

With their Idaho Cobalt Project now Extremely Near Term, eCobalt Solutions is positioned to Take Advantage of the Growth of the Rechargeable Battery Industry used in Electric Vehicles**J. Paul Farquharson**
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“We are committed to providing ethically produced and environmentally sound battery grade cobalt salts, essential for the rapidly growing rechargeable battery and renewable energy sector made safely, responsibly and transparently in the US.”- J. Paul Farquharson

CEOCFO: Mr. Farquharson, you have been with eCobalt for almost 25 years now. Would you briefly walk us through the development of the company and how it got into cobalt?

Mr. Farquharson: We started off by staking in the Idaho area of the United States. It is a deposit called the Sunshine Deposit that had some cobalt showing in it. That was 1995. Then from that we got into geochem work and reconnaissance and we found some tremendous high-grade cobalt boulders that led us to start doing some drilling on the Sunshine Deposit and later on the Ram Deposit, that was about 1997. We kept finding better results as we kept going so we continued additional exploration and development between 1998 and 2007 until we started coming up with enough information that in 2007, we did a PEA and a pre-feasibility study. In 2008, we did a feasibility study on the project which was to produce HPC metals. HPC is High Purity Cobalt metal. That puts your client to be the jet engine manufacturers of the world; The Rolls Royce and General Electric type companies of the world. From that point we did an environmental impact study and that study was ten years and \$20 million in the making. That is the permit that we have today, the environmental impact statement. You complete a plan of operation, you get your necessary permits and you start construction. In 2011 we raised half of what we needed, \$80 million in equity. We needed \$160 million but because of the Greek credit crises; the bank syndicate fell away. We started our construction in 2011 but then were forced to put the project into care and maintenance in 2013. From 2013 to 2015 we realized we needed to re-jig the project. We completed an internal study on making cobalt sulfate heptahydrate (cobalt salts) for the electric vehicle industry and the batteries in the electric vehicle industry. That is where we are today. We did some metallurgical testing. We have a PEA (Preliminary Economic Assessment). Today as we speak we are completing a new feasibility study to produce cobalt sulfate heptahydrate, required for the lithium battery industry. It is very exciting stuff.

CEOCFO: Do you have the infrastructure in place for the conversion of cobalt salts into a product for use in batteries?

Mr. Farquharson: Our PEA from 2007 is the most recent document we have on file that is 43-101 compliant, we are in the process of updating that document to a new feasibility study. The new feasibility study will give independent third-party information that we can mine our ore 800 tons per day, process through our mine and mill, make a concentrate, send the concentrate to our cobalt production facility (CPF) and refine it into Cobalt Sulfate. The CPF will be located in southern

Idaho. That is where we will make our own product which will be a cobalt sulfate heptahydrate along with a copper concentrate and a copper sulfate and a little bit of gold.

CEOCFO: *Would you tell us about the rechargeable battery industry and why cobalt salts are important to the product and its safety profile?*

Mr. Farquharson: Cobalt salts are an integral part of the cathode in the lithium ion batteries. Lithium ion batteries are the batteries of choice for the electric vehicle (EV) and the renewable energy sectors. All of the auto manufacturers are making electric vehicles and cobalt salt demand is expected to double this year in 2017. When I say all of the major auto manufacturers are getting into electric vehicles; BMW, Jaguar, Land Rover, Mercedes, Ford, Nissan, GM, Volkswagen, and obviously the one that is getting the most news here is Tesla and Tesla works with Panasonic and their battery of choice is the NCA battery which is nickel/cobalt/aluminum battery and is about 9% cobalt by weight. There is a tremendous demand for batteries as we move forward. The batteries get safer all the time. It is about quality control of putting the batteries together. The car manufacturers are way ahead on the safety factor and as it stands today they seem to have a good balance between the battery capacity and the safety because the more power they require for the battery, the more careful they have to be the quality control.

CEOCFO: *Would you tell us about your Idaho Cobalt Project (ICP)? I understand that it is advanced stage, near term, but where exactly are you in its development? What are you finding?*

Mr. Farquharson: It is extremely advanced stage. We have over \$100 million spent on the project. All of our environmental permits are in hand. The main permit is your approval, your record of decision on your plan of operation and your environmental impact study. The second one is your water discharge permit because your permitting is always about the water and that is your National Pollution Discharge Elimination Permit (NPDES). That is the EPA permit for water discharge. We have in hand in our warehouse in Salmon Idaho, \$16 million worth of long-lead equipment. All of the building and equipment that are required for our concentrator and our mill are on sites outside of Salmon Idaho, bought and purchased and ready to go. We have power right to the site, 90% of the earth works are complete, ball mill purchased, building purchased, transformers ready to go up on the hill with the permits in place. It is now a matter of getting the CapX financing completed. In addition we did metallurgical test work last year and we are expecting to have a brand-new feasibility study out in 2017. It is pretty exciting.

CEOCFO: *It sounds like you have the environmental requirements in place?*

Mr. Farquharson: We do but that was ten years and \$20 million dollars. Yes they are in place and we are going to make sure they stay in place. It gives us quite an advantage over anybody else.

CEOCFO: *Why have you chosen to have a 100% ownership of your ICP project?*

Mr. Farquharson: That is not something that is easy to do. People always want parts of your property. We are sitting today with a fully permitted operation that we own 100%. As we move into capital expenditure (CAPEX) financing, that is going to be a tremendous advantage for us because we will be able to finance through the parent, eCobalt (TSX:ECS) which trades on the Toronto Stock Exchange. Owning 100% is very advantageous to us because the whole objective is getting this project into production the most effective way for our shareholders. We have a lot of options here and it's because we own 100% of the project.

CEOCFO: *What do you like about Idaho and the specific area that you are in?*

Mr. Farquharson: Idaho is one of the most beautiful states in the United States. It is very ranching, logging, mining friendly. It is politically stable and has a lot of historical mining. There are historical resources there. We worked with the commissioners and the local counties down there so we are supportive with the locals of all levels of state and county. The people of Idaho are supportive of multiple use of federal land which helps us because we are on the forest service land here. There are so many people that have actually left Idaho to find employment and they contact us and say let's get this project into production so I can come back to Idaho where I love the environment and the community there and it is a nice stable family area to bring up your kids. It is just an absolutely excellent place to be. The people of Idaho are just tremendous.

CEOCFO: *Are you in operation year round?*

Mr. Farquharson: We are not in operation year-round. As we speak, our site is on care and maintenance, so the project will start up again in the spring. Once we have our CAPEX in hand and complete construction it will be a year-round operation.

CEOCFO: *Is this the first US cobalt project being developed?*

Mr. Farquharson: Absolutely it is, once in production we will be the only primary cobalt mine in the US! The current US government is pushing "buy American and hire American". Our project is something that will support the Idaho and US economies because we will be hiring about 168 local jobs created with a multi-million dollar tax payroll each year. It is good for us, good for jobs, good for Idaho, and good for the US.

CEOCFO: *Are there any properties close to your ICP that have been fully developed that would give people looking at eCobalt an indication that you are in a good location?*

Mr. Farquharson: We are located in the heart of the Idaho Cobalt Belt, which is a known geological belt ten miles wide and 35 miles long. There is historical production that came out of that area in the nineteen fifties when there was a lot of mining in that area. We completely surround old historical workings. The Sunshine Deposit is on our site and that is a historical working. This is a cobalt belt geologically and it has produced in the past.

CEOCFO: *On your site it indicates that you have wholly owned subsidiaries that have interests in base and precious metals and uranium projects in Canada, the US and Mexico. Are there any other projects ongoing that we should be aware of?*

Mr. Farquharson: Absolutely! Obviously Idaho Cobalt Project is our main focus here. We have a joint venture on a uranium property in the Athabasca Basin with Cameco (TSX:CCO,NYSE:CCJ) a Canadian company and AREVA (EPA:AREVA), which is the French government, they are two of the largest uranium producers in the world. We also have other gold and copper properties in Idaho, along with the ICP that have had past drilling on them showing some historical resources. Once again if we have the manpower we would go in and start doing some work on those. We also have some high-grade silver/lead/zinc prospects in Mexico. They are excellent properties but we are concentrating on the ICP for now.

CEOCFO: *Why the name eCobalt and what is the vision for the company? Are you more of an exploration company or a developer, or both?*

Mr. Farquharson: We are both exploration and development. In August last year we wanted to rebrand the company and become more focused into the cobalt area because that is where we have been for a couple of decades now but the name did not really focus us in that area. We changed the name to eCobalt and **e** really stands for **e**thical source of cobalt, **e**nvironmentally conscious 100% reclaimable project, **e**ssential for the markets out there. Cobalt is a strategic metal. eCobalt seemed to be a good name for us to rebrand and move forward. **We are committed to providing ethically produced and environmentally sound battery grade cobalt salts, essential for the rapidly growing rechargeable battery and renewable energy sector made safely, responsibly and transparently in the US.** I do not think there is any company out there that can make that statement.

CEOCFO: *Do you have the funding needed to continue exploration and development or will you be looking to investors or partnerships as you go forward?*

Mr. Farquharson: We will absolutely be looking for partnerships and funding moving forward. We raised \$22 million roughly last year and that is plenty of money for us to finish our feasibility and start hiring some good technical people, some mine building people that have experience with Offtake Agreements and debt financing. The new feasibility study which will be out this year will give us a new CAPEX number that we can use to go to the market with to raise funds and put this project into production. Right now that number is about \$147 million. We have made tremendous progress talking to Offtakers, streaming companies, and senior debt people just to let them know that we are in the market, we are out there and we are going to have a new feasibility study out very quickly. They are aware of us and we are getting a lot of attention. The cobalt market has been moving in the last year or so and people are starting to pay attention to us.

CEOCFO: *Address our readers, many of which are in the business and investment community. Why should eCobalt Solutions stand out from the many companies in your sector?*

Mr. Farquharson: I would have to say there are not many companies in our sector. We are the only fully environmentally permitted, near-term primary cobalt deposit. We are primary so cobalt is our main metal. There is a lot of production that comes from copper cobalt or nickel cobalt but we are a primary cobalt project in the western hemisphere and probably the only one out there that is near-term. All the other companies that are in the western hemisphere are extremely early-stage. There is no company that is as advanced as us. We talked to a lot of people when we were at the PDAC Prospectors and Developers Association of Canada, in Toronto. People said we got really lucky to be in the cobalt business with all the stuff going on. After 25 years of hard work and dedication and tenacity, we got really lucky. We are ready to recommence construction and get this project into production, it needs to go into production! This is a good, clean project and we will get it into production.