**Guest Post from Alex Harrison, Editor of Metal Bulletin  
*How does Metal Bulletin produce the global benchmark for Cobalt?***

**March 13, 2018**

At Cobalt 27, we base the valuation of our business in part on the benchmark prices for the metal produced by Metal Bulletin. Whether you’re a shareholder in Cobalt 27, or someone who’s just interested in this most exciting, versatile and vital of metals, I thought you would be interested in some questions we put to the Metals Bulletin editorial director, Alex Harrison, who himself spent some years with primary responsibility for pricing this market. So, without further ado…

**What method does Metal Bulletin use to discover its cobalt metal prices?**

Metal Bulletin uses a survey method and expert judgement to provide its assessments of cobalt metal prices, which are published in a range twice a week on Wednesdays and Fridays. By survey method we mean that we poll market participants about the level at which they have transacted business; made firm bids or offers; heard transactions; or would assess a representative range themselves. Our use of expert judgement means that we will, for example, give greater weighting to actual concluded transaction data; followed by firm bids and offers; followed by market sources’ own assessment of the market when they have no business to report. Other considerations might also come into play, such as the trustworthiness of a data source based on past submissions or their willingness to provide data on a consistent basis. We will also use judgement to exclude outlying or unrepresentative numbers, and discount or discard prices that we believe may otherwise be questionable or unreliable. This methodology provides an objective and consistent assessment of the spot market and reflects where the real physical market is trading over given points in time.

**How do producers, consumers and traders of physical cobalt metal use your prices?**

Metal Bulletin’s assessment of the spot market is accepted as a ‘fair’ market price, which reflects the fundamentals of the market and is used as the global benchmark for the sale and purchase of physical material. This means that it is used in a very large proportion of the annual contracts that producers and refineries sign with their customers for the delivery of cobalt metal and other units. They also use the price in shorter term or spot deals, and for valuation purposes. Its widespread use by the physical cobalt market generates industry involvement in the price discovery process.

**Do you gather much information from the market?**

The number of companies providing data has increased steadily over time. On the basis of a one-month moving average 12 companies provide data each time the price is published, and Metal Bulletin collects 35 data points in each assessment period. On average 39% of the data that we have collected since 2015 is in the form of deals, and 50% if transactions heard are included.

**What size is the team at Metal Bulletin Group that covers cobalt?**

Cobalt is priced by members of Metal Bulletin’s global minor metals, ores & alloys team, which comprises about 14 people worldwide. The price assessment is the primary responsibility of a senior price reporter, who gathers data and market information before making her assessment. This assessment is then peer reviewed by another senior member of the team, before being approved by an editor or senior journalist. In addition to the primary price reporter, other members of the team are cross-trained to ensure that Metal Bulletin has a strong succession plan. The price discovery for cobalt is carried out in alignment with the IOSCO principles, which establish best practice for price reporting agencies. Metal Bulletin’s price discovery process mandates data collection and publication through an auditable proprietary software known as Mind, and requires both expert peer review and editorial approval.

**Do you have an outlook for the price?**

In April we are launching a price forecast for cobalt and other electric metals, produced by our expert, independent analysts led by veteran base metals commentator Will Adams, who has been digging deep into the fundamental data and market dynamics. The price reporters themselves are prescribed from forecasting prices.

If you want to find out more about Metal Bulletin’s coverage of cobalt and other electric materials, it is holding a web seminar in April. <http://bit.ly/2GjwyzM>

You can find Metal Bulletin’s cobalt coverage here <http://bit.ly/2HqLdbH>

***Forward-Looking Information:****Some of the posted entries on the CEO Corner may contain forward-looking statements. Forward-looking statements address future events and conditions which involve inherent risks and uncertainties. Actual results could differ materially from those expressed or implied by them.  Examples of forward looking information and assumptions include future estimates of the worldwide supply and demand for cobalt and other metals and the effect that these changes could have on the short term and long term price of cobalt and other metals on the world markets, statements regarding the future operating or financial performance of Cobalt 27 including the net present value, metal recoveries, capital costs, operating costs, production, rates of return and payback.  Forward looking statements involve known and unknown risks and uncertainties which may not prove to be accurate.  Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.  Among those factors which could cause actual results to differ materially are the following: market conditions and other risk factors listed from time to time in our reports filed with Canadian securities regulators on SEDAR at*[***www.sedar.com***](http://www.sedar.com/)***.*** *In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "projects", "plans", "anticipates" and similar expressions. These statements represent management's expectations or beliefs concerning, among other things, future operations and various components thereof affecting the economic performance of Cobalt 27. Undue reliance should not be placed on these forward-looking statements which are based upon management's assumptions and are subject to known and unknown risks and uncertainties, including the business risks discussed above, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted.****Links:****Some of the posted entries on the CEO Corner may include links to 3rd party websites. Cobalt 27 has not reviewed all websites linked to or from this Site and is not responsible for the contents of any such websites. The inclusion of any link does not imply endorsement by Cobalt 27 of the linked website or its content. Use of any such linked website is at the user's own risk.*