

Re: Meeting at LCTA Conference in Lugano
Matthew Bryza <matthew.bryza@ballardpartners.com>
Sat 7/2/2022 10:45 AM
To:

- florence.schurch@staswiss.ch <florence.schurch@staswiss.ch>

Cc:

- Marco Passalia <marco.passalia@enetsa.ch>;
- Murat Integral Energy <murat.seitnepesov@integral-energy.ch>

Dear Florence,

I hope you are enjoying a restful Saturday.

I just wanted to follow up my previous message as I look forward to follow up discussions of both this cobalt processing concept for the DRC and for the broader geopolitical issues we discussed in Lugano following my presentation on Russia's invasion of Ukraine.

Best regards,
Matthew

This material is distributed by Ballard Partners on behalf of the Democratic Republic of the Congo. Additional information is available at the Department of Justice, Washington, D.C

On 25 Jun 2022, at 20:46, Matthew Bryza <mbryza@linden.energy> wrote:

Dear Florence,

It was a pleasure to meet you yesterday at Marco's and LCTA's conference in Lugano. I really enjoyed your panel, as well as all the presentations from which I learned much, as they were clear, concise, and insightful.

I was also happy to learn that you are friends not only with Marco, but with Murat as well, who speaks very highly of you.

I look forward to continuing our dialogue and already have a concept I'd like to discuss and which I have already mentioned to Marco yesterday and to Murat today: establishing a cobalt processing plant in the Democratic Republic of Congo (DRC).

The Biden administration is increasingly worried that the United States has extremely limited indigenous supplies of cobalt, an element that is of such crucial importance to electrification and the global energy transition. The DRC has some of the world's largest

cobalt reserves, but is currently shipping virtually all of its cobalt ore to China for processing. This means the cobalt ore is trucked to the DRC's Indian Ocean ports and then shipped to China for processing, which generates significant carbon emissions, thereby undercutting the rationale for using cobalt in electrical vehicles to advance the global energy transition..

And most urgently, Washington views such dependence on China for processed cobalt as a strategic vulnerability.

One possible solution, of course, would be to build a cobalt processing plant in the US for the DRC's cobalt ore.

A better solution for DRC, however, would be to build a cobalt processing plant near the DRC mines and then ship the product directly to the US, thereby moving DRC up the value chain in the cobalt sector. This is precisely what my friend and (former) Atlantic Council colleague, Ambassador Peter Pham, suggests here in this recent article in Newsweek:

<https://www.newsweek.com/reshoring-isnt-enough-opinion-1711751>

I am beginning to explore this concept in Washington via my colleagues at the State Department, think tanks, and lobbying world. A key challenge, of course, will be to secure investment protection from the DRC government, which is something I believe we can indeed accomplish.

As both Marco and Murat suggest, one of the big Geneva-based commodities trading houses could/should be involved to give comfort to investors by guaranteeing off-take and providing some of the capital required to build the plant. And the US's Development Finance Corporation might provide political risk insurance and a portion of the equity.

I would be grateful if you could share your thoughts on this proposal.

Sincerely,
Matthew