor award is proceeding, and will be awarded towards the end of February.

The market continues to be extremely supportive of São Miguel Paulista. Customers are interested in the product, nickel cathode premia and underlying element prices are both strong. Mixed hydroxide or MHP and cobalt hydroxide are both trading significantly below the assumptions underpinning Jervois' decision to restart.

And finally on highlights, our engagement continues with the US government. In March, Treasury will issue its regulations interpreting how the Inflation Reduction Act will be applied. With the right support Jervois is well positioned to materially support the United States deliver on its desire to better protect critical mineral supply chains for its industry, environment, and national security. The benefits to America and its industry of having domestic supply of critical materials is utmost importance in a world which unfortunately seems to be growing more geopolitically complex. In the United States, there is an increased understanding that locally sourced critical minerals extracted with high ESG standards ought to command a premium.

There is also rising comprehension of the importance of domestic cobalt refining of which Jervois is also eager to step up with the right partnership model.

If you can move Ashley to slide five please, financial overview.

Group revenue for the quarter was $73 million leading to full year 2022 turnover of over US$350 million. Q4 was a disappointing quarter in terms of earnings with negative EBITDA realised. This led to full year 2022 adjusted EBITDA for Jervois Finland of US$19 million, partly due to the unwind of higher priced inventory purchased in prior periods on the current quarter as the price declined, as well as several one-off factors. Our internal forecasts are expecting a return to positive and increasing EBITDA progressively across 2023.

We have a strong balance sheet, which is important in a period of market uncertainty. We ended the year with more than US$150 million in cash and US$110 million in physical cobalt.

Turning to slide seven on cobalt markets. I mentioned in my introduction the cobalt market, as we do believe the outlook is increasingly positive despite recent and current trading conditions. OEM, or automaker direct order requests have increased markedly and from their suppliers, Jervois is also actively delivering cobalt into new gigafactories.

Business and buying from traditional cobalt consumers outside batteries remain stable but subdued. With much dependent on how China leaves COVID-19 behind it during 2023. Catalyst sales continue to be solid into the oil and gas sector with customers expecting growth in purchasing requirements. Ceramics has been weak as this is the uncontracted sector highly exposed to Chinese competition. High energy costs in Europe have reduced furnace utilisation rates and cobalt demand, which is using pigments.

Chemicals and powder metallurgy broadly remains stable across Jervois' customer base. Aerospace remains an outlier in terms of performance, our performance. Markets are exceptionally strong, which is great news as we move forward toward a restart of São Miguel Paulista.

Turning to slide eight, sales performance. I'll touch briefly on this slide. Sales volumes were pleasingly stable, I guess given the weak market backdrop, helped by increased sales to the battery sector that I mentioned earlier with inventories deliberately remaining above normalised levels for now. And James will touch on that later in this section.

I'll now pass across to James for the financial performance of Jervois Finland.

James May:

Thanks Bryce. Turning to page nine, we can see the quarterly revenue chart on the left hand side showing revenue for the quarter of 73 million US dollars. Revenue was 14% lower than the prior quarter and was in line with the lower cobalt prices quarter over quarter. Sales volumes for the fourth quarter were good against a weak backdrop and were substantially in line with Q3 and the prior guidance range that we issued in October.

Adjusted EBITDA was lower in Q4 '22 with a loss of $7.1 million. Four factors impacted the EBITDA result. Firstly, lower cobalt prices, which as noted declined in the fourth quarter with a Fastmarkets Metal Bulletin SG low price at 31 December sitting at $18.75 per pound. Secondly, feed costs are realised in the profit and loss account based on the average cost of inventory at the time when finished goods are sold. For the current period costs realised in the profit and loss account included raw material costs linked to purchases settled in prior periods at higher cobalt prices.

As we foreshadowed in our last quarterly update back in October, temporary margin compression has occurred through the second half as the costs of cobalt raw materials purchased in higher price periods and held in inventory flow through into the P&L. We managed price risk for our raw materials inventory based on how purchases are priced under the structure of our supply contracts, including QPs. However, a proportion of our inventory is fully priced at any point in the cycle, and therefore we do generate industry gains and losses that flow through to EBITDA. Bryce will touch later on steps we have taken to improve our flexibility and commercial outcomes in periods of future cobalt price volatility.

Thirdly, we recorded a one-off assay adjustment from Umicore, the refinery operator at the Kokkola Industrial Park. The adverse impact of this was a 3.7 million adverse impact adjusted EBITDA. Umicore are conducting a review of assaying procedures and Jervois Finland is engaging with Umicore as their audit progresses.

Finally, higher consumable costs also adversely impacted the result. The example of this is caustic soda prices, which reached multi-year highs in the fourth quarter. Caustic soda is the largest consumable cost in the Umicore operated refinery process. Jervois Finland's share of refining consumable costs are incurred as part of the tolling charge under the refining capacity agreement that we have with Umicore.

Despite the impact of these temporary headwinds in the market, our operations continue to perform well. We retain a sharp focus on addressing cost pressures, maximising efficiency, and managing our product mix to generate the best possible margin outcomes for the business.

Full year 2023 sales volume guidance for Jervois Finland is 5,300 to 5,600 metric tonnes a year. The outlook for 2023 will be influenced by the pace of the expected demand recovery, including links to the post-Covid restart in China and demand from the growing battery segment. A return to positive EBITDA is expected if cobalt prices stabilise or rise.

Turning to page 10, cobalt inventory volumes were approximately 155 days, representing a 5% decrease relative to the prior quarter. We have previously guided the market, but the optimal range is to have 90 to 110 days of inventory on hand. Our 2023 business plan for Jervois Finland is underpinned by commercial and operational initiatives that are expected to support delivery of a reduction to around 110 days prior to this calendar year end. We plan to execute this inventory unwind in a disciplined manner, and as we release cash from working capital reductions, we intend to use that cash to repay the Mercuria loan.

The key purpose of the Mercuria facility is to buffer temporary working capital increases due to higher cobalt prices or spikes in inventory volumes, and we drew on the loan for that purpose during 2022. As working capital normalises, it is prudent to pay down the loan and reduce leverage in the business.

Finally, in accordance with Accounting Standards, we reviewed the inventory recorded on our balance sheet at 31 December to assess whether the cost recorded was in excess of the inventory's net realisable value. We determined that the cost was more than NRV at that point and recorded a 23 million US dollar non-cash charge in the quarter. These types of accounting adjustments are rare in the history of the business and have only occurred historically during environments of extreme price volatility such as what occurred this year when the price fell from historical highs of near $40 a pound in May to cyclical lows at the end of December of around $18 a pound. In view of this and the non-cash nature of the adjustment, we've excluded its impact from adjusted EBITDA. A reconciliation of statutory profit to EBITDA and adjusted EBITDA is included in the appendix of the presentation.

Bryce, back to you.

Bryce Crocker:

Thanks, James.

Turning to slide 11 I thought it appropriate to pause a little now and provide context in terms of how we're looking at Jervois Finland, given the performance of the business over the last six months, the results of which have clearly disappointed all of us.

Firstly, and most importantly, the Kokkola cobalt refinery and manufacturing complex remains the leading site globally in this industry. It is without peer, and changing world geopolitics makes it even more important. We have taken away learnings from this cyclical downturn. Our commercial team has taken steps to improve the flexibility we have for supply arrangements into Jervois Finland. Many of you will remember when we raised equity, purchased the business from Freeport, we disclosed that Jervois Finland had 70 to 80% volume protection against cobalt hydroxide movements. And that in the years preceding our purchase, the average cobalt payability the business had achieved was around 70%. Including supply contracts that were linked to the index, the volume protection approached 90%. This level of volume protection provided security in a normalised cobalt market, but at the expense of flexibility during a downturn.

Jervois has been contractually obliged to accept deliveries of raw material, which it did not require, and at prices above market. Our commercial team is putting steps to adapt supply into Finland to better reflect the changing market conditions. You're also seeing this philosophy flowing across into SMP where we have not yet signed an MHP contract. It's easier to buy materials in a buoyant market than it is to sell or renegotiate them during a downturn.

You'll also remember during the third quarter last year that when the Chinese market collapsed, Jervois' spot cobalt sales essentially evaporated. Spot business is typically price not ESG sensitive, and when Chinese producers were unable to sell domestically, they flooded export markets. It will not happen overnight, but with the rise of battery demand and the contractual nature of its purchasing, we will be able to switch a higher proportion of our sales to contract over time.

The above supply and sales circumstances led to an involuntary buildup of a long inventory position at a time when Jervois' traders would have preferred otherwise. The CME is establishing itself as a platform for the industry to manage risk, and we expect this will be a tool for our future, but it wasn't available to us last year.

Finally, Finland is also restructuring. Whilst we did reduce production across recent market weakness, we are also planning to introduce greater operational flexibility to ramp up and down in the future as customers require.

Turning to slide 13, just onto Idaho, so Peter and I have both traveled through site in recent weeks to witness firsthand the challenging conditions the construction team is experiencing at 8,000 feet. The good news is the mine is ready. Underground shop infrastructure, sumps, fuel services are complete and sufficient development in all phases are open to support ramp up across the first half of this year.

Surface progress has been extensive, but overall disappointing. Prior to the Idaho winter arriving, we were making excellent progress in November and remained on target. Unfortunately, persistent Idaho winter exposed our vulnerability to the extraordinary pressures affecting construction activity in the United States today. Whilst we had the accommodation camp operating, it still meant that much more than half of the surface workforce was commuting each day from Salmon, a two hour drive at the start and the end of each shift. Even by Australian standards turnover and staff retention challenges we had were staggering. 50% of the work crews scheduled to return after Christmas did not.

Concrete productivity was materially impacted over the winter, just 25% of an already conservative plan. This had follow-on impacts on the mechanical, electrical, piping and instrumentation work streams. All equipment and buildings are thankfully now almost installed and enclosed with the concentrator finally due to be shut up this week in Idaho. This will be the first time that all piping and instrumentation crews will be working in heated buildings.

Productivity in the last two weeks has reverted back to November levels and the site staffing levels have improved markedly. Retention of trades and productivity are affecting every major work site in the United States. For us, turnover remains high and the winter's not behind us, but we do have a plan to ensure that commercial concentrate is produced at the end of March and the operation ramps up to capacity by the end of the following quarter at mid-year.

The delayed schedule means more costs and we now estimate that the final capital costs will be 15 to 25% above the budget of US107.5 million.

Turning to slide 14, please, Idaho expansion drilling. I'd just like to touch briefly on drilling at Idaho because despite our recent challenges, we still consider the outlook for the site is unique and its future economics are enormously levered to the price of cobalt. Outside the DRC, there simply aren't ore bodies of this grade, and our conviction remains that the regional potential geological upside is significant.

In 2022, we drilled another 60 plus infill holes with all intercepting the modeled and targeted ore body. Six step out expansion holes were also drilled, again with all encountering visible mineralisation. Assays from two of the six holes were just returned and were published in a stock exchange release today.

We have an extensive program planned in 2023, including the Sunshine deposits where historic resource was defined by over a hundred holes and 19,000 meters of drilling. The Ram deposit remains open at depth and we are looking forward to having as many drills underground as possible in coming years. I often use the example that a cobalt or rare earth mine is not like iron or zinc. Understanding the full extent of the mineralisation as rapidly as possible is very important for host governments and sponsors alike.

Turning to São Miguel Paulista, slide 15 please.

So I touched on São Miguel in my introduction. It underpinned our recent equity raise. The macro is working for us, not against us, as in other parts of the business, and we are genuinely excited to be restarting such an important facility for each of São Paolo as a city and a state and Brazil as a country.

I spoke in the introduction around current nickel markets, during our recent equity raise, we also spoke around how we believe these changes are structural, not cyclical, and how they represent a tailwind for São Miguel. We continue to strongly hold this view. The current LME nickel price is US$13 per pound. Our feasibility study used 8. Current nickel 4x4 premiums into the US Midwest are around US$1.50 per pound. Our feasibility study used nil. The key input, MHP, is currently trading in the low 60%'s of LME. We used 75. So, very enthusiastic and we're moving forward at pace down in São Paulo.

I'll now pass across to James for corporate.

James May:

Thanks Bryce. Turning to the next slide on slide 16, the cash position for the group. As you can see on the chart at 30 September was 52.3 million. The completion of the equity raise significantly enhanced our financial strength and flexibility as Bryce referred to, underpinning the SMP refinery restart and also the ramp up of ICO in 2023. And you can see those cash coming into the company through the $149 million bar on the chart.

Capital expenditure ICO continued during the quarter with approximately 40 million of cash spend linked to the advancement of ICO and related activities. Other notable items included the 15 million draw down from the Mercuria facility in October and $6 million allocated to restricted cash account to fulfill our regulatory requirements for an environmental bond at ICO in October.

Overall, we continue to maintain a balanced funding strategy that supports our direct objectives and provides flexibility to navigate market volatility. In relation to our assets and our portfolio, while our focus remains predominantly with the delivery of our business plans for ICO, SMP and Jervois Finland, we are progressing Nico Young. Relevant land access agreements and permits in place for the drilling program are scheduled to take place this quarter. Jervois is being awarded a $0.5 million grant from the New South Wales government's Critical Minerals Activation Fund and we'll use this grant for the progression of studies. The results are expected to ultimately feed into a bankable feasibility study.

Bryce, back to you for the summary.

Bryce Crocker:

Thanks, James. So just on slide 17. At our last quarterly call, I noted how excited I was about this year for Jervois. Nothing in that regard has changed. We undertook an equity raise of scale to ensure we could retain 100% of each of our assets and then be in a position to optimise the commercial terms on how their product ought to enter the market.

Our balance sheet is strong, as our share prices in Australian dollars, for context, we had around $370 million Australian of cash and physical cobalt at year end.

Despite the impact of the cobalt price across the second half of last year, we remain increasingly optimistic on the 2023 outlook. Let's see what the latter half of the year will bring, especially as the rise in cobalt demand into EVs continues to grow at pace.

I'll now pause now and pass across Ashley for questions. Thank you.

Operator:

Thank you. If you wish to ask a question, please press star-1 on your telephone and wait for your name to be announced. If you wish to cancel your request, please press star-2. If you're on a speaker phone, please pick up the handset to ask your question. Your first question comes from Tim Hoff with Canaccord. Please go ahead.

Tim Hoff:

Hi guys. Thanks for taking the question. I was just looking at the Idaho concentrate offtake agreement. That's one of the key catalysts that we'll look for this year. How many parties are you talking to here, and what's the timeline that we could expect on an offtake agreement?

Bryce Crocker:

I think numerically in terms of externals would be half a dozen, but they're not all equal in terms of the intensity of negotiations. And obviously, we would be looking to place product over the course of the year. Now clearly we have a little more time given the delay in Idaho, but equally the discussions that Greg and his team are having are progressing and we are balancing in terms of how we place material for short term versus potentially longer tenors, et cetera. And clearly, I mean, just we're bullish on the cobalt market and so we're not necessarily rushing today given where we expect the market to move over the course of the next three to six months.

Tim Hoff:

Yep. Excellent. In terms of the extension drilling at RAM, how much further below the current resources were those intercepts?

Bryce Crocker:

They would be directly below, so essentially, extensions of the existing infrastructure once the mine is complete.

Tim Hoff:

That looks like good results. Carrying some nice high grade there. I think I'll hand it over.

Bryce Crocker:

Tim, we're really enthusiastic and obviously we've got four more to come back, which we'll release as obtained.

Tim Hoff:

Excellent, thank you very much. Congratulations.

Operator:

Your next question comes from Adam Baker with Macquarie. Please go ahead.

Adam Baker:

Yeah. Hey guys, lots to get through here. Just looking through results. Maybe just a quick comment on the cobalt market, if I may. If you're seeing anything there, we've seen the copper price runs quite strongly this year, but it hasn't seemed to translate into the cobalt market with China reopening. So just wondering if you guys are seeing anything on the demand side of things yet and you're hopeful that that'll improve into 2023, but has there been any indications of that occurring yet? Thanks.

Bryce Crocker:

Thanks, Adam. I think if you look at forward cobalt prices on the CME, there's been a significant uptick in activity and the prices above the spot price that we're talking about. This is largely OEM buying, which is positive and where, again, we're seeing that those inbounds and starting to place material in volume into that part of the business, which is growing as well.

So we're extremely optimistic across 2023, and particularly beyond, in terms of what it means. I don't think that China can reopen and cobalt doesn't move. There's no reason why cobalt and copper, to use your example, should be materially disconnected. I think that once China reopens, it will restock and some of the pressures that you've seen in the last 12 months, as they've shut their economy, et cetera, will rebound and we believe rebound aggressively.

Now, clearly we're not banking on that. Our internal budgets which James and his team prepare don't include aggressive assumptions, but we're positioning the business and deliberately positioning in the way that we're managing the inventory as well, to ensure that we are not giving up too much at what we perceived to be close to the bottom.

Adam Baker:

Yeah, thanks for that. And maybe just on Jervois Finland, I know you alluded to looking into changing some of the costs there. Just wondering if you could give more color around that, where we could expect a turnaround here. I see that you mentioned that you expect EBITDA to come back positive with prices stabilised through the year. What other optimisations can you do there to just get operating costs down? Thanks.

Bryce Crocker:

I think, let me just say, I mean, the Jervois Finland results that you've seen in 2022 are largely a result of an inventory position, not of the operating performance of the site per se. That said, James did touch on some of the pressures that are coming through on the cost side, particularly through the tolling arrangement with our partner. The flexibility that the site has, obviously it's boxed in by seasons, and so we're looking at ways where we can kind of improve the flexibility there, introduce more workplace flexibility within obviously the structure that's permitted in Finland, and introduce mechanisms to really allow us to have much more flexibility on the commercial side in terms of when those supply contracts are managed and when declarations are made. The book that we've got now in terms of supply and also on the sales side actually looks very different to what it did when we took over the business, and we believe that's going to allow the actual fundamentals of the business to come through more clearly in the operating results of Jervois Finland and over time. James, is there anything you'd like to add to Adam's question?

James May:

I mean, maybe just a bit of color as well, that, yeah, some of the consumable prices, there are some cyclical factors to do with multi-year highs for caustic prices and some other consumables. I think realistically most would expect some of that to normalise over time as well. What we've seen in the fourth quarter doesn't necessarily translate into 2023, and we believe that there will be a normalisation in terms of pricing of some of those commodities and consumables, particularly as the geopolitical situation stabilises, and we should see some relief get translated through to the operating results of the business in due course.

Adam Baker:

Sure. Maybe just at ICO, bit of an issue ramping up production there. The loss of mechanical piping, electrical instrumentation, is that mainly due to the severe winter that you've had up on site, or is that something else that has occurred, and is this something that you think you've got rectified now, or is it still ongoing?

Bryce Crocker:

Winter was a significant factor. This is work that shouldn't have been occurring outside, but for a number of reasons was. The US construction environment is flying, so every site, whether they're at 8,000 feet under snow, have retention issues and cost escalation issues. But certainly what we've realised is we're certainly at the wrong end of the stick, just given we are at 8,000 feet, and anyone who's on our site can go and work at another site at a more temperate climate if they so choose.

If you looked at the productivity we had in November, most of those mechanical, electrical, instrumentation piping, they were running four, five percent progress per week. Then December, you'll recall that there was an exceptionally severe winter period across all of North America, and we essentially lost December, first two weeks of January because of the retention issues. These are trades which typically don't work in these conditions and with the commute, and it's just really compounded a lot of the issues which are affecting all projects in the United States, but certainly we weren't able to manage them as effectively through that winter period as we thought we were able to with the introduction of a camp, just through sheer lack of beds.

Obviously, we've got people doubling up, so we have a day shift and a night shift in the camp. We've put in bunks, we're paying people to double up to try and keep as many people up on site as we can for this last push to commission the facility. Mid this week, we will have the concentrator finally enclosed, fully enclosed. The mill's been enclosed obviously for a significant period of time. You would've seen from the opening. But having the concentrator finally enclosed and all of these trades working inside, that's really what we need to give us the final push to the finish line and just get the project done, commissioned, and everyone off the hill who's not on the operations team.

Adam Baker:

Yeah, sure. I might pass it on. Thanks.

Operator:

Your next question comes from Mitch Ryan with Jeffries. Please go ahead.

Mitch Ryan:

Morning, Bryce and James. Thanks for taking questions. Just on ICO, you clearly answered it slightly there, but just with regards to workforce availability, you said how you're addressing it, but can you tell us, have you have those measures been able to stabilise some of that workforce turnover at this point in time?

Bryce Crocker:

They're better. Still not great, Mitch, still not great, but we've doubled up on the bonuses, which is part of the capital increase that you've seen. The retention and balloon payments that the site team receive now as they leave are significant, and we have seen a moderation in the last two weeks. Productivity's picked up in the last two weeks back to where we would need it to be in the November type area, and if they maintain that to the finish line, then that's what we're hoping. And it's really just around keeping people there as long as possible. Every time we lose someone, their replacement has to go through five days of MSHA training. It's just a disaster for productivity, and the turnover rates have been pretty exceptional.

Mitch Ryan:

Yep.

And then... obviously inclement weather it's not helping, and the plant will be designed to operate through that, but should we think about any cyclicality to production once it reaches a steady state? Will the winter months impact that access to site and/or any productivity?

Bryce Crocker:

I think winter will always impact access to site, because right now we shut down access when there's a storm coming through. Right now, we're in the midst of a storm coming through this weekend. But equally, once we're in operations, we're only producing 1,200 tonnes of ore per day and that amount of generated concentrate coming off the hills because we're allowed to, so there's plenty of makeup capacity. I don't anticipate that we will have similar type issues once we're in operations.

But let's be clear, I've spoken in my comments around the DRC-like ore body but the logistics to get into this are not what we're used to in Australia. It's a great ore body of small scale with significant upside potential, and there's nothing else in the United States like it. But equally, this isn't going to sit at the bottom of the cost curve. It's not going to produce as much cobalt per year as some of the sites that team members of Jervois had stewardship of in the past, like Mutanda or Katanga produced per month. So, it sits at a different end of the cost curve and just also underlays the discussions that we're having with the customers in the United States. ESG matters, and if ESG matters, this product should get paid for.

Mitch Ryan:

Yep. Yeah, definitely. Okay, that's it from me. Thank you very much.

Operator:

There are no further questions at this time. I'll now hand back to Mr. Crocker for closing remarks.

Bryce Crocker:

Thanks. Just to close on cobalt, just to reiterate, we are extremely optimistic in terms of what we're seeing with regard to inbound inquiries and what cobalt... where it does look like it's going to move to. We're on the verge of having three operating assets that are 100% owned, and it's now on our horizon. Thanks for your support, and if you have any other further questions, don't hesitate to reach out. Thank you, Ashley.

Operator:

That does conclude our conference for today. Thank you for participating. You may now disconnect.

PART 4 OF 4 ENDS [00:35:15]