

CANADA VENTURE: Puget Sounding Out Cobalt Market

By Brian **Truscott**
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VANCOUVER (Dow Jones)--So, cobalt.

This is what it's used for - rechargeable batteries used in electronic devices - cell phones, laptops, hybrid automobiles, you name it. It's also used in super alloys, catalysts, hard metals, pigments, soaps, adhesives and magnets.

Here's the dynamic: places like Asia and Africa have obviously been developing and progressing over the past few decades, meaning there's a positive and clear demand curve for metals such as cobalt.

Upshot? Cobalt has become one of the two have-to-have minor metals, the other being molybdenum.

This is why **Puget** Ventures Inc. (PVS.V) is interesting: the company is advancing the only primary cobalt mine project in wonderfully stable Canada - the Werner West project in northwestern Ontario.

The place has seen historic cobalt exploration by senior miners in the recent past. Money has been spent; some C\$12 million has been dropped on building a decline, getting bulk samples and doing feasibility work as well as all the mine planning, environmental and metallurgical stuff that's part-and-parcel for such a project.

The other option for buyers? Democratic Republic of Congo. Operative phrase of the day there is often "duck and cover," but that country is responsible for about half of the world's supply of cobalt, among other ores.

Building A Rare-Earth Empire

Here's **Puget's** President and Director Erin Chutter on the company's intentions: "We listed about a year ago with the intention of building a portfolio in the strategic-metals space - cobalt, rare earth...metals we thought would have potential high demand over the next two to five years."

She said **Puget** was able to put together a property portfolio that could proffer up rare-earth elements during a time when it wasn't really on the agenda for other exploration companies.

"The downturn last fall allowed a lot of really good assets to go begging," she said. "And we picked up - through consolidation via different deals - Werner Lake," she said.

The Werner Lake Belt properties - some 70 kilometers from mining haven Red Lake - consists of about 4,200 acres in the Kenora mining district, an area that has had on-and-off cobalt production since the 1920s, she said.

"We were really fortunate in picking up a property from a private vendor in June; the center-piece of that belt is the Werner West cobalt belt deposit," she said. "We understand the deposit quite well."

So what happens next?

"Our plans over the next 12 to 18 months are really simple: expand the size of the deposit through additional drilling and, at the same time, on a parallel path, do the engineering and feasibility work to reach another production decision in the next couple of years," she said.

Does that mean the company will go from explorer to producer? Watch this space.

Company Web Site: <http://www.pugetventures.com>

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