



Forget Bitcoin and Marijuana! These Cobalt Stocks Have Soared up to +500% Over the Past Year!

Description

First, it was cryptocurrencies (like Bitcoin), then it was marijuana stocks (like **Canopy Growth Corp.** ([TSX:WEED](#))), and now there's a new hot commodity that's picking up traction: cobalt.

To say the metal is selling like hotcakes would be a vast understatement, especially when you consider the off-the-charts demand that the metal stands to experience over the next decade.

Investors have been going crazy for all cobalt stocks of late with cobalt prices skyrocketing, as concerns over a potential shortage in the metal continue to mount. Cobalt is a critical metal for lithium-ion (Li-ion) batteries, and given the imminent rise of electric vehicles (EVs) and other emerging Li-ion powered pieces of tech hardware, many pundits are warning that there stands to be a severe supply shortage at some point in the near future.

As a result, many tech firms, such as **Apple Inc.**, and auto manufacturers have been scrambling to load up and potentially hoard the commodity directly from cobalt miners. Cobalt-related securities have surged over the past year, including **Katanga Mining Ltd.** (TSX:KAT) and **Cobalt 27 Capital Corp.** (TSXV:KBLT), two previously unloved stocks that have started to attract the attention of the general public following pundit predictions of a cobalt shortage.

Over the past year, Katanga and Cobalt 27 Capital have surged ~530% and ~162%, respectively, as investors' euphoria has been rising to levels that exceed that of the "sexiest" of speculative marijuana stocks or cryptocurrencies. Right now, marijuana and cryptocurrencies are so 2017, as it looks like cobalt may become the go-to "sexy play" to speculate on in 2018 and beyond.

As you may know, venture mining firms are dangerously risky, and I would caution any investor who's thinking about blindly throwing money at any TSXV-traded security with "cobalt" in the name. To capitalize on the cobalt craze, you'll likely need to risk your capital on a junior miner, but make sure you don't make the mistake of investing in a firm with zero fundamentals and relying on management's biased commentary. They may claim there's a tonne of cobalt in a patch of land they own; however, a lot of the time the land is not as commodity-rich as executives may make it seem in their public

interactions to garner public interest.

With that dire warning out of the way, I believe Cobalt 27 Capital is an intriguing play and not a scam, and it could offer investors a compelling opportunity to realize substantial long-term upside for those bullish on cobalt.

First, Cobalt 27 Capital isn't your typical development-related venture miner. It's a firm which stands to benefit from appreciating cobalt prices without taking on hefty risks posed by such capital-intensive and risky mining operations, presenting a fantastic opportunity for investors to get a pure-play on cobalt without gambling on whether or not a patch of land is rich in cobalt. The firm manages a promising portfolio of cobalt royalties, streams, and other cobalt-related interests, and it stands to surge along with cobalt, without experiencing the same magnitude of risk that a venture miner would.

Second, the company has a remarkably sound balance sheet with enough financial flexibility (~\$200 million in cash) that could finance acquisitions in various promising cobalt-related interests. Management has noted that it's in active talks with cobalt producers to acquire an additional cobalt stream.

Third, the company is hoarding tonnes of cobalt, literally. Cobalt 27 Capital owns ~2,982 metric tonnes of physical cobalt, the largest private stockpile in the world, and it stands to benefit profoundly from an "imminent shortage" that many pundits foresee.

Bottom line

As more EVs hit the roads, demand for cobalt will continue to soar, so those looking for a security that can give them the most upside for their "mad money" portfolios, I think today may be a great time to begin scaling in to a position.

If you're used to making speculative bets and were planning to buy pot stocks or cryptocurrencies with the cash, do yourself a favour and buy Cobalt 27 Capital instead, as I think cobalt will appreciate at a rapid rate over the next decade as opposed to marijuana!

Moreover, Cobalt 27 Capital appears to be among the "safest" of ways to bet on cobalt versus miners like Katanga.

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