

This short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada, other than Quebec, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Cobalt 27 Capital Corp. at Suite 702 - 85 Richmond St. West, Toronto, Ontario, Canada, M5H 2C9, telephone (604) 410-2277 and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

October 17, 2017



COBALT 27 CAPITAL CORP.

\$300,000,000

**COMMON SHARES
DEBT SECURITIES
SUBSCRIPTION RECEIPTS
WARRANTS
SHARE PURCHASE CONTRACTS
UNITS**

Cobalt 27 Capital Corp. (the “**Company**” or “**Cobalt 27**”) may from time to time offer and issue the following securities: (i) common shares (“**Common Shares**”); (ii) senior and subordinated unsecured debt securities (collectively, “**Debt Securities**”), including debt securities convertible or exchangeable into other securities of Cobalt 27; (iii) subscription receipts (“**Subscription Receipts**”); (iv) warrants (“**Warrants**”); (v) share purchase contracts (“**Share Purchase Contracts**”); and (vi) units comprised of one or more of the other securities described in this prospectus (“**Units**”, and together with the Common Shares, Debt Securities, Subscription Receipts, Warrants and Share Purchase Contracts, the “**Securities**”), having an aggregate offering price of up to \$300,000,000, during the 25 month period that this short form base shelf prospectus (the “**Prospectus**”), including any amendments hereto, remains valid. Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying prospectus supplement (a “**Prospectus Supplement**”).

Financial statements incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

Investing in the Securities involves significant risks. Prospective investors should carefully read and consider the risk factors described or referenced under the heading “Risk Factors” in this Prospectus, contained in any of the documents incorporated by reference herein, and in any applicable Prospectus Supplement, before purchasing Securities.

The specific variable terms of any offering of Securities will be set out in the applicable Prospectus Supplement including, where applicable: (i) in the case of Common Shares, the persons(s) offering the Common Shares, the number of Common Shares offered and the offering price (or the manner of determination thereof if offered on a non-fixed price basis); (ii) in the case of the Debt Securities, the specific designation of the Debt Securities, whether such Debt Securities are senior or subordinated, the aggregate principal amount of the Debt Securities being offered, the currency or currency unit in which the Debt Securities may be purchased, authorized denominations, any limit on the aggregate principal amount of the Debt Securities of the series being offered, the issue and delivery date, the maturity date, the offering price (at par, at a discount or at a premium), the interest rate or method of determining the interest rate, the interest payment date(s), any conversion or exchange rights that are attached to the Debt Securities, any redemption provisions, any repayment provisions and any other specific terms; (iii) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), the procedures for the exchange of Subscription Receipts for Common Shares or Debt Securities, as the case may be, the currency or currency unit in which the Subscription Receipts are issued and any other specific terms; (iv) in the case of Warrants, the designation, number and terms of the Common Shares or Debt Securities or other Securities purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of those numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; (v) in the case of Share Purchase Contracts, whether the Share Purchase Contracts obligate the holder thereof to purchase or sell Common Shares the currency in which the Share Purchase Contracts are issued, the nature and amount of each of those Securities and any other specific terms; and (vi) in the case of Units, the designation and terms of the Units and of the Securities comprising the Units, the currency or currency unit in which the Units are issued and any other specific terms. A Prospectus Supplement may include other specific variable terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The Company may sell the Securities to or through underwriters or dealers purchasing as principals and may also sell the Securities to one or more purchasers directly subject to obtaining any required exemptive relief or through agents. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, if any, engaged by the Company in connection with the offering and sale of Securities and will set forth the terms of the offering of such Securities, the method of distribution of such Securities including, to the extent applicable, the proceeds to us, and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution. Securities may be sold from time to time in one or more transactions at a fixed price or fixed prices, or at non-fixed prices. If offered on a non-fixed price basis, Securities may be offered at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers at the time of sale, which prices may vary between purchasers and during the period of distribution. If Securities are offered on a non-fixed price basis, the underwriters', dealers' or agents' compensation will be increased or decreased by the amount by which the aggregate price paid for Securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriters, dealers or agents to us. See "Plan of Distribution".

The outstanding Common Shares are listed on the TSX Venture Exchange (the "TSX-V") under the symbol "KBLT". **There is currently no market through which the Debt Securities, Subscription Receipts, Warrants, Share Purchase Contracts and Units may be sold and purchasers may not be able to resell any Debt Securities, Subscription Receipts, Warrants, Share Purchase Contracts or Units purchased under this Prospectus. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of such Securities and the extent of issuer regulation. See "Risk Factors" below and the "Risk Factors" section of the applicable Prospectus Supplement.**

This Prospectus does not qualify the issuance of Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance

including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates such as LIBOR, EURIBOR or a United States federal funds rate.

Subject to applicable laws, in connection with any offering of Securities, the underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities at levels other than those which may prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See "Plan of Distribution".

Each of Messrs. Anthony Milewski, Nicholas French and John Kanellitsas reside outside of Canada. Although each of the aforementioned individuals has appointed Cobalt 27, Suite 2900 – 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1J5, as their respective agent for service of process in Canada, purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against these individuals. See "Enforcement of Legal Rights".

The head office of Cobalt 27 is located at Suite 702 - 85 Richmond St. West, Toronto, Ontario, Canada, M5H 2C9 and the registered and records offices of Cobalt 27 is located at Suite 2900 – 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1J5.

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NOTICE TO READERS

This Prospectus provides a general description of the Securities that we may offer. Each time we sell Securities under this Prospectus, we will provide you with a Prospectus Supplement that will contain specific information about the terms of that offering. The Prospectus Supplement may also add, update or change information contained in this Prospectus. Before investing in any Securities, you should read both this Prospectus and any applicable Prospectus Supplement, together with the additional information described below and in the applicable Prospectus Supplement under “Documents Incorporated by Reference”.

Investors should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. We have not authorized anyone to provide investors with different or additional information. We are not making an offer of Securities in any jurisdiction where the offer is not permitted by law. Prospective investors should not assume that the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement is accurate as of any date other than the date on the front of the applicable Prospectus Supplement.

Unless we have indicated otherwise, or the context otherwise requires, references in this Prospectus to the “Company”, “Cobalt 27”, “we”, “us” and “our” refer to Cobalt 27 Capital Corp. and/or, as applicable, one or more of its subsidiaries.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This Prospectus, including the documents incorporated herein by reference, contains “forward-looking information” within the meaning of applicable Canadian securities laws. These statements are not fact but 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. Expressions such as “anticipates”, “expects”, “believes”, “estimates”, “could”, “intends”, “may”, “plans”, “will”, “would”, “pro forma” and other similar expressions, or the negative of these terms, are generally indicative of forward-looking information. By its very nature, forward-looking information requires the Company to make assumptions and is subject to inherent risks and uncertainties which give rise to the possibility that the Company’s predictions, forecasts, expectations or conclusions will not prove to be accurate, that the Company’s assumptions may not be correct and that the Company’s objectives, strategic goals and priorities will not be achieved.

In particular, this Prospectus contains forward-looking statements including, without limitation, with respect to: statements with respect to future events or future performance; statements concerning the content of future Prospectus Supplements; 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 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. Such forward-looking information reflects management’s current beliefs and is based on information currently available to management.

With respect to forward-looking information 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.

The Company cautions the reader that such forward-looking information involves known and unknown risks that may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. Such risks include, but are not limited to: 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”. Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance.

All forward-looking information in this Prospectus and in the documents incorporated herein by reference is qualified in its entirety by the above cautionary statements and, except as required by law, we undertake no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise. Reference should be made to the section of this Prospectus entitled “Risk Factors”, to the documents incorporated herein by reference and to our continuous disclosure materials filed from time to time with Canadian securities regulatory authorities.

CURRENCY AND EXCHANGE RATE INFORMATION

This Prospectus contains references to Canadian and United States dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars. References to “\$” are to Canadian dollars and references to “US\$” are to United States dollars. The following table shows, for the years and dates indicated, certain information regarding the Canadian dollar/United States dollar exchange rate. The information is based on the daily average exchange rate as reported by the Bank of Canada. Such exchange rate on October 16, 2017 was US\$1.00 = \$1.2529 (or \$1.00 = US\$0.7981).

	<u>Period End</u>	<u>Average⁽¹⁾</u>	<u>Low</u>	<u>High</u>
	(US\$ per \$)			
Year ended December 31,				
2016	0.7448	0.7548	0.7972	0.6854
2015	0.7225	0.7820	0.8527	0.7148

(1) The average of the daily average exchange rates during the relevant period.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed by us with securities commissions or similar authorities in Canada. Our disclosure documents listed below and filed with the appropriate securities commissions or similar regulatory authorities in each of the provinces and territories of Canada, other than Quebec, are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the annual information form of the Company for the year ended April 30, 2017, dated August 4, 2017 (the “**Annual Information Form**”);
- (b) the audited annual consolidated financial statements of the Company for the year ended April 30, 2017 and April 30, 2016 and the notes thereto, together with the auditors’ reports thereon in respect of each such fiscal year (the “**Audited Financial Statements**”);
- (c) management’s discussion and analysis of the Company in respect of the Audited Financial Statements (the “**Annual Management’s Discussion and Analysis**”);
- (d) the condensed interim consolidated financial statements of the Company for the three months ended July 31, 2017 and the notes thereto (the “**Interim Financial Statements**”) (which Interim

Financial Statements have been reviewed by the Company's auditor as required in Part 4.3 of National Instrument 44-101 – *Short Form Prospectus Distributions* notwithstanding the "Notice to Reader" contained therein);

- (e) management's discussion and analysis of the Company in respect of the Interim Financial Statements;
- (f) the management information circular of the Company dated April 20, 2017 distributed in connection with the Company's annual and special meeting of shareholders held on May 18, 2017;
- (g) the disclosure set forth under the headings "Description of the Company's Business - Cobalt Industry Overview", "Directors and Executive Officers - Management of the Company", "Directors and Executive Officers - Advisory Board", "Executive Compensation", "Corporate Governance" and "Principal Shareholders" contained in the long form prospectus of the Company dated June 16, 2017;
- (h) the material change report of the Company dated June 16, 2017;
- (i) the material change report of the Company dated June 23, 2017;
- (j) the material change report of the Company dated June 29, 2017;
- (k) the material change report of the Company dated July 10, 2017; and
- (l) the material change report of the Company dated July 11, 2017.

Any document of the type referred to above, including any material change report (other than any confidential material change report), any business acquisition report, any Prospectus Supplements disclosing additional or updated information, and any "template version" of "marketing materials" (each as defined in National Instrument 41-101 – *General Prospectus Requirements*) subsequently filed by us with such securities commissions or regulatory authorities in Canada after the date of this Prospectus, and prior to the termination of the distribution under this Prospectus, shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this Prospectus shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, or in any other subsequently filed document which also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

When we file a new annual information form and audited consolidated financial statements and related management discussion and analysis with and, where required, they are accepted by, the applicable securities regulatory authorities during the time that this Prospectus is valid, the previous annual information form, the previous audited consolidated financial statements and related management discussion and analysis and all unaudited interim consolidated financial statements and related management discussion and analysis for such periods, all material change reports and any information circular and business acquisition report filed prior to the commencement of our financial year in which the new annual information form is filed will be deemed no longer to be incorporated by reference in this Prospectus for purposes of future offers and sales of Securities under this Prospectus. Upon new interim financial statements and the accompanying management discussion and analysis being filed by us with the applicable securities regulatory authorities during the term of this Prospectus, all interim

financial statements and accompanying management’s discussion and analysis filed prior to the filing of the new interim financial statements shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

PRESENTATION OF FINANCIAL INFORMATION

Cobalt 27 presents its financial statements in Canadian dollars and its financial statements are prepared in accordance with IFRS. Unless otherwise indicated, financial information included or incorporated by reference in this Prospectus has been prepared in accordance with IFRS. Certain calculations included in tables and other figures in this Prospectus have been rounded for clarity of presentation.

RISK FACTORS

An investment in the Securities involves certain risks. A prospective purchaser of Securities should carefully consider the risks and uncertainties described in the documents incorporated by reference into this Prospectus (including subsequent filed documents incorporated by reference into this Prospectus) and, if applicable, those described in a Prospectus Supplement relating to a specific offering of Securities. Discussions of certain risks and uncertainties affecting our business are provided in our Annual Information Form and our Annual Management’s Discussion and Analysis (or, as applicable, our annual information form and our management’s discussion and analysis for subsequent periods), each of which is incorporated by reference into this Prospectus. These are not the only risks and uncertainties that we face. Additional risks not presently known to us or that we currently consider immaterial may also materially and adversely affect us. If any of the events identified in these risks and uncertainties were to actually occur, our business, financial condition or results of operations could be materially harmed.

In addition, prospective purchasers of Securities should carefully consider, in light of their own financial circumstances, the risk factors set out below, as well as the other information contained in this Prospectus (including the documents incorporated by reference herein) and in all subsequently filed documents incorporated by reference and those described in a Prospectus Supplement relating to a specific offering of Securities, before making an investment decision.

There is no existing public market for the Debt Securities, Subscription Receipts, Warrants, Share Purchase Contracts or Units and a market may not develop.

There is currently no market through which the Debt Securities, Subscription Receipts, Warrants, Share Purchase Contracts or Units may be sold and purchasers of Debt Securities, Subscription Receipts, Warrants, Share Purchase Contracts or Units may not be able to resell such Debt Securities, Subscription Receipts, Warrants, Share Purchase Contracts or Units purchased under this Prospectus. There can be no assurance that an active trading market will develop for the Debt Securities, Subscription Receipts, Warrants, Share Purchase Contracts or Units after an offering or, if developed, that such market will be sustained. This may affect the pricing of the Debt Securities, Subscription Receipts, Warrants, Share Purchase Contracts or Units in the secondary market, the transparency and availability of trading prices, the liquidity of the Debt Securities, Subscription Receipts, Warrants, Share Purchase Contracts or Units and the extent of issuer regulation.

The public offering prices of the Securities may be determined by negotiation between Cobalt 27 and underwriters, dealers or agents based on several factors and may bear no relationship to the prices at which the Securities will trade in the public market subsequent to such offering, if any public market develops. See “Plan of Distribution”.

Potential Dilution

The Company’s constating documents allow the Company to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as shall be established by the Company’s board of directors (the “**Board of Directors**”), in many cases, without the approval of our shareholders. The Company may issue Common Shares in public or private offerings (including through the sale of Securities convertible into or

exchangeable for Common Shares) and on the exercise of stock options or other securities exercisable for Common Shares. The Company may also issue Common Shares to finance or as consideration for future acquisitions and other projects or in connection with the establishment or development of strategic relationships. Any such future issuances of Common Shares could be significant and the Company cannot predict the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares. Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for our Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and we may experience dilution in our earnings per share.

Volatility of Market Price of Securities

The market price of the Securities may be volatile. The volatility may affect the ability of holders to sell the Securities at an advantageous price. Market price fluctuations in the Securities may be due to the Company's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors, including, without limitation, those set forth under the heading "Forward-Looking Information". In addition, the market price for securities on stock markets, including the TSX-V, is subject to significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market price of the Securities.

Forward-Looking Information May Prove to be Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found in this Prospectus under the heading "Forward-Looking Information".

Positive Return not Guaranteed

A positive return on an investment in the Securities is not guaranteed. There is no guarantee that an investment in the Securities will earn any positive return in the short term or long term. An investment in the Securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the Securities is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

The Company has a history of net losses and negative operating cash flow and cannot assure that it will ever be profitable.

For the fiscal year ended April 30, 2017, the Company had net losses attributable to common shareholders of \$957,980. The Company's physical cobalt business and its proposed acquisition of cobalt streams, cobalt royalties and direct interests in mineral properties containing cobalt involves a high degree of risk that even a combination of careful evaluation, experience and knowledge cannot eliminate. There is no certainty that the Company will operate profitably or generate positive operating cashflow, or provide a return on investment in the future.

Prevailing interest rates will affect the market price or value of Debt Securities

The market price or value of Debt Securities will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

The Debt Securities will not be secured by assets of Cobalt 27

Holders of secured indebtedness of Cobalt 27 would have a claim on the assets securing such indebtedness that effectively ranks prior to the claim of holders of Debt Securities and would have a claim that ranks equal with the claim of holders of senior Debt Securities and senior to the claim of holders of subordinated Debt Securities to the extent that such security did not satisfy the secured indebtedness. Furthermore, although covenants given by Cobalt 27 in various agreements may restrict incurring secured indebtedness, such indebtedness may, subject to certain conditions, be incurred by us in the future.

Subordination

The Debt Securities will be senior or subordinated indebtedness as described in the relevant Prospectus Supplement. In the event of the insolvency or winding-up of Cobalt 27, any subordinated Debt Securities would be subordinated and postponed in right of payment to the prior payment in full of all other liabilities and indebtedness of Cobalt 27, other than indebtedness that, by its terms, ranks equally with, or subordinate to, such subordinated Debt Securities.

To the extent any particular offering of Securities is made to investors not resident in Canada, the following additional risk factor will be relevant.

Potential Difficulties in Enforcing Civil Liabilities Outside Canada

The Company is incorporated under the laws of Canada and substantially all of the Company's assets are located in the United States and Europe. Certain of the directors and officers of the Company, and some experts named in this Prospectus reside or are located in Canada, and/or their assets are located in Canada. As a result, it may be difficult for non-Canadian or other investors to effect service of process outside of Canada against the Company, the directors and officers of the Company or these experts or to sue the Company or those others in the United States or other courts. If a lawsuit were successful, it may be difficult to collect any money awarded.

THE COMPANY

Overview

The Company was incorporated under the *Business Corporations Act* (British Columbia) 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." We are a reporting issuer in each of the provinces and territories of Canada other than Québec. The Common Shares are listed and posted for trading on the TSX-V under the symbol "KBLT" and on the Frankfurt Stock Exchange under the symbol "270".

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.

Corporate Structure

References in this Prospectus to the business of the Company include the business conducted by its subsidiaries. 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 Business

Cobalt 27 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 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.

Cobalt 27 currently holds physical cobalt material and several exploration-stage cobalt royalties. The Company's objective is to achieve appreciation in the value of its physical cobalt position and grow its cobalt exposure through the acquisition of additional physical cobalt, streams, royalties and direct interests in mineral properties containing cobalt. Cobalt 27 offers the investment community a pure-play cobalt vehicle with cobalt price and exploration optionality, while limiting risk exposure.

Cobalt is a fundamental component of battery technologies used in electric vehicles and energy storage. Investor demand for battery materials - such as lithium and cobalt- has grown significantly over the past few years. The Company believes there are few cobalt projects in the pipeline. Only 1% of mined cobalt comes from primary cobalt mines, with the rest produced as a by-product of copper and nickel mining making cobalt supply highly dependent upon new copper or nickel projects. As a result, 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 due to low commodity prices.

CONSOLIDATED CAPITALIZATION

Since the date of the Annual Financial Statements:

- On June 23, 2017, Cobalt 27 completed a public offering pursuant to which it issued an aggregate of 22,222,225 Common Shares at a price of \$9.00 per Common Share;
- On June 29, Cobalt 27 issued an additional 700,000 Common Shares at a price of \$9.00 per Common Share pursuant to partial exercise of the over-allotment option in connection with the public offering; and
- On July 7, 2017, Cobalt 27 issued 94,445 Common Shares at a price of \$9.00 per Common Share in connection with the acquisition of seven net smelter return royalties.

Other than each of the foregoing transactions, there have been no other material changes in our share or loan capital, on a consolidated basis, since the date of the Annual Financial Statements.

EARNINGS COVERAGE RATIOS

The applicable Prospectus Supplement will provide, as required, the earnings coverage ratios with respect to the issuance of Securities pursuant to such Prospectus Supplement.

USE OF PROCEEDS

Unless otherwise specified in a Prospectus Supplement, in accordance with the Company's business restrictions policy, we intend to use the net proceeds from the sale of Securities for the acquisition directly or indirectly of (i) additional physical commodities, (ii) streams, (iii) royalties and/or (iv) interests in mineral properties containing cobalt and other battery-related commodities or related assets (any, a "**cobalt-related acquisition**").

In connection with the Prospectus, the Company: (a) will only complete an offering pursuant to a Prospectus Supplement in connection with a specific cobalt-related acquisition (other than in respect of the acquisition of additional physical cobalt) for which a binding agreement has been entered into by the Company; and (b) will not conduct any single offering pursuant to a Prospectus Supplement for an aggregate amount in excess of

the lesser of (x) \$200 million and (y) the Company's then-current market capitalization. The Company has provided an undertaking to the Ontario Securities Commission, as principal regulator, with respect to the foregoing.

In the event that the Company completes an offering pursuant to a Prospectus Supplement in connection with the proposed acquisition, directly or indirectly, of additional physical cobalt, management of the Company expects it would be able to fully deploy proceeds from such offering within 12 months of the closing of such offering.

Specific information about the use of net proceeds of any offering of Securities under this Prospectus (including any cobalt-related acquisition) will be set forth in the applicable Prospectus Supplement. We may invest funds which we do not immediately use. Such investments may include short-term marketable investment grade securities denominated in Canadian dollars, United States dollars or other currencies. We may, from time to time, issue securities other than pursuant to this Prospectus.

For additional information concerning the business restrictions policy of the Company, see the Annual Information Form under the heading "Description of the Business – Business Restrictions Policy".

SHARE STRUCTURE

Cobalt 27's authorized share capital consists of an unlimited number of Common Shares. As of October 16, 2017, we had issued and outstanding 24,816,965 Common Shares.

DIVIDENDS

Cobalt 27 has not, since the date of its incorporation, declared or paid any dividends on its Common Shares, and does not currently anticipate paying any dividends. For the foreseeable future, Cobalt 27 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 its Common Shares will be at the sole discretion of the board of directors of the Company 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.

DESCRIPTION OF SECURITIES OFFERED

Common Shares

The rights, preferences and privileges of holders of Common Shares are subject to the rights of the holders of shares of any class or series ranking senior to the Common Shares that Cobalt 27 may issue in the future. A summary of the rights of the Common Shares is set forth below. The following summary is not complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the Company's articles, as they may be amended from time to time, which are available under Cobalt 27's profile on SEDAR at www.sedar.com. Common Shares may be sold separately or together with Debt Securities, Subscription Receipts, Warrants or Share Purchase Contracts under this Prospectus. Common Shares may also be issuable on conversion, exchange, exercise or maturity of certain Debt Securities, Subscription Receipts, Warrants or Share Purchase Contracts qualified for issuance under this Prospectus.

Dividends

Subject to the prior rights of the holders, if any, of the shares then outstanding of any other class ranking senior to the Common Shares, holders of Common Shares are entitled to receive dividends if, as and when declared by our Board of Directors in respect of the Common Shares. The *Business Corporations Act* (British Columbia) provides that a corporation may not declare or pay a dividend if there are reasonable grounds for believing that it is, or would be after the payment of the dividend, unable to pay its liabilities as they become due or the realizable value

of its assets would thereby be less than the aggregate of its liabilities and stated capital of all classes of shares of its capital.

Liquidation

Subject to the prior rights of the holders, if any, of the shares then outstanding of any other class ranking senior to the Common Shares, the holders of Common Shares are entitled to share rateably in any distribution of the assets of Cobalt 27 upon liquidation, dissolution or winding-up, after satisfaction of all debts and other liabilities.

Voting Rights

The holders of Common Shares are entitled to one vote for each share on all matters submitted to a vote of shareholders and do not have cumulative voting rights.

Debt Securities

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of a series of Debt Securities offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in the applicable Prospectus Supplement. One or more series of Debt Securities may be sold separately or together with Common Shares, Subscription Receipts, Warrants or Share Purchase Contracts under this Prospectus, or on conversion or exchange of any such Securities.

Priority

The Debt Securities will be senior or subordinated indebtedness of Cobalt 27 as described in the relevant Prospectus Supplement. If the Debt Securities are senior indebtedness, they will rank equally and rateably with all other unsecured indebtedness of Cobalt 27, from time to time issued and outstanding, which is not subordinated.

If the Debt Securities are subordinated indebtedness, they will rank equally and rateably with all other subordinated Debt Securities from time to time issued and outstanding. In the event of the insolvency or winding-up of Cobalt 27, the subordinated Debt Securities will be subordinated and postponed in right of payment to the prior payment in full of all other liabilities and indebtedness of Cobalt 27, other than indebtedness that, by its terms, ranks equally with, or subordinate to, such subordinated Debt Securities.

The Debt Securities are Unsecured Obligations

The Debt Securities will be direct unsecured obligations of Cobalt 27.

Terms of the Debt Securities

In conformity with applicable laws of Canada, for all bonds and notes of companies that are publicly offered, the Debt Securities will be governed by a document called an “indenture”. There will be a separate indenture for the senior Debt Securities and the subordinated Debt Securities. An indenture is a contract between a financial institution, acting on your behalf as trustee of the Debt Securities offered, and us. The trustee has two main roles. First, subject to some limitations on the extent to which the trustee can act on your behalf, the trustee can enforce your rights against us if we default on our obligations under the indenture. Second, the trustee performs certain administrative duties for us. The aggregate principal amount of Debt Securities that may be issued under each indenture is unlimited. A copy of the form of each indenture to be entered into in connection with offerings of Debt Securities will be filed with the securities regulatory authorities in Canada when it is entered into. A copy of any indenture or supplement thereto entered into by us will be filed with securities regulatory authorities and will be available on our SEDAR profile at www.sedar.com.

This Prospectus does not qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater

certainly, this Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates such as LIBOR, EURIBOR or a United States federal funds rate.

Selected provisions of the Debt Securities and the indenture(s) under which such Debt Securities will be issued are summarized below. This summary is not complete. The statements made in this Prospectus relating to any indenture and Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable indenture.

The indentures will not limit the amount of Debt Securities that we may issue thereunder. We may issue Debt Securities from time to time under an indenture in one or more series by entering into supplemental indentures or by our Board of Directors or a duly authorized committee authorizing the issuance. The Debt Securities of a series need not be issued at the same time, bear interest at the same rate or mature on the same date.

The Prospectus Supplement for a particular series of Debt Securities will disclose the specific terms of such Debt Securities, including the price or prices at which the Debt Securities to be offered will be issued. The terms and provisions of any Debt Securities offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. Those terms may include some or all of the following:

- (a) the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- (b) the indenture under which such Debt Securities will be issued and the trustee(s) thereunder;
- (c) the currency or currency units for which the Debt Securities may be purchased and the currency or currency unit in which the principal and any interest is payable (in either case, if other than Canadian dollars);
- (d) whether such Debt Securities are senior or subordinated and, if subordinated, the applicable subordination provisions;
- (e) the percentage of the principal amount at which such Debt Securities will be issued;
- (f) the date or dates on which such Debt Securities will mature;
- (g) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any);
- (h) the dates on which any such interest will be payable and the record dates for such payments;
- (i) any redemption term or terms under which such Debt Securities may be defeased;
- (j) whether such Debt Securities are to be issued in registered form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- (k) the place or places where principal, premium and interest will be payable;
- (l) the designation and terms of any other Securities with which the Debt Securities will be offered, if any, and the principal amount of Debt Securities that will be offered with each Security;
- (m) the securities exchange(s) on which such series of Debt Securities will be listed, if any;

- (n) any terms relating to the modification, amendment or waiver of any terms of such Debt Securities or the applicable indenture;
- (o) any change in the right of the trustee or the holders to declare the principal, premium and interest with respect to such series of debt securities to be due and payable;
- (p) governing law;
- (q) any limit upon the aggregate principal amount of the Debt Securities of such series that may be authenticated and delivered under the indenture;
- (r) if other than Cobalt 27 or the trustee, the identity of each registrar and/or paying agent;
- (s) if the Debt Securities are issued as a Unit with another Security, the date on and after which the Debt Securities and other Security will be separately transferable;
- (t) if the Debt Securities are to be issued upon the exercise of Warrants, the time, manner and place for such Securities to be authenticated and delivered;
- (u) if the Debt Securities are to be convertible or exchangeable into other securities of Cobalt 27, the terms and procedures for the conversion or exchange of the Debt Securities into other securities; and
- (v) any other specific terms of the Debt Securities of such series, including any events of default or covenants.

Any convertible or exchangeable Debt Securities will be convertible or exchangeable only for other securities of Cobalt 27. In an offering of convertible, exchangeable or exercisable Securities, original purchasers will have a contractual right of rescission against Cobalt 27 following the conversion, exchange or exercise of such Securities in the event that this Prospectus, the applicable Prospectus Supplement or any amendment thereto contains a misrepresentation. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the securities issued upon conversion, exchange or exercise of such Securities, the amount paid for such Securities (plus any additional amount paid upon conversion, exchange or exercise, if applicable), provided that (i) the conversion, exchange or exercise takes place within 180 days from the date of the purchase of such Securities under the applicable Prospectus Supplement and (ii) the right of rescission is exercised within 180 days from the date of the purchase of such Securities under the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario) and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise by law. This right of rescission will not extend to any holders of convertible or exchangeable Debt Securities who acquire such convertible or exchangeable Debt Securities from an initial purchaser on the open market or otherwise.

Debt Securities, if issued in registered form, will be exchangeable for other Debt Securities of the same series and tenor, registered in the same name, for a like aggregate principal amount in authorized denominations and will be transferable at any time or from time to time at the corporate trust office of the relevant trustee. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

Modifications

We may amend any indenture and the Debt Securities without the consent of the holders of the Debt Securities in certain circumstances including to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Debt Securities. A more detailed description of the amendment provisions will be included in the applicable Prospectus Supplement.

Subscription Receipts

Subscription Receipts may be offered separately or together with Common Shares, Debt Securities or Warrants, as the case may be. Subscription Receipts will be issued under a subscription receipt agreement (a “**Subscription Receipt Agreement**”) that will be entered into between us and the escrow agent (the “**Escrow Agent**”) at the time of issuance of the Subscription Receipts. Each Escrow Agent will be a financial institution authorized to carry on business as a trustee. If underwriters or agents are used in the sale of any Subscription Receipts, one or more of such underwriters or agents may also be a party to the Subscription Receipt Agreement governing the Subscription Receipts sold to or through such underwriter or agent.

Terms of the Subscription Receipts

The Subscription Receipt Agreement will provide each initial purchaser of Subscription Receipts with a non-assignable contractual right of rescission following the issuance of any Common Shares or Debt Securities, as applicable, to such purchaser upon the exchange of the Subscription Receipts if this Prospectus, the Prospectus Supplement under which the Subscription Receipts are offered, or any amendment hereto or thereto contains a misrepresentation, as such term is defined in the *Securities Act* (Ontario). This contractual right of rescission will entitle such initial purchaser to receive the amount paid for the Subscription Receipts (plus any additional amount paid upon conversion, exchange or exercise, if applicable) upon surrender of the Securities issued in exchange therefor, provided that such remedy for rescission is exercised in the time stipulated in the Subscription Receipt Agreement. This right of rescission will not extend to any holders of Subscription Receipts who acquire such Subscription Receipts from an initial purchaser on the open market or otherwise.

The applicable Prospectus Supplement will include details of the Subscription Receipt Agreement covering the Subscription Receipts being offered. The specific terms of the Subscription Receipts, and the extent to which the general terms described in this section apply to those Subscription Receipts, will be set forth in the applicable Prospectus Supplement. A copy of the Subscription Receipt Agreement will be filed by us with securities regulatory authorities after it has been entered into by us and will be available on our SEDAR profile at www.sedar.com.

Subscription Receipts will entitle the holder thereto to receive other Securities (typically Common Shares or Debt Securities), for no additional consideration, upon the completion of a particular transaction or event, typically an acquisition of the assets or securities of another entity by the Company. The subscription proceeds from an offering of Subscription Receipts will be held in escrow by an escrow or other agent pending the completion of the transaction or the termination time (the time at which the escrow terminates regardless of whether the transaction or event has occurred). Holders of Subscriptions Receipts will receive other Securities upon the completion of the particular transaction or event or, if the transaction or event does not occur by the termination time, a return of the subscription funds for their Subscription Receipts together with any interest or other income earned thereon.

This section describes the general terms that will apply to any Subscription Receipts being offered. The terms and provisions of any Subscription Receipts offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. The particular terms of each issue of Subscription Receipts that will be described in the related Prospectus Supplement will include, where applicable:

- (a) the number of Subscription Receipts;
- (b) the price at which the Subscription Receipts will be offered;
- (c) conditions (the “**Release Conditions**”) for the exchange of Subscription Receipts into Common Shares or Debt Securities, as the case may be, and the consequences of such conditions not being satisfied;
- (d) the procedures for the exchange of the Subscription Receipts into Common Shares or Debt Securities;
- (e) the number of Common Shares or Debt Securities to be exchanged for each Subscription Receipt;

- (f) the currency or currency unit for which Subscription Receipts may be purchased and the aggregate principal amount, currency or currencies, denominations and terms of the series of Common Shares or Debt Securities that may be exchanged upon exercise of each Subscription Receipt;
- (g) the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- (h) the dates or periods during which the Subscription Receipts may be exchanged into Common Shares or Debt Securities;
- (i) the identity of the Escrow Agent;
- (j) the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of such Subscription Receipts, together with interest and income earned thereon, or collectively, the Escrowed Funds, pending satisfaction of the Release Conditions;
- (k) the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to us upon satisfaction of the Release Conditions and if the Subscription Receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commissions in connection with the sale of the Subscription Receipts;
- (l) procedures for the payment by the Escrow Agent to holders of such Subscription Receipts of an amount equal to all or a portion of the subscription price of their Subscription Receipts, plus any additional amounts provided for in the Subscription Receipt Agreement, if the Release Conditions are not satisfied;
- (m) the material income tax consequences of owning, holding and disposing of the Subscription Receipts;
- (n) the securities exchange(s) on which the Subscription Receipts will be listed, if any; and
- (o) any other material terms and conditions of the Subscription Receipts.

Prior to the exchange of their Subscription Receipts, holders of Subscription Receipts will not have any of the rights of holders of the securities to be received on the exchange of the Subscription Receipts.

Subscription Receipts, if issued in registered form, will be exchangeable for other Subscription Receipts of the same tenor, at the office indicated in the Prospectus Supplement. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto.

Escrow

The Subscription Receipt Agreement will provide that the Escrowed Funds will be held in escrow by the Escrow Agent, and such Escrowed Funds will be released to us (and, if the Subscription Receipts are sold to or through underwriters or agents, a portion of the Escrowed Funds may be released to such underwriters or agents in payment of all or a portion of their fees in connection with the sale of the Subscription Receipts) at the time and under the terms specified by the Subscription Receipt Agreement. If the Release Conditions are not satisfied, holders of Subscription Receipts will receive payment of an amount equal to all or a portion of the subscription price for their Subscription Receipts, plus any additional amounts provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement.

Modifications

The Subscription Receipt Agreement will specify the terms upon which modifications and alterations to the Subscription Receipts issued thereunder may be made by way of a resolution of holders of Subscription Receipts at a meeting of such holders or by way of consent in writing from such holders. The number of holders of Subscription Receipts required to pass such a resolution or execute such a written consent will be specified in the Subscription Receipt Agreement. The Subscription Receipt Agreement will also specify that we may amend the Subscription Receipt Agreement and the Subscription Receipts, without the consent of the holders of the Subscription Receipts, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of the holder of outstanding Subscription Receipts or as otherwise specified in the Subscription Receipt Agreement.

Warrants

The following sets forth certain general terms and provisions of the Warrants. We may issue Warrants for the purchase of Common Shares, Debt Securities or other securities of Cobalt 27. Warrants may be issued independently or together with Common Shares, Debt Securities, Subscription Receipts or other Securities offered by any Prospectus Supplement and may be attached to, or separate from, any such offered Securities. Each series of Warrants will be issued under a warrant indenture or agreement between us and a warrant agent that we will name in the applicable Prospectus Supplement.

Terms of the Warrants

Each initial purchaser of Warrants that are exercisable within 180 days of the date of purchase will have a non-assignable contractual right of rescission following the issuance of any securities to such purchaser upon the exercise of the Warrants if this Prospectus, the Prospectus Supplement under which the Warrants are offered, or any amendment hereto or thereto contains a misrepresentation, as such term is defined in the *Securities Act* (Ontario). This contractual right of rescission will entitle such initial purchaser to receive the amount paid for the Warrants (plus any additional amount paid upon conversion, exchange or exercise, if applicable) upon surrender of the securities issued on the exercise thereof, provided that such remedy for rescission is exercised within 180 days from the date of the purchase of such Warrants under the applicable Prospectus Supplement. This right of rescission will not extend to any holders of Warrants who acquire such Warrants from an initial purchaser on the open market or otherwise.

The applicable Prospectus Supplement will include details of the warrant agreement(s) covering the Warrants being offered. The specific terms of the Warrants, and the extent to which the general terms described in this section apply to those Warrants, will be set forth in the applicable Prospectus Supplement. A copy of the warrant agreement will be filed by us with securities regulatory authorities after it has been entered into by us and will be available on our SEDAR profile at www.sedar.com.

Warrants will entitle the holder thereof to receive other Securities (typically Common Shares or Debt Securities) upon the exercise thereof and payment of the applicable exercise price. A Warrant is typically exercisable for a specific period of time at the end of which time it will expire and cease to be exercisable.

This section describes the general terms that will apply to any Warrants being offered. The terms and provisions of any Warrants offered under a Prospectus Supplement may differ from the terms described below, and may not be subject to or contain any or all of such terms. The particular terms of each issue of Warrants that will be described in the related Prospectus Supplement will include, where applicable:

- (a) the designation of the Warrants;
- (b) the aggregate number of Warrants offered and the offering price;
- (c) the designation, number and terms of the Common Shares, Debt Securities or other Securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;

- (d) the exercise price of the Warrants;
- (e) the dates or periods during which the Warrants are exercisable;
- (f) the designation and terms of any securities with which the Warrants are issued;
- (g) if the Warrants are issued as a Unit with another Security, the date on and after which the Warrants and the other Security will be separately transferable;
- (h) the currency or currency unit in which the exercise price is denominated;
- (i) whether such Warrants will be subject to redemption or call, and if so, the terms of such redemption or call provisions;
- (j) any minimum or maximum amount of Warrants that may be exercised at any one time;
- (k) whether such Warrants will be listed on any securities exchange;
- (l) whether the Warrants will be issued in fully registered or global form;
- (m) any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- (n) any rights, privileges, restrictions and conditions attaching to the Warrants;
- (o) the material income tax consequences of owning, holding and disposing of the Warrant; and
- (p) any other specific terms.

Warrant certificates, if issued in registered form, will be exchangeable for new warrant certificates of different denominations at the office indicated in the prospectus supplement. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the Securities subject to the Warrants.

Modifications

We may amend any warrant agreement and the Warrants without the consent of the holders of the Warrants in certain circumstances including to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Warrants. A more detailed description of the amendment provisions will be included in the applicable Prospectus Supplement.

Enforceability

The warrant agent will act solely as our agent. The warrant agent will not have any duty or responsibility if we default under the warrant agreements or the warrant certificates. A Warrant holder may, without the consent of the warrant agent, enforce, by appropriate legal action on its own behalf, the holder's right to exercise the holder's Warrants.

Share Purchase Contracts

The following sets forth certain general terms and provisions of the Share Purchase Contracts. We may issue Share Purchase Contracts, representing contracts obligating holders to purchase from or sell to us, and obligating us to purchase from or sell to the holders, a specified number of Common Shares at a future date or dates, including by way of instalment.

Share Purchase Contracts may be issued independently or together with Common Shares or Debt Securities or other Securities offered by any Prospectus Supplement and may be attached to, or separate from, any such offered Securities. Each series of Share Purchase Contracts will be issued under a share purchase contract agreement between us and an agent that we will name in the applicable Prospectus Supplement.

Terms of the Share Purchase Contracts

The price per Common Share, as applicable, may be fixed at the time the Share Purchase Contracts are issued or may be determined by reference to a specific formula contained in the Share Purchase Contracts. The Share Purchase Contracts will require either the share purchase price be paid at the time the Share Purchase Contracts are issued or that payment be made at a specified future date.

We may issue Share Purchase Contracts in accordance with applicable laws and in such amounts and in as many distinct series as we may determine.

Each initial purchaser of Share Purchase Contracts that are exercisable within 180 days of the date of purchase will have a non-assignable contractual right of rescission following the issuance of any Common Shares to such purchaser upon the exercise of the Share Purchase Contracts if this Prospectus, the Prospectus Supplement under which the Share Purchase Contracts are offered, or any amendment hereto or thereto contains a misrepresentation, as such term is defined in the *Securities Act* (Ontario). This contractual right of rescission will entitle such initial purchaser to receive the amount paid for the Share Purchase Contracts (plus any additional amount paid upon conversion, exchange or exercise, if applicable) upon surrender of the securities issued on the exercise thereof, provided that such remedy for rescission is exercised within 180 days from the date of the purchase of such Share Purchase Contracts under the applicable Prospectus Supplement. This right of rescission will not extend to any holders of Share Purchase Contracts who acquire such Share Purchase Contracts from an initial purchaser on the open market or otherwise.

Any Prospectus Supplement for Share Purchase Contracts supplementing this Prospectus will contain the terms and other information with respect to the Share Purchase Contracts being offered thereby, including:

- (a) whether the Share Purchase Contracts obligate the holder to purchase or sell, or both purchase and sell, Common Shares, as applicable, and the nature and amount of each of those Securities, or the method of determining those amounts;
- (b) whether the Share Purchase Contracts are to be prepaid, paid in the future or paid in instalments;
- (c) any conditions upon which the purchase or sale will be contingent and the consequences if such conditions are not satisfied;
- (d) the currency or currency units in which the Share Purchase Contracts may be purchased and the underlying Common Shares denominated;
- (e) whether the Share Purchase Contracts are to be settled by delivery, or by reference or linkage to the value or performance of Common Shares;
- (f) if Share Purchase Contracts are issued as a Unit with another Security, the date on and after which the Share Purchase Contract and the other Security will be separately transferable;
- (g) any acceleration, cancellation, termination or other provisions relating to the settlement of the share purchase contracts;
- (h) the date or dates on which the sale or purchase must be made, if any;
- (i) the terms of any security to be granted by holders to secure their obligations thereunder;
- (j) the securities exchange(s) on which the Share Purchase Contracts will be listed, if any;

- (k) any rights, privileges, restrictions and conditions attaching to the Share Purchase Contracts; and
- (l) any other specific terms.

The preceding description and any description of Share Purchase Contracts in the applicable Prospectus Supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to the share purchase contract agreement and, if applicable, collateral arrangements and depository arrangements relating to such Share Purchase Contracts.

Share Purchase Contract certificates, if issued in registered form, will be exchangeable for new share purchase contract certificates of different denominations at the office indicated in the Prospectus Supplement. No charge will be made to the holder for any such exchange or transfer except for any tax or government charge incidental thereto. In the case of Share Purchase Contracts which obligate the holders to purchase Securities from us, the holders will not have any of the rights of holders of the Securities to be purchased pursuant to the Share Purchase Contracts until the completion of the purchase of those Securities by the relevant holder in accordance with the terms of the Share Purchase Contract.

Modifications

We may amend any share purchase contract agreement and the Share Purchase Contracts without the consent of the holders of the Share Purchase Contracts in certain circumstances including to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Share Purchase Contracts. A more detailed description of the amendment provisions will be included in the applicable Prospectus Supplement.

Units

The following sets forth certain general terms and provisions of the Units. We may issue Units comprised of only one or more of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

Terms of the Units

Any Prospectus Supplement for Units supplementing this Prospectus will contain the terms and other information with respect to the Units being offered thereby, including:

- (a) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately;
- (b) any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units;
- (c) how, for income tax purposes, the purchase price paid for the Units is to be allocated among the component Securities;
- (d) the currency or currency units in which the Units may be purchased and the underlying Securities denominated;
- (e) the securities exchange(s) on which such Units will be listed, if any;
- (f) whether the Units and the underlying Securities will be issued in fully registered or global form; and

(g) any other specific terms of the Units and the underlying Securities.

The preceding description and any description of Units in the applicable Prospectus Supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to the unit agreement and, if applicable, collateral arrangements and depositary arrangements relating to such Units.

Modifications

We may amend the unit agreement and the Units, without the consent of the holders of the Units, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not materially and adversely affect the interests of holders of outstanding Units. Other amendment provisions will be as indicated in the applicable Prospectus Supplement.

PRIOR SALES

Other than as set forth in the following table, we have not sold or issued any Debt Securities, Subscription Receipts, Warrants, Share Purchase Contracts, Units or securities convertible into Debt Securities, Subscription Receipts, Warrants, Share Purchase Contracts or Units during the 12 months prior to the date hereof. The following table summarizes our issuances of Common Shares and securities convertible into Common Shares during the 12 months prior to the date of this Prospectus:

<u>Date</u>	<u>Security</u>	<u>Weighted Average Issue Price or Exercise Price per Security, as applicable⁽¹⁾</u>	<u>Number of Securities⁽¹⁾</u>
August 21, 2017	Common Shares ⁽²⁾	\$1.20	3,000
August 8, 2017.....	Common Shares – Issuance of Stock Options ⁽³⁾	\$9.00	510,000
August 8, 2017.....	Common Shares – Issuance of Restricted Share Units ⁽⁴⁾	N/A	700,000
July 27, 2017	Common Shares ⁽²⁾	\$6.67	8,477
July 21, 2017	Common Shares ⁽²⁾	\$6.67	73,804
July 10, 2017	Common Shares ⁽²⁾	\$6.67	22,517
July 4, 2017.....	Common Shares ⁽⁵⁾	\$9.00	127,778
June 29, 2017.....	Common Shares ⁽⁶⁾	\$9.00	700,000
June 23, 2017.....	Common Shares ⁽⁷⁾	\$9.00	22,222,225
April 10, 2017.....	Common Shares ⁽⁸⁾	N/A	3,318,338
March 31, 2017.....	Common Shares – Issuance of Stock Options ⁽⁹⁾	\$4.33	158,867
March 29, 2017.....	Common Shares ⁽¹⁰⁾	\$1.20	734,700
March 21, 2017.....	Finder's Shares and Warrants ⁽¹¹⁾	\$0.93	45,000
March 21, 2017.....	Common Shares and Warrants ⁽¹²⁾	\$0.93	696,450

(1) For purposes of this table, all numbers are adjusted to give effect to completion of a 3:1 forward-split of the Common Shares effected April 10, 2017 and a 20:1 consolidation of the Common Shares effected June 23, 2017.

(2) Issued in connection with the exercise of warrants and options.

(3) Issued to certain directors and officers of the Company in accordance with the incentive programs of the Company.

(4) Issued to certain directors and officers of the Company in accordance with the incentive programs of the Company.

(5) Issued in connection with the acquisition by the Company of seven net smelter return royalties on July 7, 2017. In addition, 33,333 Common Shares are held in escrow.

(6) Issued in connection with the exercise of the over-allotment option in connection with the Company's public offering of common shares completed June 23, 2017.

(7) Issued in connection with the Company's public offering of common shares completed June 23, 2017.

(8) Issued in accordance with the Company's 3:1 forward-split of the Common Shares effected April 10, 2017.

(9) Issued to certain directors, officers and consultants of the Company in accordance with the incentive programs of the Company.

(10) Issued in connection with the exercise of the private placement warrants and the finder's warrants referred to in notes 10 and 11 below.

- (11) Issued in connection with Finder's units issued in conjunction with the private placement referred to in note 11 below at an originally deemed value of \$0.14 per unit, each unit consisting of one Common and one Common Share purchase warrant originally exercisable at \$0.18 until March 21, 2018.
- (12) Issued in connection with a private placement of units originally sold at \$0.14 per unit; each unit consisting of one Common Share and one Common Share purchase warrant originally exercisable at \$0.18 until March 21, 2022.

TRADING PRICES AND VOLUMES

The following table sets forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of our Common Shares on the TSX-V.

Month	Share Price ⁽¹⁾		Total Trading Volume ⁽¹⁾
	High	Low	
October 1 - 15, 2017	\$9.65	\$9.39	165,460
September 2017	\$9.55	\$8.90	566,040
August 2017	\$9.30	\$7.42	725,250
July 2017	\$11.22	\$8.25	40,794
June 2017 ⁽²⁾	\$11.00	\$8.87	44,915
May 2017 ⁽²⁾	N/A	N/A	N/A
April 2017 ⁽²⁾	\$13.20	\$4.60	20,215
March 2017	\$5.20	\$1.00	23,646
February 2017	\$1.50	\$1.40	630
January 2017	\$1.40	\$1.20	765
December 2016	\$1.80	\$1.20	3,460
November 2016	\$1.60	\$1.40	7,611
October 2016	\$3.00	\$2.00	7,356
September 2016	\$2.60	\$2.00	2,880

- (1) For purposes of this table, all numbers are adjusted to give effect to completion of a 3:1 forward-split of the Common Shares effected April 10, 2017 and a 20:1 consolidation of the Common Shares effected June 23, 2017.
- (2) Trading in the Common Shares on the TSX-V was halted on April 17, 2017 at the request of the Company, pending closing of the Company's prospectus offering and all material transactions related thereto. Trading in the Shares on the TSX-V resumed on June 23, 2017.

PLAN OF DISTRIBUTION

The Company may sell the Securities, separately or together, to or through one or more underwriters or dealers, purchasing as principals for public offering and sale by them, and may also sell Securities to one or more other purchasers directly or through agents. Securities sold to the public pursuant to this Prospectus may be offered and sold exclusively in Canada or the United States, or in both jurisdictions. The Prospectus Supplement relating to an offering of Securities will indicate the jurisdiction or jurisdictions in which such offering is being made to the public and will identify the person(s) offering the Securities. Each Prospectus Supplement will set out the terms of the offering, including the name or names of any underwriters, dealers or agents, the purchase price or prices of the Securities (or the manner of determination thereof if offered on a non-fixed price basis), and the proceeds to us from the sale of the Securities. Only underwriters, dealers or agents so named in the Prospectus Supplement are deemed to be underwriters, dealers or agents, as the case may be, in connection with the Securities offered thereby. A Prospectus Supplement may provide that the Securities sold thereunder will be "cobalt contract shares" issued to vendors pursuant to option and/or acquisition agreements in consideration for the Company's purchase of additional physical cobalt.

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The prices at which the Securities may be offered may vary between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the

compensation realized by the underwriters, dealers or agents will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters, dealers or agents to us.

Underwriters, dealers or agents may make sales of Securities in privately negotiated transactions and/or any other method permitted by law, including sales deemed to be an “at-the-market” offering as defined in and subject to limitations imposed by and the terms of any regulatory approvals required and obtained under, applicable Canadian securities laws, which includes sales made directly on an existing trading market for the Common Shares, or sales made to or through a market maker other than on an exchange. In connection with any offering of Securities, except with respect to “at-the-market” offerings, underwriters may over-allot or effect transactions which stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail in the open market. Such transactions may be commenced, interrupted or discontinued at any time. No underwriter or dealer involved in an “at-the-market” offering, as defined under applicable Canadian securities laws, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer will over-allot Securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the Securities. In the event that the Company determines to pursue an “at-the-market” offering in Canada, the Company shall apply for the applicable exemptive relief from the Canadian securities commissions.

If underwriters or dealers purchase Securities as principals, the Securities will be acquired by the underwriters or dealers for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters or dealers to purchase those Securities will be subject to certain conditions precedent, and the underwriters or dealers will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid may be changed from time to time.

The Securities may also be sold directly by us in accordance with applicable securities laws at prices and upon terms agreed to by the purchaser and us, or through agents designated by us, from time to time. Any agent involved in the offering and sale of Securities pursuant to a particular Prospectus Supplement will be named, and any commissions payable by us to that agent will be set forth in such Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent would be acting on a best efforts basis for the period of its appointment.

In connection with the sale of the Securities, underwriters, dealers or agents may receive compensation from us in the form of commissions, concessions and discounts. Any such commissions may be paid out of our general funds or the proceeds of the sale of Securities. Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with us to indemnification by us against certain liabilities, including liabilities under Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may engage in transactions with, or perform services for, us in the ordinary course of business.

Each issue by the Company of Debt Securities, Subscription Receipts, Warrants and Units will be a new issue of securities with no established trading market. Unless otherwise specified in a Prospectus Supplement relating to an offering of Debt Securities, Subscription Receipts, Warrants and Units, such Securities will not be listed on any securities or stock exchange. Any underwriters, dealers or agents to or through whom such Securities are sold may make a market in such Securities, but they will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that a trading market in any such Securities will develop or as to the liquidity of any trading market for such Securities.

In connection with any offering of Securities, the applicable Prospectus Supplement will set forth any intention by the underwriters, dealers or agents to offer, allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time.

CERTAIN INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement will describe certain material Canadian federal income tax consequences to an investor of the acquisition, ownership and disposition of any Securities offered thereunder.

LEGAL MATTERS

Unless otherwise specified in a Prospectus Supplement relating to a specific offering of Securities, certain legal matters relating to the offering of Securities will be passed upon on our behalf by Stikeman Elliott LLP. As of the date hereof, partners and associates of Stikeman Elliott LLP own beneficially, directly or indirectly, less than 1% of any of our securities or any of our associates or affiliates. In addition, certain legal matters in connection with any offering of Securities will be passed upon for any underwriters or agents, as applicable, by counsel to be designated at the time of the offering.

AUDITORS

Wolrige Mahon LLP are the auditors of the Company and have confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation. Our former auditor (replaced April 21, 2017) was Charlton & Company LLP of Vancouver, British Columbia.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent in respect of the Common Shares of the Company is TSX Trust Company at its principal office in Vancouver, British Columbia and Toronto, Ontario.

ENFORCEMENT OF LEGAL RIGHTS

Each of Messrs. Anthony Milewski, Nicholas French and John Kanellitsas, each of whom are officers and/or directors of Cobalt 27, as applicable, reside outside of Canada. Although each of the aforementioned individuals has appointed Cobalt 27, Suite 2900 – 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1J5, as their respective agent for service of process in Canada, purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against these individuals.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. In addition, it may not be possible to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. See “Risk Factors”.

PURCHASERS’ STATUTORY AND CONTRACTUAL RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the securities distributed. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions 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, revisions 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.

In an offering of convertible, exchangeable or exercisable Securities, original purchasers will have a contractual right of rescission against Cobalt 27 following the conversion, exchange or exercise of such Securities in the event that this Prospectus, the applicable Prospectus Supplement or any amendment thereto contains a misrepresentation. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the securities issued upon conversion, exchange or exercise of such Securities, the amount paid for such Securities (plus any additional amount paid upon conversion, exchange or exercise, if applicable), provided that (i) the conversion, exchange or exercise takes place within 180 days from the date of the purchase of such Securities under the applicable Prospectus Supplement and (ii) the right of rescission is exercised within 180 days from the date of the purchase of such Securities under the applicable Prospectus Supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario) and is in addition to any other right or remedy available to original purchasers under Section 130 of the *Securities Act* (Ontario) or otherwise by law.

Original purchasers of convertible, exchangeable or exercisable Securities are further cautioned that in an offering of convertible, exchangeable or exercisable Securities, the statutory right of action for damages for a misrepresentation contained in a prospectus is, under the securities legislation of certain provinces and territories, limited to the price at which the convertible, exchangeable or exercisable Security was offered to the public under the prospectus offering. Accordingly, any further payment made at the time of conversion, exchange or exercise of the security may not be recoverable in a statutory action for damages in such provinces or territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE COMPANY

Dated: October 17, 2017

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada, other than Quebec.

COBALT 27 CAPITAL CORP.

By: (Signed) ANTHONY MILEWSKI

Chief Executive Officer

By: (Signed) CINDY DAVIS

Chief Financial Officer

On behalf of the Board of Directors

By: (Signed) NICHOLAS FRENCH

Director

By: (Signed) JONATHAN HYKAWY

Director

CERTIFICATE OF THE PROMOTER

Dated: October 17, 2017

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada, other than Quebec.

By: (Signed) ANTHONY MILEWSKI

Chief Executive Officer