No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of securities only in those jurisdictions where such securities may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and, subject to certain exceptions, may not be offered or sold within the United States except in transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".

PROSPECTUS

New Issue **June 16, 2017**

COBALT 27 CAPITAL CORP.

$200,000,025

10,924,420 Shares for Cash at $9.00 per Share

and

11,297,805 Shares for the Acquisition of Cobalt at $9.00 per Share

This prospectus ("**Prospectus**") qualifies the distribution (the "**Cash Offering**") of 10,924,420 common shares (the "**Shares**") in the capital of Cobalt 27 Capital Corp. (the "**Company**") at a price of $9.00 per Share (the "**Offering Price**") and the distribution (the "**Cobalt Shares Offering**", and together with the Cash Offering, the "**Offering**") of 11,297,805 Cobalt Contract Shares (as defined below) at the Offering Price.

The Offering is being made pursuant to an underwriting agreement (the "**Underwriting Agreement**") dated as of June 16, 2017 between the Company and Scotia Capital Inc., Canaccord Genuity Corp. and TD Securities Inc. (collectively, the "**Lead Underwriters**") and BMO Nesbitt Burns Inc., GMP Securities L.P., Haywood Securities Inc., Cormark Securities Inc., Eight Capital, PI Financial Corp. and Sprott Private Wealth Inc. (collectively with the Lead Underwriters, the "**Canadian Underwriters**") and Numis Securities Limited ("**Numis**", and together with the Canadian Underwriters, the "**Underwriters**"). Numis is not registered as a dealer in any Canadian jurisdiction and accordingly, will not, directly or indirectly, solicit offers to purchase or sell the Shares in Canada. This Prospectus does not qualify the distribution of any Shares sold by Numis outside Canada, and sales to residents of such foreign jurisdictions will be made in reliance on private placement or applicable exemptions in such foreign jurisdictions.

The Company has granted the Underwriters an option (the "**Over-Allotment Option**"), exercisable in whole or in part at any time until 30 days following the closing of the Offering, to purchase from the Company at the Offering Price up to an additional 15% of the number of Shares sold under the Offering (the "**Over-Allotment Shares**", and together with the Shares, the "**Offered Shares**").

	Price to the Public	**Commissions**[1]	**Cash Proceeds Received by the Company**[2,3,4]
Per Share	$9.00	$0.6846	$8.3154
Total Offering[3]	$98,319,780	$7,478,501.50	$90,841,278.50

1. Pursuant to the terms and conditions of the Underwriting Agreement, the Company has agreed to pay a cash fee to the Underwriters in an amount calculated as 6.0% of the gross proceeds realized from the sale of Shares distributed under the Cash Offering and 6.0% of the value of the Shares distributed under the Cobalt Shares Offering, provided that the first $70 million of Cobalt Contract Shares under the Offering and the sale of 2,270,000 Shares to Pala Investments will be subject to a 1.0% fee (the "**Commissions**"). The Company has also agreed to reimburse the Underwriters' reasonable legal fees and other expenses incurred with respect to the Offering. See "*Plan of Distribution*".
2. After deduction of the Commissions and before deduction of the remaining expenses of the Company and the Underwriters relating to this Offering. See "*Use of Proceeds*".
3. This Prospectus also qualifies the distribution of Cobalt Contract Shares, at the Offering Price, having an aggregate value of $101,680,245, in consideration for the acquisition by the Company of physical cobalt pursuant to Cobalt Contracts (as such terms are defined herein), which will close on the date of closing the Offering. See "*Description of the Company's Business – Summary of Company's Physical Position*". The value received by the Company includes the monetary equivalent of the physical cobalt purchased under certain of the Cobalt Contracts.
4. The Company has granted to the Underwriters the Over-Allotment Option to purchase the Over-Allotment Shares, being up to 15% of the number of Shares sold under the Offering. If the Underwriters exercise the Over-Allotment Option in full, the total Offering to the public, the Commissions and the proceeds available to the Company (before deducting expenses) will be $128,319,777, $9,278,501 and $119,041,275, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of any Over-Allotment Shares issued pursuant to the exercise of the Over-Allotment Option. A purchaser who acquires Over-Allotment Shares acquires such shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "*Plan of Distribution*".

Subscriptions for the Shares to be sold pursuant to the Offering will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering will be on or about June 23, 2017, or such other date as may be agreed by the Company and the Underwriters, but in any event no later than the date that is 90 days following the date of a receipt for the final prospectus (or such later date as may be permitted by applicable securities regulation). In the event that the closing of the Offering does not occur on or before the date that is 90 days following the date of a receipt for the final prospectus, all subscriptions and subscription funds will be returned to investors by the Underwriter, without interest or any deduction or penalty.

The following table sets forth the number of additional Shares that may be sold to the Underwriters under the Over-Allotment Option:

	Number of Securities	Exercise Period	Exercise Price
Over-Allotment Option	3,333,333 Shares	Up to 30 days following the Closing Date	Equal to the Offering Price

The Underwriters, as principals, conditionally offer the Shares, subject to prior sale, if, as and when issued and sold by the Company, and delivered to and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement (as defined herein) referred to under "*Plan of Distribution*", subject to approval of certain legal matters relating to the Offering on behalf of the Company by Owen Bird Law Corporation as to matters of Canadian law and on behalf of the Underwriters by Stikeman Elliott LLP as to matters of Canadian law. In connection with the Offering, the Underwriters may effect transactions which stabilize or maintain the market price of the Shares at levels other than those which otherwise might prevail on the open market. See "*Plan of Distribution– Price Stabilization, Short Positions and Passive Market Making*". **The Underwriters may offer the Shares at a lower price than stated above. See "*Plan of Distribution*".**

Except in certain limited circumstances, no certificates representing Shares will be issued to purchasers in the Offering. Instead, on the Closing Date, the purchasers of Shares will have their securities registered in the name of CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and electronically deposited through the non-certificated inventory system ("**NCI**") of CDS. Shares registered to CDS or its nominee will be deposited electronically with CDS on an NCI basis on the Closing Date. Purchasers of the Shares will receive only a customer confirmation from the Underwriter or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Shares is acquired. Numis is not registered to sell securities in any Canadian jurisdiction and, accordingly, they will only sell Shares outside of Canada on a private placement basis. See "*Plan of Distribution*".

An investment in the Shares is speculative and involves a high degree of risk that should be considered by a prospective purchaser. The Company's business is subject to the risks normally encountered in the metals or commodities industry and the Company's business of acquiring and holding physical cobalt and acquiring and managing a portfolio of streams, royalties, or direct interests in mineral properties containing cobalt. An investment in Shares is suitable only for those purchasers who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. See "*Risk Factors*".

The Company's Shares are currently listed and posted for trading on the TSX Venture Exchange ("**TSX-V**") under the symbol "KBLT". The Company's Shares last traded on April 13, 2017 at $0.66 per Share (equivalent to $13.20 taking into account the 20:1 consolidation to be effected on or before the closing of the Offering). Trading of the Company's Shares were voluntarily halted on April 17, 2017 pending closing of the Offering. Resumption of trading of the Company's Shares on the TSX-V is subject to completion or termination of the Offering. See "*Plan of Distribution*".

Each of Messrs. Anthony Milewski, John Kanellitsas and Nick French, directors of the Company, resides outside of Canada. Each has appointed the Company as his agent for service of process in each of the Selling Jurisdictions. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against Messrs. Milewski, Kanellitsas or French, or any other person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if such person has appointed an agent for services of process. See "*Risk Factors*".

You should rely only on the information contained in this Prospectus relating to this Offering. Neither the Underwriters nor we have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither the Underwriters nor we are making an offer to sell the Shares in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this Prospectus relating to this Offering is accurate only as of the date of the Prospectus. Our business, financial condition, and prospects may have changed since that date.

The head office of the Company is located at Suite 702 - 85 Richmond St. West, Toronto, Ontario, Canada; and the Company's registered office is located at Suite 2900 – 595 Burrard Street, Vancouver, British Columbia, Canada.

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GLOSSARY OF GENERAL TERMS

The following is a glossary of certain general terms used in this Prospectus:

20:1 Consolidation	means the consolidation of the Company's currently issued and outstanding common shares on the basis of one new Share for every 20 outstanding common shares, to be effected on or before the Closing Date.
Applicable Securities Laws	means the *Securities Act* (British Columbia) and the rules and regulations thereunder and all published rules, orders, notices and policies of each of the Securities Commissions, all published national rules and policies applicable therein, and all published notices, policies and instruments of the Canadian Securities Administrators applicable therein.
BCBCA	means the *Business Corporations Act* (British Columbia), as amended from time to time, including the regulations promulgated thereunder.
BEV	means battery electric vehicle.
Board	means the board of directors of the Company.
CAGR	means compound annual growth rate.
Canadian Securities Administrators	means an umbrella organization of Canada's provincial and territorial securities regulators.
Canadian Underwriters	means the Lead Underwriters and BMO Nesbitt Burns Inc., GMP Securities L.P., Haywood Securities Inc., Cormark Securities Inc., Eight Capital, PI Financial Corp. and Sprott Private Wealth Inc.
Cash Offering	means the offer for sale by the Company of 10,924,420 of the Offered Shares for cash proceeds at the Offering Price in accordance with the terms of the Underwriting Agreement and this Prospectus.
CDS	means CDS Clearing and Depository Services Inc.
Closing Date	means the day on which the Offering is closed, to occur on or before 90 days after the Effective Date.
CO_2	means carbon dioxide.
Cobalt Contract Shares	mean Shares to be issued and delivered by the Company to certain vendors under the Cobalt Contracts in consideration for the acquisition of physical cobalt, such Shares to form part of the Cobalt Shares Offering and to be qualified under this Prospectus.
Cobalt Contracts	means the option contracts with various vendors under which the Company may acquire a Physical Position in cobalt in consideration for cash and/or issuing Shares under the Cobalt Shares Offering.
Cobalt Shares Offering	Means the offer for sale by the Company of the Cobalt Contract Shares to vendors under the Cobalt Contracts as consideration for the Company's purchase of physical cobalt.
Cobalt 27, Company, we, or us	means Cobalt 27 Capital Corp.

Commissions	means the cash commissions to be paid on the Closing Date by the Company pursuant to the Underwriting Agreement, calculated as 6.0% of the gross cash proceeds realized under the Cash Offering and 6.0% of the value of the Shares distributed under the Cobalt Shares Offering, provided that the first $70 million of Cobalt Contract Shares distributed under the Offering and the sale of 2,270,000 Shares to Pala Investments will be subject to a 1.0% fee.
CRU	means CRU International Limited, a London UK based company which provides business intelligence on the global metals, mining and fertilizer industries.
Darton or Darton Commodities	means Darton Commodities Limited, a Surrey UK based independent and specialized full service cobalt metal supplier.
Deferred Plans	means trusts governed by a registered retirement savings plan, registered retirement income fund, tax free savings account, registered education savings plan, registered disability savings plan or deferred profit sharing plan (as such terms are defined in the Tax Act), and "Deferred Plan" means any one of them.
Director	means a director of Cobalt 27.
DRC	means the Democratic Republic of the Congo.
DSU	means a deferred share unit granted under a LTIP.
Effective Date	means the date the Securities Commissions issue a final receipt for this Prospectus.
ESS	means energy storage systems.
EV	means electric vehicle.
GWh	means gigawatt hours – a measure of energy.
HEV	means hybrid electric vehicle.
ICE	means internal combustion engine.
IEA	means the International Energy Agency.
kWh	means kilowatt-hours - a measure of energy.
LCO	means lithium cobalt oxide.
Lead Underwriters	means collectively Scotia Capital Inc., Canaccord Genuity Corp. and TD Securities Inc.
LFP	means lithium iron phosphate.
Li-Ion	means lithium-ion.
LME	means the London Metals Exchange.
LMO	means lithium manganese oxide.
LTIP	means a long term incentive plan which may be adopted by the Company.
Metal Bulletin	means an independent price reporting agency known as Metal Bulletin, based in London, U.K.; which provides industry standard benchmarks used to price and settle metals and minerals contracts, including cobalt.

Metric Tonne or mt	means 1,000 kilograms, or approximately 2,204.62 pounds.
MSRP	means manufacturer's suggested retail price.
Named Executive Officers, or NEOs	means Anthony Milewski (the Company's Chairman and CEO), Cindy Davis (the Company's CFO) and Justin Cochrane (the Company's President and COO).
NCA	means lithium nickel cobalt aluminum oxide.
NCI	means non-certificated inventory, a system of electronic confirmation of issued securities.
NI 52-110	means National Instrument 52-110 - *Audit Committees.*
NI 58-101	means National Instrument 58-101 *Disclosure of Corporate Governance Practices*.
NI 58-201	means National Instrument 58-201 *Corporate Governance Guidelines.*
NMC	means lithium nickel manganese cobalt.
NSR	means net smelter return royalty.
Numis	means Numis Securities Limited.
Offered Shares	means the Shares, including the Over-Allotment Shares, being offered for sale by the Company under the Offering.
Offering	means the Cash Offering and the Cobalt Shares Offering
Offering Day	means the day on which the Offering is made, to be determined by the Underwriters and the Company, with the consent of the applicable regulatory authorities, to occur within 90 days after the Effective Date.
Offering Price	means $9.00 per Share.
Over-Allotment Option	means the option granted by the Company to the Underwriters, to exercise in whole or in part at any time and from time to time until 30 days following the Closing Date, to purchase Over-Allotment Shares in a quantity of up to 15% of the number of Shares sold under the Offering.
Over-Allotment Share	means the additional Shares which may be sold under the Offering, as a result of the Underwriters exercising the Over-Allotment Option.
Pala Investments	means Pala Investments Limited, a private company headquartered in Switzerland, which invests in development and production stage mines and mining companies, as well as products and services that serve the global mining sector.
PHEV	means plug-in hybrid electric vehicle.
Physical Position	means the cobalt metal physically held from time to time by the Company.
Prospectus	means this (final) long-form prospectus.
PSU	means a performance share unit granted under a LTIP.
ROFR	means right of first refusal.

Royalty Contracts	mean those contracts under which the Company may acquire a royalty pertaining to potential future cobalt production.
RSU	means a restricted share unit granted under a LTIP.
SAR	means a stock appreciation right, namely a right, granted by the Company as compensation for services rendered or in connection with office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of the Shares.
Securities Commissions	means the securities regulatory authorities in each of the Selling Jurisdictions.
Selling Jurisdictions	means all of the provinces and territories of Canada except Québec, in which this Prospectus has been filed and in which the Offering will be made.
Share	means a common share without par value in the capital stock of the Company, as it exists as of the Closing Date, including following implementation of the 20:1 Consolidation.
Shareholder	means the holder of one or more Shares.
Stock Option Plan	means the Company's 10% rolling stock option plan.
Tax Act	means the *Income Tax Act* (Canada) R.S.C. 1985, as amended, including the regulations promulgated thereunder.
TSX	means the Toronto Stock Exchange.
TSX-V	means the TSX Venture Exchange.
Underwriters	means, collectively, the Canadian Underwriters and Numis.
Underwriting Agreement	means the underwriting agreement dated June 16, 2017 among the Underwriters and the Company in respect of the Offering.
U.S. Securities Act	means the United States Securities Act of 1933, as amended.
Wh/L	means watt-hour per litre - a measure of energy density.
WHO	means the World Health Organization.
xEV	means any one or more of EV, PHEV and HEV.

INDUSTRY AND OTHER STATISTICAL INFORMATION

This Prospectus includes market, industry and other statistical information that the Company has obtained from independent industry publications, government publications, market research reports and other published independent sources. Such publications and reports generally state that the information contained therein has been obtained from sources believed to be reliable. Although the Company believes these publications and reports to be reliable, it has not independently verified any of the data or other statistical information contained therein, nor has it ascertained or validated the underlying economic or other assumptions relied upon by these sources. The Company has no intention and undertakes no obligation to update or revise any such information or data, whether as a result of new information, future events or otherwise, except as required by Applicable Securities Laws.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Prospectus constitute “forward-looking statements” or “forward-looking information” within the meaning of Applicable Securities Laws (as defined herein) (collectively, “**forward-looking statements**”). These statements relate to the expectations of management about future events, results of operations and the Company’s future performance (both operational and financial) and business prospects. All statements other than statements of historical fact are forward-looking statements. The use of any of the words “anticipate”, “plan”, “contemplate”, “continue”, “estimate”, “expect”, “intend”, “propose”, “might”, “may”, “will”, “shall”, “project”, “should”, “could”, “would”, “believe”, “predict”, “forecast”, “pursue”, “potential”, “objective” and “capable” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Prospectus should not be unduly relied upon. These statements speak only as of the date of this Prospectus. In addition, this Prospectus may contain forward-looking statements and forward-looking information attributed to third-party industry sources.

In particular, this Prospectus contains forward-looking statements pertaining to the following:

- the Offering Price, the completion, size, expenses and timing of the Offering and the number of Shares offered pursuant to the Offering;
- the exercise of the Over-Allotment Option;
- the share capital of the Company following closing of the Offering;
- the gross and net proceeds of the Offering, and the use of the net proceeds therefrom;
- the timing for receipt of regulatory and stock exchange approvals and the execution of ancillary agreements in connection with the Offering;
- the completion of the Cobalt Contracts, and the timing thereof;
- the anticipated benefits of the Cobalt Contracts;
- the completion of the Royalty Contracts, and the timing thereof;
- the anticipated benefits of the Royalty Contracts;
- the characteristics of the physical cobalt being acquired in connection with the Cobalt Contracts;
- the pro forma operations, resources and capital expenditures of the Company after exercise of the Cobalt Contracts;
- future debt levels, financial capacity, liquidity and capital resources;
- anticipated future sources of funds to meet working capital requirements;
- future capital expenditures and contractual commitments;
- expectations respecting future financial results;
- expectations regarding benefits of certain transactions and capital investments;
- the Company’s objectives, strategies and competitive strengths;
- future development activities, including acquiring streams, royalties, and direct interests in mineral properties containing cobalt;
- potential acquisitions and dispositions of assets;
- the Company’s growth strategy;
- expectations with respect to future opportunities;
- expectations with respect to the Company’s financial position;
- the Company’s capital expenditure programs and future capital requirements;
- expectations regarding contractual obligations and commitments and their expected timing of funding;
- the use of risk-management techniques, including hedging;
- the Company’s dividend policy, should one be adopted, including the sustainability of dividend payments and the amount, timing and taxation of dividend payments;

- capital resources and the Company's ability to raise capital; and
- industry conditions pertaining to the cobalt industry and in the industries in which cobalt is used.

With respect to forward-looking statements contained in this Prospectus, assumptions have been made regarding, among other things:

- market prices of cobalt;
- future global economic and financial conditions;
- future commodity prices, demand for cobalt and the product mix of such demand and levels of activity in the battery metals industry and in such other areas in which the Company may operate, and supply of cobalt and the product mix of such supply; and
- the accuracy and veracity of information and projections sourced from third parties respecting, among other things, future industry conditions and demand for cobalt.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and included elsewhere in this Prospectus, including:

- volatility in market prices and demand for cobalt;
- effects of competition and pricing pressures;
- risks related to interest rate fluctuations and foreign exchange rate fluctuations;
- changes in general economic, financial, market and business conditions in the industries in which cobalt is used;
- changes in the technologies pertaining to the use of cobalt;
- alternatives to and changing demand for cobalt;
- potential conflicts of interests;
- actual results differing materially from management estimates and assumptions;
- commodity price hedging instruments; and
- the other factors discussed under "*Risk Factors*".

This list of factors should not be construed as exhaustive.

The forward-looking statements included in this Prospectus are expressly qualified by this cautionary statement and are made as of the date of this Prospectus. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as required by Applicable Securities Laws.

MARKETING MATERIALS

A "template version" of the following "marketing materials" (as such terms are defined in National Instrument 41-101 – General Prospectus Requirements) have been filed with each of the Securities Commissions, and are specifically incorporated by reference into this Prospectus:

1. An indicative term sheet filed on SEDAR on May 30, 2017 (the "Term Sheet"); and
2. The investor presentation filed on SEDAR on May 31, 2017 (the "Presentation").

The Term Sheet and the Presentation are available under the Company's profile on SEDAR at *www.sedar.com*.

In addition, any template version of any marketing materials filed with the Securities Commissions in connection with the Offering after the date hereof, but prior to the termination of the distribution of the Offered Shares under this Prospectus (including any amendments to, or an amended version of, any template version of any marketing materials), is deemed to be incorporated by reference herein. Any template version of any marketing materials that are utilized by the Underwriters in connection with the Offering are not part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus.

EXCHANGE RATE INFORMATION

The following table lists, for each period presented, the high and low exchange rate, the average exchange rate and the exchange rate at the end of the period, in each case, for one Canadian dollar, expressed in U.S. dollars, based on the noon spot exchange rate of the Bank of Canada:

	Q1	Year ended December 31		
	2017	**2016**	**2015**	**2014**
High for the period	US$0.7690	US$0.7972	US$0.8527	US$0.9422
Low for the period	US$0.7405	US$0.6854	US$0.7148	US$0.8589
End of the period	US$0.7506	US$0.7488	US$0.7225	US$0.8620
Average for the period[1]	US$0.7547	US$0.7548	US$0.7820	US$0.9054

1. Calculated as an average of the daily Bank of Canada Noon Rates for each day during the respective period.

The exchange rate for one Canadian dollar, expressed in U.S. dollars on June 15, 2017, the business day prior to the date of this Prospectus, based on the daily average exchange rate published by the Bank of Canada, was $1.00 = US$0.7528.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Readers are directed to carefully review this Prospectus in its entirety. Unless otherwise noted, all currency amounts are stated in Canadian dollars. Certain terms used in this Summary have the meanings ascribed under the heading "Glossary of General Terms".

The Company

The Company was incorporated under the BCBCA on May 9, 2006 under the name "Actus Minerals Corp.". The Company completed its initial public offering pursuant to a prospectus dated November 17, 2009 and its Shares commenced trading on the TSX-V on January 4, 2010 under the symbol "AAC", as a junior resource exploration company with properties in Quebec, Canada. On September 26, 2014, the Company changed its name to "Arak Resources Ltd."; and on April 6, 2017 the Company changed its name to "Cobalt 27 Capital Corp." and began trading on the TSX-V under the symbol "KBLT" on April 10, 2017. See "*Corporate Structure*" and "*Description of the Company's Business*".

Our Business Strategy

The Company is a minerals company that offers pure-play exposure to cobalt, an integral element in key technologies of the electric vehicle and battery energy storage markets. The Company will initially hold physical cobalt material and several exploration-stage cobalt royalties. The Company is currently in discussions with cobalt producers and developers for potential cobalt stream acquisitions. Management believes that the cobalt to be acquired under the Cobalt Contracts will represent one of the largest holdings of physical cobalt in a publicly-listed pure play company. The Company's objective is to achieve appreciation in the value of its physical cobalt position and accretively grow its cobalt exposure through the acquisition of additional physical cobalt, streams, royalties and direct interests in mineral properties containing cobalt.

Investment Highlights

Strong cobalt fundamentals driven by direct exposure to growth in EV adoption

EVs have entered into the mainstream at economically attractive price points to the mass market. Increasing demand for EVs is expected to drive investor demand for battery metals, particularly cobalt, which is an important battery component. Darton expects refined cobalt demand to increase by 30% between 2016 and 2020, driven by a 58% increase in battery demand from 2016 levels. The Company believes strong cobalt demand, coupled with challenged supply due to a lack of primary cobalt mines and political instability in the DRC, which is the largest supplier of mined cobalt, creates an attractive proposition for cobalt price appreciation. For the first time since 2009, the cobalt market was in a supply deficit in 2016, with growing supply deficits expected through to 2020. In 2008, during the last multi-year cobalt supply deficit, the price of cobalt exceeded US$50/lb, significantly higher than the current standard grade price of US$26.85/lb. The Company believes cobalt offers an attractive investment opportunity in the battery metal sector.

Pure-play cobalt vehicle

Management intends to pursue a business model that offers direct leverage to cobalt price appreciation through owning physical cobalt, cobalt streams, royalties from producers and developers, as well as direct interests in mineral properties containing cobalt. Unlike mining companies and battery producers, physical cobalt, streams, and royalty interests will limit exposure to operational and capital risks. As there is a lack of futures liquidity for cobalt on the LME, and an absence of near-term primary-cobalt mining projects, Cobalt 27 provides a unique investment opportunity by offering investors practical exposure to cobalt.

Growth through streams and royalties

Cobalt 27's stream and royalty growth strategy is intended to provide the opportunity to accretively grow the value of its cobalt holdings and cash flow per Share. Stream and royalty interests have structural advantages over equity interests in mining companies as they provide exposure to commodity prices, exploration and expansion upside, while minimizing exposure to operating and capital costs. The Company has entered into agreements to acquire eight royalties on exploration-stage mineral properties containing cobalt, and intends to acquire additional streams and royalties in the near future.

Transparent business plan to be executed by experienced management

Cobalt 27 intends to acquire and hold physical cobalt, as well as manage and grow a cobalt-focused portfolio of streams, royalties and direct interests in mineral properties containing cobalt with producers and developers that deliver attractive risk-adjusted returns regardless of commodity cycles. To execute its strategy, Cobalt 27 has an experienced management team and Board with significant streaming, royalty and capital raising experience; and an advisory board of industry experts. The management team and Board include several cobalt experts, mining executives and financiers who have extensive relationships and networks in the industry.

Cobalt Industry Overview

Cobalt

Cobalt is a hard, lustrous, greyish-silver metallic element with low thermal and electrical conductivity. It can retain its strength at high temperatures, can be magnetised, and can be alloyed with many different metals. The unique properties of cobalt and cobalt products are responsible for its extensive applications in energy storage, industrial and other areas. These characteristics include its (i) high-energy density, (ii) ability to alloy and impart strength at high temperatures, and (iii) ferromagnetic properties. Cobalt is typically found with copper and nickel ores and is predominantly mined as a by-product of these metals.

Cobalt Demand

Cobalt applications can be subdivided into two broad categories, chemical and metallurgical. Chemical applications of cobalt are dominated by the rechargeable batteries segment. Metallurgical cobalt is mainly used to produce high-temperature alloys; in particular, "superalloys", which are high-performance alloys that have superior mechanical strength, heat resistance, and resistance to corrosion. These materials are critical to the aerospace, defense, and power generation sectors. In 2016, chemical cobalt accounted for 65% of total refined cobalt demand, and rechargeable batteries accounted for 78% of chemical cobalt demand (~50% of total cobalt demand). Metallurgical cobalt accounted for 35% of demand, with 50% of this (18% of total cobalt demand) attributable to superalloys.

Darton expects total cobalt demand to exceed 120,000 tonnes per annum by 2020, up approximately 30% from the 93,950 tonnes consumed in 2016. This projected growth is driven by Darton's expectation for battery consumption which it projects will account for 59% of all cobalt demand in 2020, representing a 58% increase in battery demand from 2016 levels. This growth in battery consumption is expected to principally come from increased electric vehicle demand. The rechargeable battery segment has become both the largest and potentially fastest growing end-use of cobalt. Signatories to the Paris Declaration on Electro-Mobility and Climate Change committed to working toward the goal of having 100 million EVs in service by 2030. This could require in excess of four times current annual production volume of cobalt, assuming conservative estimates of 3.8-4.2 kg of cobalt per vehicle. The Tesla Model S uses a 95 kWh battery pack which contains 14.9 kg of cobalt per vehicle. The evolution of lithium-ion battery chemistry and its use of cobalt is of significant importance to this growth. Currently, cobalt is found in three of the five common chemistries used in the lithium-ion battery market. These include:

- **Lithium cobalt oxide (LCO):** LCO material is principally used in smartphones, laptops, tablets, cameras and wearables and may contain approximately 55-60% cobalt.

- **Lithium nickel manganese cobalt (NMC):** NMC is used for EVs, grid storage, power tools, medical devices and may contain approximately 8-20% cobalt.

- **Lithium nickel cobalt aluminum oxide (NCA):** NCA is used for EVs, E-bikes and portable computers and may contain approximately 9-10% cobalt.

The use of lithium-ion batteries in the electric vehicle market has become the most important growth driver for cobalt demand. At the end of 2016, the number of EVs in existence reached in excess of two million with Darton Commodities estimating that approximately 737,000 EVs and plug-in hybrid electric vehicles (PHEV) were sold around the world in 2016. Growing market adoption has been supported by the development of lower cost vehicles, the construction of required infrastructure and government incentives, which the Company believes will continue to support additional EV sales. Governments of 14 countries have announced that they target 13 million EVs in circulation by 2020 (over five times current levels). Historically, high battery costs have been one of the most significant barriers to EV market penetration. In its 2016-2017 Cobalt Market Review dated February 2017, Darton Commodities estimated that battery costs will continue to decline such that xEVs will be competitive with ICE vehicles within the next five years.

Battery costs have greatly declined over the past decade. The IEA estimates that average battery costs declined from approximately US$1,000/kWh in 2008 to approximately US$268/kWh in 2015, driven in part by higher energy density. According to the IEA, Tesla is aiming to achieve battery costs under US$100/kWh by 2020. Energy density, the amount of energy stored in a given mass of a substance or system, is a key determinant of the efficiency of a battery and significantly impacts its size and/or weight.

Another notable application for lithium-ion batteries is in industrial and home grid energy storage. Electrical storage systems are increasingly using lithium-ion batteries due to their charge acceptance, longer shelf life, reliability and lower total cost of ownership. Some energy storage producers are moving away from non-cobalt based chemistries such as LMO and LFP in favour of cobalt-based cathode material (NCA/NMC).

Cobalt Supply

Cobalt deposits can be found throughout the world and are most prominent in the African Copper Belt, mainly in the Democratic Republic of the Congo (DRC). The United States Geological Survey estimates that global cobalt in-situ reserves were 7.0 million tonnes in 2016, down 7% from 7.5 million tonnes in 2012. Approximately half of these reserves are located in the DRC. Just 16% of mined cobalt is refined in the country in which it is produced, implying a complex and fragmented supply chain. China currently produces over 50% of the world’s refined cobalt and 85% of cobalt oxides, salts and other chemicals. The Company believes the two key issues facing cobalt supply are (i) concentrated production and reserves in the DRC and (ii) Chinese control over the majority of refined cobalt output.

According to Darton Commodities, approximately 67% of cobalt mined in 2016 was as a by-product of copper, 32% as a by-product of nickel, and the remaining 1% from primary cobalt mines. The main implication of this is that, unlike most base metals, changes to global copper and nickel production are the main determinants of changes in cobalt production rather than the supply-demand dynamics and pricing of cobalt itself.

Cobalt supply originates from both mining activities (primary) and recycling (secondary). In 2016, Darton estimates that 109,495 metric tonnes of cobalt were mined globally.

Darton expects short-to-medium term cobalt supply to increase, albeit at a slower pace than demand. Mining and refining of the metal is virtually entirely dependent upon copper or nickel projects, due to its status as a by-product metal. Hence, the Company expects cobalt supply to be relatively unresponsive to the price compared to other major industrial metals.

Cobalt Market Imbalance and Pricing

In 2016 the global cobalt market moved into deficit territory, with market demand exceeding market supply. Continued tightening of the global supply-demand balance is expected in the medium-term, with the supply deficit expected to grow substantially by 2020.

After reaching price levels of approximately US$50/lb in 2008, the price of cobalt trended downward due to a well-supplied market. Standard/low grade material bottomed at approximately US$9/lb in December 2015 and the average quotation for 2016 was US$11.41/lb, down approximately 9% year-over-year and the lowest price in real terms, other than 2002, in the last 40 years according to CRU. On June 14, 2017, the average price of Metal Bulletin high grade cobalt was US$29.15/lb, up 168% year-over year and Metal Bulletin standard/low grade was US$26.85/lb, up 149% year-over-year; where such prices are volume weighted average prices.

Looking forward, the Company believes market fundamentals continue to point toward potential for sustained price strength in the future. CRU concluded in an April 2017 presentation that the EV market can support cobalt prices that are twice current levels. With cobalt prices having reached the US$50/lb level in 2008 at a time when the supply deficit was smaller than the deficit projected for 2020, the Company believes there remains significant room for price appreciation.

Summary of Selected Financial Information

The following table summarizes selected audited financial data of the Company for the fiscal years ended April 30, 2017 and 2016, and should be read in conjunction with the financial statements and the related notes thereto together with management’s discussion and analysis, as attached to this Prospectus:

Item	Fiscal Year Ended April 30, 2017	Fiscal Year Ended April 30, 2016
Revenues	$nil	$nil
Expenses	$951,944[1]	$249,422
Impairment of Mineral Property Assets	$6,036	$327,571
Net Loss	($957,980)	($576,993)
Current Assets	$620,324	$4,458
Exploration and Evaluation Assets	$nil	$4,500
Total Assets	$756,240	$8,958

Item	Fiscal Year Ended April 30, 2017	Fiscal Year Ended April 30, 2016
Current Liabilities	$101,154	$425,330
Long Term Liabilities	$nil	$nil
Working Capital (deficit)	$519,170	($420,872)
Shareholders' Equity	$655,086	($416,372)
Number of Shares Outstanding at Year End	1,659,169[2]	12,201,269

1. Includes share compensation expense of $527,630 pertaining to the grant of 158,867 incentive stock options.
2. Reflects (i) a 10:1 consolidation effected November 29, 2016; (ii) a 3:1 forward split effected April 10, 2017; and (iii) the 20:1 Consolidation.

See "*Management Discussion and Analysis*" and the financial statements of the Company attached in Schedule "A" to this Prospectus for details.

THE OFFERING

The Offering

We seek to distribute Shares, at the Offering Price, as to (i) 10,924,420 Shares for aggregate gross cash proceeds of $98,319,780; and (ii) 11,297,805 Cobalt Contract Shares for aggregate value of $101,680,245; subject to an over-allotment provision for an additional $29,999,997 through the sale of the Over-Allotment Shares at the same Offering Price. The number of Cobalt Contract Shares to be issued will be equal to the agreed fair market value for the cobalt being purchased pursuant to the terms of the Cobalt Contracts divided by the Offering Price of the Shares. Closing of the Offering is conditional upon the concurrent closing of the Cobalt Contracts that the Company elects to exercise. See "*Plan of Distribution*" and "*Description of Securities Distributed*".

Commissions

The Underwriters will receive on the Closing Date, a Commission of 6.0% of the gross proceeds realized from Shares issued pursuant to the Cash Offering and the value of the Cobalt Contract Shares issued pursuant to the Cobalt Shares Offering, provided that the first $70 million of the Cobalt Contract Shares issued under the Offering and the sale of 2,270,000 Shares to Pala Investments will be subject to a 1.0% Commission. See "*Plan of Distribution*".

Use of Proceeds

We intend to use the net proceeds available from the Cash Offering (after payment of all costs of the Offering, and after setting aside sufficient funds to cover expected general and administrative costs, including storage costs and insurance costs for the physical material, for the next three years (expected to be $2,000,000 per year), and a reserve to evaluate and acquire streams, royalties and direct interests in mineral properties containing cobalt), to fund the acquisition of physical cobalt pursuant to the Cobalt Contracts which will not be satisfied through the issuance of Cobalt Contract Shares. See "*Use of Proceeds – Principal Purposes*".

Cobalt Contracts

The Company has rights to acquire physical cobalt in various forms through a number of Cobalt Contracts. Upon the closing of the Offering and the Cobalt Contracts, the Company will hold 1,486.5 tonnes of premium-grade cobalt and 671.0 tonnes of standard-grade cobalt. A portion of the cobalt will be acquired in consideration of Cobalt Contract Shares to be issued under the Cobalt Shares Offering. An aggregate of 11,297,805 Cobalt Contract Shares will be issued to 18 vendors. See "*Description of the Company's Business*".

Royalty Contracts

The Company has entered into six agreements to acquire eight royalties over eight exploration stage mineral properties containing cobalt. Each such royalty will be acquired for Shares; and the Company will issue, following closing of the Offering, Shares having an aggregate value equivalent to $1,150,000, based on the Offering Price.

Directors and Officers

The officers and Directors of the Company are:

Anthony Milewski	Chairman, CEO and Director
Justin Cochrane	President and COO
Cindy Davis	Chief Financial Officer
Frank Estergaard	Director
Nick French	Director
Dr. Jonathan Hykawy	Director

	John Kanellitsas Director See "*Directors and Executive Officers*" for details.
Consolidated Capitalization	The Company currently has 1,659,169 Shares issued and outstanding. Upon closing of the Offering and assuming the Offering is fully subscribed, the Company will have approximately 23,881,394 Shares issued and outstanding (excluding any Over-Allotment Shares and Shares pursuant to the Royalty Contracts which may be issued). See "*Prior Sales*".
Lock-Ups	The Company will not issue any securities, other than in limited circumstances including the exercise of existing stock options, warrants and the exercise of Cobalt Contracts and Royalty Contracts, for a period of 180 days after the Closing Date, without the prior written agreement of Scotia Capital Inc. on behalf of the Underwriters, such agreement not to be unreasonably withheld. See "*Plan of Distribution*". In addition, each of the Company's executive officers and directors and certain shareholders, including Pala Investments, will agree they will not sell, assign or transfer any Shares without the prior written agreement of Scotia Capital Inc. on behalf of the Underwriters, such agreement not to be unreasonably withheld, for a period of 180 days after the Closing Date. See "*Plan of Distribution*".
Dividends	The Company does not currently anticipate paying any dividends on its Shares. The Company currently intends to use its future earnings and other cash resources for the operation and development of its business, but may declare and pay dividends in the future as operational circumstances permit. See "*Dividend Policy*".
Eligibility for Investment	On the Closing Date, provided that the Shares are listed on a designated stock exchange (which includes the TSX-V), and subject to the more detailed discussion under "*Eligibility for Investment*", the Shares will on that date be a qualified investment under the Tax Act for Deferred Plans.
Risk Factors	**An investment in Shares is speculative and involves a high degree of risk that should be considered by potential investors.** The Company's business is subject to the risks normally encountered in the business of acquiring and holding interests in a single metal commodity, specifically cobalt. These risks include, without limitation: • the fluctuating price of cobalt • changes in technology and the future demand for cobalt • competition • uncertainly of any future acquisitions of cobalt, streams, royalties or interests in mineral properties • uncertainty of future additional financing • the reliability of historic information upon which the Company's forecasts are predicated • lack of liquidity in public markets for cobalt and cobalt related projects • expansion outside of areas of expertise • market and general economic conditions

- foreign exchange rates
- governmental or regulatory changes
- storage facilities and insurance
- litigation
- use of leverage
- no opportunities to hedge cobalt
- reliance on mining copper and nickel as a source for cobalt

In addition, we have no history of operations, revenues, earnings or profits or dividends.

There are separate risks associated with acquiring streams and royalties, including:

- contractual rights of third parties
- producer costs may influence return to the royalty holder
- dependence on third party operators and property owners
- limited access to data
- contractual risks of default or breach

Risks related to the Offering include, among other things: the speculative nature of our business; liquidity concerns; future financing requirements; the Offering Price not reflecting market value; volatility of our Share price; discretion as the use of proceeds; limited prospect of future dividends; and no assurance an active market will develop for our Shares.

An investment in our securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk a loss of their entire investment. The above list is not comprehensive. Investors should consult with their professional advisors to assess an investment in our securities. See "*Risk Factors*".

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the BCBCA on May 9, 2006 under the name "Actus Minerals Corp.". On September 26, 2014, the Company changed its name to "Arak Resources Ltd." On April 6, 2017 the Company changed its name to "Cobalt 27 Capital Corp."

Our head office is located at Suite 702 - 85 Richmond St. West, Toronto, Ontario, Canada. Our registered and records offices are located at Suite 2900 – 595 Burrard Street, Vancouver, British Columbia, Canada.

We are a reporting issuer in each of British Columbia, Alberta and Saskatchewan. Following the Effective Date, we will be a reporting issuer in each province and territory in Canada other than Québec. Our Shares are listed and posted for trading on the TSX-V under the symbol "KBLT".

Intercorporate Relationships

The Company has two wholly owned subsidiaries:

- Cobalt 27 Capital (Europe) Ltd., a British Columbia company formed to hold, directly or indirectly, the Company's physical cobalt interests in Europe; and
- Cobalt 27 Capital (US) Ltd., a British Columbia company formed to hold, directly or indirectly, the Company's physical cobalt interests in the United States.

The Company may incorporate or form one or more subsidiary companies or entities to hold streams from time to time in the future.

DESCRIPTION OF THE COMPANY'S BUSINESS

General

For the period from incorporation in 2006 to February 2017, our principal business purpose was to acquire and explore mineral properties in Canada. Since March 2017, our focus has been on the acquisition of physical cobalt and royalty contracts related to cobalt; and the evaluation of opportunities in acquiring cobalt related streaming contracts and direct interests in mineral properties containing cobalt.

History

In May 2006 we entered into a mineral property option agreement to acquire six mineral claims in Quebec, known as the Kayla property, which option was exercised in June 2011. In fiscal 2016, we abandoned the Kayla property and wrote off all acquisition and exploration costs associated therewith ($327,571). Subsequently, we re-staked the same six mineral claims for a total cost of $1,536. No work has been undertaken on the Kayla property since it was re-staked. On September 26, 2014, the Company changed its name from "Actus Minerals Corp." to "Arak Resources Ltd." and effected a consolidation of its then issued and outstanding common shares on the basis of one new share for every six outstanding shares. In May 2015 we acquired two mineral tenures at Perron Lake in the Athabasca Basin of Saskatchewan, by staking, for a total cost of $4,500. No work has been undertaken on the Perron Lake property since acquisition, and it is our intention to divest our interests therein. We allowed the claims on the Perron Lake property to lapse in February 2017. Effective November 29, 2016, we consolidated our then issued and outstanding common shares on the basis of one Share for every 10 outstanding common shares.

Commencing in March 2017, we have undertaken the following corporate actions:

- we completed a non-brokered private placement of 696,450 units at $0.93 per unit for aggregate gross proceeds of $650,020 (each unit consisted of one Share and one Share purchase warrant exercisable at $1.20 per Share until March 21, 2022), and included the issuance of 45,000 finders units on equivalent terms (all amounts and dollar figures reflecting the 3:1 forward split of the Company's outstanding common shares on April 10, 2017, and the 20:1 Consolidation);

- we changed our name from "Arak Resources Ltd." to "Cobalt 27 Capital Corp.";
- we effected a forward-split of our Shares on the basis of three new Shares for every one previously issued and outstanding Share;
- we paid $422,920 of outstanding liabilities;
- each of our former Directors resigned, and new Directors were appointed to the Board, being each of Anthony Milewski, Nick French, Jonathan Hykawy, John Kanellitsas and Frank Estergaard;
- each of our former officers resigned, and new officers were appointed by the Board, being Anthony Milewski as Chief Executive Officer ("**CEO**"); Cindy Davis as Chief Financial Officer ("**CFO**"); and Justin Cochrane as President and Chief Operating Officer ("**COO**");
- we received an aggregate of $881,640 from the exercise of warrants issued in conjunction with our above mentioned private placement;
- we entered into 18 Cobalt Contracts for the purchase and delivery of physical cobalt;
- we entered into six Royalty Contracts pertaining to eight properties;
- we have initiated plans to divest our interests in the Kayla Property; and
- we effected a consolidation of our Shares on the basis of one new Share for every 20 previously issued and outstanding Shares.

The acquisition of physical cobalt, the closing of the Royalty Contracts, and the implementation of the new business strategy to be pure-play cobalt company represents a change of business from the Company's former business of mineral exploration. Shareholders' approval has not been and will not be sought to this change of business.

Current Business Strategy

During the next 12 months, the Company will implement a strategy to:

- close the Offering and distribute Shares worth at least $200,000,000;
- exercise the Cobalt Contracts concurrently upon pricing of the Offering, and close the Cobalt Contracts concurrently with closing the Offering, so as to acquire and hold an aggregate of 2,157.5 tonnes of physical cobalt metal; and
- close the Royalty Contracts immediately following closing of the Offering.

We will evaluate opportunities to increase our cobalt exposure via the acquisition of streams, additional royalties, and direct interests in mineral properties containing cobalt. Other than the Cobalt Contracts and Royalty Contracts referred to herein, no other contracts for the acquisition of cobalt interests have been settled; and there is no assurance we will be successful in identifying, negotiating or securing any such contracts on terms acceptable to us, or at all.

Our business strategy is generally unrestricted in that we are not subject to any internally or externally investment restrictions, including: (i) thresholds for investing in physical cobalt versus cobalt-related streams and royalties; (ii) restrictions on the geographic origin, location, concentration, grade, or brand of cobalt, and the like; (iii) specified parameters for determining whether to acquire streams or royalties; (iv) investment exit strategies or timelines; (v) restrictions on the use of leverage; or (vi) restrictions on lending of cobalt to third parties. Notwithstanding this, we have adopted the following business restrictions policy:

Business Objective. The business objective of the Company is to directly or indirectly acquire physical commodities, streams, royalties and/or interests in mineral properties containing cobalt and other battery-related commodities or related assets (any such acquisition, a "**Cobalt-Related Acquisition**").

Reinvestment Requirements. The net proceeds from any sale or disposition of a majority of the Company's assets by the Company must be reinvested in one or more Cobalt-Related Acquisitions within 365 days after receipt of any such proceeds by the Company; provided however, that the Company may call a special meeting of shareholders of the Company within such 365 day period to consider and, if thought advisable, approve of any alternative proposal put forward by the Board for use of such net proceeds (including, without limitation, a special dividend, return of capital, distribution or any other similar corporate action, or any alternative investment).

Shareholder Approval for Dispositions. If at any time the Company should dispose or seek to dispose, in one or more transactions during any given 12 month period, of an aggregate amount of its physical holdings of cobalt which cumulatively represents 50% or more of the Company's total assets (determined as of the date of the first such disposition), the Company shall obtain prior approval of a majority of its shareholders in respect of such proposed disposition(s).

Shareholder Approval for Change in Business Objective or Restrictions. The Company shall obtain approval of a majority of its shareholders in respect of any proposed material change to the business objectives and restrictions set forth in this Policy at a special meeting called for such purpose.

Fiduciary Duties. Notwithstanding any of the foregoing, nothing in this policy shall prohibit the Board from taking any action or from making any disclosure to any securityholders of the Company if, in the good faith judgment of the Board, after consultation with outside legal counsel, the failure to take such action or make such disclosure would reasonably be expected to be inconsistent with the Board's exercise of its fiduciary duties or such action or disclosure is otherwise required by applicable law.

The above business restrictions policy is not formalized in any of our constating documents; however the Company has given an undertaking to the Ontario Securities Commission (as the Company's principal regulator) that it will comply with such policy.

Background of Cobalt 27

Cobalt 27's management team are experienced investors and executives in the finance and mining sector. Over the past several years, the management team has identified cobalt as a commodity with attractive supply-and-demand fundamentals driven by the rapidly growing electric vehicle and battery energy storage markets. The management team evaluated various opportunities to invest in cobalt and decided the most attractive structure would be to create a company with an asset base underpinned by physical cobalt material and enhanced with growth opportunities in the form of streams, royalties or direct interests in mineral properties containing cobalt. Through the potential future acquisition of additional quantities of physical cobalt, streams, royalties and other property interests, the Company intends to generate cash flow which would fund the Company's ongoing expenses, and be available for further reinvestment or dividends. Management believes its experience in cobalt and streaming provides the necessary skills and experience required to execute this strategy and grow the Company in the long term.

Cobalt Contracts

Cobalt 27's primary focus to date has been a physical cobalt acquisition strategy. The Company has rights to acquire physical cobalt in various forms through the Cobalt Contracts. Upon the closing of the Offering and the Cobalt Contracts, the Company's Physical Position will consist of 1,486.5 tonnes of premium-grade cobalt and 671.0 tonnes of standard-grade cobalt.

Summary of the Company's Expected Physical Position following closing of the Cobalt Contracts

Category	**Position Size (mt)**	**Mid-Price as at June 14, 2017**[1]	**Implied Value ($ millions)**[1]
Total Premium	1,486.5	US$29.15/lb Co	$126.9
Total Standard	671.0	US$26.85/lb Co	$52.8

Category	Position Size (mt)	Mid-Price as at June 14, 2017[1]	Implied Value ($ millions)[1]
Total Cobalt	2,157.5		$179.7

1 Based on the average bid and ask Metal Bulletin cobalt prices as of June 14, 2017, and US$/C$ exchange rate as at June 15, 2017.

Under each Cobalt Contract, the Company has been granted an option to acquire a specified maximum amount of physical cobalt, at the market price. The grade and brand of cobalt under option with each vendor varies. Each Cobalt Contract exercised by the Company will close concurrently with closing of the Offering; and closing of each Cobalt Contract is conditional upon closing of the Offering. The purchase price for the cobalt has been determined using the last two quotes for cobalt which occurred on June 9, 2017 and June 14, 2017, as published by Metal Bulletin, for the grade and brand of cobalt being acquired (which prices are themselves weighted average ask prices of the most recent transactions, with the exception of 237.0 mt which are weighted average bid prices), immediately prior to pricing of the Offering. No commissions are payable by the Company for the purchase of cobalt under the Cobalt Contracts.

The following is a summary of the quotes for cobalt which were used to determine the prices under the Cobalt Contracts:

Category	Bid / Ask Prices as at June 9, 2017	Bid / Ask Prices as at June 14, 2017
Premium Grade	US$27.35/lb Cobalt – US$28.95/lb Cobalt	US$28.45/lb Cobalt – US$29.85/lb Cobalt
Standard Grade	US$25.40/lb Cobalt – US$26.75/lb Cobalt	US$26.25/lb Cobalt – US$27.45/lb Cobalt

Source: Metal Bulletin.

Each vendor of cobalt was offered the choice of receiving cash, Shares, or any combination thereof. Following vendor elections, certain of the Cobalt Contracts provide for the purchase price to be paid all in cash; others provide for the purchase price to be paid for all in Shares; and others provide for the purchase price to be paid in a combination of cash and Shares. Shares issued as partial or full consideration under a Cobalt Contract are referred to as "Cobalt Contract Shares". All Cobalt Contract Shares are qualified for distribution under this Prospectus, and will be issued concurrently with closing of the Offering. A total of 951.9 mt of cobalt are being acquired for cash consideration, with the balance of 1,205.6 mt of cobalt being acquired for Cobalt Contract Shares. An aggregate of 11,297,805 Cobalt Contract Shares will be issued to and held by the vendors under the Cobalt Contracts, which will represent approximately 47% of the Company's total issued and outstanding Shares upon closing of the Offering and the Cobalt Contracts, based on the Offering Price. No one vendor will hold more than 19.9% of the Company's outstanding Shares upon closing of the Offering and the Cobalt Contracts. See *"Principal Shareholders"*.

Vendors of cobalt under the Cobalt Contracts may continue to participate in the business of acquiring and holding physical cobalt, and as such may be considered as competitors of the Company.

One of the vendors of cobalt will be Pala Investments. The cobalt to be acquired from Pala Investments will represent approximately 28% of the Company's physical cobalt upon closing of all Cobalt Contracts. The Cobalt Contract with Pala Investments will be settled partially in cash from the net proceeds of the Cash Offering and the balance through the issuance of Cobalt Contract Shares. In addition, Pala Investments will be participating in the Offering, such that it will hold approximately 19.5% of the Company's outstanding Shares upon completion of the Offering prior to giving effect to any Over-Allotment Shares. As noted elsewhere in this Prospectus, Anthony Milewski, our CEO and Chairman, works for Pala Investments as a Managing Director of its investment team. The terms and conditions of the Company's Cobalt Contract with Pala Investments are identical to all other Cobalt Contracts, and Pala Investments will not receive any preference as to price or any other provision. As such, the Company does not see any particular risks in entering into or concluding its Cobalt Contract with Pala Investments.

The following is a summary of the anticipated sequence of events regarding the closing of Cobalt Contracts and the Offering:

Date	Action
T	Pricing of the Offering. File and obtain a receipt to the final Prospectus. Pricing established for the Cobalt Contracts. The Company exercises options to purchase cobalt pursuant to the Cobalt Contracts.
T+1	Delivery of notice of exercise to vendors under Cobalt Contracts, in amounts as the Company may so elect.
No Later than T+3 Business Days	All title documentation for physical cobalt to be transferred to Cobalt 27's counsel.
T+5 Business Days	Closing of Offering. Closing of Cobalt Contracts, delivery of the Cobalt Contract Shares, and concurrent transfer of title of the physical cobalt.

Other terms of the Cobalt Contracts include:

- Physical delivery of the cobalt may occur up to 60 days following closing, with delivery to such warehouse facility as required by the Company;
- The nature of the cobalt being acquired is specified by brand (producer) and physical characteristics (cathodes, briquettes, rounds and the like); and
- The Company has the right to inspect and verify the weight and quality of the cobalt being acquired.

The Cobalt Contracts do not contain any provisions that could reasonably be expected to materially delay or prevent the closing thereof.

Storage and Insurance

All of the cobalt under contract is insured and stored in bonded LME warehouses, and will either remain in such location, or be re-located to facilities operated by C. Steinweg Group and/or Vollers Group GmbH in the US and Europe, as may be determined by the Company from time to time. Presently, we anticipate using facilities in Baltimore, Antwerp and Rotterdam; and moving physical cobalt only as may be required to consolidate inventories or to improve storage arrangements. Upon closing of the Cobalt Contracts, we anticipate storing our physical cobalt in the following locations:

Location	Facility	Quantity of Cobalt (MT)	Market Value[1] ($ millions)
Baltimore	Steinweg	1,411.5	$120.3
Rotterdam	Steinweg	503.0	$39.6
Rotterdam	Vollers	100.0	$8.5
Antwerp	Steinweg	143.0	$11.2
Totals		**2,157.5**	$179.7

1 Based on the average bid and ask Metal Bulletin cobalt prices as of June 9, 2017 and June 14, 2017, and US$/C$ exchange rate as at June 15, 2017.

All warehouses which are certified by LME must meet its international standards of warehousing. These standards provide requirements for security, size, rates, logistics, accessibility, material handling, delivery points, and permitting. Copies of these standards are available online from the LME website at www.lme.com.

There are more than 600 LME-approved metals warehouses and storage facilities in approximately 35 locations across the United States, Europe and Asia. The LME does not own or operate warehouses, nor does it own the material they contain; rather the LME authorises warehouse companies and the warehouses they operate to store LME-registered brands of metal, on behalf of holders. The LME has set standards for warehouses to achieve; and each warehouse may, following its approval by the LME, describe itself as an "LME listed warehouse company". Each warehouse must have:

- staff with sufficient experience in metal storage, logistics and systems;
- adequate transport links, and be situated in close proximity to major highways, water loading facilities, and / or rail network;
- adequate storage space, and access for receiving deliveries by truck or rail; and be able to accommodate certain minimum daily delivery tonnages;
- adequate capitalization;
- prescribed insurance arrangements; and
- clearly organised systems for recording storage of metal.

In addition, each warehouse must follow LME's rules, regulations and operating procedures; it must report to LME a daily record of the stock of metal being stored; and must allow LME to review its records and undertake inspections of its facilities.

The Company's physical cobalt will be held on an allocated and segregated basis; and not comingled with any other party's cobalt. Cobalt is not reactive, and does not readily combine with other substances. As such, no special storage facilities are required for storing cobalt.

Cobalt is typically stored in metal drums. The content of the drums (grade, brand and physical qualities of the cobalt) is verified at the time of packing, and then sealed. Identification numbers and details are recorded; and the cobalt will generally remain sealed until opened by the end user. Prior to purchase, the Company will engage independent third parties to access the secure warehouse where the cobalt is being stored for purposes of verifying the presence of the cobalt and confirm warehouse records as to quantity and weight received and stored. Thereafter, the Company will undertake an annual audit / verification of its cobalt inventory.

The Company will obtain and maintain insurance coverage that is provided on an "all risks of physical loss or damage from any cause whatsoever" basis. The Company sees the biggest risks arising from fire or natural disaster (for example, earthquake, flood, hurricane and the like). The Company will insure its physical cobalt under a policy to be executed upon exercise of the Cobalt Contracts. All risk insurance is expected to cost approximately 0.1% of the cobalt value per annum (roughly $200,000 per year).

Business Strategy and Business Model

The focus of the Company's business model and growth strategy will be to:

- establish itself as an entity that offers investors the opportunity to participate in the expected evolution and adoption of EVs and broader energy storage applications, while avoiding the direct operating risks borne by auto makers, battery makers and miners;
- provide investors with direct exposure to cobalt price appreciation;
- acquire and hold physical cobalt;
- manage and grow a cobalt-focused portfolio of streams, royalties and direct interests in mineral properties with producers and developers that deliver attractive risk-adjusted returns regardless of commodity cycles;
- focus on growing the value of its cobalt holdings and cash flow per Share;
- utilize management's cobalt expertise, streaming experience and global network to acquire high-quality streams, royalties and direct interests in mineral properties at valuations accretive to Shareholders;

- realize economies of scale by reducing general and administrative costs; and
- as appropriate, introduce and grow dividends per Share.

The Company intends to apply a disciplined investing and operating approach to execute its business plan through two strategies: growing its physical cobalt holdings; and pursuing the acquisition of cobalt-related streams and royalties. In time, the Company may consider paying a dividend on its Shares, although there is no current intention to declare and pay dividends. Cobalt acquisition is the Company's primary focus at present; however, in the future it may consider acquisitions of physical material, streams, royalties or direct interests in other minerals. The Company will initially have a debt-free balance sheet; however, this position may be reviewed should the Board become aware of available and commercially prudent financing arrangements. The Company intends to fund working capital through proceeds of the Cash Offering (see "*Use of Proceeds*"), and cash flows from potential streams and royalties. The Company estimates annual operating expenses of approximately $2,000,000. Cash on hand on completion of the Offering is expected to be sufficient to satisfy expenses of the Company for approximately 36 months.

Acquisition Strategy

It will be the responsibility of management to: (i) identify and evaluate potential acquisitions; (ii) negotiate, structure and execute such acquisitions; (iii) monitor and supervise its holdings; and (iv) identify and execute divestments.

Acquisition opportunities will be sought or derived from a number of sources, including, but not limited to, management's contacts in the commodities trading and the resources industries. Acquisitions will be subject to an initial screening process involving (i) a review of the potential opportunity (which may include: cobalt product, company management, project location, project economics, historical and forecasted profitability, reserves and resources, mine life, and the like), (ii) a detailed review of capital requirements and associated use of proceeds, and (iii) an initial discussion of potential acquisition terms. If the initial screening indicates that further evaluation of a potential acquisition is warranted, then a more fulsome due diligence review will be conducted. If a decision is made by management to proceed with the proposed acquisition, the proposed transaction will then be presented to the Board for final screening and approval.

Physical Cobalt Holdings

The initial strategy of Cobalt 27 is to invest in physical holdings of cobalt and not to actively speculate with regard to short-term changes in cobalt prices. This strategy is intended to provide investors with an ability to effectively invest in cobalt in a manner that does not directly include risks associated with investments in companies that explore for, mine and process cobalt. The Company's primary objective is to achieve appreciation in the value of its cobalt holdings. While it is not the current intention of the Company to do so in the short term, opportunities may arise in the future which may be advantageous to dispose of some physical cobalt. The proceeds from any sale would, in the absence of some other proper business purpose be used to further the Company's business, most likely to acquire additional streams, royalties or other interests in cobalt. An investment in Shares provides an investment alternative for investors interested in investing directly in cobalt. The Shares will represent an indirect interest in physical cobalt owned by Cobalt 27. All cobalt owned by Cobalt 27 will be insured and stored at secure warehouse locations. Annual insurance expenses are currently estimated to be approximately 0.1% of the total cobalt value annually, and annual storage costs at secure bonded warehouses are estimated to be approximately US$0.03/lb of cobalt.

Streaming and Royalty Growth Strategy

The Company intends to enhance Shareholders' exposure to cobalt through the acquisition of new or existing streams and royalties in producing mines, development projects and exploration properties. The Company has already entered into the Royalty Contracts, and will seek additional stream and royalty acquisitions that have the potential to generate and grow cash flow for Shareholders.

Streaming interests are agreements that provide, in exchange for an upfront payment, the right to purchase all or a portion of the metals produced, at a defined price for the term of the agreement, which is typically the life of mine for the respective property. Royalties are passive (non-operating) interests in resource projects that provide the right to revenue or production from a property after deducting specified costs, if any.

Streams and royalties have several structural advantages relative to other commodity acquisition alternatives as they provide many of the benefits of mine ownership without the exposure to increasing capital, operating and environmental costs. Investing in a streaming or royalty company is similar to investing in a physical commodity although it also provides the additional benefit of gaining exposure to earnings and dividends, resource growth and production growth while minimizing exposure to capital, operating, environmental and closure costs.

The Company is actively pursuing streaming and royalty acquisitions, and non-binding discussions with potential streaming counterparties are ongoing. The focus will be on streaming opportunities that could provide the Company with material near-term cash flow. The Company has entered the Royalty Contracts, being agreements to acquire eight royalties on exploration-stage mineral properties containing cobalt, for total consideration of $1,150,000 to be satisfied with the issuance of Shares at the Offering Price immediately following closing of the Offering. The royalties relate to cobalt as a by-product associated with polymetallic and base metals exploration properties. In assessing a potential royalty, management reviews technical data, property histories, and presentations provided by the owners of the underlying mineral properties over which royalties may be granted in order to determine if cobalt is an element reasonably likely to be contained in sufficient quantities within the mineralization of the applicable property. The Company believes the acquisition of the Royalty Contracts will provide long-term optionality on the price of cobalt; however there is no guarantee that (i) the applicable mineral properties will ever be placed into production, or (ii) that material quantities of cobalt will be contained in product extracted from the property.

Each Royalty Contract entered into by the Company contemplates:

(i) the Company acquiring a cobalt NSR royalty from the property owner or operator, pertaining to a particular mineral property, for a fixed price which will be paid by the Company issuing Shares, upon or immediately following Closing, at the Offering Price;

(ii) the Company receiving a right of first refusal to acquire a cobalt metals stream with respect to the same mineral property;

(iii) a two kilometer area of interest around the property boundaries;

(iv) the property owner being able to buy back the royalty at a pre-determined price if it has entered into a cobalt stream agreement with the Company; and

(v) the royalty being registered as an interest against title to the underlying mineral property, where possible.

Summary of the Royalty Contracts

Royalty Name	Owner	Property Location	Stage	Primary Metal(s)	Royalty Type and %	Consideration	Stream ROFR
Ta Khoa	Asian Mineral Resources Limited	Vietnam	Exploration[2]	Ni-Cu-Co	3% Co NSR	$300,000 of Shares	Yes
Triangle Property	Palisade Resources Corp.	Ontario	Exploration	Co-Ag	2% Co NSR	$250,000 of Shares	Yes
Rusty Lake Property	Palisade Resources Corp.	Ontario	Exploration	Co-Ag	2% Co NSR	$250,000 of Shares	Yes
Professor & Waldman Properties[1]	Palisade Resources Corp.	Ontario	Exploration	Co-Ag	2% Co NSR	$250,000 of Shares	Yes
North Canol Properties[1]	Golden Ridge Res. Ltd.	Yukon	Exploration	Ag-Pb-Zn-Co	2% Co NSR	$50,000 of Shares	Yes
Sunset Mineral Property	Three Individuals	British Columbia	Exploration	Cu-Zn-Co	2% Co NSR	$50,000 of Shares	Yes

1. Two separate mineral properties to which a Co NSR applies.

2. The Ban Phuc nickel mine held by Asian Mineral Resources Limited (AMR) is a past-producing mine. No mineral production is currently ongoing at that site. Presently AMR is exploring adjacent ground to see if any other part of its property could be placed into production.

The Shares to be issued and delivered to satisfy the purchase of the Royalty Contracts will not form part of the Offering, will not be qualified by this Prospectus, and will be subject to the approval of the applicable regulatory authorities and standard resale restrictions expiring four months and a day following the date of issue.

The Royalty Contracts do not contain any provisions that could reasonably be expected to materially delay or prevent the closing thereof.

A royalty is a payment to a royalty holder by a property owner or an operator of a property and is typically based on a percentage of the minerals or other products produced or the profits or revenue generated from the property. Royalties are not working interests in a property. Therefore, the royalty holder is generally neither responsible for, nor has an obligation to, contribute additional funds for any purpose, including, but not limited to, operating or capital costs, or environmental or reclamation liabilities. Typically, royalty interests are established through a contract between the royalty holder and the property owner; and many jurisdictions permit the holder to also register or otherwise record evidence of a royalty interest in applicable mineral title or land registries. These unique characteristics of royalties provide royalty holders with special commercial benefits not available to the property owner because the royalty holder enjoys upside potential of the property with reduced risk.

A common form of royalty is a net smelter return ("**NSR**") royalty, which is based on the proceeds paid by a smelter or refinery to the miner for the mining production from the property less certain transportation, smelting and refining costs as defined in the royalty agreement. This type of royalty provides cash flow that is free of any operating or capital costs and environmental liabilities.

Direct Interests in Mineral Properties

The Company's initial growth strategy will focus on physical cobalt, streams and royalties; however, the Company may also seek direct interests in mineral properties containing cobalt. The Company believes investments in such properties could leverage the Company's industry expertise and broaden the scope of potential growth opportunities. Investments may be structured either as direct license rights, equity interests in companies (whether quoted or unquoted), partnerships, convertible instruments, options, debt or other loan structures, joint ventures or other financial instruments as management deems appropriate. These opportunities may include interests (in whole or in part) in exploration permits and licences, mining projects under development, operating mines, smelters, slag stockpiles, refineries and associated activities. The Company intends to utilize management's experience in the acquisition, development, operation and exploration of mining projects to undertake the initial assessments internally with additional independent expert advice as required. While the Company acknowledges that approximately 65% of mined cobalt is derived from the DRC, it is not the current intention of the Company to invest in production from, or mineral properties in the DRC; however it may do so if the analysis of the risks and rewards warrant such an investment.

Management believes that their collective experience in the areas of mining, mergers and acquisitions, accounting and corporate and financial management, together with the advice of expert consultants in the evaluation and exploitation of cobalt opportunities, will enable the Company to achieve its objectives.

Business Strengths and Competitive Advantages

Once inefficient, impractical and priced beyond the reach of the average consumer, management believes the electric vehicle is on the cusp of reaching the next wave of adoption. Improved energy density of batteries, together with declining battery costs and a growing desire to pursue environmentally-friendly technologies, has led to an inflection point where the electric vehicle is now entering the mainstream at an economically attractive price point. The Company believes the automobile transportation industry is at the beginning of a paradigm shift; a shift that the Company believes will be fueled in part by cobalt - a relatively unknown metal to non-specialists, in increasingly scarce supply. Management believes that Cobalt 27 enjoys the following business strengths and competitive advantages:

Strong cobalt fundamentals driven by direct exposure to growth in EV adoption

- Growth in EVs is expected to continue to drive increased investor demand for battery metals, which include cobalt and lithium. Battery costs have greatly declined with technological innovations, thereby contributing to the increasing prevalence of EVs. In 2008, average battery costs were approximately US$1,000/kWh and have declined to US$268/kWh in 2015. Tesla aims to achieve costs under US$100/kWh by 2020. The dramatic cost decrease has improved the economics of EVs, a critical factor for widespread adoption.

- Major automakers have demonstrated material sales growth in EVs, with some automakers considering investments in battery-making technology and production facilities. Volkswagen has forecasted sales of two to three million EVs by 2025, which represents 20 to 25% of projected sales (VW June 16, 2016 press release). BMW is targeting EVs to be 15% to 25% of its worldwide sales by 2025 (BMW 2016 Annual Report), and Daimler is targeting more than 10 new EV models by 2022 along with a €10 billion investment program which could include investments in battery production (Daimler March 29, 2017 press release).

- Cobalt is an integral element of cathode chemistries in lithium-ion rechargeable batteries. According to Darton, the battery market currently represents approximately 50% of cobalt demand; whereas according to Canaccord Genuity Research, the battery market only represents 36% of lithium demand. The key types of batteries used for EVs are lithium nickel manganese cobalt (NMC) and lithium nickel cobalt aluminum oxide (NCA) batteries. Despite the “lithium-ion” name, lithium is not the primary component in these batteries. NMC batteries may contain approximately 8-20% cobalt, while lithium composition is approximately 7%. Similarly NCA batteries may contain approximately 9-10% cobalt, while lithium composition is only approximately 7%. Furthermore, management believes lithium supply could expand to meet demand as existing producers have significant undeveloped resources and there is a large pipeline of projects attempting to enter into production, whereas there are few cobalt projects in the pipeline.

Pure-play cobalt investment vehicle

- Cobalt 27 will have direct leverage to cobalt price appreciation as it will own physical cobalt, and seek to acquire cobalt streams, royalties, and direct interests in mineral properties containing cobalt from producers and developers.

- There is a scarcity of practical investment alternatives which provide exposure to cobalt. The Company believes there are few economic near-term cobalt projects and a lack of futures liquidity on the LME. According to Darton Commodities, approximately 1% of mined cobalt is produced from primary cobalt mines, which makes it difficult to gain pure-play cobalt exposure.

- Cobalt 27’s strategy of holding physical cobalt, streams and royalties will avoid the operational, environmental, closure and capital risks associated with typical mining companies. Similarly, Cobalt 27 will not be exposed to the operational risks borne by automakers and battery producers. By holding physical cobalt and cobalt streams and royalties, the Company will seek to participate in cobalt price appreciation while minimizing exposure to such risks.

- Management believes that its business model will provide investors with cobalt price and exploration optionality, while limiting risk exposure. The Company expects Cobalt 27 to benefit from strong cobalt prices given the supply and demand balance outlook, as well as growth opportunities from cobalt streams, royalties and direct interests on producing and exploration assets.

- According to Darton Commodities, only 1% of mined cobalt comes from primary cobalt mines, with the rest produced as by-product of copper and nickel mining. Due to the heavy dependence on copper and nickel mining, cobalt supply is less likely to react to sustained increases in cobalt price in the absence of a corresponding price increase to the primary mined metal.

- Compounding the supply challenges of cobalt, Darton Commodities notes the DRC supplies 65% of mined cobalt, which heightens supply risk due to political instability, infrastructure challenges, and the prevalence of informal artisanal mining.

- Darton expects cobalt demand to increase 30% by 2020 from 2016 figures; driven by a 58% increase in battery demand from 2016 levels.
- The cobalt market was in a deficit in 2016 for the first time since 2009, with growing supply deficits expected through 2020, according to Darton Commodities. During the last multi-year deficit in the cobalt market (2007-2009), the cobalt price exceeded US$50/lb. The Company believes cobalt offers the most attractive investment proposition in the battery metal sector, as it represents a significant portion of the EV battery by weight and its supply growth is expected to lag behind demand in the near term.

Growth through streams and royalties

- Cobalt 27's stream and royalty growth strategy is intended to provide the opportunity to accretively grow the value of its cobalt holdings and cash flow per share.
- Stream and royalties have structural advantages over mining company equities as they provide exposure to commodity prices, exploration and expansion, but minimize exposure to operating and capital costs.
- Cobalt 27's management team has significant royalty and streaming experience.
- The Company has agreed to acquire eight royalties on exploration-stage properties containing cobalt under the Royalty Contracts.

Transparent business plan to be executed by experienced management

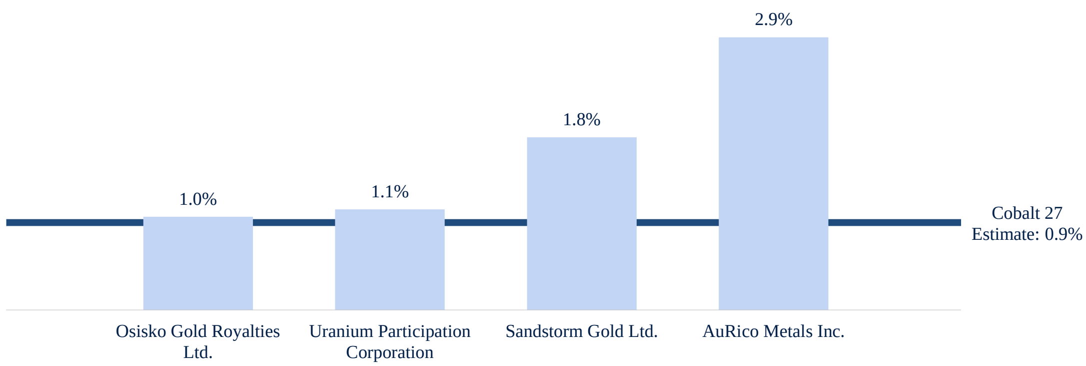
Cobalt 27 has an experienced management team and Board, with significant royalty, streaming and capital raising experience; and an advisory board with industry experts. The management team and Board include several cobalt experts, mining executives and financiers who have extensive relationships and networks in the industry. Management expects to be able to leverage these relationships and networks to provide access to future investment opportunities. The Cobalt 27 management team will include:

- **Anthony Milewski** – Chairman and CEO: Mr. Milewski is currently a Managing Director of the investment team at Pala Investments and has extensive experience in various roles in the mining sector. He has previously been a company director, advisor, founder and investor, including serving as a director of both public and private companies and completing secondments as interim CEO on multiple occasions. Additionally, he has lived and worked in Africa and Russia, including a year as a Fulbright scholar, and has spent considerable time in Central Asia.
- **Justin Cochrane** – President and COO: Mr. Cochrane has over 15 years of experience in the investment banking, mining royalty and stream financing industry. He was previously Executive Vice President, Corporate Development at Sandstorm Gold Ltd., where he negotiated and executed over $500 million of royalty and stream transactions. Mr. Cochrane has also served as a Vice President in Investment Banking at a major Canadian bank.

Low cost structure

The Company believes it will have a low cost structure. Estimated annual costs are approximately $2 million, inclusive of storage and insurance costs related to the physical holdings of cobalt, office and administrative expenses, and legal, accounting, consulting and directors' fees. The Company estimates an expense ratio of approximately 0.9% based on annual expenses divided by the implied market capitalization of the Company upon closing of the Offering at the Offering Price.

Annual General & Administrative Expenses as a Percentage of Market Capitalization[1,2]



Source: Company filings, S&P Capital IQ for market data

1. Most recent fiscal year general & administration expenses as percentage of current market capitalization (as at June 15, 2017). Includes expenses related to storage fees, management fees, public company costs, legal and professional fees, transaction fees, business development and project evaluation costs.
2. The Cobalt 27 estimated percentage is based on the implied market capitalization upon closing of the Offering using the Offering Price, and assuming total annual expenses of $2 million.

Cobalt Industry Overview

The Company believes the story of the electric vehicle is akin to that of the mobile phone. Once inefficient, impractical and priced beyond the reach of the average consumer, management believes the electric vehicle is on the cusp of reaching the next wave of adoption. Improving energy density of batteries together with declining battery costs and a growing desire to pursue environmentally-friendly technologies has led to an inflection point where the electric vehicle is now entering the mainstream at a more economically attractive price point. The Company believes now could be the beginning of a paradigm shift in automobile transportation. A shift that the Company believes will be fueled in part by a relatively unknown metal in increasingly scarce supply - cobalt.

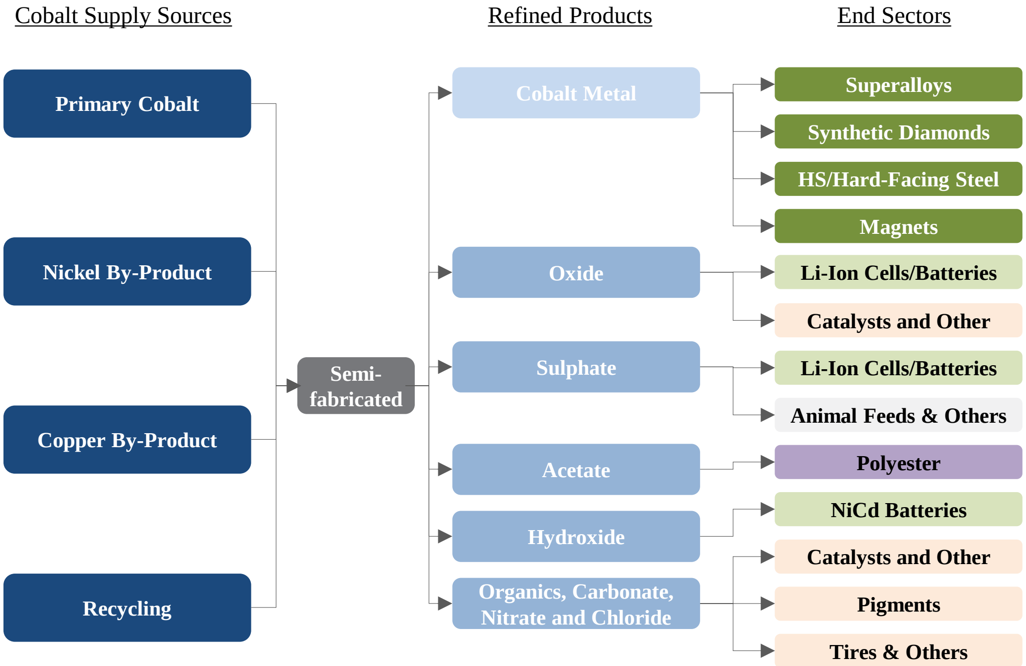
General Overview and Uses

Cobalt is a hard, lustrous, greyish-silver metallic element with low thermal and electrical conductivity. It can retain its strength at high temperatures (melting point of 1,495°C), can be magnetised (one of only three naturally occurring magnetic metals, together with nickel and iron), and can be alloyed with many different metals. The unique properties of cobalt and cobalt products are responsible for its extensive applications in energy storage, industrial and other areas. These properties and characteristics include its (i) high-energy density, (ii) ability to alloy and impart strength at high temperatures, and (iii) ferromagnetic properties. Cobalt is typically found with copper and nickel ores and is predominantly mined as a by-product of these metals.

Mine production of cobalt encompasses the mining, extraction, and separation of ores containing cobalt. These are generally processed into a concentrate or semi-refined intermediate cobalt-bearing product. Refined cobalt refers to cobalt metal, powder, or cobalt-based chemicals produced through the refining of mined cobalt.

Types of cobalt feed include cobalt concentrates, mixed copper concentrates, mixed nickel concentrates, and intermediates such as hydroxide, carbonate (hydrometallurgical) and alliage blanc (pyrometallurgical). Refined forms of cobalt for metallurgical uses include ingots, rounds, cut cathodes, broken cathodes, briquettes, and powder. Forms for chemical use include battery-based chemical compounds such as sulphate, oxide and hydroxide as well as a variety of other chemicals.

Cobalt Production Stages

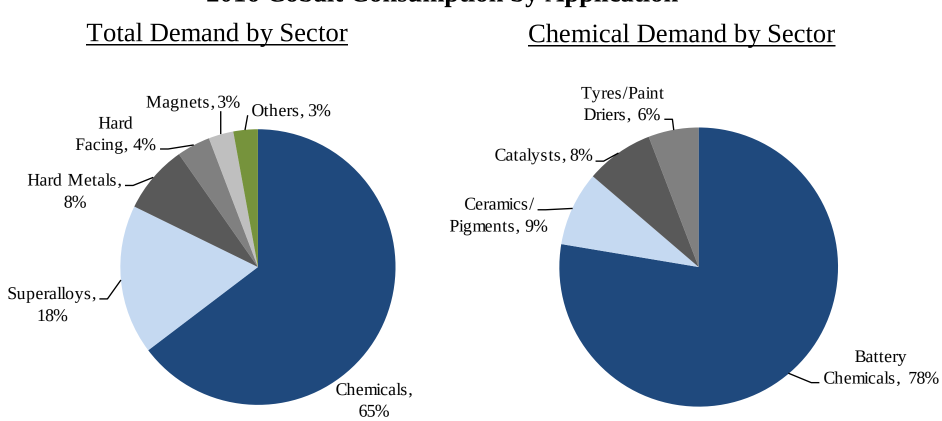


Source: CRU

Demand and Uses

Cobalt applications can be subdivided into two broad categories, chemical and metallurgical. Chemical applications of cobalt are dominated by the rechargeable batteries segment, representing approximately 50% of global cobalt demand in 2016. Metallurgical cobalt is mainly used to produce high temperature alloys; in particular, “superalloys”, which are high-performance alloys that have superior mechanical strength, heat resistance, and resistance to corrosion. These materials are critical to the aerospace, defense, and power generation sectors. Beyond batteries and high temperature alloys, other uses of the metal include magnets, carbides and diamond tools, polyester, and ceramics. CRU believes cobalt is difficult to substitute.

2016 Cobalt Consumption by Application

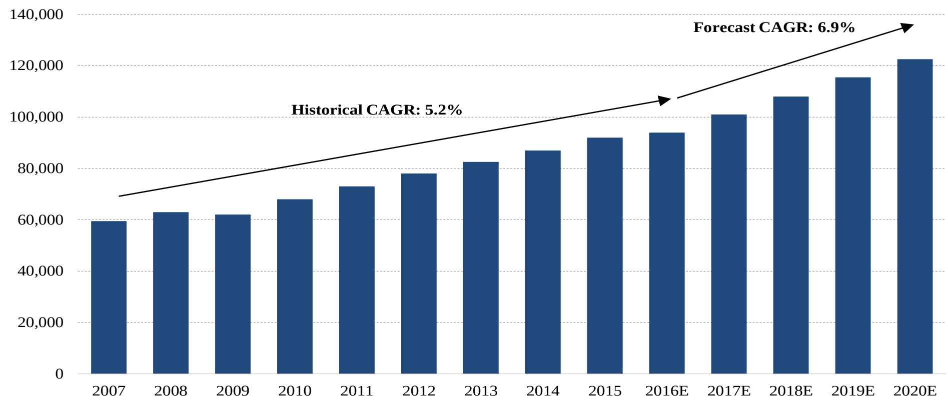


Source: Darton Commodities

In its 2016 Cobalt Market Review, Darton Commodities estimates that in 2016, chemical cobalt accounted for 65% of total refined cobalt demand. Rechargeable batteries accounted for 78% of chemical demand, or approximately 50% of total demand. Metallurgical cobalt accounted for 35% of demand, with 50% of this (18% of total) attributable to superalloys.

Demand for refined cobalt has been robust, having grown at a CAGR of 5.2% from 2007 to 2016 according to Darton Commodities. Though Darton expects growth from traditional metallurgical uses to continue, the majority of cobalt's demand growth is attributable to the rechargeable batteries segment. Increased consumption of chemical cobalt through growth in the usage of electric vehicles (EVs), computers, and mobile phones is expected to drive demand growth in the medium term. Darton expects overall cobalt demand to continue growing with a 6.9% CAGR forecast from 2016 to 2020.

Global Cobalt Demand (Metric Tonnes)



Source: Darton Commodities

Darton expects total refined cobalt demand to exceed 120,000 tonnes per annum by 2020, up approximately 30% from the 93,950 tonnes consumed in 2016. This projected growth is driven by Darton's expectation for battery consumption which they project will account for 59% of all cobalt demand in 2020, representing a 58% increase in battery demand from 2016. This growth in battery consumption is expected to principally come from increased EV demand. The rechargeable battery segment has become both the largest and potentially fastest growing end-use of cobalt. According to Darton Commodities 2016 Cobalt Market Review, cobalt usage in rechargeable batteries is expected to grow at an average of 11% annually from 2016 to 2022. The evolution of lithium-ion battery chemistry and its use of cobalt is of significant importance to this growth.

According to Darton, cobalt's physical properties of improving energy density and safety continue to make it an important battery component. Currently, cobalt is found in three of the five common chemistries used in the lithium-ion battery market. These include (cobalt percentages estimated by Darton Commodities and CRU):

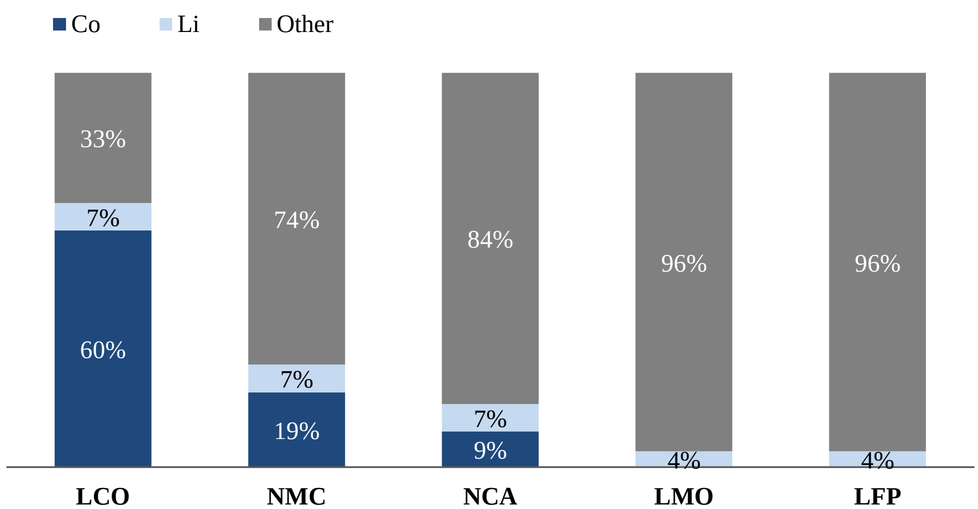
- **Lithium cobalt oxide (LCO):** LCO material is principally used in smartphones, laptops, tablets, cameras and wearables and may contain approximately 55-60% cobalt, has higher energy density and a shorter life span.
- **Lithium nickel manganese cobalt (NMC):** NMC is used for EVs, grid storage, power tools, medical devices and may contain approximately 8-20% cobalt; has higher power and a higher life span.
- **Lithium nickel cobalt aluminum oxide (NCA):** NCA is used for EVs, E-bikes and portable computers and may contain approximately 9-10% cobalt, has higher energy density and higher costs.

The two main battery types that do not contain cobalt are:

- **Lithium manganese oxide (LMO):** LMO is used for EVs, smart grid storage; has relatively lower energy density but a lower cost due to the lack of cobalt content.
- **Lithium iron phosphate (LFP):** LFP is used for EVs, tools, smart grid storage and e-bikes; has relatively lower energy density and a long life span.

Darton estimates cobalt-containing batteries were found in 73% of EVs sold in 2016 and believes that Chinese vehicle manufacturers' preference is changing from LFP to NMC batteries in order to satisfy minimum energy density levels required to qualify for government subsidies to producers.

Battery Cathode Composition
% of Volume



Source: Avicenne, Broker Research

According to Darton Commodities, the longer-life, more stable NMC battery is the type most prevalent across EV and PHEV models. On May 8, 2017, Umicore N.V. announced an investment programme of €300 million between 2017 and 2019 to further increase its production of NMC cathode materials. According to Umicore, NMC is the preferred cathode material technology for rechargeable batteries used in vehicle electrification. In May 2017, Umicore increased its expectations for the size of the 2020 market for LCO, NMC and NCA batteries over 50% from their previous estimates in September 2015. Tesla uses the higher-energy density NCA battery in its Model S. Research and development efforts continue to search for improvements in charge time, energy density, size, weight, cycle life, safety and cost.

Darton Commodities estimates that the approximate cobalt content contained in the following lithium-ion battery-containing devices are in the following ranges:

- Electric vehicles: 4 to 14 kg; NMC batteries are used by the majority of EV makers and have approximately twice the cobalt content relative to NCA batteries
- Plug-in hybrid electric vehicles (PHEV): <1 to 4 kg
- Laptop computers: 30 to 50 g
- Tablets: 20 to 50 g
- Smartphones: 5 to 20 g

The use of lithium-ion batteries in the electric vehicle market has become the most important growth driver for cobalt demand. At the end of 2016, the number of EVs in circulation reached in excess of two million with Darton Commodities estimating that approximately 737,000 EVs and PHEVs were sold around the world in 2016. Growing market adoption has been supported by the development of lower cost vehicles, the construction of proper infrastructure and government incentives, which the Company believes will continue to support additional EV sales. According to the IEA, governments of 14 countries have announced that they target 13 million EVs in circulation by 2020 (over five times current levels). Moreover, in 2015, signatories to the Paris Declaration on Electro-Mobility and Climate Change, including the UN Environment Programme (UNEP), the International Energy Agency, Tesla Motors, Michelin Worldwide and Nissan-Renault, committed to working toward the goal of having 20% of all road transport vehicles globally powered electrically by 2030, representing an estimated 100 million cars. According to Darton, this could require in excess of four times current annual production volume of cobalt, assuming conservative estimates of 3.8-4.2 kg of cobalt per vehicle. The Tesla Model S uses a 95 kWh battery pack which contains 14.9 kg per vehicle. Growing consumer adoption of EVs is occurring. According to Fortune magazine, Tesla's Model S was the best-selling luxury sedan in the USA in 2015. Furthermore, Consumer Reports gave the Tesla Model S P85D the highest score it has ever given a car in its Consumer Reports Rating system during an October 2015 road test. On April 13, 2017, Tesla CEO Elon Musk announced plans to unveil an electric semi-truck in September 2018. According to IHS Markit, a market research firm, medium and heavy vehicle production is currently in excess of 3 billion vehicles per year; these vehicles have greater power requirements than consumer light vehicles. Other notable auto makers including Volkswagen and Ford are forecasting significant EV sales growth.

EV Plans of Select Major Automakers

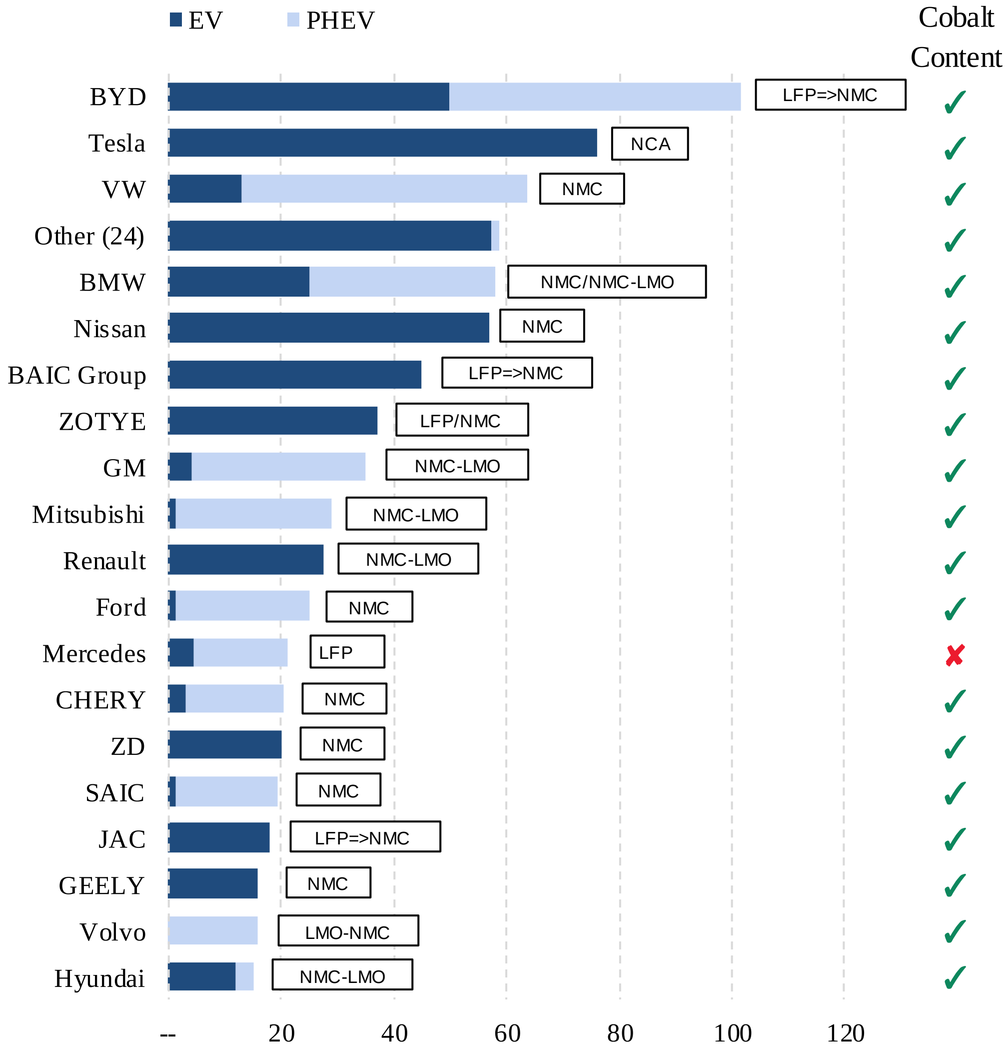
Volkswagen AG	Ford Motor Company	Tesla Inc.
VW targets 20-25% of its automobile sales to come from EVs by 2025 and is considering building its own battery factory	Pursuing electrification plan in China including two new EVs; plans to electrify 70% of all nameplates sold in China by 2025	Targeting annual production of 500,000 EVs by 2018 and 1 million by 2020 (compared to 2016 production of 83,922 EVs), as well as building a 35 GWh battery factory

Source: Volkswagen June 16, 2016 press release, Ford Motor Company April 6, 2017 press release, Tesla company website.

According to the World Health Organization (WHO), air pollution is, "the world's largest single environmental health risk." The WHO estimates that approximately 3 million deaths per year are "linked to exposure to outdoor air pollution" and more than 1 million people died from air pollution in China in 2012 alone. According to the Intergovernmental Panel on Climate Change, the transport sector was responsible for 23% of total energy-related CO_2 emissions in 2010. In a bid to try to curb air pollution, China has proposed legislation that would see zero-emission vehicles represent 8% of new car sales by 2018 and 12% by 2020. China currently has an EV adoption rate of approximately 1%. Signs of the developing Chinese EV market are evident as seven Chinese automakers rank in the top 20 in terms of EV unit sales, collectively representing approximately one quarter of EV unit sales. With its expanding middle class and growing demand for automobiles, management of the Company believes that China represents a potential game-changing opportunity for the cobalt-based electric vehicle industry.

Management of the Company believes that emissions targets, declining battery costs, improved charging infrastructure and driving range are all expected to drive global growth in the market for EVs. Automakers have taken notice; Darton Commodities has identified 39 automakers that have invested in electric and plug-in hybrid electric vehicles (xEVs). The majority of these manufacturers are utilizing battery technology involving cobalt.

Global Electric Vehicle (EV) and Plug-in Hybrid Electric Vehicle (PHEV) Sales by Brand
Number of Vehicles

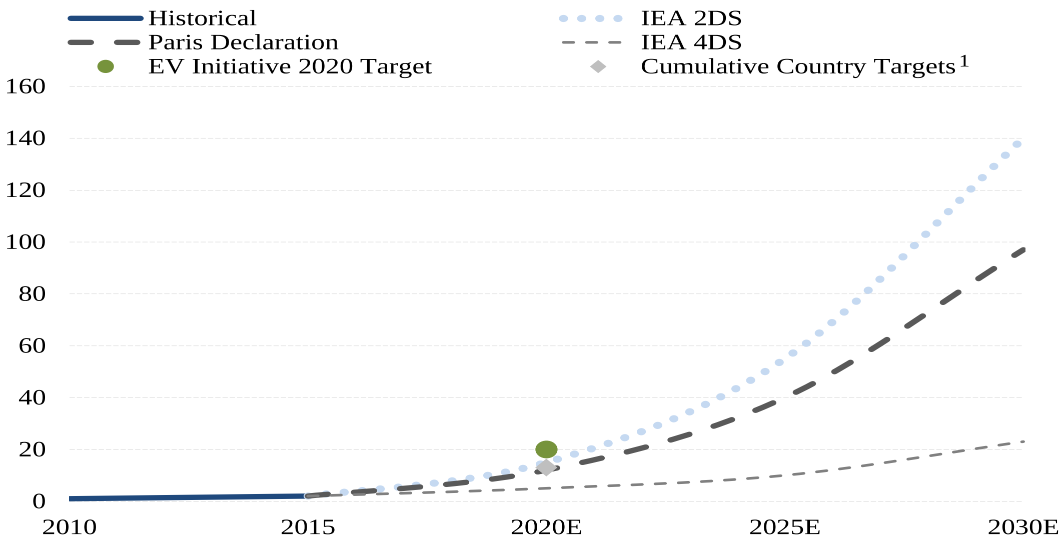


Source: Darton Commodities, National Petroleum Council

Historically, high battery costs have been one of the most significant barriers to EV market penetration. In its 2016-2017 Cobalt Market Review dated February 2017, Darton Commodities estimated that battery costs will continue to decline such that xEVs will be competitive with ICE vehicles within the next five years.

The IEA expects the deployment of 140 million EVs by 2030 and almost 900 million by 2050 in its 2°C Scenario (2DS), the main focus of its Energy Technology Perspectives report. These estimates are higher than those of the Paris Declaration and the IEA's The 4°C Scenario (4DS), which only takes into account announced policies and pledges. The IEA believes the 2DS targets seems attainable when compared with similar innovations in the recent past such as the hybridisation of vehicles in Japan, the dieselisation vehicles in Europe, and the growth of EV adoption in Norway and the Netherlands; all of which achieved faster market penetration rates. Over the next ten years, Volkswagen (VW) plans to launch over 30 BEVs and expects that BEVs could represent 25% of the global passenger automobile market. According to the IEA, there are an estimated 1 million EVs deployed today.

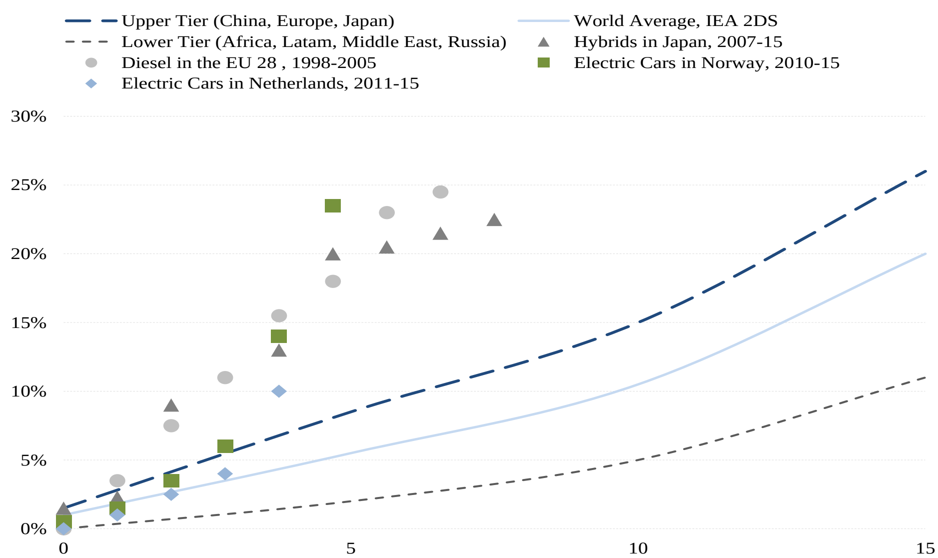
EV Deployment Scenarios - EVs in the Vehicle Stock (millions) | Years



Source: International Energy Agency, ACEA, Eurostat, IHS Polk, MarkLines

1. 2020 EV stock targets based on commitments of Austria, China, Denmark, France, Germany, India, Ireland, Japan, Netherlands, Portugal, South Korea, Spain, United Kingdom, and the United States.

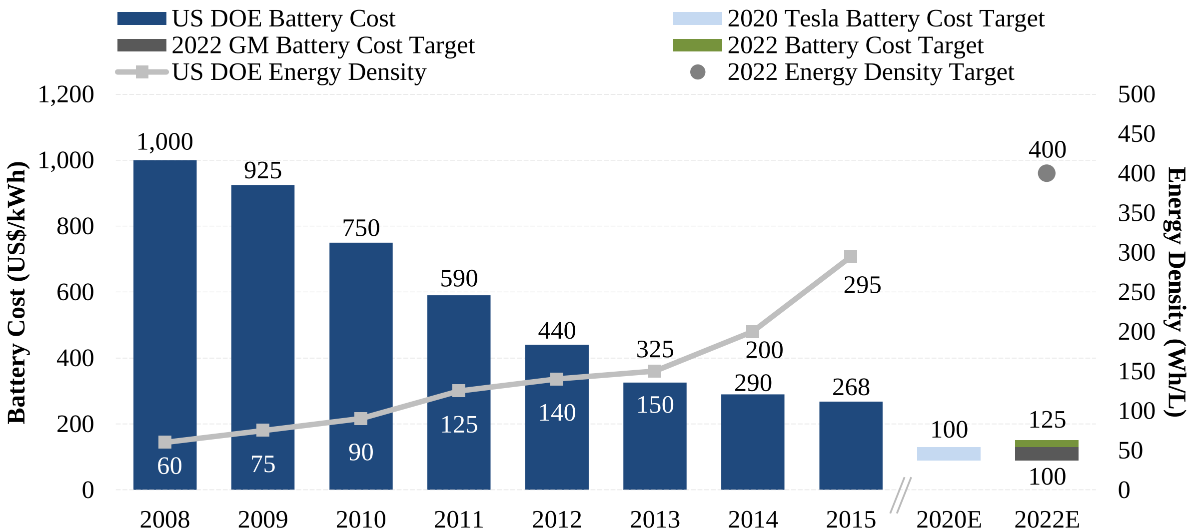
EV Market Penetration Rates - Incremental Market Share (%) | Time (Years)



Source: International Energy Agency, UNFCCC

Battery costs have significantly declined over the past decade. CRU concluded that the EV market can absorb cobalt prices that are approximately twice the levels at the time of an April 6, 2017 presentation (based on a reference battery grade cobalt price of US$25/lb) as the increased raw material cost could be passed on to consumers without a material increase to the EV selling price. The IEA estimates that average battery costs declined from approximately US$1,000/kWh in 2008 to approximately US$268/kWh in 2015, driven in part by higher energy density. According to the IEA, Tesla is aiming to achieve battery costs under US$100/kWh by 2020. Energy density, the amount of energy stored in a given mass of a substance or system, is a key determinant of the efficiency of a battery and significantly impacts its size and/or weight. The U.S. Department of Energy estimates that the energy density will continue to increase to 400 watt-hours per litre (Wh/L) by 2022 from 295 Wh/L in 2015.

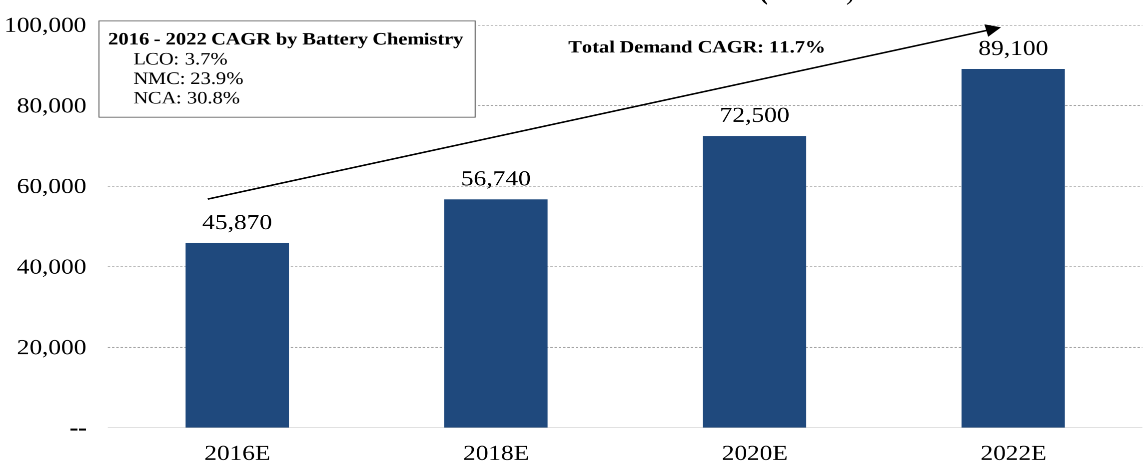
Energy Density Improvements Driving Lower Costs



Source: U.S. Department of Energy, International Energy Agency, EV Obsession, HybridCARS

In order to take advantage of expected demand, automotive and battery manufacturers have been aggressively expanding their battery production capabilities. Up to 12 mega-factories are being built globally, including Tesla's Gigafactory which is under construction in Nevada where it also plans to build batteries to supply 500,000 EVs per year by 2018, producing 35 GWh per annum, nearly as much as total global battery production combined. Cobalt's role in delivering energy efficiencies across sectors has been increasing and Darton expects that cobalt use in lithium-ion batteries could be poised to grow at an average annual rate of approximately 12% from 2016 to 2022.

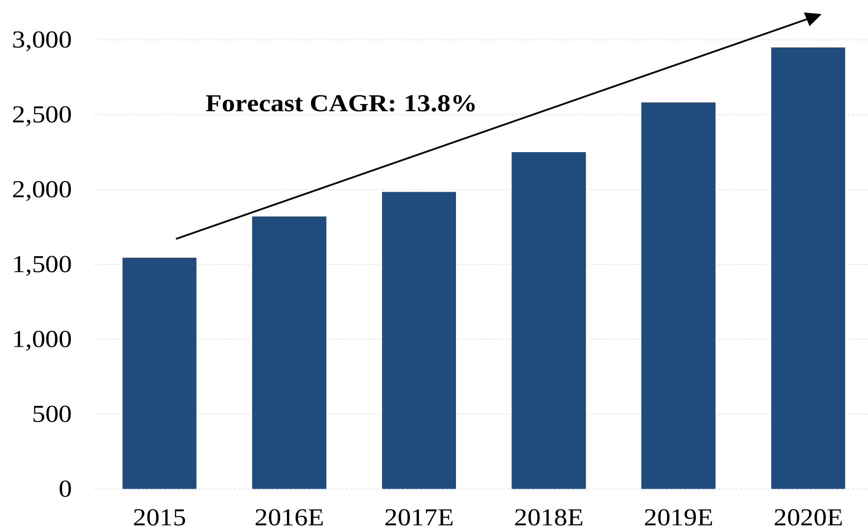
Cobalt Demand in Lithium-Ion Batteries (Tonnes)



Source: Darton Commodities

Another notable application for lithium-ion batteries is in industrial and home grid energy storage. Energy storage systems (ESSs) are used for regular power, power regulation, critical infrastructure, back-up power solutions, renewable energy systems, and smart grid applications, according to the United States Department of Energy. ESSs are increasingly using lithium-ion batteries due to their charge acceptance, longer shelf life, reliability and lower total cost of ownership. Some energy storage producers are moving away from non-cobalt based chemistries such as LMO and LFP in favour of ternary cathode material containing cobalt. One example is Tesla, which uses NMC chemistry in its 14 kWh Powerwall and 210 kWh Powerpack. Bloomberg New Energy Finance (BNEF) predicts “batteries capable of storing power at utility scale will be as widespread in 12 years as rooftop solar panels are now.” BNEF sees the small-scale battery storage market becoming a US$250 billion market over the next 25 years. According to IHS Markit, the energy storage market is set to grow to an annual installation size of 6 GW in 2017 and over 40 GW by 2022 from an initial base of 0.34 GW installed in 2012 and 2013. Darton estimates ESS units will grow at a 13.8% CAGR between 2015 and 2020.

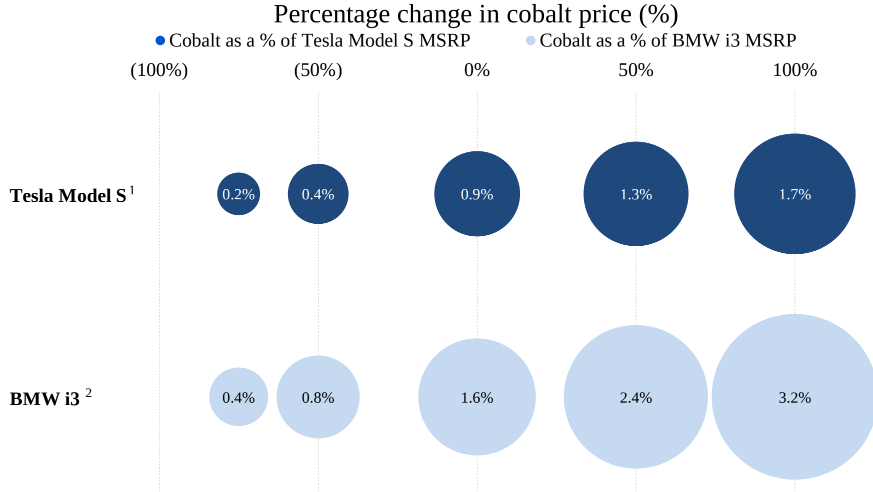
Energy Storage Systems
Lithium-ion Based, in MWh/year



Source: Darton Commodities

While cobalt demand is expected to largely be driven by increasing EV demand, the Company believes the price of cobalt does not have a significant impact on the cost of EVs in which the metal is used. Assuming the current price for premium grade cobalt, a doubling of the price of cobalt (100% increase) is estimated to cause the metal to increase to 1.7% of the MSRP of a Tesla Model S versus 0.9% currently and 3.2% of the MSRP of a BMW i3 versus 1.6% currently. Consequently, management does not expect significant replacement risk for the use of cobalt in lithium-ion batteries in the foreseeable future.

Impact of Cobalt Price Fluctuations on Cobalt as a % of Total MSRP
Percentage change in cobalt price (%)



Source: CRU, Car and Driver, Metal Bulletin (Based on premium grade cobalt price at June 14, 2017)

1. Based on MSRP of US$105,200 (Midpoint of range of US$$69,200-US$$141,200) and cobalt content of 14 kg
2. Based on MSRP of US$46,345 (Midpoint of range of US$43,395-US$49,295) and cobalt content of 11.6 kg

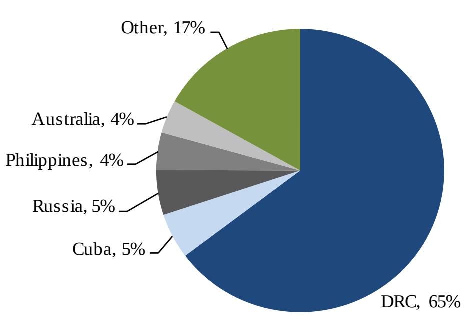
Supply

Cobalt deposits can be found throughout the world and are most prominent in the African Copper Belt, mainly in the Democratic Republic of the Congo (DRC). The United States Geological Survey (USGS), a scientific agency of the U.S. government for natural sciences including earth science and biology, estimates that global cobalt reserves were 7.0 million tonnes in 2016, down 7% from 7.5 million tonnes in 2012. Approximately half of these reserves are located in the DRC. Just 16% of mined cobalt is refined in the country in which it is produced. China currently produces over 50% of the world's refined cobalt and 85% of cobalt oxides, salts and other chemicals. According to CRU, the cobalt supply chain is complex and prone to bottlenecks. The Company believes the two key issues facing cobalt supply are (i) concentrated production and reserves in the DRC and (ii) Chinese control over the majority of refined cobalt output.

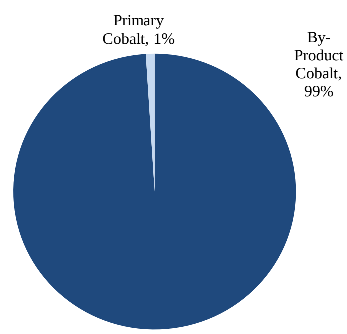
According to Darton Commodities, approximately 67% of cobalt mined in 2016 was as a by-product of copper, 32% as a by-product of nickel, and the remaining 1% from primary cobalt mines. As such, unlike most base metals, changes to global copper and nickel production are often the main determinants of changes in cobalt production rather than the supply-demand dynamics and pricing of cobalt itself.

Sources of Mined Cobalt Supply

Supply by Region



Supply by Mine Type[1]



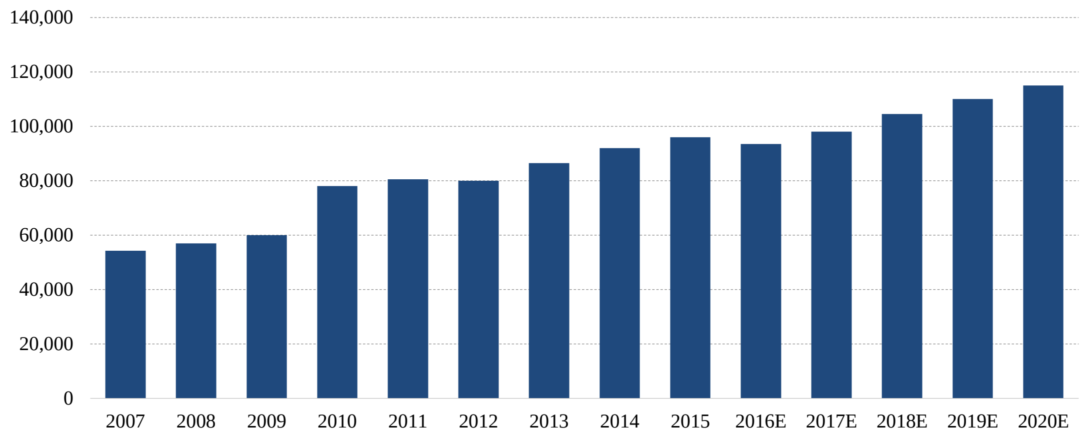
Source: Darton Commodities

1. 99% by-product consists of 67% copper mines by-product and 32% nickel mines by-product

Cobalt supply originates from both mining activities (primary) and recycling (secondary). In 2016, according to Darton, global mined cobalt supply was approximately 109,495 metric tonnes.

Darton sees the short to medium outlook for cobalt supply increasing, albeit at a slower pace than demand. Mining and refining of the metal is largely dependent upon copper or nickel projects, due to its status as a by-product metal. Even significant increases in cobalt demand would likely preclude any material increase in production in the current environment as new copper and nickel supply has been challenged. Hence, cobalt supply is relatively unresponsive to demand compared to other major industrial metals. Darton estimates that 6,500 metric tonnes of refined cobalt were lost in 2016 due to plant closures (approximately 6% of total mine production). Currently, cobalt-rich mines from Glencore (Kamoto), Votorantim (Tocantins), Panoramic Resources (Savannah) and China Nonferrous Metal Mining (Baluba) have all temporarily suspended production.

Refined Cobalt Supply (Tonnes)



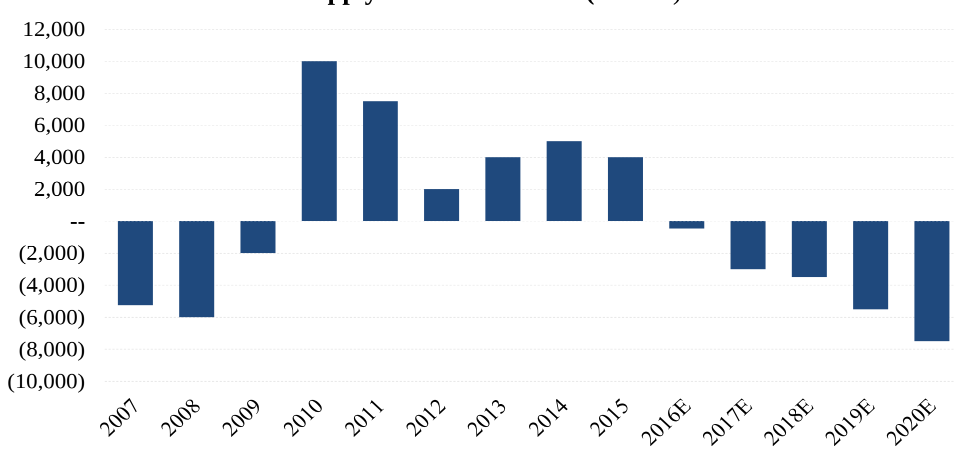
Source: Darton Commodities

The DRC, one of the world's poorest and most politically unstable countries, consistently accounts for the majority of global cobalt production and, according to USGS, approximately 50% of in-situ global reserves. There are some notable risks to investing in this region, including political/expropriation risk, the availability of power and infrastructure, and challenges in obtaining financing for projects located in the country. The DRC ranked 70th out of 104 in the Fraser Institute's 2016 Policy Perception Index; according to the organization's 2016 Annual Survey of Mining Companies. In 2016, President Joseph Kabila failed to step down at the end of his second term, prompting a political crisis and fears of another civil war. An agreement was reached in December 2016 whereby President Kabila would cede power before the end of 2017. Aside from political instability in the country, artisanal mining has drawn the ire of human rights groups such as Amnesty International and the Enough Project. CRU estimates that approximately 15% of DRC output is produced by unregulated artisanal mining operations. Allegations of human rights abuses, including child labour, associated with artisanal mining have received substantial attention in the press which resulted in increased scrutiny throughout the supply chain. Actions such as these appear to have had an effect as, according to Darton Commodities, artisanal cobalt mining declined 35% in 2016 from the previous year.

Market Imbalance

According to Darton Commodities, in 2016 the global cobalt market moved into supply deficit territory for the first time since 2009 during the global financial crisis. These important structural changes resulted largely from curtailments of mining and refining capacity coupled with heightened cobalt purchasing activity by new market participants such as China's State Reserve Bureau (SRB). Cobalt feed availability was further tightened by large forward purchases by battery manufacturers.

Supply/Demand Balance (Tonnes)



Source: Darton Commodities

Continued tightening of the global supply-demand balance is expected in the medium-term. Darton expects a substantial supply deficit in the refined cobalt market by 2020.

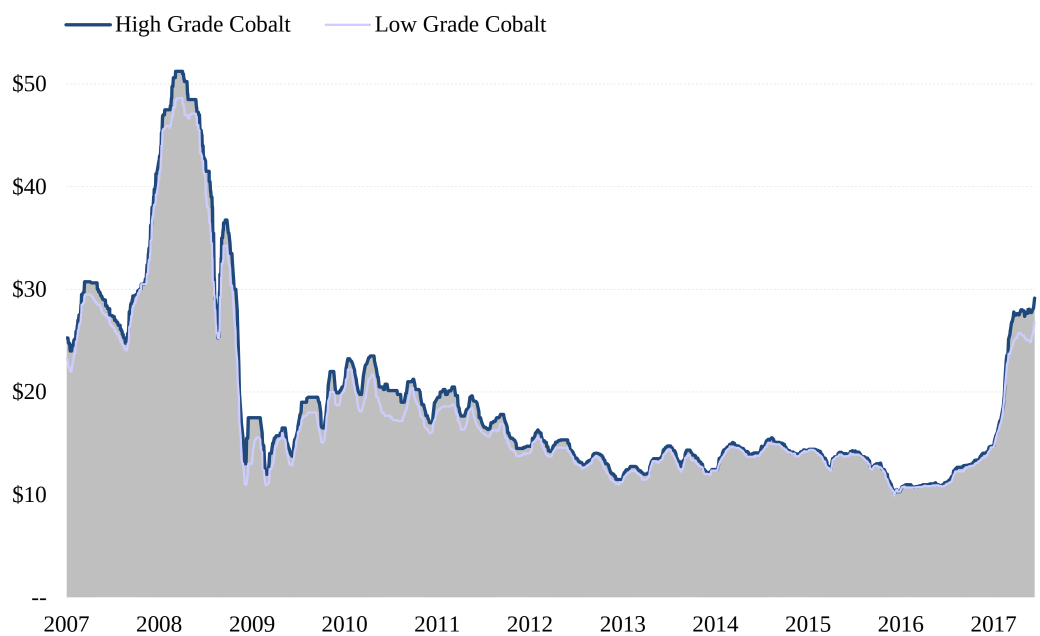
Pricing of Cobalt

Metal Bulletin has historically served as a source of cobalt pricing information. Metal Bulletin publishes price assessments for both standard grade (Metal Bulletin Low) and premium grade (Metal Bulletin High) cobalt twice per week, which prices are volume weighted average prices. These prices are determined by surveys with market participants, such as producers, traders and consumers. Cobalt metal is priced according to its physical properties such as cobalt grade and levels of impurities. As such, certain producer brands can vary between Metal Bulletin categories based on year-to-year producer specifications.

After reaching price levels of approximately US$50/lb in 2008, the price of cobalt trended downward due to a well-supplied market. Standard/low grade material bottomed at approximately US$9/lb in December 2015 and the average quotation for 2016 was US$11.41/lb, down approximately 9% year-over-year and the lowest price in real terms, other than 2002, in the last 40 years according to CRU. On June 14, 2017, the average price of Metal Bulletin high grade cobalt was US$29.15/lb, up 168% year-over year, and Metal Bulletin standard/low grade was US$26.85/lb, up 149% year-over-year; which prices are volume weighted average prices.

Historical Cobalt Prices

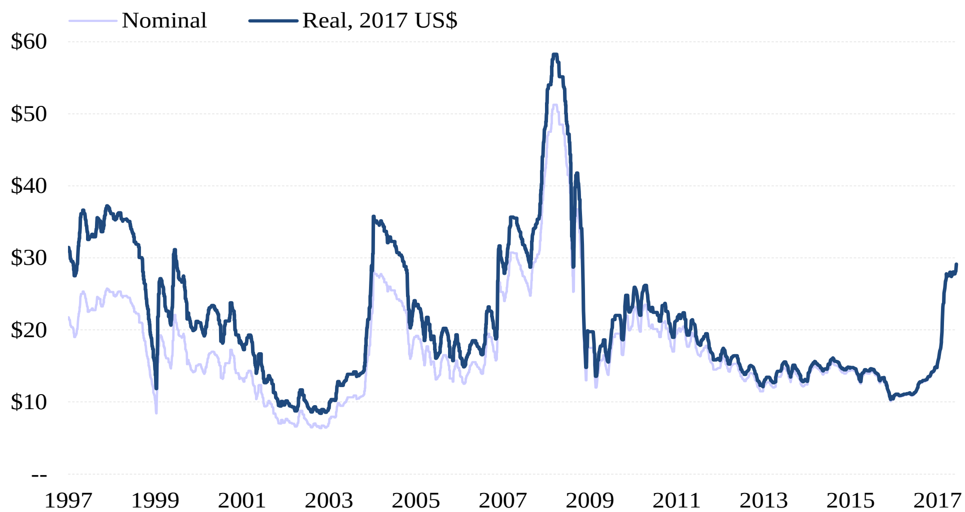
Metal Bulletin High/Low Averages (US$/lb) (nominal)



Source: Metal Bulletin as at June 14, 2017

In real terms, cobalt prices reached a twelve-year low in December 2015. Over the past 20 years, real prices have been significantly higher than current prices.

Historical Real & Nominal Cobalt Prices[1]
High Grade Metal Bulletin High/Low Averages (US$/lb)



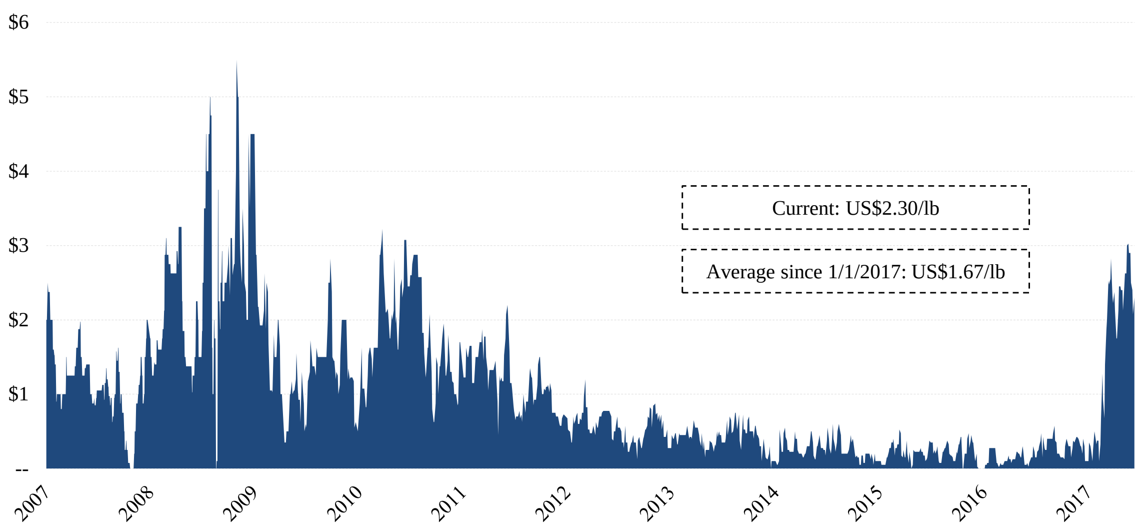
1. Metal Bulletin as at June 14, 2017. Historical nominal prices have been inflated using the United States GDP Deflator as of January 2017 per Federal Reserve Economic Data from the Federal Reserve Bank of St. Louis

Looking forward, the Company believes market fundamentals continue to point toward potential for sustained price strength over the next few years. With cobalt prices having reached the US$50/lb level in 2008 at a time when the supply deficit was smaller than the deficit projected for 2020, the Company believes there remains significant room for price appreciation.

Premium for High Grade Cobalt

High-grade cobalt has historically been quoted at a premium to low-grade cobalt. This premium is currently US$2.30/lb, has been as high as US$5.00/lb over the past 10 years, and since January 1, 2017 has averaged US$1.67/lb, according to Metal Bulletin.

Historical High-Grade Premiums
Pricing Differential of High-Grade over Low-Grade (US$/lb)



Source: Metal Bulletin as at June 14, 2017

USE OF PROCEEDS

Proceeds and Funds Available

We estimate we will have the following minimum net cash funds available to us following closing of the Offering, assuming the Over-Allotment Option is not exercised:

Source of Funds	Funds
Total Gross Cash Proceeds of the Cash Offering[1]	$98,319,780
Less: Commissions[2]	($7,478,502)
Offering Costs[3]	($1,000,000)
Net Cash Proceeds of the Cash Offering	$89,841,278
Working Capital as of April 30, 2017	$519,170
Net Funds Available	**$90,360,448**

1. Assumes none of the Over-Allotment Option is exercised. If the Over-Allotment Option is fully exercised, an additional $29,999,997 of gross proceeds will be realized. Excludes the value of Cobalt Contract Shares, issued as consideration for the purchase of cobalt pursuant to Cobalt Contracts, being $101,680,245.
2. Estimated. Assumes none of the Over-Allotment Option is exercised. If the Over-Allotment Option is fully exercised, an additional maximum $1,800,000 of Commissions will be paid.
3. Offering costs include Underwriters' expenses; audit; legal; regulatory filing fees; and other Offering expenses. In addition, the Company may incur additional fees, not anticipated to be material, to certain third parties in connection with the Offering.

Principal Purposes

We intend to use our available funds as follows:

Principal Purpose	Funds
Exercise of Cobalt Contracts for Cash	$78,519,245
General and Administrative Expenses[1] (36 months)	$6,000,000
Working Capital and Execution of Growth Strategy	$5,841,203
Total:	**$90,360,448**

1. Our projected annual general and administrative expenses are estimated to be $2,000,000, which will include office and administration, legal and accounting/audit; management consulting fees; directors' fees; insurance costs (currently approximately 0.1% of the total cobalt value or $200,000 per year) and storage costs (of approximately US$0.03/lb of cobalt, or $200,000 per year).

We intend to use some of our working capital for the acquisition of additional streaming and royalty contracts associated with potential cobalt production. There is no assurance we will be successful in identifying, negotiating or securing any such contracts on terms acceptable to us, or at all. Should any part of the Over-Allotment Option be exercised, we intend to use the additional net proceeds to acquire additional physical cobalt.

We intend to use the funds available to us as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. If such event occurs during distribution of the securities offered under this Prospectus, we may exercise discretion in the application of such net proceeds and, if required, an amendment to this Prospectus will be filed. Pending utilization of the net proceeds derived from the Cash Offering, we intend to invest the funds in short-term, interest-bearing obligations with a major Canadian financial institution. See "*Risk Factors*".

Business Objectives and Milestones

We expect to accomplish the following business objectives following closing of the Offering:

1. Exercise Cobalt Contracts and take title of the physical cobalt concurrently upon closing of the Offering. The cost to accomplish this objective is $180,199,490, which includes the value of Cobalt Contract Shares issued in consideration for cobalt.
2. Close each Royalty Contract. We expect to close the exercise of the Royalty Contracts within 20 business days following closing of the Offering. The aggregate consideration to accomplish this objective will be, subject to regulatory approval, the issuance and delivery of 127,778 Shares.
3. Investigate opportunities to acquire streams, royalties and interests in mineral properties containing cobalt. No set time frame exists for implementation of this objective, and there is no guarantee we will be successful in identifying or closing on any such opportunities.

DIVIDEND POLICY

The Company has not, since the date of its incorporation, declared or paid any dividends on its Shares, and does not currently anticipate paying any dividends following completion of the Offering. For the foreseeable future, the Company intends to use its future earnings and other cash resources for the operation and development of its business, but may declare and pay dividends in the future as operational circumstances permit. Any future determination to pay dividends on the Shares will be at the sole discretion of the Board after considering a variety of factors and conditions existing from time to time, including current and future commodity prices, foreign exchange rates, the Company's hedging program, current operations, operating costs and debt service requirements, and available investment opportunities. There are no restrictions precluding us from paying dividends or making other distributions to our Shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis ("MD&A") of the Company's financial statements has been prepared by management in accordance with the requirements of National Instrument 51-102 as at the date of this Prospectus and includes financial information from, and should be read in conjunction with, the audited financial statements of the Company for the fiscal years ended April 30, 2017 and 2016, and the notes thereto, appearing elsewhere in this Prospectus, as well as the disclosure contained throughout this Prospectus.

Annual MD&A

The date of the MD&A for the fiscal year ended April 30, 2017 is as of June 15, 2017.

Overall Performance

As at April 30, 2017 the Company was in the process of transitioning from a junior mineral exploration company with property interests in Quebec and Saskatchewan, to a pure-play cobalt company. As at April 30, 2016 we had minimal cash or other current assets (aggregate of $4,458) and current liabilities of $425,330. We had no cash flow, and our operations depended on continued capital contributions and loans from insiders. We wrote off all of our prior acquisition and exploration costs associated with our Kayla property, and did not expend any material amounts on our mineral properties during fiscal 2016. There was significant uncertainty as to whether we could continue as a going concern. Our overall performance reflected a trend since 2014 whereby junior mineral exploration companies found it difficult to raise the capital necessary to carry on grassroots mineral exploration projects.

As at April 30, 2017 we had completed a private placement and realized additional funding through the exercise of warrants, such that (i) our cash position was $536,676 ($749 as at April 30, 2016), (ii) we reduced our liabilities to $101,154 ($425,330 as at April 30, 2016), and (iii) we were able to finance the costs of engaging the Underwriters, negotiating the Cobalt Contracts and Royalty Contracts, and undertaking the Offering (deferred financing costs were $135,916 as at April 30, 2017 ($nil as at April 30, 2016)).

Selected Financial Information

The following table summarizes selected financial data from our audited financial statements for the fiscal years ended April 30, 2017 and 2016, and should be read in conjunction with such statements and related notes:

Item	Fiscal Year Ended April 30, 2017	Fiscal Year Ended April 30, 2016
Revenues	$nil	$nil
Expenses	$951,944	$249,422
Impairment of Mineral Property Assets	$6,036	$327,571
Net Loss	($957,980)	($576,993)
Current Assets	$620,324	$4,458
Exploration and Evaluation Assets	$nil	$4,500
Total Assets	$756,240	$8,958
Current Liabilities	$101,154	$425,330
Long Term Liabilities	$nil	$nil
Distributions or Dividends	$nil	$nil

The material factors that caused period to period variations include:

1. Expenses increased in fiscal 2017 due primarily to (i) consulting fees ($292,930 in 2017; $52,000 in fiscal 2016) due to the engagement of new management; (ii) stock based compensation expense for options granted in fiscal 2017 of $527,630 (nil in fiscal 2016); and (iii) office and miscellaneous costs ($74,266 in 2017; $4,784 in 2016). Partially offsetting this, directors' fees decreased from $154,000 in fiscal 2016 to $nil in fiscal 2017.
2. We wrote off $327,571 of mineral property acquisition and exploration costs associated with the Kayla Property in fiscal 2016, compared to $6,036 in fiscal 2017.
3. In fiscal 2017 we closed a private placement to raise gross proceeds of $650,020, and received $881,640 through the exercise of warrants; whereas no funds were raised in fiscal 2016.

The accounting principles and policies used in preparing the financial data are set out in Notes 2 and 3 to the financial statements. All financial data is presented in Canadian dollars.

Discussion of Operations

During the fiscal year ended April 30, 2016 we were relatively inactive, in that we undertook no work on either of our mineral properties, acquired no new assets, and raised no new capital. In the latter half of the fiscal year ended April 30, 2017 we began the process to become a pure-play cobalt company by completing a financing, appointing new management, directors and advisors; negotiating and entering into the Cobalt Contracts and Royalty Contracts; engaging the Lead Underwriters; and preparing the Offering.

Year ended April 30, 2017 compared to the year ended April 30, 2016

The Company incurred a loss of $957,980 during the year ended April 30, 2017 as compared to a loss of $576,993 for the year ended April 30, 2016, for a difference of $380,987. The significant differences in operating costs from the prior year are as follows:

- An increase in consulting fees, 2017 - $292,930 (2016 - $52,000) due to the increased activities of the Company and reliance on outside advisors and consultants;
- A decrease in directors fees, 2017 - $Nil (2016 - $154,000) due to the Company ceasing the accrual of directors fees during fiscal 2017;
- An increase of $527,630 in stock-based compensation due to the granting of options during the fiscal year ended 2017 and no options during the year ended April 30, 2016;
- An increase in transfer agent and filing fees, 2017 - $32,497 (2016- $15,691) due to increased activity with the Company's share structure and financings; and
- An increase in general office and miscellaneous expenses 2017 - $74,266 (2016 - $4,784) due in large part to the development of a web presence and marketing material development.

Three months ended April 30, 2017 compared to the three months ended April 30, 2016

The Company incurred a loss of $895,887 during the three months ended April 30, 2017 as compared to a loss of $382,261 for the three months ended April 30, 2016, for a difference of $513,626. The significant differences in operating costs for the comparable periods are as follows:

- An increase in consulting fees, 2017 - $243,930 (2016 - $8,000) due to the increased activities of the Company and reliance on outside advisors and consultants;
- An increase of $527,630 in stock-based compensation due to the granting of options during the three months ended April 30, 2017 and no options during the three months ended April 30, 2016;
- Increase in transfer agent and filing fees 2017 - $22,927 (2016 - $5,881) due to increased activity with the Company's share structure and financings; and
- An increase in general office and miscellaneous expenses 2017 - $72,217 (2016 - $518) due in large part to the development of a web presence and marketing material development.

Summary of Quarterly Results

The table below sets out information of the Company for the eight quarters ended April 30, 2017:

	Q4 30-Apr-17	Q3 31-Jan-17	Q2 31-Oct-16	Q1 31-Jul-16	Q4 30-Apr-16	Q3 31-Jan-16	Q2 31-Oct-15	Q1 31-Jul-15
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Income (Loss)	($895,887)[2]	($18,617)	($34,838)	($8,638)	($382,261)[1]	($52,076)	($80,302)	($62,354)
Income (Loss) per share[3]	($2.74)	($0.06)	($0.11)	($0.03)	($2.09)	($0.28)	($0.44)	($0.34)

1. Includes the write-down of exploration and evaluation assets of $327,571.
2. Includes $527,630 of stock based compensation expense.
3. Adjusted to reflect the 10:1 consolidation effected November 29, 2016, the three-for-one forward-split effected April 10, 2017 and the 20:1 Consolidation, as applicable.

The accounting principles and policies used in preparing the above financial data are as set out in Notes 2 and 3 to our annual financial statements for the fiscal years ended April 30, 2017 and 2016. All financial data is presented in Canadian dollars.

Liquidity

Our ability to meet our obligations and execute our business strategy depends on our ability to generate cash flow through the issuance of common shares pursuant to private placements, public offerings of its shares, the exercise of stock options and warrants and short term or long term loans. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for the Company's shares, restricting access to some institutional investors. Our growth and success is dependent on external sources of financing which may not be available on acceptable terms.

There is no assurance that we will be able to access equity funding at the times and in the amounts required to meet our obligations and fund activities. The outlook for the world economy remains uncertain and vulnerable to various shocks that could adversely affect our ability to raise additional funding going forward.

Cash and Financial Condition

As of April 30, 2017, we had working capital of $519,170 which is not adequate to fund our new business strategy.

Investing Activities

Total cash incurred in investing activities during the year ended April 30, 2017 was $1,536 (2016 - $4,500).

Financing Activities

We completed a private placement of 696,450 units for gross proceeds of $650,020. 689,700 warrants and 45,000 agent warrants were subsequently exercised for gross proceeds of $881,640. The share issue cost for these issuances was $29,852.

During the year ended April 30, 2017, we received and repaid non-interest bearing demand loans for an aggregate of $68,128.

During the year ended April 30, 2017, we repaid a non-interest bearing demand loan, from a former director in the amount of $9,500.

During the year ended April 30, 2017, we incurred costs of $135,916 related to the Offering.

Capital Resources

As of April 30, 2017, we had no commitments for capital expenditures, and there were no sources of financing we had arranged but not yet used.

Off-Balance Sheet Arrangements

In the fiscal year ended April 30, 2017, we did not have nor were subject to any off-balance sheet arrangements.

Transactions Between Related Parties

In the fiscal year ended April 30, 2017, we had the following related party transactions:

- consulting fees of $58,000 were paid to Marketworks, Inc., a private company controlled by Kathryn Witter, the Company's former CFO;
- consulting fees of $67,690 (US$50,000) were paid to Black Vulcan Resources, a private company controlled by Anthony Milewski, the Company's Chairman and CEO;
- consulting fees of $3,333 were paid to Abingdon Capital Corporation, a private company related to Justin Cochrane, the Company's President and
- consulting fees of $1,000 were paid to Marrelli Support Services for the services provided by Cindy Davis, the Company's CFO.

Changes in Accounting Policies including Initial Application

We have not made any changes to our accounting policies in the past two fiscal years.

Financial Instruments and Other Instruments

Our financial instruments are relatively basic, and reflective of an inactive company. As of April 30, 2017, our financial instruments consisted of cash ($536,676), taxes recoverable ($9,973), and accounts payable, accrued liabilities and loans (totaling $101,154). There are no material risks associated with any of these instruments.

Disclosure of Future Accounting Policies

Physical Cobalt

The acquisition of physical holdings of cobalt will be accounted for at cost on the date that significant risks and rewards to the metal pass to the Company. Subsequent to initial recognition, the Company's physical holdings of cobalt will be measured at fair value less costs to sell, in accordance with IAS 2 *Inventories*, paragraph 3(b). It is anticipated that fair value will be determined by the most recent spot prices as quoted from established industry sources, then converted to Canadian dollars using the month-end foreign exchange noon rate. Mark-to-market gains and losses will be recognized through profit or loss. The Company's physical holdings of cobalt will be measured using Level 1 inputs, observable market prices, and adjusted for costs to sell.

Royalties and Streams

Royalties consist of acquired royalty interests, and streams pertain to purchase agreements in producing, advanced, development or exploration stage properties. Royalties and streams will be recorded at cost and capitalized as tangible assets with finite lives. They are subsequently measured at cost less accumulated depletion and accumulated impairment losses, if any. The cost of royalty, stream and working interests is determined by reference to the cost model under IAS 16 Property, Plant and Equipment.

Financial Instruments

Following closing of the Offering, the Company's only significant financial instruments are expected to be cash and cash equivalents. All financial instruments will initially be recorded at fair value. The Company will examine the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include currency risk, credit risk and liquidity risk.

Currency Risk

While the Company believes its functional currency is Canadian dollars, the Company also expects to incur some expenses in United States dollars and Euros. Changes in the value of the Canadian dollar compared to these and other foreign currencies will affect the value, as reported, of the Company's foreign denominated financial instruments, including any cash and cash equivalents, trade and other receivables, and trade and other payables.

Credit Risk

Credit risk is the risk of loss due to a counter-party's inability to meet its obligations under a financial instrument or contractual agreement that will result in a financial loss to the Company. The Company's credit risk exposure includes the carrying amounts of cash and cash equivalents, trade and other receivables, and following closing, its investments in cobalt. To limit the credit risk exposure on its cash and cash equivalents, the Company holds all of its cash and cash equivalents in credit worthy financial institutions, while investments in cobalt are insured and stored in bonded LME warehouses that are credible and financially stable.

Liquidity Risk

Financial liquidity represents the Company's ability to fund future operating activities. The Company may generate cash from the lending, relocation, or sale of cobalt, or the sale of additional equity securities. The Company will fund its ongoing operations with its existing cash balance and has the ability to sell some of its investments in cobalt to generate additional cash if required. Although the Company may enter into commitments to purchase additional cobalt or acquire cobalt streams, royalties, and direct interests in mineral properties containing cobalt, those commitments are normally funded by use of the Company's available cash or are contingent on its ability to raise funds through the sale of additional equity securities.

Commodity Risk

The value of the Company's physical holdings of cobalt may be adversely affected by a decline in the price of cobalt. The price of cobalt fluctuates widely and is affected by numerous factors beyond the Company's control, including but not limited to global and regional supply and demand, and the political and economic conditions of major cobalt producing countries throughout the world, including the DRC.

Disclosure of Outstanding Security Data

We have only one class of shares authorized for issuance, being the Shares. As of the date of this Prospectus, there are 1,659,169 Shares issued and outstanding (1,659,169 Shares as of April 30, 2017). In addition, we have outstanding (all figures reflecting a three-for-one forward split effected April 10, 2017 and the 20:1 Consolidation:

1. 94,950 Share purchase warrants, exercisable at $6.67 per Share until July 31, 2017 (issued pursuant to a private placement of units in October 2014);
2. 6,750 Share purchase warrants, exercisable at $1.20 per Share until March 21, 2022 (issued pursuant to a private placement of units in March 2017);
3. 158,867 stock options exercisable at $4.33 per Share until March 31, 2022;
4. 5,707 finder's warrants, exercisable at $6.67 per Share until July 31, 2017 (issued in conjunction with our private placement of units in October 2014).

Additional Disclosure for Venture Issuers Without Significant Revenue

We have had no revenue from operations in either of our last two financial years. The following is a breakdown of the material costs incurred by us in the past two fiscal years ended April 30, 2017 and 2016:

Category	Fiscal Year Ended April 30, 2017	Fiscal Year Ended April 30, 2016
Exploration Expenditures[1]	$1,536	$4,500
General and Administrative Expenses	$951,944[2]	$249,422[3]
Other Material Costs	$135,916[4]	$nil

1. We held two mineral property interests – the Kayla property in Quebec, and two mineral tenures comprising the Perron Lake property in the Athabasca Basin of Saskatchewan. We allowed our Perron Lake interests to lapse in January 2017, and have initiated steps to dispose of our Kayla property.
2. Includes $527,630 of stock based compensation expense.
3. Excludes the write off of $327,571 of mineral property acquisition and exploration costs associated with the Kayla property.
4. Costs related to the Offering.

Additional Disclosure for Junior Issuers

We have had negative cash flow since our inception. We expect the net proceeds of the Cash Offering, as disclosed above under the heading "Use of Proceeds", will be sufficient to fund our operations for at least 12 months following the Closing Date. During that 12 month period, we estimate our total operating costs required to achieve our stated business objectives will be $2,000,000, exclusive of the costs required to exercise the Cobalt Contracts. See "Use of Proceeds" above. We anticipate incurring significant capital expenditures during that 12 month period toward the exercise of the Cobalt Contracts. Additional expenditures may arise with respect to the acquisition of streams or royalties associated with cobalt production.

DESCRIPTION OF SECURITIES DISTRIBUTED

The securities being distributed by this Prospectus consist of 22,222,225 Shares with provision for an additional 3,333,333 Over-Allotment Shares.

Common Shares

Our authorized capital consists of an unlimited number of Shares, of which as of the date hereof 1,659,169 Shares are issued and outstanding as fully paid and non-assessable. We are seeking to sell and distribute 22,222,225 Shares by way of the Offering with an Over-Allotment Option for an additional 3,333,333 Over-Allotment Shares.

Our Shares are not subject to any future call or assessment and do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of our Shares, all of which rank equally as to all benefits which might accrue to the holders of the Shares. All holders of Shares are entitled to receive a notice of, attend and vote at any meeting to be convened by us. At any meeting, subject to the restrictions on joint registered owners of Shares, every Shareholder has one vote for each Share of which he is the registered owner. Voting rights may be exercised in person or by proxy.

The holders of Shares are entitled to share pro rata in any: (i) dividends if, as and when declared by the Board in its discretion, and (ii) such of our assets as are distributable to them upon liquidation, dissolution or winding-up of the Company. The Shares issued and outstanding upon completion of the Offering will be fully paid and non-assessable, without liability for further calls or to assessment. Rights pertaining to the Shares may only be amended in accordance with applicable corporate law.

CONSOLIDATED CAPITALIZATION

The following table summarizes our share capitalization; and should be read in conjunction with the financial statements appearing elsewhere in this Prospectus:

Designation of Security	Amount Authorized	Amount Outstanding at April 30, 2017[1]	Amount Outstanding at date of this Prospectus[1]	Amount Outstanding upon Completion of the Offering[2]
Common Shares	Unlimited	1,659,169	1,659,169	23,881,394
Warrants	n/a	101,700	101,700	101,700
Options	n/a	158,867	158,867	158,867
Finder’s Warrants	n/a	5,707	5,707	5,707

1. Reflects the 20:1 Consolidation.
2. Assumes the Over-Allotment Option is not exercised.

PRIOR SALES

We have issued the following securities during the 12 months prior to the date of this Prospectus:

Date	Type of Security	Price	Number of Securities	Aggregate Issue Price
March 21, 2017	Shares and warrants[1]	$0.14	4,643,000	$650,020
March 21, 2017	Finder's Shares and warrants[2]	$0.14	300,000	n/a
March 29, 2017	Shares[3]	$0.18	4,898,000	$881,640
March 31, 2017	Stock Options[4]	$4.33	158,867	n/a
April 10, 2017	Shares[5]	n/a	22,122,254	n/a
Closing Date	Shares[6]	n/a	(31,524,212)	n/a

1. Private placement of units sold at $0.14 per unit; each unit consisting of one Share and one Share purchase warrant exercisable at $0.18 until March 21, 2022.
2. Finder's units issued in conjunction with the private placement referred to above at a deemed value of $0.14 per unit; each unit consisting of one Share and one Share purchase warrant exercisable at $0.18 until March 21, 2018.
3. Shares issued upon the exercise of the private placement warrants and the finder's warrants referred to in notes 1 and 2 above.
4. Stock options issued to certain directors, officers and consultants of the Company; reflecting the forward-split effected April 10, 2017 and the 20:1 Consolidation.
5. Shares issued upon the 3:1 forward-split of the Company's issued and outstanding Shares.
6. Shares to be reduced upon the 20:1 Consolidation.

Our Shares are currently listed on the TSX-V. The chart below summarizes our trading history for the past 12 months (all figures adjusted to account for the 10:1 consolidation which occurred on November 29, 2016, the three-for-one forward-split effected April 10, 2017 and the 20:1 Consolidation):

Month Ended	High	Low	Volume
April 30, 2017[1]	$13.20	$4.60	20,215
March 31, 2017	$5.20	$1.00	23,646
February 28, 2017	$1.50	$1.40	630
January 31, 2017	$1.40	$1.20	765
December 31, 2016	$1.80	$1.20	3,460
November 30, 2016	$1.60	$1.40	7,611
October 31, 2016	$3.00	$2.00	7,356
September 30, 2016	$2.60	$2.00	2,880
August 31, 2016	$2.60	$1.60	6,021
July 31, 2016	$2.60	$2.00	1,380
June 30, 2016	$2.40	$1.40	3,915
May 31, 2016	$3.00	$2.40	532
April 30, 2016	$3.70	$2.40	6,538

1. Trading in the Company's Shares on the TSX-V was halted on April 17, 2017, at the request of the Company, pending closing of the Offering and all material transactions.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTIONS ON TRANSFER

Escrowed Shares

As of the date of this Prospectus, there are no securities in our capital which are subject to escrow or any other resale restrictions.

Restricted Shares

All of the 4,943,000 Shares issued on March 21, 2017 (now 741,450 Shares) pursuant to a private placement, and all of the Shares subsequently issued or to be issued upon exercise of the warrants and finder's warrants issued in conjunction with such private placement, are subject to resale restrictions expiring July 22, 2017. All Shares to be issued to close the Royalty Contracts will be subject to resale restrictions expiring four months and a day following the date of issue.

PRINCIPAL SHAREHOLDERS

To the knowledge of our Directors and officers, as of the date of this Prospectus, no person beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of our Shares.

To the knowledge of our Directors and officers, no person will beneficially own, as of the Closing Date, directly or indirectly, or exercise control or direction over, more than 10% of our Shares, except:

- Green Energy Metals Fund, LP (one of the vendors under a Cobalt Contract) who will own 4,048,634 Shares, representing approximately 17.0% of our Shares, and
- Pala Investment who will own 4,646,908 Shares representing approximately 19.5% of our Shares,

prior to giving effect to any Over-Allotment Shares and any Shares issued pursuant to the Royalty Contracts.

To the knowledge of our Directors and officers, none of our Shares are held, or are to be held, subject to any voting trust or other similar agreement.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Address, Occupation and Security Holding

The name, province or state and country of residence, and position with the Company, of each of our Directors and executive officers are set out in the table below. Details of their principal business or occupation in which they have been engaged during the immediately preceding five years are as set out under "Management of the Company" following the table.

Name, Position, Province or State and Country of Residence	Principal Occupation or Employment for the Past Five Years	Date Elected or Appointed (mm/dd/yy)	Number of Shares Currently Held and Percentage of Shares[1]
Anthony Milewski *Chairman and CEO* Kennewick, Washington, USA	Chairman and CEO of the Company. Managing Director of investment team at Pala Investments Limited.	04/20/17	90,000 / 5.42%
Justin Cochrane *President and COO* Burlington, Ontario, Canada	Executive Vice President, Abingdon Capital Corporation. Previously Executive Vice President, Sandstorm Gold Ltd.	03/31/17	22,500 / 1.36%

Name, Position, Province or State and Country of Residence	Principal Occupation or Employment for the Past Five Years	Date Elected or Appointed (mm/dd/yy)	Number of Shares Currently Held and Percentage of Shares[1]
Cindy Davis *CFO* Pickering, Ontario, Canada	Senior Financial Analyst with Marrelli Support Services Inc.	04/20/17	nil / nil%
Frank Estergaard[2,3] *Director* Kelowna, B.C., Canada	Former KPMG partner.	04/20/17	nil / nil%
Nick French[3] *Lead Director* London, England	Consultant to the cobalt industry, and cobalt trader.	04/20/17	nil / nil%
Jonathan Hykawy[2] *Director* Scarborough, Ontario, Canada	Founder - Stormcrow Capital Limited.	03/24/17	nil / nil%
John Kanellitsas[2,3] *Director* Hailey, Idaho, USA	Vice Chairman and President of Lithium Americas.	04/20/17	30,000 / 1.81%

1. Based on 1,659,169 Shares outstanding, and that none of the above persons participates in the Offering.
2. Member of the Audit Committee.
3. Member of the Compensation and Corporate Governance Committee.

The term of office for our Directors and members of our committees expires at each annual general meeting. The Board, after each such meeting, appoints our committees for the ensuing year. We currently have two board committees, being the Audit Committee which presently consists of Frank Estergaard (Chair), Jonathan Hykawy, and John Kanellitsas; and the Compensation and Corporate Governance Committee which presently consists of Nick French (Chair), Frank Estergaard, and John Kanellitsas.

Management of the Company

The following provides additional information regarding our Directors and executive officers:

Anthony Milewski, *Chairman, CEO and Director*

Mr. Anthony Milewski, age 36, has been Chairman, CEO and a Director of the Company since April 20, 2017.

Mr. Milewski has spent his career in various aspects of the mining industry, including as a company director, advisor, founder and investor. In particular, he has been active in the battery metals industry including investing in cobalt and actively trading physical cobalt.

Mr. Milewski has managed numerous mining investments at various stages of development, including exploration, development, production and turnaround situations, and across a broad range of commodities. He has served as a director of both public and private companies and has been seconded as interim CEO on multiple occasions. Mr. Milewski is a Managing Director of the investment team at Pala Investments. Prior to joining Pala Investments, he worked at Firebird Management LLC, a specialist emerging market fund, where he focused on natural resource investments in Africa, Central Asia and the former Soviet Union.

Mr. Milewski previously worked at Renaissance Capital and Skadden, Arps, Slate, Meagher & Flom LLP in Moscow, where he focused on advisory and transactional work in metals & mining and oil & gas sectors. He has lived and worked in Africa and Russia, including a year as a Fulbright scholar, and has spent considerable time in Central Asia.

Mr. Milewski holds a B.A. in Russian history from Brigham Young University, an M.A. in Russian and Central Asian Studies from the University of Washington, and a J.D. from the University of Washington. He holds an LLM in Corporate Finance from the Russian Academy of Sciences.

Mr. Milewski is not an employee of the Company but will perform his duties as an independent contractor. In his capacity as CEO, he will dedicate approximately 85% of his time to the affairs of the Company. Mr. Milewski is not a party to any written non-competition agreement with the Company, but his consulting agreement does contain confidentiality provisions.

Justin Cochrane, *President and COO*

Mr. Justin Cochrane, age 37, has been an officer of the Company since March 31, 2017.

Mr. Cochrane has 15 years of royalty and stream financing, M&A and corporate finance experience. He served as Executive Vice President and Head of Corporate Development of Sandstorm Gold Ltd. for five years. At Sandstorm, he was responsible for the structuring, negotiation and execution of over $500,000,000 of royalty and stream financing contracts around the world, across dozens of projects. He is currently a board and audit committee member of Chatham Rock Phosphate. Prior to Sandstorm, he spent nine years in investment banking and equity capital markets with National Bank Financial where he covered the resource, clean-tech and energy technology sectors.

Mr. Cochrane is a Chartered Financial Analyst, and a registered and licensed security advisor in Canada.

Mr. Cochrane is not an employee of the Company but will perform his duties as an independent contractor. In his capacity as President and COO, he will dedicate approximately 50% of his time to the affairs of the Company. Mr. Cochrane is not a party to any written non-competition agreement with the Company, but his consulting agreement does contain confidentiality provisions.

Cindy Davis, *CFO*

Ms. Davis, age 40, has been the CFO of the Company since April 20, 2017.

Since June 2008, Ms. Davis has provided accounting and financial reporting services for publicly listed companies, through Marrelli Support Services Inc. She is currently a director and audit committee chair for Outdoor Partner Media Corporation; and CFO for each of Royal Road Minerals Limited, CHAR Technologies Ltd., and Pasinex Resources Ltd. Ms. Davis is a Canadian Chartered Professional Accountant, and holds a Bachelor of Science degree specializing in Accounting and Economics from the University of West Indies in Jamaica.

Ms. Davis is not an employee of the Company but will perform her duties as an independent contractor. In her capacity as CFO, she will dedicate approximately 25% of her time to the affairs of the Company. Ms. Davis is not a party to any written non-competition or confidentiality agreement with the Company.

Frank Estergaard, *Director*

Mr. Frank Estergaard, age 77, has been a Director of the Company since April 20, 2017.

Mr. Estergaard is a CPA, CA and a retired partner of KPMG. As an audit partner with KPMG, he provided audit services to clients in a wide range of industries, including mineral exploration and high technology. He also served on the firm's Management Committee and Partnership Board.

Since retirement from KPMG, Mr. Estergaard has provided financial consulting services through Frannan Enterprises Ltd., and has served as CFO for several companies, including Rackforce Networks Ltd. (a private company), and for Metalex Ventures Ltd., (a public company). Mr. Estergaard has also served as a Director and

Chairman of the Audit Committee for QHR Technologies Inc. and Fission Energy Inc. He is currently a Director and Chairman of the Audit Committee for Fission Uranium Corp. and Fission 3.0 Corp. and serves on their Corporate Governance Committees.

Nick French, *Lead Director*

Mr. Nick French, age 64, has been a Director of the Company since April 20, 2017.

Mr. French graduated from Cambridge University in 1975 with an M.A. in Geography (Economic) before spending 22 years with London based trader Wogen Resources Ltd. during which time he rose from trainee to Managing Director and was at the trading desk when the price of cobalt rose from US$5/lb to US$50/lb during an eight-month period during 1978. During the following years, Mr. French was on the cobalt front line as the market developed new directions based upon the opening up of China as it turned from net exporter to net importer and the collapse of the Iron Curtain including the sell-off of the Soviet stockpiles.

In 1999 he became the CEO of SFP Metals Ltd., a creative cobalt specialist trading house. While at SFP Metals, he structured finance deals with African producers, a joint venture with China's largest producer, and various long term contracts with the world's largest producers and consumers. As such, SFP Metals was well placed when the cobalt price ran up to over US$50/lb again in 2008. With SFP Metals as one of the most active global cobalt traders, the "SFP Weekly Cobalt News" publication was for more than a decade distributed to over 350 members of the global cobalt community.

In 2015, Mr. French stepped back to form his own cobalt consultancy, Metal Investment Consultants, and has spent the last two years advising various parties on the structure and potential of the cobalt market with occasional articles published in the industrial press and conference presentations.

Jonathan Hykawy, *Director*

Dr. Jon Hykawy, age 52, has been a Director of the Company since March 24, 2017.

Dr. Hykawy was trained as an experimental physicist and worked at some of the most prestigious laboratories in North America, including the Chalk River Laboratories of Atomic Energy of Canada Limited as well as the Sudbury Neutrino Observatory. He, along with the rest of the Sudbury Neutrino Observatory Collaboration, was awarded the 2016 Breakthrough Prize in Fundamental Physics. He also earned a MBA degree from Queen's University, after which he began working in the financial industry in Toronto. Dr. Hykawy has been an equities analyst on Bay Street since 2000, covering technologies such as batteries and fuel cells, and the critical materials used to manufacture these technologies, including lithium, cobalt and the rare earths.

In particular, Dr. Hykawy has made cobalt and other battery materials a key part of his research focus since 2009, when he helped found Byron Capital Markets, a boutique brokerage operation that specialized in researching the industry and companies involved in various critical material sectors. His current business, Stormcrow Capital Limited, consults with various clients, including private equity investors, large multinational corporations and junior mining companies, who are involved in critical materials. Stormcrow's work includes analysis of supply and demand within a commodity sector, as well as future pricing projections.

Dr. Hykawy is widely quoted on battery materials such as cobalt, and is an invited speaker at such conferences as the 1-2-1 Mining Summit series, the Mines and Money series, the Lithium Supply and Markets series, the Roskill Rare Earths Conferences, the Argus Metals Week and Rare Earth Conferences, and various other events held around the world

John Kanellitsas, *Director*

Mr. John Kanellitsas, age 56, has been a Director of the Company since April 20, 2017.

Mr. Kanellitsas has been involved in the battery materials industry since 2009 and is currently the President and Vice Chairman of Lithium Americas Corp. He has over 25 years of corporate finance and investment management experience. He was a co-founder of Geologic Resource Partners, LLC and served as its Chief Operating Officer from 2004 until 2014, and was previously employed by Sun Valley Gold, LLC and Morgan Stanley & Co. in New York and San Francisco, and General Electric. Mr. Kanellitsas has an MBA from the University of California at Los Angeles and a BS degree in Mechanical Engineering from Michigan State University.

Share Ownership by Directors and Officers

As of the date hereof, our Directors and executive officers, including spouses and associates, as a group beneficially own, directly or indirectly, or exercise control or direction over 142,500 Shares representing 8.58% of the issued and outstanding Shares prior to the Offering; and will own, directly or indirectly, or exercise control or discretion over 0.60% of the issued and outstanding Shares upon completion of the Offering (prior to the issuance of any Over-Allotment Shares or Shares issued pursuant to the Royalty Contracts, and assuming 23,881,394 Shares are outstanding and none of the above persons participates in the Offering).

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of our Directors or executive officers are, as at the date of this Prospectus, or have been within 10 years before the date of this Prospectus, a director, chief executive officer or chief financial officer of any company (including the Company) that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of our Directors, executive officers or Shareholders holding a sufficient number of our securities to materially affect the control of the Company:

(a) is, as at the date of this Prospectus, or has been within the 10 years before the date of this Prospectus, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(b) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the Director, executive officer or Shareholder;

(c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Our Directors are required to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. However, our Directors and officers may serve on the boards and/or as officers of other companies which may compete in the same industry as the Company, giving rise to potential conflicts of interest. To the extent that such other companies may participate in ventures in which we may participate, they may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such conflicts of interest arise at a meeting of our Directors, such conflicts of interest must be declared and the declaring parties must abstain from voting for or against the approval of such participation in compliance with the BCBCA. The remaining Directors will determine whether or not we will participate in any such project or opportunity.

Our Directors and officers are aware of the existence of laws governing accountability of Directors and officers for corporate opportunity and requiring disclosures by Directors of conflicts of interest, and we will rely upon such laws in respect of any Directors' and officers' conflicts of interest or in respect of any breaches of duty by any of our Directors or officers. Such Directors or officers in accordance with the BCBCA will disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Mr. Milewski (our CEO, Chairman and a director) has a conflict of interest in the Company's dealings with Pala Investments in that he is a Managing Director of the investment team at Pala Investments. Pala Investments has agreed to sell cobalt to the Company pursuant to a Cobalt Contract, and has agreed to subscribe for a portion of the Cash Offering resulting in Pala Investments holding approximately19.5% of the outstanding Shares upon completion of the Offering prior to exercise of the Over-Allotment Option.

Advisory Board

The Company has also engaged the following persons to provide specific advice on various aspects of the Company's business:

Robert Mitchell

Mr. Mitchell is Managing Member of Portal Capital, Portfolio Manager of Green Energy Metals Fund and Co-Portfolio Manager of Odysseus Fund. He has over 30 years of experience in the public securities industry and has served as a Portfolio Manager since 2002. He created and launched Adit Capital Management, L.P. in 2004, acting as its Portfolio Manager and has served as the General Partner for Adit Capital Management II, L.P. and Adit Capital Management III, L.P. He founded Portal Capital in 2006 and prior to that was the Chief Investment Officer for Touchstone Investment Managers, LLC in addition to Portfolio Manager, where he compiled a cumulative equity return of over 50% from January 2003 through December 2005. Since 2004, he has had several articles published in Marc Faber's newsletter, "Gloom, Boom & Doom", was profiled in Forbes in 2005, and has been mentioned in the NY Times and Wall Street Journal for his entry into the uranium markets.

Andrew Ferguson

Mr. Ferguson is Executive Director and CEO of APAC Resources Limited, a natural resources investment and commodities business company listed on the Hong Kong Stock Exchange. He has 21 years of experience in the finance industry specializing in global natural resource. In 2003, he co-founded New City Investment Managers in the United Kingdom. He has a proven track record in fund management and was the former co-fund manager of City Natural Resources High Yield Trust, which was awarded "Best UK Investment Trust" in 2006. He also managed New City High Yield Trust Ltd. and Geiger Counter Ltd. He worked for New City Investment Managers CQS Hong Kong, a financial institution providing investment management services to a variety of investors.

Vincent Metcalfe

Mr. Metcalfe is Vice President, Investor Relations at Osisko Gold Royalties Ltd. and CFO at Falco Resources Ltd. He previously was Director of Project Evaluations at Osisko Gold Royalties Ltd. He specializes in mergers and acquisitions, equity financings, corporate development and streaming transactions. He has nine years of investment banking experience, working at Desjardins Securities (VP and Director) and BMO Capital Markets (Analyst) specializing in metals and mining.

Mark Selby

Mr. Selby is the President and CEO of RNC Minerals (formerly Royal Nickel Corporation) advancing one of the few large nickel projects – Dumont. RNC Minerals has also successfully developed a new processing method utilizing roasting to process nickel sulphide concentrates. Prior to joining RNC in 2010 as Senior Vice President, Business Development, he was Vice President, Business Planning & Market Research at Quadra Mining. He is actively sought out as a speaker on the nickel market and recognized as one of a limited set of global nickel market experts. He was a Director, Market Research at Inco from 2001 to 2004. Inco is recognized as one of first mining companies to understand China's impact on the nickel market. At Inco, he took over as Vice President, Strategy and led the corporate development group in early 2005 through 2007 during the Inco/Falconbridge merger and various corporate combinations thereafter.

Neil Warburton

Mr. Warburton is a Non-Executive Director of Independence Group (IGO), a diversified mining company. He is a qualified mining engineer with 35 years' experience in gold and nickel development and mining. He was CEO at Barminco Limited from 2007 to 2012, where he managed Australian operations and coordinated the international expansion into West Africa and Egypt. He also held a senior executive position at Coolgardie Gold and was a non-executive director of Sirius Resources NL, Peninsular Energy Limited and non-executive chairman of Red Mountain Mining Ltd. He is currently a non-executive director of Australian Mines Limited, Namibian Copper Limited and Flinders Mines Ltd.

Phil Day

Mr. Day is Vice President, Technical and Operations Team at Pala Investments, which he joined in 2014 and has been directly involved in operations and development with several portfolio companies. He has over 20 years of experience in mining projects globally, focusing on operations, design and consulting. Prior to joining Pala, he worked for AMEC Americas as Vice President for Process Engineering. He has managed a number of major projects, including the expansion of Corrego do Sito, the $1 billion Gramalote gold study for Anglo Gold Ashanti and the $2 billion ammonia leach expansion of Tenke Copper project for Freeport-McMoRan. He has also had operational, managerial and technical roles for BHP Billiton, WMC Resources, Minara Resources and Wiluna Gold, gaining exposure to various commodities.

Stephen Gill

Mr. Gill is a Managing Partner at Pala Investments, and has been at Pala Investments since 2008, during which time he has been involved in structuring many of Pala Investments' principal investments covering a range of commodities, with a particular focus on technology-related metals and non-exchange traded commodities including titanium feedstocks, tin, cobalt and lithium. Key transactions include, Pala Investments' investments in Sierra Rutile Limited (AIM: SRX), Asian Mineral Resources Limited (TSX: ASN) and African Thunder Platinum Limited. Mr. Gill has also supported many of Pala Investments' investee companies in defining and implementing strategic initiatives, including the expansion of Dumas Mining's business through a series of acquisitions, the turn-around of Asian Mineral Resources Limited's Ban Phuc nickel project, and the evolution of Sierra Rutile's dry mining business model. Mr. Gill is currently a director of Nevada Copper Corp. and Kasbah Resources Limited (ASX: KAS), and was previously a director of Sierra Rutile Limited and Asian Mineral Resources Limited.

Dr. Prabhakar Patil

Dr. Patil served as the CEO of LG Chem Power Inc. (LGCPI), the North American subsidiary of lithium-ion battery maker, LG Chem (LGC), Korea from 2005 until 2015. During that period he was responsible for the strategic direction, business development, engineering, and manufacturing activities. He later served as Senior Advisor to LGCPI until December of 2016.

Prior to joining LGCPI in 2005, Dr. Patil spent his entire professional career of 27 years at the Ford Motor Company in various engineering and management positions. He served as chief engineer for Ford's hybrid technologies during 2003 and was also chief engineer for the Ford Escape hybrid from 1998 to 2003.

Dr. Patil received his undergraduate degree from the Indian Institute of Technology, Bombay, and his PhD in Aerospace Engineering from the University of Michigan, Ann Arbor. He has 18 patents, published 27 articles and received the Henry Ford Technology Award in 1991 for his work in Electric Vehicle Powertrain Development. He was elected a Fellow by the Society of Automotive Engineers (SAE) in 2007

Arlington Group Asset Management Limited

In addition, Arlington Group Asset Management Limited will serve as a corporate advisor to the Company to provide certain advice from time to time regarding management roles, board composition, marketing, financings, potential investors, streaming and royalty acquisitions and general corporate matters.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following discussion describes the expected significant elements of the Company's executive compensation program upon Closing, with particular emphasis on the process for determining compensation payable to the Named Executive Officers. Looking forward, the Named Executive Officers are expected to be: (a) Anthony Milewski (Chairman and CEO); (b) Justin Cochrane (President and COO); and (c). Cindy Davis (CFO).

Compensation Philosophy and Objectives

The Company's approach to executive compensation will be to "pay for performance". Accordingly, salary will generally be positioned near market median levels, while variable compensation opportunity (short and long-term incentives) will be structured to provide above-market total compensation for high levels of corporate performance. Compensation elements will be designed to balance the following compensation objectives:

- total compensation realization will be aligned with the overall performance of the Company;
- compensation programs will encourage a long-term view to Shareholder value creation as a significant portion of each executive's variable pay will be equity-based and executives will be required to have a significant personal financial interest in the Company; and
- compensation programs will facilitate the attraction, retention and motivation of experienced and talented executives who will, in turn, drive Shareholder value creation.

Compensation Benchmarking

The Compensation and Corporate Governance Committee will, as part of its annual compensation review process, benchmark the compensation levels and practices of companies that can be considered reasonably similar to the Company. See "*Statement of Corporate Governance Practices–Board Committees–Compensation and Corporate Governance Committee*" for a more detailed description of the Compensation and Corporate Governance Committee's mandate.

In selecting a group of companies and/or sectors to benchmark, the Compensation and Corporate Governance Committee will consider characteristics and variables such as:

- Canadian-based, publicly-traded organizations operating in the same sector;
- organizations of similar size and with a similar scope of operations; and
- organizations from which future executives may reasonably be expected to be recruited from or to which the Company could reasonably expect to otherwise be in competition with for senior-level talent.

The compensation benchmark information derived from such sources will not necessarily be directly acted upon by the Compensation and Corporate Governance Committee, but will be one of a number of factors that the committee will consider from time to time in its review of executive compensation.

No benchmarking was used for purposes of setting the compensation payable to the Named Executive Officers for the next 12 months, as set forth below.

Share-Based Compensation Arrangements

Stock Option Plan

The Company currently has a 10% "rolling" stock option plan (the "**Stock Option Plan**") which will be used to provide additional long-term incentives to executive officers and other employees of the Company. Options will be granted based on the same criteria as base salary, with a greater emphasis on the applicable employee's performance during the year. Previous grants will be considered when contemplating new grants of options. Options will be granted to provide additional compensation to employees when the Company performs well. This element of incentive compensation is not only designed to reward employees for past-performance, but is also designed to provide increased incentive to continue to strive to improve the Company's success.

LTIP

The Company may adopt a LTIP to provide additional long-term incentives to Directors, executive officers and employees of the Company. Pursuant to the LTIP, participants will be entitled to receive RSUs, PSUs and/or DSUs, which will fluctuate with the market price of the Shares and are therefore aligned with the interests of the Shareholders. Such RSUs, PSUs and DSUs, which will be equity based awards, will be settled in cash and therefore non-dilutive to Shareholders. Previous grants will be considered when contemplating new grants of RSUs, PSUs or DSUs. Executive officers and employees will be eligible to receive RSUs and PSUs while only non-executive Directors will be eligible to receive DSUs.

Performance Incentives

Annual or periodic incentives may be paid in cash to recognize short-term efforts and milestone achievements that are aligned with the long-term success of the Company. Initially, in the early stages of the Company's development, annual performance incentive payments will be determined by the Compensation and Corporate Governance Committee based upon a discretionary assessment of individual and corporate performance. As the Company matures, a more formal target-setting and performance assessment process will be implemented.

Pension, Benefits and Perquisites

The Company does not currently have a pension plan or other post-employment compensation in place for any of its employees. The Compensation and Corporate Governance Committee will annually review the benefits provided to NEOs, which will generally be the same as those provided to other employees of the Company. The Company offers only limited perquisites to the Named Executive Officers, and only where the Company believes such perquisites are market competitive and promote the retention of the NEOs or promote the efficient performance of their duties. The Company does not believe that perquisites and benefits should represent a significant portion of the compensation package for Named Executive Officers. Looking forward, in the next 12 months, Named Executive Officers' perquisites and benefits are expected to represent less than 10% of total compensation for the NEOs.

Directors' Compensation

The Company intends to offer its Directors with sufficient compensation to attract and retain their services. The Compensation and Corporate Governance Committee is responsible for reviewing and approving any changes to director compensation arrangements. Unlike compensation for the Named Executive Officers, the Directors' compensation program is not designed to pay for performance; rather, Directors receive retainers for their services in order to help ensure unbiased decision-making.

Directors of the Company will be paid an annual Board retainer fee of $36,000, with committee chair fees to be paid $60,000 per year.

Directors' and Named Executive Officers' Compensation

During the two most recently completed financial years ended April 30, 2017 and 2016, our Named Executive Officers were Carl von Einsiedel as CEO until April 20, 2107; Anthony Milewski as CEO since April 20, 2017, James Henderson as CFO until July 2016, Kathryn Witter as CFO from July 2016 to April 20, 2017; and Cindy Davis as CFO since April 20, 2017. The following table sets forth all annual and long-term compensation for services paid to or earned by our NEOs and Directors, excluding compensation securities, during the two most recently completed financial years ended April 30, 2017 and 2016:

Table of compensation excluding compensation securities							
Name and position	**Period Ended (m/d/y)**	**Salary, consulting fee, retainer, commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compen-sation[1] ($)**	**Total compen-sation ($)**
Anthony Milewski *CEO and Director*	04/31/17 04/31/16	nil n/a	nil n/a	nil n/a	nil n/a	$67,690[2] n/a	$67,690 n/a
Carl von Einsiedel *Former CEO and Director*	04/31/17 04/31/16	nil nil	nil nil	nil nil	nil nil	$nil $38,500	$nil $38,500
Cindy Davis *CFO*	04/31/17 04/31/16	nil n/a	nil n/a	nil n/a	nil n/a	$1,000[5] n/a	$1,000 n/a
Kathryn Witter[4] *Former CFO*	04/31/17 04/31/16	$58,000 $52,000	n/a n/a	n/a n/a	n/a n/a	n/a n/a	$58,000 $52,000
James Henderson[3] *Former CFO and Director*	04/31/17 04/31/16	nil nil	nil nil	nil nil	nil nil	nil $38,500	nil $38,500
Michael Shmazian[3] *Former Director*	04/31/17 04/31/16	nil nil	nil nil	nil nil	nil nil	$nil $38,500	$nil $38,500
Benjamin Hill[6] *Former Director*	04/31/17 04/31/16	nil nil	nil nil	nil nil	nil nil	$nil $35,000[5]	$nil $35,000[5]
Ray Wladichuk[7] *Former Director*	04/31/17 04/31/16	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a
Nick French[8] *Director*	04/31/17 04/31/16	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a
Jonathan Hykawy[8] *Director*	04/31/17 04/31/16	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a
John Kanellitsas[8] *Director*	04/31/17 04/31/16	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a
Frank Estergaard[8] *Director*	04/31/17 04/31/16	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a	nil n/a

1. Directors' fees of $3,500 per month per Director until the end of March, 2016. All Directors' fees were accrued and not paid, and formed part of the Company's accounts payable.
2. Paid to Black Vulcan Resources, a private company controlled by Mr. Milewski.
3. Resigned July 2016.
4. Appointed July 2016. Prior thereto, received consulting fees through Marketworks, Inc. for bookkeeping services. Ceased to be CFO on April 20, 2017.

4. Elected as a Director in May 2015, and received Director fees of $3,500 per month until the end of March, 2016. Ceased to be a director on March 24, 2017.
5. Paid to Marrelli Support Services, the employer of Cindy Davis.
6. Paid to Ariel Partners Pty, a private company controlled by Mr. Hill.
7. Appointed July 2016. Ceased to be a director on April 20, 2017.
8. Appointed April 20, 2017.

The following table discloses all compensation securities granted or issued to each NEO and director by the Company in the most recently completed financial year ended April 30, 2017 for services provided or to be provided, directly or indirectly, to the Company:

Compensation Securities[1]							
Name and position[2]	**Type of compen-sation security**	**Number of compensation securities, number of underlying securities[3], and percentage of class[4]**	**Date of issue or grant**	**Issue, conversion or exercise price[1] ($)**	**Closing price of security or underlying security on date of grant[1] ($)**	**Closing price of security or underlying security at year end[1] ($)**	**Expiry date**
Anthony Milewski *CEO and Director*	stock options	33,000 / 20.77%	03/31/17	$4.33	$4.33	$4.33	03/31/22
Carl von Einsiedel *Former CEO and Director*	stock options	1,500 / 0.94%	03/31/17	$4.33	$4.33	$4.33	03/31/22
Cindy Davis *CFO*	stock options	nil	n/a	n/a	n/a	n/a	n/a
Kathryn Witter *Former CFO*	stock options	3,617 / 2.28%	03/31/17	$4.33	$4.33	$4.33	03/31/22
James Henderson *Former CFO and Director*	stock options	nil	n/a	n/a	n/a	n/a	n/a
Michael Shmazian *Former Director*	stock options	nil	n/a	n/a	n/a	n/a	n/a
Benjamin Hill *Former Director*	stock options	nil	n/a	n/a	n/a	n/a	n/a
Ray Wladichuk *Former Director*	stock options	nil	n/a	n/a	n/a	n/a	n/a
Nick French *Director*	stock options	7,500 / 4.72%	03/31/17	$4.33	$4.33	$4.33	03/31/22
Jonathan Hykawy *Director*	stock options	3,750 / 2.36%	03/31/17	$4.33	$4.33	$4.33	03/31/22
John Kanellitsas *Director*	stock options	3,750 / 2.36%	03/31/17	$4.33	$4.33	$4.33	03/31/22
Frank Estergaard *Director*	stock options	3,750 / 2.36%	03/31/17	$4.33	$4.33	$4.33	03/31/22

1. All figures take into account the 3:1 forward split of the Company's outstanding common shares on April 10, 2017, and the 20:1Cconsolidation. All figures also reflect the number of options held by each individual as of April 30, 2017. None of the options are subject to any vesting restrictions.
2. Stock options were issued to the individuals who were not an officer or director as of March 31, 2017 in their capacities as consultants, prior to them becoming directors or officers of the Company.
3. Each option entitles the holder to acquire one Share.
4. A total of 158,867 options were granted on March 31. 2017.

No compensation securities were repriced, cancelled and replaced, had its term extended, or otherwise were materially modified during the fiscal year ended April 30, 2017.

There were no compensation securities exercised by any NEO or Director by the Company in the most recently completed financial year ended April 30, 2017.

Forecast Summary Compensation Table

Based on the information available as of the date of this Prospectus, the following table sets forth information concerning the expected initial annualized compensation of the Named Executive Officers and Directors (excluding compensation securities) for the next 12 months:

Table of compensation excluding compensation securities							
Name and position	**Period Ending (m/d/y)**	**Salary, consulting fee, retainer, commission ($)**	**Bonus[1] ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**Value of all other compen-sation[1] ($)**	**Total compen-sation ($)**
Anthony Milewski *CEO and Director*	03/31/18	250,000	annual	n/a	nil	nil	250,000
Justin Cochrane *President and COO*	03/31/18	120,000	annual	n/a	nil	nil	120,000
Cindy Davis *CFO*	03/31/18	30,000	n/a	n/a	nil	nil	30,000
Nick French *Director*[2]	03/31/18	60,000	n/a	n/a	nil	nil	60,000
Jonathan Hykawy *Director*	03/31/18	36,000	n/a	n/a	nil	nil	36,000
John Kanellitsas *Director*	03/31/18	36,000	n/a	n/a	nil	nil	36,000
Frank Estergaard *Director*[3]	03/31/18	60,000	n/a	n/a	nil	nil	60,000

1. The amount of bonuses to be paid or payable has yet to be determined; however, each of the NEOs will be eligible for an annual cash bonus to be determined by the Compensation and Corporate Governance Committee.
2. Chair of the Compensation and Corporate Governance Committee.
3. Chair of the Audit Committee.

Stock Option Plan and Other Incentive Plans

The underlying purpose of the Stock Option Plan is to attract and motivate the Directors, officers, employees and consultants of the Company and to advance the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Stock Option Plan.

The material terms of the Stock Option Plan are as follows:

1. The aggregate maximum number of options which may be granted under the Stock Option Plan at any one time is 10% of the number of Shares the Company has outstanding at the time of grant.
2. The term of any options granted under the Stock Option Plan will be fixed by the Board at the time such options are granted, provided that options will not be permitted to exceed a term of ten years.
3. The exercise price of any options granted under the Stock Option Plan will be determined by the Board, in its sole discretion, but shall not be less than the closing price of the Company's Shares on the day preceding the day on which the Directors grant such options, less any discount permitted by the TSX-V to a minimum of $0.05 per share.
4. No vesting requirements need apply to options granted thereunder, save for options granted to persons performing investor relations activities for the Company.
5. All options will be non-assignable and non-transferable.
6. Options exercisable for no more than (i) 5% of the issued Shares may be granted to any one individual in any 12 month period; and (ii) 2% of the issued Shares may be granted to a person performing investor relations activities or to any one consultant, in any 12 month period.
7. If the option holder ceases to be a Director, officer, employee, consultant or management company employee of the Company (other than by reason of death), then the option granted shall expire on no later than the 90th day following the date that the option holder ceases to be a Director of the Company, subject to the terms and conditions set out in the Stock Option Plan. If the option holder is engaged in investor relations activities, then the option granted shall expire on no later than the 30th day following the date that the option holder ceases to be employed or contracted by the Company, subject to the terms and conditions set out in the Stock Option Plan.
8. Disinterested Shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders, within a 12 month period, exceeding 10% of the Company's issued Shares; and (iii) any grant of options to any one individual, within a 12 month period, exceeding 5% of the Company's issued Shares.
9. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's Shares.

TSX-V policies require the Stock Option Plan to be approved annually at the Company's general Shareholders' meeting. The Stock Option Plan was last approved by Shareholders at the Company's annual general meeting held May 18, 2017.

Historically, the Company has had no other plan providing for the grant of SARs, DSUs, RSUs or any other incentive plan or portion of a plan under which awards are granted.

Subject to the applicable rules of the TSX-V, the Board may from time to time, in its absolute discretion and without the approval of the Shareholders, make amendments to the Stock Option Plan or any option including, without limitation, the following:

- any amendment to the vesting provisions of the Stock Option Plan and any option agreement, including to accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of an option;
- any amendment to the Stock Option Plan or an option as necessary to comply with applicable law or the requirements of the TSX-V or any other regulatory body having authority over the Company, the Stock Option Plan or the Shareholders;

- any amendment to the Stock Option Plan and any option agreement to permit the conditional exercise of any option;
- any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Stock Option Plan, correct or supplement any provision of the Stock Option Plan that is inconsistent with any other provision of the Stock Option Plan, correct any grammatical or typographical errors or amend the definitions in the Stock Option Plan regarding administration of the Stock Option Plan;
- any amendment respecting the administration of the Stock Option Plan; and
- other amendment to the Stock Option Plan or any option agreement that does not require the approval of Shareholders.

Approval of the Shareholders will be required for the following amendments to the Stock Option Plan or any option:

- any increase in the number of Shares reserved for issuance under the Stock Option Plan;
- any amendment to the insider participation limits set forth in the Stock Option Plan;
- any reduction in the exercise price per Share of an option, cancellation and reissue of options or substitution of options with cash or other awards on terms that are more favourable to the holders of options;
- any extension of the expiry of an option, except as otherwise provided by the Stock Option Plan;
- an amendment that would permit options to be transferable or assignable other than for normal estate settlement purposes;
- any amendment that would materially modify the eligibility requirements for participation in the Stock Option Plan;
- an amendment to any of the amending provisions of the Stock Option Plan; and
- such other matters in respect of which the TSX-V may require approval by the Shareholders.

Subject to the foregoing amendment provisions, the Board may, at any time and from time to time, without the approval of the Shareholders, suspend, discontinue or amend the Stock Option Plan or an option; provided it may not do so in a manner that would materially adversely affect any option previously granted to a grantee under the Stock Option Plan, and any such suspension, discontinuance or amendment of the Stock Option Plan or amendment to an option shall apply only in respect of options granted on or after the date of such suspension, discontinuance or amendment.

Forecast Compensation Securities

The table entitled "Compensation Securities" under the heading "*Directors' and Named Executive Officers' Compensation"* above sets forth information concerning the current compensation securities held by the Named Executive Officers and Directors. It is anticipated that following closing of the Offering, additional incentive stock options will be granted.

Employment, Consulting and Management Agreements

There were no agreements or arrangement in place under which compensation was provided during the most recently completed financial year ended April 30, 2017, or which was payable in respect of services provided to the Company that were performed by a Director or NEO, or performed by any other party but were services typically provided by a Director or a NEO, save and except that the Company has entered into the following agreements for the provision of management services to the Company:

The Company has entered into a consulting agreement with Black Vulcan Resources dated April 20, 2017, whereby the services of Mr. Milewski will be made available as Chairman and Chief Executive Officer of the

Company, for which a base fee of $250,000 per year will be paid. Black Vulcan Resources will also be eligible for an annual bonus based on Mr. Milewski achieving targets and milestones as determined by the Compensation and Corporate Governance Committee. In addition, Mr. Milewski will be eligible to participate in the Stock Option Plan.

The Company has entered into a consulting agreement with Abingdon Capital Corporation ("Abingdon"); dated April 20, 2017, whereby the services of Mr. Cochrane will be made available as President and COO of the Company, for which a base fee of $120,000 per year will be paid. Abingdon will also be eligible for an annual bonus based on Mr. Cochrane achieving targets and milestones as determined by the Compensation and Corporate Governance Committee. In addition, Mr. Cochrane will be eligible to participate in the Stock Option Plan.

The Company has entered into a consulting agreement with Marrelli Support Services Inc. and Cindy Davis dated April 18, 2017, whereby the Company will pay an annual fee of $30,000 for the services of Ms. Davis as CFO of the Company. Ms. Davis will be eligible to participate in the Stock Option Plan.

The Compensation and Corporate Governance Committee has not established, as of the date of this Prospectus, the criteria or milestones for the determination of bonuses to be paid to Named Executive Officers.

Pension disclosure

The Company does not provide any form of pension to any of its Directors or Named Executive Officers.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Prospectus, and during the most recently completed financial year ended April 30, 2017:

(i) no Director or officer of the Company, or any associate or affiliate of such person, is or was indebted to the Company in connection with the purchase of securities of the Company or for any other purpose; and

(ii) no indebtedness to any other entity by any executive officer, Director, employee or former executive officer, Director or employee is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

AUDIT COMMITTEE

Pursuant to the rules of the TSX-V and Applicable Securities Laws, and in particular National Instrument 52-110 - *Audit Committees* ("NI 52-110"), we are required to have an Audit Committee comprised of at least three directors, the majority of whom must not be officers or employees of the Company. The Audit Committee must operate pursuant to the provisions of a written charter, which sets out its duties and responsibilities. A copy of the charter is set out in Schedule "C" hereto.

Composition of the Audit Committee

The Audit Committee is presently comprised of Frank Estergaard (Chair), Jonathan Hykawy, and John Kanellitsas. All members of the Audit Committee are independent Directors of the Company within the meaning of NI 52-110. All members of the Audit Committee are financially literate. The members of the Audit Committee are elected by the Board at its first meeting following each annual Shareholders' meeting to serve one year terms and are permitted to serve an unlimited number of consecutive terms.

Relevant Education and Experience

The members of the Audit Committee have the following education and experience that is relevant to the performance of his or her responsibilities as an audit committee member:

Frank Estergaard (Chairman)

Mr. Estergaard is a CPA, CA and a retired partner of KPMG. Over a 38 year career with KPMG culminating with his role as an audit partner, he provided audit services to clients in a wide range of industries, including mineral exploration and high technology across Canada and internationally. He also served on the firm's Management Committee and Partnership Board. Following his retirement from KPMG, Mr. Estergaard has served as a Director and Chairman of the audit committee for Fission Uranium Corp. (TSX:FCU), Fission 3.0 (TSX-V:FUU) and QHR Technologies Inc. (TSX-V:QHR), CFO for Metalex Ventures Ltd. (TSX-V:MTX) and CFO and/or Director for several private entities, including Okanagan Capital Fund (VCC) Inc., Rackforce Networks Inc., Wear Air Oxygen Inc. and Wear Air Industrial Inc. Mr. Estergaard holds a B.Com from the University of British Columbia and was granted the designation of a Chartered Accountant in British Columbia in 1965 and in Ontario in 1989.

John Kanellitsas

Mr. Kanellitsas is the Vice Chairman and President of Lithium Americas Corp. (TSX:LAC). In this role he has provided strategic, financial and operational leadership that has built Lithium Americas Corp. into an emerging, publicly listed lithium company. Previous to his current role Mr. Kanellitsas served as the CEO of Lithium Americas Corp until its merger with Western Lithium USA Corporation in September 2015. Mr. Kanellitsas has an extensive finance background having spent over 25 years in investment banking and fund management. He was a founder and partner of Geologic Resource Partners, LLC and served as its Chief Operating Officer from 2004 until 2014. Prior thereto, he was employed by Sun Valley Gold, LLC and Morgan Stanley & Co. in New York and San Francisco. Mr. Kanellitsas has a Masters of Business Administration from the University of California in Los Angeles and a BS degree in Mechanical Engineering from Michigan State University.

Jonathan Hykawy

Mr. Hykawy is Founder, President and Director of Stormcrow Capital Limited in Toronto, a consulting and research firm with a focus on battery materials, such as lithium, cobalt and graphite. Mr. Hykawy has over 14 years of finance experience through an extensive sell-side banking career. Prior to founding Stormcrow, he was the Head of Global Research at Byron Capital Markets, and held various management positions at Catch the Wind Inc., Research Capital Corp. and Canaccord Genuity. Mr. Hykawy holds a PhD in physics and an MBA from Queen's University.

Audit Committee Oversight

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

At no time has the Company relied on any exemption contained in NI 52-110, other than that which exempts "venture issuers" from the requirements regarding the composition of the Audit Committee and certain disclosure obligations.

Pre-Approval Policies and Procedures

The Committee has not adopted specific policies and procedures for the engagement of the auditor to provided non-audit services (see "*External Auditor Service Fees (By Category)*" below). Rather, it determines if the auditors can or will provide such service and seeks competitive pricing quotes.

External Auditor Service Fees (By Category)

The aggregate fees billed by our external auditors for audit and other fees during the past two most recently completed financial years ended April 30, 2017 and 2016 are as follows:

Period Ended	Audit Fees	Audit Related Fees[1]	Tax Fees[2]	All Other Fees[3]
April 30, 2017	$10,000	$nil	$500	$nil
April 30, 2016	$10,500	$nil	$500	$nil

1. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
2. Fees charged for tax compliance, tax advice and tax planning services.
3. Fees for services other than disclosed in any other column.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with day-to-day management of the Company. National Instrument 58-201 *Corporate Governance Guidelines* ("NI 58-201") establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices.

In accordance with National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") our corporate governance practices are summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate. Following the completion of the Offering, the Board may ultimately determine to implement governance practices, policies, structure and mechanisms which differ from those noted below.

Board of Directors

The Company's Board is currently composed of five Directors: Anthony Milewski, Nick French, Jonathan Hykawy, John Kanellitsas and Frank Estergaard. The Board facilitates its exercise of independent supervision over management by ensuring sufficient representation by Directors independent of management.

NI 58-201 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and is free from any interest, business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NI 58-201 suggests that the board of directors should include a number of directors who do not have interests in either the company or any such significant shareholder. The independent directors would exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary. All of the Directors can be considered to be "independent", except for Anthony Milewski, by reason of him being Chairman and CEO.

The independent Directors may meet separately from the non-independent Directors, as determined necessary from time to time, in order to facilitate open and candid discussion among the independent Directors. No separate meetings of the independent Directors have been held to date. Anthony Milewski, a non-independent Director, acts as the chairman with respect to the conduct of Board meetings. Given the Company's start-up nature, the Board is satisfied as to the extent of independence of its members. The Board is satisfied that it is not constrained in its access to information, in its deliberations, or in its ability to satisfy the mandate established by law to supervise the business and affairs of the Company, and that there are sufficient systems and procedures in place to allow the Board to have a reasonable degree of independence from day-to-day management.

Board Mandate

The Board, either directly or through its committees, is responsible for the supervision of management of the Company's business and affairs with the objective of enhancing Shareholder value. A copy of the mandate of the Board of Directors is attached to this Prospectus as Appendix "B".

Position Descriptions

The Board has not, as of the date of this Prospectus, developed written position descriptions for the chairman with respect to the conduct of Board meetings, or for the chair of any committees. The chairman's role and responsibilities in each instance include reviewing notices of meetings, overseeing meeting agendas, conducting and chairing meetings in accordance with good practices, and reviewing minutes of meetings.

The CEO's general roles and responsibilities are commensurate with the position of CEO of a company comparable in business and size to the Company including overseeing all operations of the Company, and developing and devising the means to implement general strategies for the direction and growth of the Company as instructed by the Board.

Other Reporting Issuer Experience

The following table sets out the Directors of the Company that are currently directors of other reporting issuers in any Canadian or foreign jurisdiction:

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)
Anthony Milewski	Fission Uranium Corp.	TSX
John Kanellitsas	Lithium Americas Corp.	TSX
Frank Estergaard	Fission Uranium Corp. Fission 3.0 Corp.	TSX TSX-V

Nomination of Directors

The Company's management is continually in contact with individuals involved with public sector issuers. From these sources, management has made numerous contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board. The Company conducts due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, integrity of character and a willingness to serve.

Board Committees

At present, the Company has an Audit Committee and a Compensation and Corporate Governance Committee. The Company may create other committees in the future. The Audit Committee is described above.

Compensation and Corporate Governance Committee

The members of the Compensation and Corporate Governance Committee will be: Messrs. Nick French (Chair), Frank Estergaard, and John Kanellitsas. Each of the members of the Compensation and Corporate Governance Committee is independent within the meaning of NI 58-101. The Compensation and Corporate Governance Committee's mandate is to, among other things, assess and formulate and make recommendations to the Board in respect of corporate governance, compensation issues related to the Company's officers and employees, compensation and other issues relating to the Company's Directors. In addition to any other duties and authorities delegated to it by the Board from time to time, the Compensation and Corporate Governance Committee's mandate includes:

- reviewing and recommending to the Board, on a non-binding basis, changes to its mandate, as considered appropriate from time to time;

- reviewing and making recommendations to the Board on the Company's general compensation philosophy and overseeing the development and administration of compensation programs;
- overseeing the preparation of and recommending to the Board any required disclosures of governance practices to be included in any disclosure document of the Company, as required;
- reviewing the senior management and Board compensation policies and/or practices followed by the Company and seeking to ensure such policies are designed to recognize and reward performance and establish a compensation framework, which results in the effective development and execution of a Board-approved strategy;
- seeking to ensure that base salaries are competitive relative to the industry and that bonuses, if any, reflect industry-competitive cash composition relative to corporate performance and considering individual performance in the context of the overall performance of the Company;
- establishing the milestones and criteria for the payment of bonuses;
- developing, for review and approval of the Board, a written position description for the CEO;
- annually evaluating the Company's and the senior executives' performance by the degree that the Company's strategy (as proposed and justified by Management and modified and approved by the Board) and value growth performance (as compared to its peers including other Canadian public companies of a similar size and other Canadian mining or oilfield services companies of a similar size in general and also the Canadian mining or oilfield services companies with the most similar scope of business) differentiate;
- annually reviewing and recommending to the Board an evaluation of the performance of senior executives and providing recommendations for annual compensation based on such evaluation and other appropriate factors;
- administering any share-based compensation plan and such other compensation plans or structures for non-senior executive employees as are adopted by the Company from time to time in accordance with the terms of the applicable plan or structure, including the recommendation to the Board of the grant of options or other compensation in accordance with the terms of the applicable plan or structure;
- regularly reviewing all incentive compensation plans and share-based plans and, in its discretion, making recommendations to the Board for consideration;
- reviewing employee benefit plans and reports and, in its discretion, making recommendations to the Board for consideration;
- identifying any compensation plans or practices that could encourage senior executives or other individuals to take inappropriate or excessive risks;
- identifying any other risks that may arise from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company;
- overseeing and approving a report prepared by management on senior executive compensation on an annual basis in connection with the preparation of the annual management information circular or as otherwise required pursuant to Applicable Securities Laws;
- reviewing in advance all proposed executive compensation disclosure;
- reviewing and recommending to the Board the compensation of the Board members, including annual retainer, meeting fees, share-based compensation and other benefits conferred upon the Board members;
- reviewing annually the effectiveness of the CEO and, in consultation with the CEO, other senior management and other executive officers, including their contributions, performance and qualifications;
- considering such other human resource matters as are delegated to the Compensation and Corporate Governance Committee by the Board, for review or recommendation, as considered appropriate from time to time;

- reviewing, on a periodic basis, the size and composition of the Board, making recommendations as to the number of independent directors and advising the Board on filling vacancies;
- facilitating the independent functioning of the Board, including by assessing which Directors are independent Directors and which independent Directors serve the Board as a matter of duty to a third-party and identifying areas of conflict of interest between the Company and any such third parties, and seeking to maintain an effective relationship between the Board and senior management of the Company;
- reviewing, annually, the mandates of the Board and its committees and the position descriptions for the Chair of the Board and the Chair of each committee and recommending to the Board such amendments to those mandates and position descriptions as it believes are necessary or desirable;
- assessing, annually, the effectiveness of the Chair of the Board, the Board as a whole, all committees of the Board and the contribution, competency, skill and qualification and, if applicable, position distributions, of individual Directors, including making recommendations where appropriate that a sitting Director be removed or not be re-appointed;
- reviewing, on a periodic basis, the Company’s code of business conduct and ethics, recommending to the Board any changes thereto as considered appropriate from time to time, ensuring that management has established a system to monitor compliance with the code of business conduct and ethics, and reviewing management’s monitoring of the Company’s compliance with the code of business conduct and ethics;
- establishing a process for direct communications with Shareholders and other stakeholders, including through any whistleblower policy;
- developing processes to address any conflict of interest and to periodically review such processes;
- reviewing, on a periodic basis, senior management succession plans;
- reviewing and submitting to the Board, as a whole, recommendations concerning executive and board compensation, compensation plan matters and corporate governance; and
- considering, in recommending to the Board suitable candidates to be nominated for election as Directors at the next annual meeting of Shareholders: (a) the competencies and skills considered necessary for the Board, as a whole, to possess, (b) the competencies and skills of the existing members of the Board, (c) the needs of the Board and the competencies and skills each new nominee will bring to the boardroom, and (d) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board.

Consultants may be periodically retained to assist the Compensation and Corporate Governance Committee in fulfilling its responsibilities.

Orientation and Continuing Education

The Compensation and Corporate Governance Committee is responsible for the orientation and continuing education of the members of the Board. As new Directors join the Board, they are provided with, among other things, corporate policies, historical information about the Company, information on the Company’s performance and its strategic plan and an outline of the general duties and responsibilities entailed in carrying out their duties.

The Company encourages Directors to attend, enroll or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each Director of the Company has the responsibility for ensuring that he or she maintains the skill and knowledge necessary to meet his or her obligations as a Director.

Ethical Business Conduct

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to management to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical business conduct. In connection with its commitment to ensuring the ethical operation of the Company, the Board has adopted a code of business conduct and ethics, a copy of which will be made available under the Company's profile at www.sedar.com. Any reports of variance from the code of business conduct and ethics are to be reported to the Board.

The Board monitors compliance with the code of business conduct and ethics through reports of management to the Board and requires that all Directors, officers and designated employees provide an annual certification of compliance with the code. A Director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the Director becomes aware of it. In situations where a Director has a material interest in a matter to be considered by the Board or any committee on which he or she serves, such Director may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with the relevant provisions of the BCBCA regarding conflicts of interest.

The Board expects to adopt a whistleblower policy to provide employees, clients and contractors with the ability to report, on a confidential and anonymous basis, any violation within the Company including (but not limited to), criminal conduct, falsification of financial records or unethical conduct. The Board believes that providing a forum for employees, clients, contractors, officers and Directors to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct.

Nomination of Directors

The Compensation and Corporate Governance Committee is responsible for selecting nominees for election to the Board, for recommending suitable candidates for nomination for election or appointment as Director, and for recommending the criteria governing the overall composition of the Board. In making such recommendations, the Compensation and Corporate Governance Committee considers: (a) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; (b) the competencies and skills that the Board considers to be necessary for each existing Director to possess; (c) the competencies and skills that each new nominee will bring to the Board; and (d) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board.

The Compensation and Corporate Governance Committee also reviews on a periodic basis the composition of the Board, and analyzes the needs of the Board and recommends nominees who meet such needs.

Board Assessments

To date, a formal process of assessing the Board and its committees, or the independent Directors has not been implemented, and the Board has satisfied itself that the Board, its committees and individual Directors are performing effectively through informal discussions.

Within the next 12 months the Compensation and Corporate Governance Committee will establish and implement procedures to evaluate the performance and effectiveness of the Board, its committees and the contributions of individual Directors. The Compensation and Corporate Governance Committee will also take reasonable steps to evaluate and assess, on an annual basis, Directors' performance and the effectiveness of the Board, its committees, the individual Directors, the Chair and the committee chairs. The assessment will address, among other things, individual Director independence, individual Director and overall Board skills and individual Director financial literacy. The Board will receive and consider the recommendations from the Compensation and Corporate Governance Committee regarding the results of such evaluations.

Majority Voting Policy

The Company will adopt a majority voting policy, which requires that any nominee for Director who receives a greater number of votes withheld than for his or her election shall tender his or her resignation to the chair of the Board following the meeting of Shareholders at which the Directors were elected. This policy applies only to uncontested elections, meaning elections where the number of nominees for Director is equal to the number of Directors being elected. The Compensation and Corporate Governance Committee and the Board shall consider the resignation, and whether or not it should be accepted. In doing so, the Compensation and Corporate Governance Committee may consider any stated reasons as to why Shareholders withheld votes from the election of the relevant

Director, continued compliance with applicable corporate and securities laws, if the Director is a key member of an established, active special committee which has a defined term or mandate and accepting the resignation of such Director would jeopardize the achievement of the special committee's mandate, and any other factors that the members of the Compensation and Corporate Governance Committee consider relevant. The nominee shall not participate in any committee or Board deliberations pertaining to the consideration of the resignation. Resignations are expected to be promptly accepted except in situations where extraordinary circumstances warrant the applicable Director continuing to serve as a member of the Board. The Board shall disclose its election decision, via press release, within 90 days of the applicable meeting at which Directors were elected. If a resignation is accepted, the Board may appoint a new Director to fill the vacancy created by the resignation. If a Director nominee that is an employee of the Company receives a greater number of votes withheld than in favour during an uncontested election of Directors and is required to tender his or her resignation as Director pursuant to the majority voting policy, then to the extent that no events or circumstances have otherwise occurred that would be grounds for termination for cause, such individual may opt to be deemed to have been terminated from his or her employment without cause and be entitled to the rights and benefits arising under the terms of his or her employment agreement or that may otherwise arise pursuant to applicable laws.

Director Term Limits and Board Renewal

The Board has not adopted Director term limits or other mechanisms of board renewal because:

- having long standing Directors on its Board does not negatively impact board effectiveness and instead contributes to boardroom dynamics such that the Company has for many years had a consistently high performing Board;
- the imposition of Director term limits implicitly discounts the value of experience and continuity amongst Board members and runs the risk of excluding experienced and potentially valuable Board members as a result of an arbitrary determination;
- it is important to retain Directors who hold significant investments in the Company, such that their interests are aligned with the interests of the Shareholders;
- it is important to ensure that Directors with significant and unique business experience in the Company’s industry are retained;
- Directors with the level of understanding of the Company’s business, history and culture acquired through long service on the Board provide additional value; and
- term limits have the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and thereby may provide an increasing contribution to the Board as a whole.

Consideration of Gender in Director Nominations and Executive Appointments

As at the date of this Prospectus, there are no women on the Board, however the Company’s CFO is female. The Company has not adopted formal targets regarding the number of women to be elected to the Board or to be appointed to executive officer positions and the Company does not have written policies regarding the identification and nomination of female Director candidates for election to the Board.

The Compensation and Corporate Governance Committee is focused on finding the most qualified individuals available with skills and experience that will complement the Board and assist it in providing strong stewardship for the Company, with gender being only one of many factors taken into consideration when evaluating individuals as potential Directors. The Company is similarly focused on seeking the most qualified individuals with skills and experience that will be of greatest benefit to the Company, with gender being only one of many factors taken into consideration when evaluating individuals for senior management positions. This approach is believed to be in the best interests of the Company and its stakeholders.

PLAN OF DISTRIBUTION

This Prospectus qualifies the distribution of the Offered Shares. The Company is offering the Offered Shares through the Underwriters, in accordance with the Underwriting Agreement. Subject to the terms and conditions of the Underwriting Agreement, an aggregate of 11,297,805 Shares will be issued and distributed as Cobalt Contract Shares, and the Underwriters have severally agreed to purchase an aggregate of 10,924,420 Shares, at the Offering Price.

Closing is expected to occur on or about June 23, 2017 or such later date as the Company and the Underwriters may agree, however the Shares are to be taken up by the Underwriters, if at all, on or before 90 days following the Effective Date of this Prospectus, at the Offering Price payable in cash or the delivery of physical cobalt to the Company against delivery of the Shares. The Offering Price of the Shares offered under the Offering will be determined by arm's length negotiation between the Company and the Underwriters.

The Underwriters will receive on the Closing Date, a Commission of 6.0% of the gross proceeds realized from Shares issued pursuant to the Cash Offering and 6.0% of the value of the Shares distributed under the Cobalt Shares Offering provided that the first $70 million of the Cobalt Contract Shares issued under the Offering and the sale of 2,270,000 Shares to Pala Investments will be subject to a 1.0% Commission. The fee will be $7,478,502 ($9,278,501 if the Over-Allotment Option is exercised in full). The Commission is payable on Closing. The Company has also agreed to reimburse the Underwriters for their reasonable expenses in connection with the Offering. The Underwriting Agreement also provides that the Company will indemnify the Underwriters, their respective affiliates and each of their respective directors, officers, employees, partners, agents and each other person, if any, controlling an Underwriter or any of its subsidiaries against certain liabilities, claims, actions, complaints, losses, costs, fines, penalties, taxes, interest, damages and expenses in connection with the Offering.

The obligations of the Underwriters are several and not joint or joint and several, are subject to certain closing conditions, and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. If an Underwriter fails to purchase the Shares which it has agreed to purchase, the remaining Underwriters may terminate their obligation to purchase their allotment of Shares, or may, but are not obligated to, purchase the Shares not purchased by the Underwriter or Underwriters which fail to purchase; provided, however, that if the aggregate number of Shares not so purchased is not more than 10% of the Shares agreed to be purchased by the Underwriters, then each of the other Underwriters shall be obliged to purchase severally the Shares not taken up, on a pro rata basis or in such other proportions as they may agree among themselves. The Underwriters are not required to take or pay for the Shares covered by the Over-Allotment Option described below.

The Offering is subject to a number of conditions, including receipt and acceptance of the Shares by the Underwriters, and the Underwriters' right to reject orders in whole or in part and compliance with industry-standard closing conditions. Under the terms of the Underwriting Agreement, an Underwriter may, at its discretion, terminate its obligations under the Underwriting Agreement prior to closing upon the occurrence of certain events, including "material change out", "disaster out", "proceedings to restrict distribution out" and "market out" clauses, and may also be terminated upon the occurrence of certain stated events.

Closing of the Offering is also conditional upon the Company concurrently closing each of the Cobalt Contracts exercised by the Company.

The Underwriters propose to offer the Shares initially at the Offering Price specified on the cover page of this Prospectus. After the Underwriters have made a reasonable effort to sell all of the Shares offered by this Prospectus at such price, the initially stated Offering Price may be decreased, and further changed from time to time, to an amount not greater than such initially stated price, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Shares is less than the gross proceeds paid by the Underwriters to the Company for the Shares. Any such reduction in price will not affect the proceeds received by the Company.

In connection with the Offering, certain of the Underwriters or other securities dealers may distribute this Prospectus electronically.

The Offering is being made in each of the provinces and territories of Canada except Québec through those Canadian Underwriters or their affiliates who are registered to offer the Shares for sale in such provinces and territories and such other registered dealers as may be designated by the Underwriters. Subject to applicable law and the provisions of the Underwriting Agreement, the Underwriters may offer the Shares outside of Canada. Numis is not registered to sell securities in any Canadian jurisdiction and, accordingly, they will only sell Shares outside of Canada on a private placement basis and will not, directly or indirectly, solicit offers to purchase or sell the Shares in Canada. This Prospectus does not qualify the distribution of any Shares sold by Numis outside Canada, and sales to residents of such foreign jurisdictions will be made in reliance on private placement or applicable exemptions in such foreign jurisdictions.

The Shares offered hereby have not been and will not be registered under the U.S. Securities Act or any state securities laws, and may not be offered or sold in the United States, or to, or for the account or benefit of, a "U.S. Person" (within the meaning of Regulation S under the U.S. Securities Act) except in transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. The Underwriting Agreement provides that the Underwriters will not sell the Shares within the United States except in accordance with Rule 144A under the U.S. Securities Act and in compliance with applicable U.S. state securities laws. In connection therewith, the Underwriting Agreement permits the Underwriters to resell the Shares to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in the United States, provided such sales are made in accordance with Rule 144A under the U.S. Securities Act and applicable U.S. state securities laws. Moreover, the Underwriting Agreement provides that the Underwriters will sell Shares outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirement of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement of the U.S. Securities Act.

Upon the completion of the Offering, assuming the Offering is fully subscribed, the Company expects to have a total of 23,881,394 Shares issued and outstanding on a non-diluted basis, and if the Over-Allotment Option is fully exercised, to have 27,214,727 Shares issued and outstanding on a non-diluted basis.

Subscriptions for Shares will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. Shares sold pursuant to the Offering will be registered in the name of CDS and electronically deposited with CDS on the Closing Date using the NCI system. Purchasers of Shares will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Shares is acquired.

Over-Allotment Option

The Company has granted to the Underwriters the Over-Allotment Option, exercisable at the Underwriters' sole discretion, in whole or in part, from time to time, for a period of 30 days after Closing, to purchase from the Company up to an additional 3,333,333 Shares (representing 15% of the Offering) at the Offering Price and on the same terms as set forth above, for the purpose of covering over-allocations, if any, made by the Underwriters in connection with the Offering. The Company has agreed to pay the Underwriters the same Commission for each Over-Allotment Share purchased from it on exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the total "Price to the Public", "Commissions" and "Proceeds Received by the Company" (before deducting the expenses of the Offering and excluding the value of Cobalt Contract Shares) will be $128,319,777, $9,278,501 and $119,041,275, respectively.

This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Shares to be delivered upon the exercise of the Over-Allotment Option. A purchaser who acquires Shares forming part of the Over-Allotment Option acquires such Shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Price Stabilization, Short Positions and Passive Market Making

In connection with the Offering, the Underwriters may over–allocate or effect transactions which stabilize or maintain the market price of the Shares at levels other than those which otherwise might prevail on the open market, including:

- stabilizing transactions;
- short sales;
- purchases to cover positions created by short sales;
- imposition of penalty bids; and
- syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or slowing a decline in the market price of the Shares while the Offering is in progress. These transactions may also include making short sales of the Shares, which involve the sale by the Underwriters of a greater number of Shares than they are required to purchase in the Offering. Short sales may be "covered short sales", which are short positions in an amount not greater than the Over-Allotment Option, or may be "naked short sales", which are short positions in excess of that amount. The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Shares in the open market. In making this determination, the Underwriters will consider, among other things, the price of Shares available for purchase in the open market compared with the price at which they may purchase Shares through the Over-Allotment Option. The Underwriters must close out any naked short position by purchasing Shares in the open market.

A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Shares in the open market that could adversely affect purchasers who purchase in the Offering. Any naked short position would form part of the Underwriters' over-allocation position and an investor who acquires Shares forming part of the Underwriters' over-allocation position acquires such Shares under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In addition, in accordance with rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period of distribution, bid for or purchase Shares. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the applicable stock exchange, including the Universal Market Integrity Rules for Canadian Marketplaces, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

As a result of these activities, the price of the Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Shares are listed, in the over-the-counter market, or otherwise.

Pricing of the Offering

Prior to the Offering, the Company's Shares traded on the TSX-V. See "*Trading History*". The last trade prior to announcement of the Offering was at $0.66 per Share on April 13, 2017 (equivalent to $13.20 taking into account the 20:1 Consolidation). The final Offering Price was negotiated at arm's length between the Company and the Underwriters.

Expenses Related to the Offering

It is estimated that the total expenses of the Offering, not including the Underwriters' Commission, will be approximately $1,000,000. In addition, the Company may incur additional fees, not anticipated to be material, to certain third parties in connection with the Offering.

Restrictions on Securities Distributions

Pursuant to the Underwriting Agreement, the Company agrees that it will not issue, announce any issue or agree to issue any securities of the Company, other than issuances (i) under existing director, employee or consultant stock option, bonus or purchase plans (ii) under director or employee stock options or bonuses granted subsequently in accordance with regulatory approval, (iii) as a result of the exercise of currently outstanding Share purchase warrants or options or previously scheduled acquisition payments (including under the Cobalt Contracts and Royalty Contracts), or (iv) in connection with the Company's acquisition of royalties or streams or direct interests in mineral properties, during the period beginning as of the date of this Prospectus and ending 180 days after the Closing Date, without the written agreement of Scotia Capital Inc. on behalf of the Underwriters, such agreement not to be unreasonably withheld.

In addition, pursuant to the Underwriting Agreement, each of the Company's executive officers and directors and certain shareholders, including Pala Investments, will agree that he, she or it will not, directly or indirectly, without the written agreement of Scotia Capital Inc. on behalf of the Underwriters, such agreement not to be unreasonably withheld, offer or sell or grant any option, warrant or other right to purchase or agree to issue or sell or otherwise lend, transfer, assign or dispose of any Shares or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares, or agree or publicly announce any intention to do any of the foregoing during the period beginning as of the date of this Prospectus and ending 180 days after the Closing Date, subject to certain limited exceptions.

Listing of Shares

The Company's Shares are currently listed on the TSX-V under the symbol "KBLT".

RISK FACTORS

An investment in the Shares offered hereunder should be considered highly speculative due to the nature of our business. An investment in the Shares should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment. Prospective investors should consult with their professional advisors to assess an investment in the Company. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with our business or operations.

Risks Related to the Offering and Holding of Shares

High Risk, Speculative Nature of Investment

An investment in the Shares carries a high degree of risk and should be considered speculative by purchasers. We have no history of earnings, a limited business history, have not paid dividends, and are unlikely to pay dividends in the immediate or near future. We are in the "start-up" phase of our business. Our operations are not sufficiently established such that we can mitigate the risks associated with our planned activities.

Liquidity Concerns and Future Financing Requirements

We have no source of operating revenue. We may require additional financing in order to fund our business plan. Our ability to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as our business success. There can be no assurance that we will be successful in our efforts to arrange additional financing on terms satisfactory to us, or at all. If additional financing is raised by the issuance of Shares from treasury, control of the Company may change and Shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, we may not be able to operate our businesses at their maximum potential, to expand, to take advantage of other opportunities, or otherwise remain in business.

Offering Price

The Offering Price was determined by the Company in negotiation with the Underwriters. The Offering Price is not an indication of the value of the Shares or that any of the Shares could be sold for an amount equal to the Offering Price or for any amount. The Offering Price is substantially higher than the price per share of the Shares issued prior to the Closing. As a result, purchasers of Shares pursuant to the Offering will experience immediate dilution.

Volatility of Share Price

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of the Company include global macroeconomic developments, and market perceptions of the attractiveness of particular industries. There can be no assurance that continued fluctuations in the price of cobalt will not occur. As a result of any of these factors, the market price of the Shares at any given point in time may not accurately reflect the long-term value of the Company.

In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm profitability and the reputation of the Company.

Management will have Discretion in the Use of Proceeds

Management will have broad discretion concerning the use of the proceeds of the Offering, as well as the timing of their expenditure. As a result, purchasers will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that purchasers may not consider desirable. The results and the effectiveness of the application of the net proceeds are uncertain. If the proceeds are not applied effectively, the results of the Company's operations may suffer.

Prospect of Dividends

The Company currently intends to use its future earnings, if any, and other cash resources for the operation and development of its business and does not currently anticipate paying any dividends on the Shares. Any future determinations to pay dividends on the Shares will be at the sole discretion of the Board after considering a variety of factors and conditions existing from time to time, including current and future commodity prices, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens, and foreign exchange rates. As a result, a holder of Shares may not receive any return on an investment in Shares.

Market for the Shares

There can be no assurance that an active market for the Shares will develop or be sustained after the Offering. If an active public market for the Shares does not develop, the liquidity of a purchaser's investment may be limited and the share price may decline below the Offering Price.

The forward-looking statements may prove to be inaccurate

This Prospectus contains forward-looking statements, including, without limitation, the forward-looking statements listed in "*Note Regarding Forward-Looking Statements*". By their nature, forward-looking statements involve numerous assumptions, known and unknown risk and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. The factors discussed in this section and the section entitled "*Note Regarding Forward-Looking Statements*" should therefore be weighed carefully and prospective investors should not place undue reliance on the forward-looking statements provided in this Prospectus.

Risks Related to our Business

Fluctuating Price of Cobalt

Materially adverse fluctuations in the price of cobalt may adversely affect the Company's financial performance and results of operations.

Commodity prices, including cobalt, fluctuate on a daily basis and are affected by numerous factors beyond the control of the Company, including levels of supply and demand, industrial development levels, inflation and the level of interest rates, the strength of the U.S. dollar and geopolitical events in significant cobalt producing countries (including the DRC). Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. Valuation of any physical cobalt held by the Company is based on the price of physical cobalt published in Metal Bulletin or another comparable source. Accordingly, the value of the Company's physical cobalt may not necessary reflect the realizable value.

All commodities, by their nature, are subject to wide price fluctuations and future material price declines will result in a decrease in the value of the commodity held, and/or revenue or, in the case of severe declines that cause a suspension or termination of production by relevant operators, a complete cessation of revenue from streams, royalties or interests in mineral properties applicable to the relevant commodities. Moreover, the broader cobalt market tends to be cyclical, and a general downturn in overall cobalt prices could result in a significant decrease in the value of our physical cobalt holdings and overall revenue. Any such price decline may result in a material and adverse effect on the Company's profitability, results of operation and financial condition.

Changes in Technology and Future Demand for Cobalt

Currently cobalt is one of the key metals used in batteries for EVs and other devices. However the technology pertaining to batteries, EVs and energy creation and storage is changing rapidly, and there is no assurance cobalt will continue to be used to the same degree as it is now, or that it will be used at all. Any decline in the use of cobalt in batteries or technologies utilizing cobalt-based batteries may result in a material and adverse effect on the Company's profitability, results of operation and financial condition.

Competition

Many companies are engaged in the search for and the acquisition of cobalt, or rights to or interest in cobalt, and there is a limited supply of physical cobalt and desirable cobalt related interests. Many competitors are larger, more established companies with substantial financial resources, operational capabilities and long earnings track-records. The Company may be at a competitive disadvantage in acquiring interests in any cobalt related assets, whether by way of physical delivery, royalty, stream or other form of investment, as many competitors have greater financial resources and technical staffs. Accordingly, there can be no assurance that we will be able to compete successfully against other companies in acquiring new cobalt related interests. Our inability to acquire additional cobalt interests may result in a material and adverse effect on our profitability, results of operation and financial condition.

No History

Our business will not effectively commence until the acquisition of physical cobalt under the Cobalt Contracts, all of which are scheduled to close upon closing of the Offering. While many members of our management have expertise and comparable operating experience, the Company itself has no history of operations in the cobalt industry, and there can be no assurance that our business will be successful or profitable or that we will be able to successfully execute our business model and growth strategy. If we cannot execute our business model and growth strategy, it may result in a material and adverse effect on our profitability, results of operation and financial condition.

Future Acquisitions

As part of our business strategy, we may seek to grow by acquiring companies and/or assets or establishing joint ventures that we believe will complement our current or future business. Acquisition transactions involve inherent risks, including but not limited to: accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates; ability to achieve identified and anticipated operating and financial synergies; unanticipated costs; diversion of management attention from existing business; potential loss of our key employees or key employees of any business acquired; unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and decline in the value of acquired properties, companies or securities. Any one or more of these factors or other risks could cause us not to realize the anticipated benefits of an acquisition of properties or companies, and could have a material adverse effect on our financial condition. We may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for our business. We cannot guarantee that we can complete any acquisition we pursue on favourable terms, or that any acquisitions completed will ultimately benefit our business.

Uncertainty of Additional Funding

There can be no assurance that we will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further business activities may result in a material and adverse effect on our profitability, results of operation and financial condition. The Company will require new capital to grow its business and there are no assurances that capital will be available when needed, if at all. It is likely that such additional capital will be raised through the issuance of additional equity, which will result in dilution to Shareholders.

Reliability of Historical Information

We have relied on, and the disclosure set out under "*Cobalt Industry Overview*" above, is based, in part, upon historical and forward-looking data compiled by third parties. To the extent that any of such data is inaccurate or incomplete, our business plans may be adversely affected.

Lack of Liquidity in Public Markets for Cobalt

There is, or there may be in the future, a lack of liquidity for the purchase or sale of cobalt. We may not be able to purchase or sell the volume of cobalt we desire in a timely manner. The pool of potential purchasers and sellers is limited and each transaction may require the negotiation of specific provisions. Accordingly, a purchase or sale may take several months or longer to complete. In addition, as the supply of cobalt is limited, we may experience difficulties purchasing cobalt in the event that we wish to acquire significant quantities. The inability to purchase and sell on a timely basis in sufficient quantities could have a material adverse effect on the shares of the Company.

Lack of Liquidity in Cobalt Project Investments

Some of the cobalt projects in which the Company may invest may be thinly traded and some may have no market at all. There are no restrictions on the investment of the Company's assets in illiquid securities. It is possible that the Company may not be able to sell portions of such positions without facing substantially adverse prices. If the Company is required to transact in such securities before its intended investment horizon, the performance of the Company could suffer.

Expansion of the Business Activities Outside Areas of Expertise

The Company's operations and expertise are currently focused on the acquisition and management of physical cobalt, streams, and royalties, or rights to or interest in cobalt. In the future, we may pursue acquisitions outside this area, including acquiring and/or investing in, producing, developing or exploration-stage resource projects. Expansion of the Company's activities into new areas would present challenges and risks that it has not faced in the past. If the Company does not manage these challenges and risks successfully, it may have a material adverse effect on its profitability, results of operation and financial condition.

Market events and general economic conditions may adversely affect our business, industry and profitability

Adverse events in global financial markets can have profound impacts on the global economy. Many industries, including the mining industry, are impacted by these market conditions. Some of the key impacts of the financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our growth and valuation. Specifically, the global credit/liquidity crisis could impact the cost and availability of financing and our overall liquidity; the volatility of cobalt and other metal prices would impact our revenues, profits, losses, cash flow and the value of our cobalt holdings; continued recessionary pressures could adversely impact demand for the Company's assets; the devaluation and volatility of global stock markets would impact the valuation of our equity and other securities. These factors could have a material adverse effect on our financial condition and operating results.

Foreign Exchange Rates

Cobalt is typically purchased in U.S. currency. However, the Company maintains its accounting records, reports its financial position and results, pays certain operating expenses and has its Shares listed on an exchange, in Canadian currency. Fluctuation in the U.S. currency exchange rate relative to the Canadian currency could negatively impact the value of the Shares. Investment in equity securities denominated in a currency other than Canadian currency will be affected by the changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated. Because exchange rate fluctuations are beyond our control, there can be no assurance that such fluctuations will not have an adverse effect on the Company's operations or on the trading value of the Shares.

Regulatory Change

We may be affected by changes in regulatory requirements, customs, duties or other taxes. Such changes could, depending on their nature, benefit or adversely affect the Company.

Storage Facilities and Insurance

The Company's Physical Position will be held in third-party storage facilities in different cities. There is no guarantee that the Physical Position stored within, or during transport between, the storage facilities will not be subject to damage or theft. Additionally, the storage facility may, from time to time, deny the Company timely access to the site or restrict the ability to withdraw and transport the Physical Position.

The Company has the benefit of insurance arrangements obtained on standard industry terms to protect the Company from material adverse effects related to its storage facilities and during transportation. However, there is no assurance that the insurance will fully cover or absolve the Company in the event of any loss or damage to the Physical Position owned by the Company. The Company may be financially and legally responsible for losses and/or damages not covered by insurance. Such responsibility could have a material adverse effect on the financial condition of the Company.

The Physical Position is to be stored in facilities meeting industry standards. As the number and storage capacity of such storage facilities is limited, there can be no assurance that new arrangements that are commercially beneficial to the Company will be readily available and that existing arrangements will continue to be available. Failure to negotiate and secure commercially reasonable storage terms may have a material adverse effect on the financial condition of the Company.

The Company intends to store the physical cobalt acquired under the Cobalt Contracts in four storage facilities, with more than one-half to be stored at the Steinweg warehouse in Baltimore. Storing a significant percentage of the Company's cobalt in one facility increases the risk of material loss to the Company should some event occur at that facility which causes the loss of all or substantially all of such cobalt which is not covered by insurance. To the Company's knowledge, only acts of terrorism are the only material risks not covered by the Company's insurance.

Ability to Realize a Premium Cobalt Price

The market currently ascribes a premium price to certain brands of cobalt products based on various factors including grade, impurities and market liquidity. While there has historically been a premium price for certain brands of cobalt products there is no guarantee that the Company will be able to realize the premium cobalt price in the future. A change relative pricing of brands of cobalt may adversely affect the Company.

Doing Business in the DRC

Should the Company acquire any streams, royalties or interests in mineral properties containing cobalt from producers, developers or persons holding mineral property interests in the DRC, the Company will be exposed to additional risks associated with carrying on business in that jurisdiction. The DRC is one of the world's poorest and most politically unstable countries. Some notable risks of investing in this region include, labour unrest, invalidation of governmental orders and permits, corruption, uncertain political and economic environments, sovereign risk, war (including within or with other countries), civil disturbances and terrorist actions, arbitrary changes in laws or policies, the failure of foreign parties to honour contractual relations with little or no recourse to local courts, challenges to or reviews of legal and contractual rights, reviews of taxation of foreign companies, changing tax and royalty regimes, delays in obtaining or the inability to obtain, or the cancelation of, necessary governmental permits, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on mineral exports, price controls, review of taxes on foreign investment, instability due to economic under-development, inadequate infrastructure and increased financing costs. In addition, as a result of conflict in the DRC, international governments may impose regulations to limit commercial trade activities for and make more burdensome purchases of goods and services (including, without limitation, physical cobalt). As a result, if the Company invests in production from, or streams, royalties or mineral properties in the DRC, it may be subject to various increased economic, political, operational and other risks, any one or more of which could have a material adverse effect on Company's business, financial condition, results of operations or prospects.

Litigation

The Company may from time to time be involved in various claims, legal proceedings and disputes arising in the ordinary course of business. If such disputes arise and we are unable to resolve these disputes favourably, it may have a material and adverse effect on the Company's profitability or results of operations and financial condition.

Leverage

The Company may use financial leverage by borrowing funds against the assets of the Company. The use of leverage increases the risk to the Company and subjects the Company to higher current expenses. Also, if the value of the Company's assets drops to the loan value or less, Shareholders could sustain a total loss of their investment.

No Opportunity to Hedge Cobalt

There is no opportunity for the Company to hedge the downside price risk of cobalt since there is no derivatives market for cobalt. As a result, the value of the Shares will largely depend upon, and typically fluctuate with, the price of cobalt.

Impact from Other Commodities

Cobalt is typically found with copper and nickel ores and is predominantly mined as a by-product. Any effect on the price of these commodities may affect the price and availability of cobalt. Future pricing of cobalt will depend, in part, on mine capacity and major producing countries, as well the development of new copper and nickel projects. A strong copper and/or nickel market will likely result in increased output of copper and nickel ores containing cobalt which may impact the supply and price of cobalt. See "*Cobalt Industry Overview – Supply*".

Risks Related to Streams and Royalties

Rights of Third Parties

Some stream and royalty interests may be subject to: (i) buy-down right provisions pursuant to which an operator may buy-back all or a portion of the stream or royalty; (ii) pre-emptive rights pursuant to which parties have the right of first refusal or first offer with respect to a proposed sale or assignment of the stream or royalty; or (iii) claw back rights pursuant to which the seller of a stream or royalty has the right to re-acquire the stream or royalty. Holders of these rights may exercise them such that certain stream or royalty interests would not be available for acquisition.

Costs May Influence Return to Stream or Royalty Holder

Net profit royalties, equity interests and similar interests allow the operator to account for the effect of prevailing cost pressures on the project before calculating a royalty. These cost pressures include costs of labour, equipment, electricity, environmental compliance, and numerous other capital, operating and production inputs. Such costs will fluctuate in ways the royalty holder will not be able to predict and will be beyond the control of such holder, and can have a dramatic effect on the revenue payable on these royalties and other interests. Any increase in the costs incurred by the operators on the applicable properties will likely result in a decline in the royalty revenue received by the royalty holder. This, in turn, will affect overall revenue generated by the royalty holder which may have a material adverse effect on its profitability, financial condition, and results of operation.

Dependence on Third Party Property Owners and Operators

Cash flows derived from streams and/or royalties are based on operations by third parties. These third parties will be responsible for determining the manner in which the relevant properties subject to the streams and royalties are exploited, including decisions to expand, continue or reduce production from a property, decisions about the marketing of products extracted from the property and decisions to advance exploration efforts and conduct development of non-producing properties. As a holder of streams, royalties or other interests, the Company will have little or no input on such matters. The interests of third party owners and operators and those of the Company on the relevant properties may not always be aligned. As an example, it will, in almost all cases, be in the interest of the Company to advance development and production on properties as rapidly as possible in order to maximize near-term cash flow, while third party owners and operators may, in many cases, take a more cautious approach to development as they are at risk on the cost of development and operations. The inability of the Company to control the operations for the properties in which it has a stream or royalty or other interest may have a material adverse effect on the Company's profitability, results of operation and financial condition.

Limited Access to Data and Disclosure

As a holder of streams, royalties and other non-operator interests, the Company neither serves as the mine owner or operator, and in almost all cases the Company has no input into how the operations are conducted. As such, the Company has varying access to data on the operations or to the actual properties themselves. This could affect its ability to assess the value of the streams or royalties or enhance their performance. This could also result in delays in cash flow from that anticipated by the Company based on the stage of development of the applicable properties covered by its streams and royalties. The Company's stream and royalty payments may be calculated by the payors in a manner different from the Company's projections and the Company may or may not have rights of audit with respect to such stream and royalty interests. In addition, some streams and royalties may be subject to confidentiality arrangements which govern the disclosure of information with regard to streams and royalties and as such the Company may not be in a position to publicly disclose non-public information with respect thereto. The limited access to data and disclosure regarding the operations of the properties in which the Company has an interest, may restrict its ability to assess the value or enhance its performance which may have a material adverse effect on the Company's profitability, results of operation and financial condition.

Streams and Royalties May not be Honoured by Operators of a Project

Streams and royalties are largely contractually based. Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. To the extent grantors of streams, royalty and other interests do not abide by their contractual obligations, the Company may be forced to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly, and as with all litigation, no guarantee of success can be made. Should any such decision be determined adversely to the Company, it may have a material adverse effect on the Company's profitability, results of operations and financial condition.

Additional Risks

The Company's operations and expertise are currently focused on the acquisition and management of physical cobalt, and holding royalties. In the future, the Company intends to pursue acquisitions outside this area, including acquiring streams and direct interests in cobalt properties. Expansion of our activities into new areas will present challenges and risks for which management may not have sufficient expertise. If we do not manage these challenges and risks successfully, it may result in a material adverse effect on our profitability, results of operation and financial condition.

General Business Risks

Conflicts of Interest

Certain of the Company's Directors may also serve as directors or officers, or have significant shareholdings in, other companies involved in the metals industry and, to the extent that such other companies may participate in ventures in which the Company may participate in, or in ventures which the Company may seek to participate in, the Directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In all cases where Directors and officers have an interest in other companies, such other companies may also compete with us for the acquisition of metals, royalties, streams or other investments. Such conflicts of the Directors and officers may result in a material adverse effect on our profitability, results of operation and financial condition.

Management Experience and Dependence on Key Personnel and Employees

The Company is dependent upon the continued availability and commitment of its key management, whose contributions to immediate and future operations of the Company are of significant importance. The loss of any such members could negatively affect business operations. From time to time, the Company will also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. The number of persons skilled in the acquisition of metals, royalties, streams and interests in the metals industry is limited, and competition for such persons can be intense. Recruiting and retaining qualified personnel is critical to the Company's success and there can be no assurance of such success. If the Company is not successful in attracting and training qualified personnel, the Company's ability to execute its business model and growth strategy could be affected, which could have a material adverse impact on its profitability, results of operations and financial condition. The Company does not intend to maintain ''key man'' insurance for any members of its management.

AS A RESULT OF THESE RISK FACTORS, THE OFFERING IS SUITABLE ONLY FOR THOSE PURCHASERS WHO ARE WILLING TO RELY ON THE MANAGEMENT OF THE COMPANY AND WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT IN THE SHARES OFFERED HEREUNDER.

ELIGIBILITY FOR INVESTMENT

In the opinion of Owen Bird Law Corporation, legal counsel to the Company, and Stikeman Elliott LLP, legal counsel to the Underwriters, based on the provisions of the Tax Act and the proposals to amend the Tax Act publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof, the Shares will be "qualified investments" under the Tax Act for trusts governed by Deferred Plans provided the Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX-V).

Notwithstanding that the Shares may be qualified investments for a trust governed by a tax-free savings account ("**TFSA**"), registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered disability savings plan ("**RDSP**"), or registered education savings plan ("**RESP**"), a holder of a TFSA or RDSP, an annuitant of the RRSP or RRIF, or a subscriber of a RESP, as the case may be (each, a "**Plan Holder**"), will be subject to a penalty tax with respect to the Shares held in a TFSA, RRSP, RRIF, RDSP, or RESP, as the case may be, if such securities are "prohibited investments" for the TFSA, RRSP, RRIF, RDSP, or RESP within the meaning of the Tax Act. The Shares will not be a "prohibited investment" for trusts governed by a TFSA, RRSP, RRIF, RDSP or RESP provided that the Plan Holder thereof: (i) deals at arm's length with the Company or any person or partnership that does not deal at arm's length with the Company for purposes of the Tax Act, and (ii) does not have a "significant interest", as defined in the Tax Act, in the Company or any corporation, partnership or trust that does not deal at arm's length with the Company for purposes of the Tax Act. **Plan Holders should consult their own tax advisors with respect to whether the Shares would be "prohibited investments" in their particular circumstances**.

PROMOTERS

Anthony Milewski may be considered to be a promoter of the Company, as that term is defined in the *Securities Act* (British Columbia). Information about Mr. Milewski is disclosed elsewhere in this Prospectus in connection with his roles as an officer and director of the Company. See "*Directors and Officers*" and "*Executive Compensation*" for details.

Mr. Milewski holds (i) an aggregate of 90,000 Shares (representing 5.42% of our current issued and outstanding Shares); (ii) 33,000 options exercisable at $4.33 per Share (representing 20.77% of our outstanding options); and (iii) is entitled to receive annual compensation of $250,000 per year through his management company, Black Vulcan Resources, in his capacities as Chairman and CEO.

Mr. Milewski will also be entitled to receive additional stock options under the Stock Option Plan, and to annual bonuses as determined by the Compensation and Corporate Governance Committee. See "*Options and Other Rights to Purchase Securities of the Company*"; "*Directors and Executive Officers – Cease Trade Orders or Bankruptcies, Penalties or Sanctions*"; and "*Interest of Management and Others in Material Transactions*" for disclosure regarding Mr. Milewski.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no legal proceedings outstanding, threatened or pending, as of the date hereof, by or against us or to which we are a party or to which our business or any of our assets is subject, nor to our knowledge are any such legal proceedings contemplated which could become material to a purchaser of our securities.

Regulatory Actions

There have not been any penalties or sanctions imposed against the Company by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

For purposes of this Prospectus, "informed person" means:

(a) any Director or executive officer of the Company;

(b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Company's outstanding Shares; and

(c) any associate or affiliate of any of the foregoing persons.

Other than as described in this Prospectus, no informed person has had any material interest, direct or indirect, in any material transaction with the Company within the three years before the date of this Prospectus that has materially affected or is reasonably expected to materially affect the Company.

RELATIONSHIP BETWEEN THE COMPANY AND THE UNDERWRITERS

We are not a "related issuer" or a "connected issuer" of or to any Underwriter (as such terms are defined in National Instrument 33-105 – *Underwriting Conflicts*).

AUDITORS, TRANSFER AGENT AND REGISTRAR

Our current auditor is Wolrige Mahon LLP, Chartered Professional Accountants, Suite 900 – 400 Burrard Street, Vancouver, British Columbia. Our former auditor (replaced April 21, 2017) was Charlton & Company LLP of Vancouver, British Columbia.

Our registrar and transfer agent is TSX Trust Company, at its offices in Toronto, Ontario and Vancouver, British Columbia.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by us and which currently affect us:

(a) Option Agreement with Concord Resources Limited dated April 20, 2017 for the purchase of physical cobalt;

(b) Option Agreement with Pala Investments Limited dated April 2017 for the purchase of physical cobalt;

(c) Option Agreement with Halstatt Capital. LLC dated April 20, 2017 for the purchase of physical cobalt;

(d) Option Agreement with Dr. Daniel Casey dated April 20, 2017 for the purchase of physical cobalt;

(e) Option Agreement with Isles Capital, LP dated April 19, 2017 for the purchase of physical cobalt;

(f) Option Agreement with Edward M. Giles Revocable Trust dated April 19, 2017 for the purchase of physical cobalt;

(g) Option Agreement with Arclight LLC dated April 19, 2017 for the purchase of physical cobalt;

(h) Option Agreement with Green Energy Metals Fund, LP dated April 19, 2017 for the purchase of physical cobalt;

(i) Option Agreement with Robert D. Mitchell dated April 19, 2017 for the purchase of physical cobalt;

(j) Option Agreement with Justin S. Kurland dated April 19, 2017 for the purchase of physical cobalt;

(k) Option Agreement with East Rutherford Metals & Alloys, LLC dated April 19, 2017 for the purchase of physical cobalt;

(l) Option Agreement with George Wood dated April 20, 2017 for the purchase of physical cobalt;

(m) Option Agreement with Cycad Group, LLC dated May 4, 2017 for the purchase of physical cobalt;

(n) Option Agreement with George Wood dated May 4, 2017 for the purchase of physical cobalt;

(o) Option Agreement with Arclight LLC dated May 4, 2017 for the purchase of physical cobalt;

(p) Option Agreement with Glenn Foundation For Medical Research, Inc. dated May 4, 2017 for the purchase of physical cobalt;

(q) Option Agreement with Fargo Metals LLC dated May 25, 2017 for the purchase of physical cobalt;

(r) Option Agreement with Fargo Metals LLC dated June 12, 2017 for the purchase of physical cobalt;

(s) Underwriting Agreement, as described under "*Plan of Distribution*";

(t) Royalty Agreement with Asian Mineral Resources Limited dated April 21, 2017 whereby the Company can acquire a 3% NSR royalty over cobalt which may be produced from the Ta Khoa property in Vietnam;

(u) Royalty Agreement with Palisade Resources Corp. dated April 21, 2017 whereby the Company can acquire a 2% NSR royalty over cobalt which may be produced from the Triangle property in Ontario;

(v) Royalty Agreement with Palisade Resources Corp. dated April 21, 2017 whereby the Company can acquire a 2% NSR royalty over cobalt which may be produced from the Professor and Waldman properties in Ontario;

(w) Royalty Agreement with Palisade Resources Corp. dated April 21, 2017 whereby the Company can acquire a 2% NSR royalty over cobalt which may be produced from the Rusty Lake property in Ontario;

(x) Royalty Agreement with Golden Ridge Resources Ltd. dated April 18, 2017 whereby the Company can acquire a 2% NSR royalty over cobalt which may be produced from the North Canol properties in Yukon;

(y) Royalty Agreement with each of Michael Blady, Dev Maharaj and Chris Paul dated April 12, 2017 whereby the Company can acquire a 2% NSR royalty over cobalt which may be produced from the Sunset property in British Columbia;

(z) Consulting Agreement dated April 20, 2017 between the Company and Abingdon Capital Corporation pertaining to the engagement of Justin Cochrane as President and COO;

(aa) Consulting Agreement dated April 20, 2017 between the Company and Black Vulcan Resources pertaining to the engagement of Anthony Milewski as Chairman and Chief Executive Officer; and

(bb) Consulting Agreement dated April 18, 2017 between the Company and Marrelli Support Services Inc. pertaining to the engagement of Cindy Davis as Chief Financial Officer.

Copies of all material contracts may be inspected at our registered office at Owen Bird Law Corporation, Bentall 3, Suite 2900 – 595 Burrard Street, Vancouver, BC V7X 1J5, during normal business hours while distribution of the securities offered hereunder is in progress, and for a period of 30 days thereafter. The material contracts will also be available under our profile on SEDAR at www.sedar.com upon the issuance of the final receipt for the Prospectus.

EXPERTS

The only persons or companies who are named as having prepared or certified a report, valuation, statement or opinion in this Prospectus and whose profession or business gives authority to such report, valuation, statement or opinion, are:

(i) Each of Stikeman Elliott LLP and Owen Bird Law Corporation, of Vancouver, BC expressed an opinion herein regarding the eligibility of our Shares for contribution to Deferred Plans. See "*Eligibility for Investment*". The partners, associates and employees of Stikeman Elliot LLP own less than 1.0% of the outstanding Shares of the Company; and the shareholders, associates and employees of Owen Bird Law Corporation own less than 1.0% of the outstanding Shares of the Company.

(ii) Charlton & Company LLP, the Company's former auditor, provided a report attached to the Company's audited financial statements for the fiscal year ended April 30, 2016. Charlton & Company LLP has advised the Company that they were independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

(iii) Wolrige Mahon LLP, the Company's current auditors, provided a report attached to the Company's audited financial statements for the fiscal year ended April 30, 2017. Wolrige Mahon LLP has advised the Company that they were independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

As at the date hereof, and except as disclosed above, none of the aforementioned persons beneficially owns, directly or indirectly, securities or other property of the Company or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an associate or affiliate of the Company, or a promoter of the Company or of an associate or affiliate of the Company.

OTHER MATERIAL FACTS

There are no further facts or particulars in respect of the securities being distributed pursuant to this Prospectus that are not already disclosed herein that are necessary to be disclosed for this Prospectus to contain full, true and plain disclosure of all material facts relating to such securities.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a Prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission, revision of the price, or damages if the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. **The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.**

LIST OF EXEMPTIONS

The Company has not applied for or received any exemption from NI 41-101 – *General Prospectus Requirements*, regarding this Prospectus or the distribution of Shares under this Prospectus.

FINANCIAL STATEMENT DISCLOSURE

Our audited financial statements for the financial years ended April 30, 2017 and 2016 are included herein as Appendix "A". Our fiscal year end is April 30.

SIGNIFICANT ACQUISITIONS

All of our material acquisitions to date have been described above in this Prospectus. See "*Description of the Company's Business*" above for details.

Other than as described herein, we have not completed any acquisitions or dispositions since the Company's date of incorporation, however we are in discussions with cobalt producers and developers for potential cobalt stream acquisitions.

APPENDIX "A"

FINANCIAL STATEMENTS OF THE COMPANY
FOR THE FISCAL YEARS ENDED APRIL 30, 2017 AND 2016

COBALT 27 CAPITAL CORP.

(*formerly* ARAK RESOURCES LTD.)

FINANCIAL STATEMENTS

YEARS ENDED APRIL 30, 2017 AND 2016

(EXPRESSED IN CANADIAN DOLLARS)

COBALT 27 CAPITAL CORP.

(formerly ARAK RESOURCES LTD.)

Index

WOLRIGE MAHON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cobalt 27 Capital Corp.

We have audited the accompanying financial statements of Cobalt 27 Capital Corp., which comprise the statement of financial position as at April 30, 2017, and the statement of loss and comprehensive loss, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cobalt 27 Capital Corp. as at April 30, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt about Cobalt 27 Capital Corp.'s ability to continue as a going concern.

Other Matter

The financial statements of Cobalt 27 Capital Corp. for the year ended April 30, 2016 were audited by another auditor who expressed an unmodified opinion on those statements on August 29, 2016.

"Wolrige Mahon LLP"

CHARTERED PROFESSIONAL ACCOUNTANTS

June 15, 2017
Vancouver, B.C.

charlton

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charlton & company
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To: the Shareholders of
Arak Resources Ltd.

We have audited the accompanying financial statements of Arak Resources Ltd., which comprise the consolidated statement of financial position as at April 30, 2016 and the statement of loss and comprehensive loss, statement of changes in equity (deficiency) and statement of cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, these financial statements present fairly, in all material respects, the financial position of Arak Resources Ltd. as at April 30, 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that Arak Resources Ltd. has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about Arak Resources Ltd.'s ability to continue as a going concern.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
August 29, 2016

COBALT 27 CAPITAL CORP.

(formerly ARAK RESOURCES LTD.)

Statements of Financial Position
As at April 30,
(Expressed in Canadian dollars)

		2017		2016
Assets				
Current				
Cash	$	**536,676**	$	749
Taxes recoverable		**9,973**		3,709
Prepaid expenses		**73,675**		-
		620,324		4,458
Deferred financing costs		**135,916**		-
Exploration and evaluation assets (Note 6)		**-**		4,500
	$	**756,240**	$	8,958
Liabilities				
Current				
Accounts payable (Note 8)	$	**21,462**	$	405,330
Accrued liabilities		**79,692**		10,500
Loans		**-**		9,500
		101,154		425,330
Shareholders' Equity (Deficiency)				
Share capital (Note 7)		**3,288,921**		1,787,113
Reserves (Note 7)		**1,249,420**		721,790
Deficit		**(3,883,255)**		(2,925,275)
		655,086		(416,372)
	$	**756,240**	$	8,958

Nature of operations and going concern (Note 1)
Subsequent events (Note 11)

Approval on behalf of the Board of Directors:

"Anthony Milewski"	*"Frank Estergaard"*
Anthony Milewski - Director	Frank Estergaard - Director

The accompanying notes are an integral part of these financial statements

COBALT 27 CAPITAL CORP.

(formerly ARAK RESOURCES LTD.)

Statements of Loss and Comprehensive Loss
Years Ended April 30,
(Expressed in Canadian dollars)

		2017		2016
Expenses				
Bank charges	$	**2,306**	$	745
Consulting (Note 8)		**292,930**		52,000
Directors' fees (Note 8)		**-**		154,000
Office and miscellaneous		**74,266**		4,784
Professional fees		**22,315**		22,202
Share based compensation (Notes 7 and 8)		**527,630**		-
Transfer agent and filing fees		**32,497**		15,691
Loss before other items		**(951,944)**		(249,422)
Impairment of exploration and evaluation assets (Note 6)		**(6,036)**		(327,571)
Loss and comprehensive loss for the year	$	**(957,980)**	$	(576,993)
Basic and diluted loss per common share	$	**(2.93)**	$	(3.15)
Weighted average number of common shares outstanding		**326,692**		183,019

The accompanying notes are an integral part of these financial statements.

COBALT 27 CAPITAL CORP.
(formerly ARAK RESOURCES LTD.)
Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian dollars)

	Number of Shares[1]		Share Capital		Reserves		Deficit		Total
Balance, April 30, 2015	183,019	$	1,787,113	$	721,790	$	(2,348,282)	$	160,621
Loss and comprehensive loss for the year	-		-		-		(576,993)		(576,993)
Balance, April 30, 2016	183,019		1,787,113		721,790		(2,925,275)		(416,372)
Issuance of shares for cash – private placement	696,450		650,020		-		-		650,020
Issuance of shares for finder's fees – private placement	45,000		42,000		-		-		42,000
Issuance of shares for cash – warrant exercise	689,700		827,640		-		-		827,640
Issuance of shares for cash – agent warrant exercise	45,000		54,000		-		-		54,000
Share issue costs	-		(71,852)		-		-		(71,852)
Share based compensation	-		-		527,630		-		527,630
Loss and comprehensive loss for the year	-		-		-		(957,980)		(957,980)
Balance, April 30, 2017	**1,659,169**	**$**	**3,288,921**	**$**	**1,249,420**	**$**	**(3,883,255)**	**$**	**655,086**

1. Adjusted for 10:1 (10 old for 1 new) share consolidation effective November 29, 2016, subsequent forward split 1:3 (1 old for 3 new) effective April 10, 2017 and 20:1 (20 old for 1 new) share consolidation which was approved by the Board on May 15, 2017 and conditionally approved by the TSX Venture Exchange.

The accompanying notes are an integral part of these financial statements.

COBALT 27 CAPITAL CORP.
(formerly ARAK RESOURCES LTD.)
Statements of Cash Flows
For the Years Ended April 30,
(Expressed in Canadian dollars)

	2017	2016
Cash flows provided by (used in)		
Operating activities		
Loss for the year	**$ (957,980)**	$ (576,993)
Share based compensation	**527,630**	-
Impairment of evaluation and exploration assets	**6,036**	327,571
	(424,314)	(249,422)
Changes in non-cash working capital items:		
Taxes recoverable	**(6,264)**	1,203
Prepaid expenses	**(73,675)**	-
Accounts payable and accrued liabilities	**(314,676)**	196,634
Net cash used in operating activities	**(818,929)**	(51,585)
Investing activities		
Evaluation and exploration expenditures	**(1,536)**	(4,500)
Net cash used in investing activities	**(1,536)**	(4,500)
Financing activities		
Shares issued for cash	**1,531,660**	-
Share issue costs	**(29,852)**	-
Loans received	**68,128**	-
Loans repaid	**(77,628)**	-
Deferred financing costs	**(135,916)**	-
Net cash provided by financing activities	**1,356,392**	-
Increase (decrease) in cash during the year	**535,927**	(56,085)
Cash, beginning of year	**749**	56,834
Cash, end of year	**$ 536,676**	$ 749

Supplemental information:

	2017	2016
Issuance of units for finder's fees	**$ 42,000**	$ -

The accompanying notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Cobalt 27 Capital Corp. (*formerly* Arak Resources Ltd.), (the "Company" or "Cobalt 27") was incorporated in British Columbia on May 9, 2006. Its shares are listed on the TSX Venture Exchange ("TSX-V"). For the period from incorporation in 2006 to February 2017, the Company was a mineral exploration company but in March 2017, the Company redirected its efforts to be a mineral resource company focused on the acquisition of cobalt by physical possession, entering into streaming contracts and cobalt net smelter return royalty ("Co NSR") agreements and/or participation in producing cobalt mines or early stage exploration and development of mineral properties containing cobalt.

On April 6, 2017, the Company changed its name to Cobalt 27 Capital Corp. and commenced trading under its new name and stock trading symbol KBLT. Effective November 29, 2016, the Company consolidated its common shares on a 10:1 basis. Effective April 10, 2017, the Company completed a 3:1 forward split of its common shares. In addition, on May 15, 2017, the Board of Directors approved a consolidation of its common shares on a 20:1 basis, and for which, as at the date of these financial statements, conditional approval had been received from the TSX Venture Exchange. All references in the financial statements have been adjusted to reflect these share consolidations and forward split.

The head office is located at Suite 702 - 85 Richmond St. West, Toronto, Ontario, Canada. The registered and records offices are located at Suite 2900 – 595 Burrard Street, Vancouver, British Columbia, Canada.

These financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

The Company has incurred losses to date, including a loss of $957,980 for the year ended April 30, 2017 (2016: $576,993) and has an accumulated deficit of $3,883,255 as at April 30, 2017 (2016: $2,925,275). The Company had working capital of $519,170 as at April 30, 2017 (2016 deficiency: $420,872).

Due to continuing operating losses and limited working capital, the Company's ability to continue as a going concern is dependent on its ability to complete its proposed offering (see Subsequent Event note), develop its business in the cobalt market and ultimately achieve profitable operations. Management is actively engaged in the review and due diligence of opportunities of merit in the cobalt sector and is seeking to raise the necessary capital to meet its funding requirements. The success of these endeavours cannot be predicted at this time. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

These financial statements of Company for the year ended April 30, 2017 were approved and authorized for issue by the Board of Directors on June 15, 2017.

2. BASIS OF PRESENTATION

Statement of Compliance

These statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

2. BASIS OF PRESENTATION - continued

Basis of Presentation

These financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are measured at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for the statements of cash flows.

Use of estimates and judgments

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, information about significant areas of estimation uncertainty and judgment considered by management in preparing the condensed financial statements includes:

Estimates

- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods;

- The inputs in accounting for share based compensation transactions in profit and loss (using the Black-Scholes model) including volatility, expected life of options granted, time of exercise of the options and forfeiture rate.

Judgments

- The inputs used in assessing the recoverability of deferred income tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income;

- Title to mineral property interests - Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects;

- The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign Currency Translation

The Company's presentation currency and the functional currency is the Canadian dollar as this is the principal currency of the economic environment in which it operates.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange in effect at the end of each reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions and are not subsequently retranslated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined and are not retranslated.

All gains and losses on translation of these foreign currency items are included in profit or loss.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks, trust accounts with counsel, and highly liquid investments with an original maturity of three months or less. There were no cash equivalents as at April 30, 2017 and 2016.

Exploration and Evaluation costs

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility, and the assessment of commercial viability of an identified resource.

<u>Mineral Properties</u>

Exploration and evaluation costs incurred prior to obtaining licenses are expensed in the period in which they are incurred. Once the legal right to explore has been acquired, exploration and evaluation costs incurred are capitalized. All capitalized exploration and evaluation costs are recorded at acquisition cost and are monitored for indications of impairment. Where there are indications of a potential impairment, an assessment is performed for recoverability. Capitalized costs are charged to profit or loss to the extent that they are not expected to be recovered.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets are tested for impairment and transferred to "Mines under construction". No amortization is charged during the exploration and evaluation phase.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments

i. Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), held-to-maturity investments ("HTM"), loans and receivables, and available-for-sale ("AFS"). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of assets at recognition. Financial assets and financial liabilities are recognized on a trade date basis, when the Company becomes a party to the contractual provisions of the financial instrument.

- Financial assets at FVTPL
  Financial assets at FVTPL are initially recognized at fair value with changes in fair value recorded through income. Transaction costs are included in profit or loss as incurred. Cash and cash equivalents are included in this category of financial assets.

- HTM investments
  HTM investments are initially measured at fair value, including transaction costs. HTM investments are subsequently carried at amortized cost using the effective interest method. The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

- Loans and receivables
  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially measured at fair value, including transaction costs and are included in current assets, or non-current assets based on their maturity date. Loans and receivables are subsequently carried at amortized cost, using the effective interest method. Loans and receivables comprise trade and other receivables.

- Available-for-sale financial assets
  AFS financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in the fair value of AFS financial assets are recognized in other comprehensive income and classified as a component of equity. When a decline in the fair value of an AFS asset has been recognized in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss in other comprehensive income is reclassified to profit or loss.

  Impairment of financial assets
  Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Management assesses the carrying value of AFS financial assets at least annually and any impairment charges are recognized in profit or loss. When financial assets classified as available-for-sale are sold, the accumulated fair value adjustments recognized in other comprehensive income are included in profit and loss.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments *– continued*

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

ii. Financial liabilities

The Company classifies its financial liabilities in the following categories: Borrowings and other financial liabilities and derivative financial liabilities.

- Borrowings and other financial liabilities
  Borrowings and other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost using the effective interest method. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the income statement over the period to maturity using the effective interest method.

  Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable, accrued liabilities and loans.

- Derivative Financial liabilities
  Derivative financial liabilities are initially recognized at their fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at each reporting period with changes in the fair value recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Share-based payment transactions

The Company grants stock options to acquire common shares of the Company to directors, officers and employees.

All share-based payments made to employees and non-employees are measured at fair value. For employees, fair value is measured as the fair value of the options at the grant date. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is complete, the date the performance commitment is reached, or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of options granted is measured using the Black Scholes option pricing model. Expected annual volatility has been estimated using historical volatility.

Stock options that vest over time are recognized using the graded vesting method. Share based compensation is recognized as an expense or, if applicable, capitalized to exploration and evaluation assets, or share issue costs, with a corresponding increase in reserves. At each financial reporting period, the amount recognized as expense is adjusted to reflect the number of share options expected to vest. If and when the stock options are ultimately exercised, the applicable amounts of reserves are transferred to share capital.

Where the terms of a stock option are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries, and associates to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Share Capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash, are valued based on their fair value at the date the common shares are issued.

Costs incurred in anticipation of the issuance of share capital including professional and other fees are deferred. They will be charged against share capital upon the issuance of shares or written off if the share offering is not completed.

Warrants

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

Flow-through shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for tax purposes by the investors who purchased the shares. The Company adopted a policy whereby the premium paid for flow through shares in excess of the market value of the shares without the flow through features at the time of issue is credited to other liabilities and included in income at the time the qualifying expenditures are made.

A deferred tax liability is recognized in respect of the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax basis. A portion of the deferred income tax assets that were not previously recognized are recognized as a recovery of deferred income taxes in profit or loss up to the amount of the deferred tax liability upon renunciation.

Earnings (loss) per share

The Company presents basic and diluted earnings/loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings per share is calculated assuming that the proceeds that could be obtained upon exercise of options, warrants and similar instruments would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Impairment of exploration and evaluation assets

Exploration and evaluation assets are evaluated at least annually by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the level of a cash generating unit (CGU), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent that the carrying amount exceeds the recoverable amount.

In calculating recoverable amount the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. The determination of discounted cash flows is dependent on a number of factors, including future metal prices, the amount of reserves, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures, and site closure, restoration and environmental rehabilitation costs. Additionally, the reviews take into account factors such as political, social and legal and environmental regulations. These factors may change due to changing conditions and, hence, affect the recoverable amount. The Company uses its best efforts to fully understand all of the aforementioned to make an informed decision based upon historical and current facts surrounding the projects. Discounted cash flow techniques often require management to make estimates and assumptions concerning reserves and expected future production revenues and expenses.

Decommissioning Liabilities

A legal or constructive obligation to incur restoration, rehabilitation or environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. A pre-tax discount rate that reflects the time value of money and the risks specific to the liability are used to calculate the net present value of the expected future cash flows. These costs are charged to profit or loss over the economic life of the related asset, through depreciation expense using either the unit-of-production or the straight-line method as appropriate. The related liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognized in profit or loss. The liability is assessed at each reporting date for changes to the current market-based discount rate and amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that arise on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation or environmental costs as the disturbance to date is minimal.

3. SIGNIFICANT ACCOUNTING POLICIES - continued

Accounting policies not yet adopted

At the date of authorization of these financial statements, the IASB has issued the following new and revised Standards and Interpretations which are not yet effective:

- IFRS 9 — New financial instruments standard that replaces IAS 39 for classification and measurement of financial assets and liabilities (effective January 1, 2018).
- IFRS 15 — New accounting standard that replaces IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18, and SIC 31 to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers (effective January 1, 2018).
- IFRS 16 — New accounting standard that replaces IAS 17, IFRIC 4, SIC 15, and SIC 27 for the recognition, measurement, presentation, and disclosure of leases for both the lessee and lessor (effective January 1, 2019).

The Company has not early adopted these standards and amendments and does not expect there to be a material impact on the results and financial position of the Company when these standards and amendments are adopted.

4. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition of cobalt by physical possession, entering into streaming contracts and Co NSR agreements and/or participation in producing cobalt mines or early stage exploration and development of cobalt properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent on external financing to fund its business activities. In order to carry out the planned acquisitions and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company intends to acquire and hold physical cobalt, as well as manage and grow a cobalt-focused portfolio of streams, royalties and direct interests in mineral properties containing cobalt as long as it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

5. FINANCIAL INSTRUMENTS

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;

Level 2: Valuations based on directly or indirectly observable inputs for the asset or liability, other than quoted Level 1 prices such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not observable, such as discounted cash flow methodologies based on internal cash flow forecasts.

As of April 30, 2017, the Company’s financial instruments consist of cash and accounts payable and accrued liabilities. Cash is stated at fair value and classified within Level 1. The fair values of accounts payable and accrued liabilities approximate their carrying values because of the short term nature of these instruments.

Financial risks

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held at a Chartered Bank, or in a trust account with legal counsel and management believes that the credit risk is remote.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to settle or manage its obligations associated with financial liabilities. The Company’s accounts payable and accrued liabilities are all current and due within 90 day on normal commercial terms. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company believes it has adequate cash flows and cash on hand to discharge its financial obligations.

Market risk:
(a) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is considered minimal.

(b) Foreign currency risk
The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars therefore, foreign currency risk is minimal.

(c) Price risk
The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

6. EXPLORATION AND EVALUATION ASSETS

Kayla Property

In May 2006, the Company entered into an option agreement with a former director of the Company to acquire a 100% legal and beneficial interest in six mining claims known as the Kayla Property located in Levy Township, Abitibi Region, Quebec. The claims are registered with the Québec Ministry of Parks, Fauna and Natural Resources. As at April 30, 2010, three amendments had been made to the initial option agreement to extend the date on which the Company must complete certain work expenditures on the Kayla Property, or issue an aggregate of 4,500 common shares, and make payments to the optionee, which are dated May 30, 2007, May 30, 2008 and May 30, 2009.

Pursuant to the terms of the latest amended option agreement, the Company had to make cash payments totalling $35,000, the last of which was made in October 2007; the Company was also required to issue 4,500 common shares, which were all issued by December 2009.

The Company was also required to perform a minimum of $400,000 in work on or for the benefit of the Kayla Property during the term of the Agreement as follows:

(a) By December 31, 2010: $150,000 ($133,967 completed at April 30, 2011) and
(b) By December 31, 2011: $250,000 ($137,467 completed at December 31, 2011 and April 30, 2012).

By agreement between both parties, the 2010 balance of $16,033 would have been applied to the 2011 commitment. However, the Company obtained a release agreement dated June 10, 2011 from the optionee of the Kayla Property whereby the Company was released from any further work commitments on the Kayla Property and has received 100% title and interest to the Kayla Property. The Company determined the property was impaired at the 2016 fiscal year end and as a result, the balance of $327,571 that had been previously capitalized was written off. During the year ended April 30, 2017, due to increased optimism in the resource sector the Company had its Kayla property claims restaked however, due to the new direction of the Company, the Company has allowed the claims to lapse, and therefore has written off the staking costs of $1,536.

Perron Claims – Athabasca

On May 13, 2015 the Company acquired a 100% interest in two mineral tenures at Perron Lake in the northeastern Athabasca Basin region of northern Canada for $4,500. The Company has allowed the claims to lapse during the current fiscal year and has recorded an impairment of $4,500 as at April 30, 2017.

(Expressed in Canadian dollars)

7. SHARE CAPITAL

a) Authorized: Unlimited common shares with no par value.

b) Issued:

During the year ended April 30, 2017

On November 29, 2016, the Company consolidated its shares on a 10:1 basis after which the Company had 1,220,127 shares outstanding. All references in the financial statements have been adjusted to reflect this consolidation.

On March 21, 2017, the Company completed a private placement of 696,450 units at $0.93 per unit for gross proceeds of $650,020. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase an additional common share at $1.20 until expiry March 21, 2022. In connection with the private placement, the Company issued 45,000 finder's units with a fair value of $42,000. Each finder's unit consisted of one common share and one share purchase warrant entitling the holder to acquire an additional common share at $1.20 per share purchase warrant for a period of one year expiring March 21, 2018. In addition, the Company incurred cash share issue costs of $29,852.

During the year ended April 30, 2017, 689,700 warrants and 45,000 agent warrants were exercised to purchase an aggregate of 734,700 common shares for gross proceeds of $881,640.

On April 10, 2017, the Company completed a 3:1 forward split of its common shares. All references in the financial statements have been adjusted to reflect this forward split.

On May 15, 2017, the Board of Directors approved a consolidation of its shares on a 20:1 basis, which has been conditionally accepted by the TSX Venture Exchange. All references in the financial statements have been adjusted to reflect this share consolidation.

During the year ended April 30, 2016

There were no share capital transactions during the year ended April 30, 2016.

c) Warrants:

Warrant transactions and the number of warrants outstanding are summarized as follows:

	2017[1]		2016[1]	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	94,950	$ 6.67	94,950	$ 6.67
Issued	696,450	1.20	-	-
Exercised	(689,700)	(1.20)	-	-
Expired	-	-	-	-
Balance, end of year	101,700	$ 6.30	94,950	$ 6.67

1. Adjusted to reflect 10:1 consolidation, 1:3 forward split and 20:1 consolidation

(Expressed in Canadian dollars)

7. SHARE CAPITAL – continued

c) Warrants: - continued

The following warrants were outstanding and exercisable as at April 30, 2017 and 2016:

Expiry Date	Exercise Price[1]	Number of Warrants[1] 2017	2016
July 31, 2017	$6.67	94,950	94,950
March 21, 2022	$1.20	6,750	-
		101,700	94,950
Weighted average outstanding life of warrants		0.54 years	1.25 years

1. Adjusted for 10:1 consolidation, 1:3 forward split and 20:1 consolidation

d) Stock Options:

The Company has a stock option plan in place under which it is authorized to grant options of up to 10% of its outstanding shares to officers, directors, employees and consultants. The exercise price of each option is to be determined by the Board of Directors but shall not be less than the discounted market price as defined by the TSX Venture Exchange. The expiry date for each option should be a maximum term of ten years after the grant date. Options granted to consultants not engaged in investor relations activities are granted for past services and vest immediately. Options granted to investor relations consultants vest in stages over twelve months from date of grant with no more than one-quarter of the options vesting in any three month period.

The following is a summary of transactions for the years ended April 30, 2017 and 2016:

	2017[1]		2016[1]	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	16,500	$ 10.00	18,120	$ 12.60
Granted (i)	158,867	4.33	-	-
Cancelled/Expired	(16,500)	(10.00)	(1,620)	(40.00)
Balance, end of year	158,867	$ 4.33	16,500	$ 10.00

The following stock options were outstanding and exercisable as at April 30, 2017 and 2016:

Expiry Date	Exercise Price	Number of Options 2017[1]	2016[1]
October 21, 2019	$10.00	-	16,500
March 31, 2022	$4.33	158,867	-
		158,867	16,500
Weighted average outstanding life of options		4.92 years	3.47 years

1. Adjusted for 10:1 consolidation, 1:3 forward split and 20:1 consolidation

(Expressed in Canadian dollars)

7. SHARE CAPITAL – continued

d) Stock Options: - continued

(i) The Company granted 158,867 incentive stock options to directors, officers and certain consultants to the Company. The incentive options are exercisable for five years ending March 31, 2022, a fair value of $527,630 has been recorded as stock based compensation based on the Black Scholes valuation model using the following assumptions:

	2017
Risk free interest rate	0.87%
Spot price	$4.40
Expected life (in years)	3
Expected annual volatility	133.28%
Expected dividend yield	0%

e) Agent's Warrants

The following agent's warrants were outstanding and exercisable as at April 30, 2017 and 2016:

	2017[1]		2016[1]	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	5,707	$ 6.67	5,707	$ 6.67
Issued (i)	45,000	1.20	-	
Exercised	(45,000)	(1.20)	-	
Expired	-		-	
Balance, end of year	5,707	$ 6.67	5,707	$ 6.67

1. adjusted for 10:1 consolidation, 1:3 forward split and 20:1 consolidation

(i) The Company issued 45,000 finder's (agent's) warrants forming part of the 45,000 units issued to the finder during the year ended April 30, 2017. The Company recorded $42,000 in share issue costs.

The following warrants were outstanding and exercisable as at April 30, 2017 and 2016:

Expiry Date	Exercise Price[1]	Number of Warrants 2017[1]	Number of Warrants 2016[1]
July 31, 2017	$6.67	5,707	5,707
		-	-
Weighted average outstanding life of warrants		0.25 years	1.25years

1. Adjusted for 10:1 consolidation, 1:3 forward split and 20:1 consolidation

(Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The aggregate value of transactions relating to key management personnel were as follows:

Key management compensation	**Year ended April 30, 2017**	Year ended April 30, 2016
Consulting fees (1)	**$ 130,023**	$ 52,000
Directors fees (2)	**-**	154,000
Share based compensation	**258,612**	-
Total	**$ 388,635**	$ 215,500
Related party balances	**As at April 30, 2017**	As at April 30, 2016
Accounts payable(3)	**$ -**	$ 394,770

(1) The amounts paid to related party consultants are: $58,000 (2016: $52,000) paid to Marketworks, Inc. a company controlled by an officer of the Company; $67,690 ($50,000 US Funds) (2016: $Nil) paid to Black Vulcan Resources, a company controlled by an officer and director of the Company; $3,333 (2016: $Nil) paid to Abingdon Capital, an employer of an officer of the Company; and $1,000 (2016: $Nil) paid to Marrelli Support Services, an employer of an officer of the Company.

(2) Accrued to directors of the Company as follows: Carl Von Einsiedel $Nil (2016: $38,500), James Henderson $Nil (2016: $38,500), Michael Shmazian $Nil (2016: $38,500) and Ariel Partners a company controlled by a director of the Company $Nil (2016: $38,500).

(3) The amounts payable to related parties include $Nil (2016: $29,700) payable to Marketworks Inc.; former director and officer Carl von Einsiedel $Nil (2016: $94,500); former director and officer James Henderson $Nil (2016: $94,500); former director Michael Shmazian $Nil (2016: $104,500) and Ariel Partners, a company controlled by a former director of the Company, $Nil (2016: $71,570).

9. SEGMENTED INFORMATION

The Company will operate in one segment – mineral resources. As at April 30, 2017 and 2016, all of the Company's operations and assets were in Canada.

(Expressed in Canadian dollars)

10. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

Year ended April 30,		**2017**		2016
Loss for the year before income taxes	**$**	**(957,980)**	$	(576,993)
Expected income tax recovery (2017 and 2016: 26.0%)		**(249,075)**		(150,018)
Tax effects of:				
Permanent and other differences		**137,184**		-
Change in unrecognized deferred income tax assets		**111,891**		150,018
Deferred income tax recovery	$	-	$	-

The significant components of the Company's unrecognized deferred income tax assets are as follows:

As at April 30,		**2017**		2016
Deferred income tax assets				
Exploration and evaluation costs	**$**	**77,609**	**$**	**76,065**
Non-capital losses		**802,533**		**686,632**
Share issuance costs		**15,339**		**5,531**
Total unrecognized deferred tax assets	**$**	**895,481**	**$**	**768,228**

As at April 30, 2017, the Company had non-capital losses carried forward of approximately $3,086,666 (2016 - $2,640,891) which may be utilized to reduce future years' taxable income and expire through to 2037 if not utilized. The Company has approximately $298,497 (2016 - $297,058) of exploration and development costs which are available for deduction against future income for tax purposes and do not expire.

The non-capital losses expire as follows:

	2031	$	887,463
	2032		501,438
	2033		361,465
	2034		277,058
	2035		334,060
	2036		279,407
	2037		445,775
Total		$	3,086,666

Deferred income tax assets in respect of losses and other temporary differences are recognized when it is more likely than not, that they will be recovered against profits in future periods. No deferred income tax assets have been recognized as this criterion has not been met.

(Expressed in Canadian dollars)

11. SUBSEQUENT EVENTS

The Company has prepared and filed a long form prospectus (the "Prospectus") to qualify the distribution of Common Shares at the Offering Price of $9.00 per Share, as to (i) 10,924,420 Shares for aggregate gross proceeds for cash of $98.3 million (the "Cash Offering"); and (ii) 11,297,805 "Cobalt Contract Shares" for aggregate value of $101.7 million (the "Cobalt Shares Offering"); subject to an over-allotment provision for an additional $30 million through the sale of the Over-Allotment Shares at the same Offering Price. The number of Cobalt Contract Shares to be issued will be equal to the agreed fair market value for the cobalt being purchased pursuant to the terms of the Cobalt Contracts divided by the Offering Price of the Shares. Closing of the Offering is conditional upon the concurrent closing of the Cobalt Contracts.

The Underwriters will receive on the Closing Date, a Commission of 6.0% of the gross proceeds realized from Shares issued pursuant to the Cash Offering and the value of the Cobalt Contract Shares issued pursuant to the Cobalt Shares Offering, provided that the first $70 million of the Cobalt Contract Shares issued and the sale of 2,270,000 Shares to Pala Investments Limited will be subject to a 1.0% Commission.

In addition, the Company has entered into the Royalty Contracts, being agreements to acquire eight royalties on exploration-stage mineral properties containing cobalt, for total consideration of $1,150,000 to be satisfied with the issuance of Shares at the Offering Price immediately following closing of the Offering. The royalties relate to cobalt as a by-product associated with polymetallic and base metals exploration properties.

Summary of the Royalty Contracts:

Royalty Name	Owner	Property Location	Stage	Primary Metal(s)	Royalty Type and %	Consideration	Stream ROFR
Ta Khoa	Asian Mineral Resources Limited	Vietnam	Exploration[2]	Ni-Cu-Co	3% Co NSR	$300,000 of Shares	Yes
Triangle Property	Palisade Resources Corp.	Ontario	Exploration	Co-Ag	2% Co NSR	$250,000 of Shares	Yes
Rusty Lake Property	Palisade Resources Corp.	Ontario	Exploration	Co-Ag	2% Co NSR	$250,000 of Shares	Yes
Professor & Waldman Properties[1]	Palisade Resources Corp.	Ontario	Exploration	Co-Ag	2% Co NSR	$250,000 of Shares	Yes
North Canol Properties[1]	Golden Ridge Res. Ltd.	Yukon	Exploration	Ag-Pb-Zn-Co	2% Co NSR	$50,000 of Shares	Yes
Sunset Mineral Property	Three Individuals	British Columbia	Exploration	Cu-Zn-Co	2% Co NSR	$50,000 of Shares	Yes

1. Two separate mineral properties to which a Co NSR applies.
2. The Ban Phuc nickel mine held by Asian Mineral Resources Limited (AMR) is a past-producing mine. No mineral production is currently ongoing at that site. Presently AMR is exploring adjacent ground to see if any other part of its property could be placed into production.

APPENDIX "B"

MANDATE OF THE BOARD OF DIRECTORS

The members of the board of directors (respectively, the "**Directors**" and the "**Board**") have the responsibility to oversee the conduct of the business of Cobalt 27 Capital Corp. (the "**Company**") and to oversee the activities of management who are responsible for the day-to-day conduct of the business.

Section 1 - Composition

The Board shall be comprised of at least three independent Directors. The definition of independence is as provided by applicable law and stock exchange listing standards. No Director will be considered independent unless the Director has no "material relationship" (as such term is defined in National Instrument 52-110 of the Canadian Securities Administrators) with the Company, either directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with the Company.

The Board shall appoint a Chair from among its members. The role of the Chair is to act as the leader of the Board, to manage and coordinate the activities of the Board and to oversee execution by the Board of this written mandate. If the Chair is not independent, a majority of the Board's independent Directors shall appoint (and if the Chair is in a conflict of interest with respect to a particular matter or matters, a majority of the Board's independent Directors may appoint) an independent lead Director from among the Directors, who will be responsible for ensuring that the Directors who are independent (or non-conflicted) and management have opportunities to meet without management and non-independent (or conflicted, as applicable) Directors, as required, and will assume such other responsibilities as the independent Directors may designate in accordance with any applicable position descriptions or other applicable guidelines that may be adopted by the Board from time to time.

The Board may, from time to time, engage consultants or members of the Company's management team that are not directors of the Company and these persons may attend meetings or portions of meetings as invited guests of the Board. Otherwise, the Board will consist only of Directors and only Directors and a Corporate Secretary, appointed by the Board, may attend meetings of the Board.

Section 2 - Operation

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting Committees of the full Board and determining Director compensation. Subject to the Articles and the Business Corporations Act (British Columbia), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to Committees of the Board.

The full Board considers all major decisions of the Company, except that certain analyses and work of the Board will be performed by standing Committees empowered to act on behalf of the Board. The Company may have a number of standing Committees, including the Audit Committee and the Compensation and Corporate Governance Committee, and has the authority to appoint other committees to steward certain other matters.

Each Committee shall operate according to the mandate approved by the Board and outlining its duties and responsibilities and the limits of authority delegated to it by the Board. The Board shall review and reassess the adequacy of the mandate of each Committee on a regular basis and, with respect to the Audit Committee, at least once a year.

The Chair of the Board shall annually propose the leadership and membership of each Committee. In preparing recommendations, the Chair of the Board will take into account the preferences, skills and experience of each Director. Committee Chairs and members are appointed by the Board at the first Board meeting after the annual shareholder meeting or as needed to fill vacancies during the year.

The Board will hold four regularly scheduled meetings each year. The Board shall meet at the end of its regular quarterly meetings without members of management being present. Special meetings will be called as necessary.

Directors are expected to attend all Board meetings and all Board Committee meetings where such Director is a member of such Committee, although it is understood that conflicts may occasionally arise that prevent a Director from attending a meeting. Attendance at Board meetings and Board Committee meetings in person is preferred, but attendance by teleconference or other electronic communication established by the Board or such Board Committee is permitted. In advance of each regular Board and Committee meeting and, to the extent feasible each special meeting, information and presentation materials relating to matters to be addressed at the meeting will be distributed to each Director. It is expected that each Director will review presentation materials in advance of a meeting.

The Chair of the Board presides at all meetings of the Board and shareholders. Minutes of each meeting shall be prepared by the Corporate Secretary (or in his or her absence a secretary who has been appointed for the purposes of the meeting). The Chief Executive Officer (the "**CEO**"), if he or she is not a Director, shall be available to attend all meetings of the Board or Committees of the Board upon invitation by the Board or any such Committee. Members of management and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Board. Following each meeting, the Corporate Secretary will promptly report to the Board by way of providing draft copies of the minutes of the meetings. Supporting schedules and information reviewed by the Board at any meeting shall be available for examination by any Director upon request to the CEO or Corporate Secretary.

Section 3 - Responsibilities

The Board is responsible under law to supervise the management of the business and affairs of the Company. In broad terms the stewardship of the Company involves the Board in strategic planning, risk identification, management and mitigation, senior management determination and succession planning, communication planning and internal control integrity.

Section 4 - Specific Duties

Without limiting the foregoing, the Board shall have the following specific duties and responsibilities:

(1) ***Legal Requirements***

(a) The Board has the oversight responsibility for meeting the Company's legal requirements and for approving and maintaining the Company's documents and records;

(b) The Board has the statutory responsibility to:

(i) manage or supervise the management of the business and affairs of the Company;

(ii) act honestly and in good faith with a view to the best interests of the Company;

(iii) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and

(iv) act in accordance with its obligations contained in the *Business Corporations Act* (British Columbia) and the regulations thereto, the Company's Articles, and other relevant legislation and regulations.

(c) The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:

(i) any submission to the shareholders of a question or matter requiring the approval of the shareholders;

(ii) the filling of a vacancy among the Directors;

(iii) the issuance of securities;

(iv) the declaration of dividends;

(v) the purchase, redemption or any other form of acquisition of shares issued by the Company;

(vi) the payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase shares of the Company from the Company or from any other person, or procuring or agreeing to procure purchasers for any such shares;

(vii) the approval of management proxy circulars;

(viii) the approval of any take-over bid circular or directors' circular; and

(ix) the approval of financial statements of the Company.

(2) *Strategy Determination*

The Board has the responsibility to adopt a strategic planning process for the Company and to participate with management directly or through its Committees in approving goals and the strategic plan for the Company by which the Company proposes to achieve its goals. The Board shall monitor the implementation and execution of the tasks constituent to the corporate strategy.

To be effective, the strategy will result in creation of value over the long term while always preserving the Company's ability to conduct its business while balancing the interests of its various stakeholders. For the purpose of this clause, "stakeholder" will mean any party, group or institution whose reasonable approval is required for the Company to execute its Board approved strategy.

(3) *Managing Risk*

The Board has the responsibility to identify and understand the principal risks of the business in which the Company is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to establish systems to monitor and manage those risks with a view to the long-term viability of the Company. It is the responsibility of management to ensure that the Board and its Committees are kept well informed of changing risks. The principle mechanisms through which the Board reviews risks are through the execution of the duties of its committee and through the strategic planning process. It is important that the Board understands and supports the key risk decisions of management.

(4) *Appointment, Training and Monitoring Senior Management*

The Board has the responsibility:

(a) to appoint the CEO and establish a description of the CEO's responsibilities and other senior management's responsibilities, to monitor and assess the CEO's performance, to determine the CEO's compensation, and to provide advice and counsel in the execution of the CEO's duties;

(b) to approve the appointment and remuneration of the Company's senior management; and

(c) to establish provisions for the training and development of management and for the orderly succession of management.

(5) *Reporting and Communication*

The Board has the responsibility:

(a) to ensure compliance with the reporting obligations of the Company, including that the financial performance of the Company is properly reported to shareholders, other security holders and regulators on a timely and regular basis;

(b) to recommend to shareholders of the Company a firm of certified professional accountants to be appointed as the Company's auditors;

(c) to ensure that the financial results of the Company are reported fairly and in accordance with generally accepted accounting principles;

(d) to ensure the timely reporting of any change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of the common shares of the Company;

(e) to establish a process for direct communications with shareholders and other stakeholders through appropriate Directors, including through a Whistleblower Policy;

(f) to ensure that the Company has in place a policy to enable the Company to communicate effectively with its shareholders and the public generally; and

(g) to report annually to shareholders on its stewardship of the affairs of the Company for the preceding year.

(6) ***Monitoring and Acting***

The Board has the responsibility:

(a) to establish policies and processes for the Company to operate at all times within applicable laws and regulations to the highest ethical and moral standards (advancing the interests of the Company, including the pursuit of differentiating performance in meeting the reasonable needs of all stakeholders of the Company);

(b) to ensure that management has and implements procedures to comply with, and to monitor compliance with, significant policies and procedures by which the Company is operated;

(c) to monitor the Company's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;

(d) to take action when performance falls short of its goals and objectives or when other special circumstances warrant or when changing circumstances in the business environment create risks or opportunities for the Company;

(e) to approve annual (or more frequent as the Board feels to be prudent from time to time) operating and capital budgets and review and consider amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business that may significantly impact the value of or opportunities available to the Company; and

(f) to implement internal control and information systems and to monitor the effectiveness of same so as to allow the Board to conclude that management is discharging its responsibilities with a high degree of integrity and effectiveness. The confidence of the Board in the ability and integrity of management is the paramount control mechanism.

(7) ***Governance***

The Board has the responsibility:

(a) to develop a position description for the Chair of the Board;

(b) to facilitate the continuity, effectiveness and independence of the Board by, among other things:

  (i) appointing from among the Directors an Audit Committee, a Compensation and Corporate Governance Committee, and such other committees as the Board deems appropriate;

  (ii) defining the mandate, including both responsibilities and delegated authorities, of each Committee of the Board;

  (iii) establishing a system to enable any Director to engage an outside adviser at the expense of the Company;

  (iv) ensuring that processes are in place and are utilized to assess the effectiveness of the Chair of the Board, the Board as a whole, each Director, each Committee and each Committee's Chair;

  (v) reviewing annually the composition of the Board and its Committees and assess Directors' performance on an ongoing basis, and propose new members to the Board; and

  (vi) reviewing annually the adequacy and form of the compensation of the Directors.

Section 5 - New Director Orientation

New Directors will be provided with an orientation which will include written information about the duties and obligations of Directors and the business and operations of the Company, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other Directors.

Section 6 - Conflicts of Interest

(a) Directors have a duty to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill a reasonably prudent person would exercise in comparable circumstances. Each Director serves in his or her personal capacity and not as an employee, agent or representative of any other company, organization or institution, even if the Director is employed by a shareholder or any other entity which does business with the Company. In providing direction to the Company, Directors acknowledge that the wellbeing of the Company is their sole concern. Any Director must not be affected in his or her deliberations and decision making by any relationship with any outside person or party including any specific shareholder no matter which one and no matter what the relationship between the Director and that Shareholder. Directors shall not allow personal interests to conflict with their duties to the Company and shall avoid and refrain from involvement in situations of conflict of interest.

(b) A Director shall disclose promptly any circumstances such as an office, property, a duty or an interest, which might create a conflict or perceived conflict with that Director's duty to the Company.

(c) A Director shall disclose promptly any interest that Director may have in an existing or proposed contract or transaction of or with the Company.

(d) The disclosures contemplated in paragraphs (b) and (c) above shall be immediate if the perception of a possible conflict of interest arises during a meeting of the Board or any Committee of the Board, or if the perception of a possible conflict arises at another time then the disclosure shall occur by e-mail to the other Directors immediately upon realization of the conflicting situation and then confirmed at the first Board and/ or Committee meeting after the Director becomes aware of the potential conflict of interest that is attended by the conflicted Director.

(e) Each Director will on an annual basis disclose all entities to which it is related, affiliated or in which it holds a, direct or indirect, interest that may do business with the Company or operate in the same industry.

(f) A Director's disclosure to the Board or a Committee of the Board shall disclose the full nature and extent of that Director's interest either in writing or by having the interest entered in the minutes of the meeting of the Board or such Committee of the Board.

(g) A Director with a conflict of interest or who may be perceived as being in a conflict of interest with respect to the Company shall abstain from discussion and voting by the Board or any Committee of the Board on any motion to recommend or approve the subject matter of such conflict unless the matter relates primarily to the Director's remuneration or benefits or as otherwise permitted by applicable law or regulation. If the conflict of interest is obvious and direct, the Director shall withdraw while the item is being considered.

(h) Without limiting the generality of "conflict of interest", it shall be deemed a conflict of interest if a Director, a Director's relative, a member of the Director's household in which any relative or member of the household is involved has a direct or indirect financial interest in, or obligation to, or a party to a proposed or existing contract or transaction with the Company.

(i) Directors shall not use information obtained as a result of acting as a Director for personal benefit or for the benefit of others.

(j) Any Director shall not use or provide to the Company any information known by the Director that through a relationship with a third party the Director is not legally able to use or provide.

(k) Directors shall maintain the confidentiality of all information and records obtained as a result of acting as a Director.

Section 7 - Mandate Review

This Mandate shall be reviewed and approved by the Board each year after the annual general shareholder meeting of the Company.

Section 8 - General

The Board may perform any other activities consistent with this Mandate, the Company's Articles and any governing laws as the Board deems necessary or appropriate.

APPENDIX "C"

AUDIT COMMITTEE MANDATE

Section 1 - Purpose

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of Cobalt 27 Capital Corp. (the "**Company**"). The primary function of the Committee is to assist the Board by:

(a) working with the Chief Executive Officer to recruit persons to hold key positions in the financial management of the Company including the Chief Financial Officer, the Controller and any other persons hired to be the primary interface between the Company and its financial agents, lenders or shareholders;

(b) recommending to the Board for consideration and further recommendation to the shareholders the appointment and compensation of the external auditor;

(c) overseeing the work of the external auditor, including gaining an understanding of disagreements between the external auditor and management;

(d) overseeing the assignment of non-audit services to the external auditor, including but not restricted to pre-approving all non-audit services (or delegating such pre-approval, if and to the extent permitted by law) to be provided to the Company or its subsidiary entities ("**subsidiaries**") by the external auditor;

(e) reviewing and approving any proposed hiring of any current or former partner or employee of the current or former external auditor of the Company or its subsidiaries;

(f) establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters, and for anything that may be required beyond the Company's Whistleblower Policy for the confidential, anonymous submission by employees of the Company or its subsidiaries of concerns regarding questionable accounting or auditing matters;

(g) reviewing and approving the quarterly financial statements, the related Management Discussion and Analysis ("**MD&A**"), and similar financial information provided by the Company to any governmental body, the shareholders of the Company or the public, including by way of press release;

(h) reviewing and recommending that the Board approve annual financial statements, the related MD&A, and similar financial information provided by the Company to any governmental body, the shareholders of the Company or the public, including by way of press release; and

(i) satisfying itself that adequate procedures are in place for the compilation, calculation and review of the Company's disclosure of financial information, other than as described in (g) above, extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures.

The Committee should primarily fulfill these roles by carrying out the activities enumerated in this Mandate.

Section 2 - Composition and Meetings

(a) The Committee must be comprised of a minimum of three directors, as appointed by the Board, each of whom shall be independent within the meaning of National Instrument 52-110 — Audit Committees ("NI 52-110") of the Canadian Securities Administrators unless the Board determines that an exemption contained in NI 52-110 is available and determines to rely thereon, and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

(b) All of the members of the Committee must be financially literate within the meaning of NI 52-110 unless the Board has determined to rely on an exemption in NI 52-110. Being "financially literate" means members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

(c) The members of the Committee and its Chair shall be elected by the Board on an annual basis, or until they are removed or their successors are duly appointed.

(d) The members of the Committee may be removed or replaced by the Board at any time. The Chair of the Committee may be removed by the Board at any time. Any member shall automatically cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all of the powers of the Committee, so long as a quorum remains.

(e) The Committee shall meet at least four times annually, or more frequently as circumstances require. The Committee should meet within 42 days following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related MD&A, and should meet within 85 days following the end of the fiscal year end to review and discuss the audited financial results for the preceding quarter and year and the related MD&A.

(f) The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers and the external auditor, and others as they consider appropriate. For greater certainty, corporate information includes information relating to the Company's affiliates, subsidiaries and their respective operations.

(g) In order to foster open communication, the Committee or its Chair should meet at least annually with management and the external auditor in separate sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately. In addition, the Committee or its Chair should meet with management quarterly in connection with the Company's interim financial statements and the Committee should meet not less than quarterly with the auditors, independent of the presence of management.

(h) At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote and in such cases the undecided matter should be referred to the Board as a whole.

(i) A quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine.

(j) Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon 48 hours' notice to each of its members. The notice period may be waived by all members of the Committee. Each of the Chair of the Board, the external auditor, the Chief Executive Officer, the Chief Financial Officer or the Corporate Secretary shall also be entitled to call a meeting.

(k) Agendas shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings. Minutes of each meeting will be recorded and reviewed for errors or omissions and then filed with the Corporate Secretary and made available to any director at any time. The Committee should report on its activities at each quarterly meeting of the Board or more frequently as material issues are addressed by the Committee. It will be the responsibility of the Chair to report to the Board or delegate such reporting.

(l) Any issue arising from these meetings that bear on the relationship between the Board and management should be communicated to the Board by a member of the Committee, the Committee being responsible to designate the member responsible for such report.

Section 3 - Role

In addition to the matters described in Section 1, and any other duties and authorities delegated to it by the Board from time to time, the role of the Committee is to:

(1) General

(a) Review and recommend to the Board changes to this Mandate, as considered appropriate from time to time.

(b) Review any and all disclosure regarding the Committee as contemplated by NI 52-110.

(c) Oversee by direct involvement or by delegation to the Disclosure Committee of management the disclosure of the Company’s quarterly and annual financial statements and related filings.

(d) Summarize in the Company’s disclosure materials the Committee’s composition and activities, as required.

(2) Internal Controls

(a) Satisfy itself on behalf of the Board with respect to the Company’s internal control systems, including in particular but not exclusively:

(i) matters relating to derivative instruments;

(ii) management’s identification, monitoring and development of strategies to avoid and /or mitigate business risks;

(iii) the adequacy of the security measures that are in place in respect of the Company’s information systems and the information technology that is utilized by the Company; and

(iv) ensuring compliance with legal and regulatory requirements.

(3) Documents/Reports Review

(a) Review and recommend to the Board for approval the Company’s annual financial statements, and review and approve the Company’s quarterly financial statements, including in each case any certification, report, opinion or review rendered by the external auditor, and related MD&A. The process of reviewing annual and quarterly financial statements should include but not be limited to:

(i) reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years’ financial statements;

(ii) reviewing significant accruals, reserves or other estimates;

(iii) reviewing accounting treatment of unusual or non-recurring transactions;

(iv) ascertaining compliance with covenants under loan agreements;

(v) reviewing financial reporting relating to asset retirement obligations;

(vi) reviewing disclosure requirements for commitments and contingencies;

(vii) reviewing adjustments raised by the external auditors, whether or not included in the financial statements;

(viii) reviewing unresolved differences between management and the external auditors;

(ix) obtaining explanations of significant variances with comparative reporting periods; and

(x) determining through inquiry if there are any related party transactions and ensure the nature and extent of such transactions are properly disclosed.

(b) Review the financial statements, prospectuses, MD&A, annual information forms and all public disclosure containing financial information that is based upon the financial statements of the Company that has not previously been released, before release and prior to Board approval, if required.

(c) Seek to ensure that adequate procedures are in place for the review of the Company’s disclosure of financial information extracted or derived from the Company’s financial statements and periodically assess the adequacy of those procedures.

(4) External Auditor

(a) Recommend to the Board the nomination of the external auditor for shareholder approval, considering independence and effectiveness, and review the fees and other compensation to be paid to the external auditor. Instruct the external auditor that its ultimate client is the shareholders of the Company as a group.

(b) Advise the external auditor that it is required to report directly to the Committee, and not to management of the Company and, if it has any concerns regarding the conduct of the Committee or any member thereof, it should contact the Chair of the Board or any other director.

(c) Monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion between management and the external auditor.

(d) Review and discuss, on an annual basis, with the external auditor all significant relationships they have with the Company, its management or employees to determine their independence.

(e) Review and approve requests for any material management consulting or other engagement to be performed by the external auditor and be advised of any other material study undertaken by the external auditor at the request of management that is beyond the scope of the audit engagement letter and related fees.

(f) Review the performance of the external auditor and any proposed dismissal or non-renewal of the external auditor when circumstances warrant.

(g) Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has or has not taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.

(h) Review with external auditors (and internal auditor if one is appointed by the Company) their assessment of the internal controls of the Company, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses.

(i) Communicate directly with the external auditor, and arrange for the external auditor to report directly to the Committee.

(j) Communicate directly with the external auditor, and arrange for the external auditor to be available to the Committee and the full Board as needed.

(5) Financial Reporting Processes

(a) Review the integrity of the financial reporting processes, both internal and external, in consultation with the external auditor as the Committee sees fit.

(b) Consider the external auditor's judgments about the quality, transparency and appropriateness, not just the acceptability, of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, including the degree of aggressiveness or conservatism of its accounting principles and underlying estimates, and whether those principles are common practices or are minority practices relative to the Company's peers.

(c) Review all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related party transactions.

(d) Consider proposed major changes to the Company's accounting principles and practices.

(6) Reporting Process

(a) If considered appropriate, establish separate systems of reporting to the Committee by each of management and the external auditor.

(b) Review the scope and plans of the external auditor's audit and reviews. The Committee may authorize the external auditor to perform supplemental reviews or audits as the Committee may deem desirable.

(c) Review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of the Company and its subsidiaries.

(d) Periodically consider the need for an internal audit function, if not present.

(e) Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.

(f) Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.

(g) Where there are significant unsettled issues between management and the external auditors that do not affect the audited financial statements, the Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.

(h) Review with the external auditor and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.

(i) Review the system in place to seek to ensure that the financial statements, related MD&A and other financial information disseminated to governmental organizations and the public satisfy applicable requirements.

(j) When there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.

(7) Risk Management

(a) Review program of risk assessment and steps taken to address significant risks or exposures of all types, including insurance coverage and tax compliance.

(b) Review, not less than quarterly, a mark to market assessment of the Company's hedge positions and counterparty credit risk and exposure.

(8) General

(a) If considered appropriate, conduct or authorize investigations into any matters within the Committee's scope of activities. The Committee is empowered to retain independent counsel, accountants and other professionals to assist it in the conduct of any such investigation or otherwise as it determines necessary to carry out its duties. The Committee may set and pay (at the expense of the Company) the compensation for any such advisors.

(b) Perform any other activities as the Committee deems necessary or appropriate.

Section 4 - Complaint Procedures

(1) Submitting a Complaint

Anyone may submit a whistle blower notice or complaint regarding conduct by the Company or its subsidiaries or their respective employees or agents (including its independent auditors) reasonably believed to involve questionable accounting, internal accounting controls or auditing matters. The Chair or in his/her absence or by his/her delegation, any other member of the Committee should oversee the treatment of such complaints.

(2) Procedures

(a) The Chair of the Committee is designated to receive and administer or supervise the administration of employee complaints with respect to accounting or financial control matters.

(b) In order to preserve anonymity when submitting a complaint regarding questionable accounting or auditing matters, the employee may submit a complaint in accordance with the Company's Whistleblower Policy, and such complaint shall be address in accordance with that policy.

(3) Records and Report

The Chair of the Committee should maintain a log of complaints, tracking their receipt, investigation, findings and resolution, and should prepare a summary report for the Committee.

CERTIFICATE OF THE COMPANY

Dated: June 16, 2017.

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each province and territory in Canada, except Québec.

(signed) "***Anthony Milewski***"	(signed) "***Cindy Davis***"
Anthony Milewski	Cindy Davis
Chief Executive Officer	Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "***Jonathan Hykawy***"	(signed) "***John Kanellitsas***"
Jonathan Hykawy	John Kanellitsas
Director	Director

CERTIFICATE OF THE PROMOTER

Dated: June 16, 2017.

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each province and territory in Canada, except Québec.

(signed) "***Anthony Milewski***"
Anthony Milewski
Chief Executive Officer

CERTIFICATE OF THE UNDERWRITERS

Dated: June 16, 2017.

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each province and territory in Canada except Québec.

SCOTIA CAPITAL INC.	**CANACCORD GENUITY CORP.**	**TD SECURITIES INC.**
(signed) *"Geoff Smith"*	(signed) *"Craig Warren"*	(signed) *"Peter Netupsky"*
Geoff Smith Director	Craig Warren Managing Director	Peter Netupsky Director

BMO NESBITT BURNS INC.

(signed) *"Jason Neal"*
Jason Neal
Managing Director

GMP SECURITIES L.P.	**HAYWOOD SECURITIES INC.**
(signed) *"Peter Rockandel"*	(signed) *"Ryan Matthiesen"*
Peter Rockandel Managing Director	Ryan Matthiesen Managing Director

CORMARK SECURITIES INC.

(signed) *"Darren Wallace"*
Darren Wallace
Managing Director

EIGHT CAPITAL	**PI FINANCIAL CORP.**	**SPROTT PRIVATE WEALTH INC.**
(signed) *"John Esteireiro"*	(signed) *"Dan Barnholden"*	(signed) *"Kirstin McTaggart"*
John Esteireiro, Managing Director	Dan Barnholden Managing Director	Kirstin McTaggart Director & Chief Compliance Officer