

Chilean Cobalt Corp. (OTCQB: COBA)

BUY

Current Price: US\$0.31

Fair Value: US\$1.28

Risk*: 5

Developing a Cobalt Supply Chain in the Americas – Initiating Coverage

Sector: Junior Resource

[Click here for more research on the company](#)

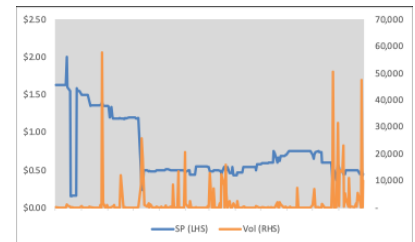
Highlights

- Chilean Cobalt Corp. is **developing a district-scale cobalt-copper project** in Chile's historic San Juan region, anchored by its flagship La Cobaltera project.
- Cobalt is essential for lithium-ion batteries (EVs, electronics), superalloys, and AI/advanced computing applications. Cobalt is **classified as a critical mineral** by many countries, including the U.S., Canada, and various European Union member states. The DRC accounts for ~76% of global cobalt production, underscoring the need for diversified, ethical supply sources.
- Cobalt **prices have rebounded** ~50% YTD, following the DRC's export ban, and subsequent quota system. We expect near-term price support, and a structural shift from surplus to deficit by the early 2030s.
- Governments are accelerating efforts to reduce dependence on the DRC and China. The U.S. government's 5% stake in Lithium Americas' (TSX: LAC) Nevada project underscores its intent to secure domestic battery material supply chains. **COBA's vision is to be a key part of this emerging supply chain.**
- Exploration to date at the La Cobaltera project (a historic high-grade cobalt producer) has identified two main trends: a >12 km long cobalt-rich (+copper) vein system, and a 20 km long copper-rich (+cobalt) three-zone vein system. The project does not yet have a resource estimate; drilling is planned to define one, with **production targeted within four-five years.**
- **Geological consultants SRK** conducted a study for COBA based on regional mineralization, and historical production data. The study outlined a conceptual model for a 10–15 year operation, with an estimated CAPEX of \$300–400M for a 10,000 tpd processing plant, producing 5–10 Mlbs of cobalt, and 50–60 Mlbs of copper annually.
- COBA has partnered with **Glencore (LSE: GLEN)** for concentrate offtake, and **US Strategic Metals (USSM)** for downstream cobalt and copper processing. Concentrates from the La Cobaltera project are expected to be exported to the U.S. for refining.
- The **U.S. EXIM Bank** has issued a Letter of Interest for up to \$317M, potentially funding approximately 80% of the project's initial CAPEX — **a strong endorsement of the project's potential.**
- **Upcoming catalysts** include a maiden resource estimate in 2026, and a Preliminary Economic Assessment (PEA) in 2026–2027.

Sid Rajeev, B.Tech, MBA, CFA
Head of Research

Nina Rose Coderis, B.Sc (Geology)
Equity Analyst

Price and Volume (1-year)



	YTD	12M
COBA	-36%	-78%
OTCQX	26%	16%

Company Data

52 Week Range	\$0.19 - \$1.50
Shares O/S	44M
Market Cap.	\$14M
Yield (forward)	N/A
P/E (forward)	N/A
P/B	20x

Risks

- Commodity prices
- **No resource or economic study**
- Exploration and development
- **Permitting**
- Access to capital and potential for share dilution

Key Financial Data (FYE -Dec 31)		
(US\$)	2024	2025 (6M)
Cash	\$331,309	\$601,108
Working Capital	\$434,587	\$659,071
Mineral Assets/PP&E	\$2,958	\$2,958
Total Assets	\$472,114	\$691,148
Net Income (Loss)	-\$882,574	-\$664,809
EPS	-\$0.02	-\$0.01

* Chilean Cobalt Corp. has paid FRC a fee for research coverage and distribution of reports. See last page for other important disclosures, rating, and risk definitions.

Cobalt Primer

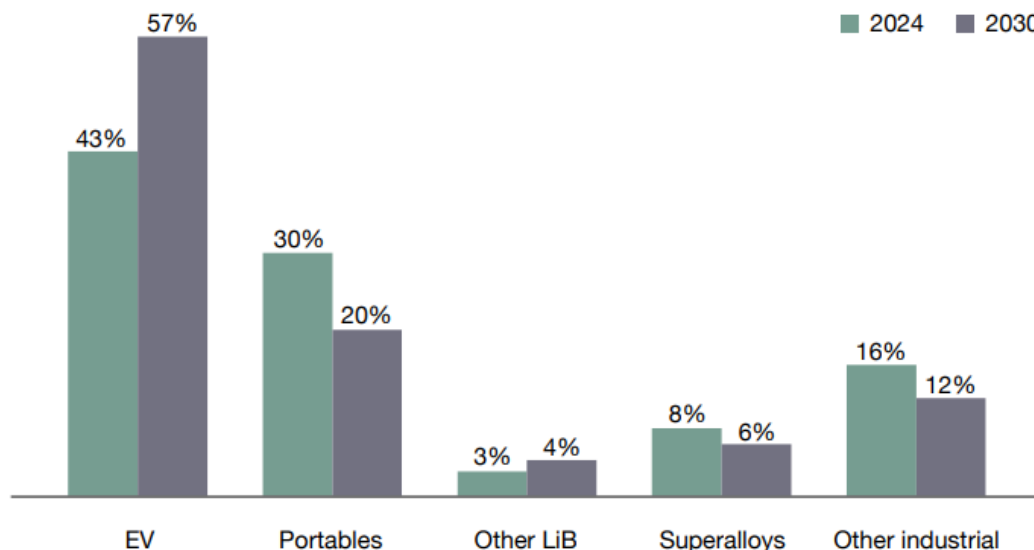
Cobalt is a hard, lustrous metal with a high melting point, primarily used in lithium-ion batteries for **electric vehicles** and **portable electronics**, and in **superalloys** for high-performance applications. Demand is also rising from AI and advanced computing, where cobalt is used in batteries and critical components.

Cobalt is designated a Critical Mineral by the U.S., EU, UK, Canada, Japan, Australia, and China

Global cobalt consumption is about 220 kt per year, with batteries accounting for 76% of demand

Cobalt-containing batteries vs LFP

Cobalt Demand Share by Sector



Data: Benchmark Mineral Intelligence – Cobalt Forecast.

Source: Cobalt Institute

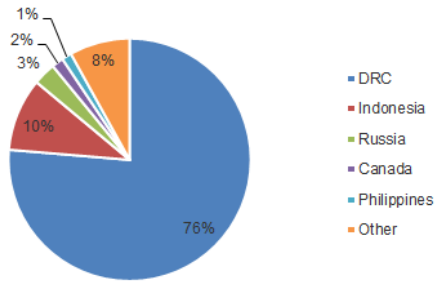
Demand: Cobalt-containing batteries **dominate the EV market in North America and Europe** but are a minority in China, where cobalt-free Lithium Iron Phosphate/LFP batteries prevail. Globally, cobalt-containing batteries account for 53% of the EV battery market. However, in the portable battery sector, cobalt-containing batteries dominate, accounting for **96% of all batteries**.

While LFP batteries are cheaper and have longer lifespans, we believe cobalt-containing chemistries such as NMC and NCA remain critical for their higher energy density, longer range, lighter weight, and better cold-weather performance. Therefore, we have a positive outlook on cobalt-containing batteries and believe **LFP and cobalt-containing chemistries will coexist** long term.

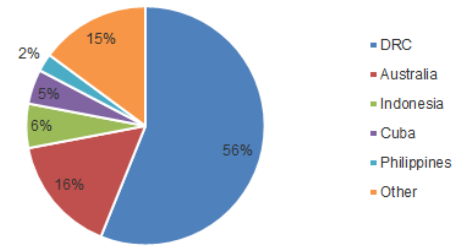
Supply: The **DRC** holds the world's largest cobalt reserves and is the top cobalt ore producer, while **China** leads in refining and is the largest consumer. Global cobalt supply **remains vulnerable** due to heavy reliance on the DRC, where mining is linked to political instability, unsafe working conditions, and human rights concerns, as well as China's dominance in processing, particularly given recent elevated geopolitical tensions. To address these risks, western countries are actively pursuing alternative, secure, and sustainable supply sources.

The DRC accounted for 76% of global production in 2024

Global Cobalt Production (tons)



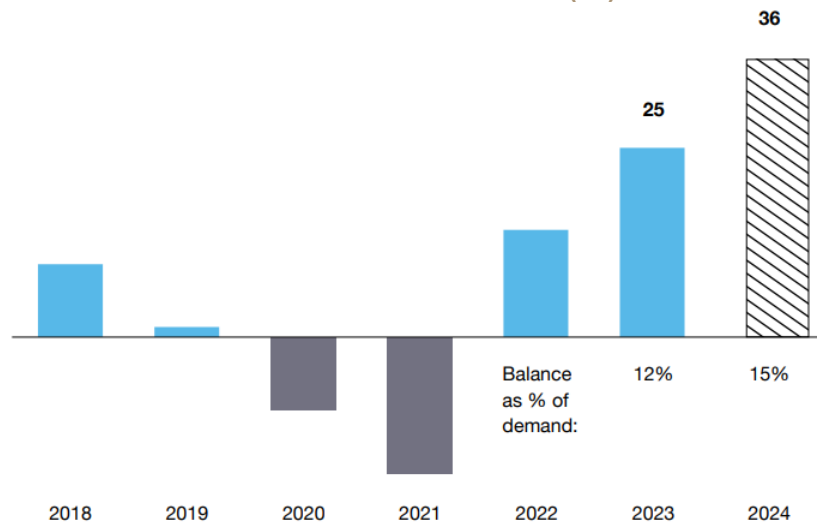
Global Cobalt Reserves (tons)



Source: USGS

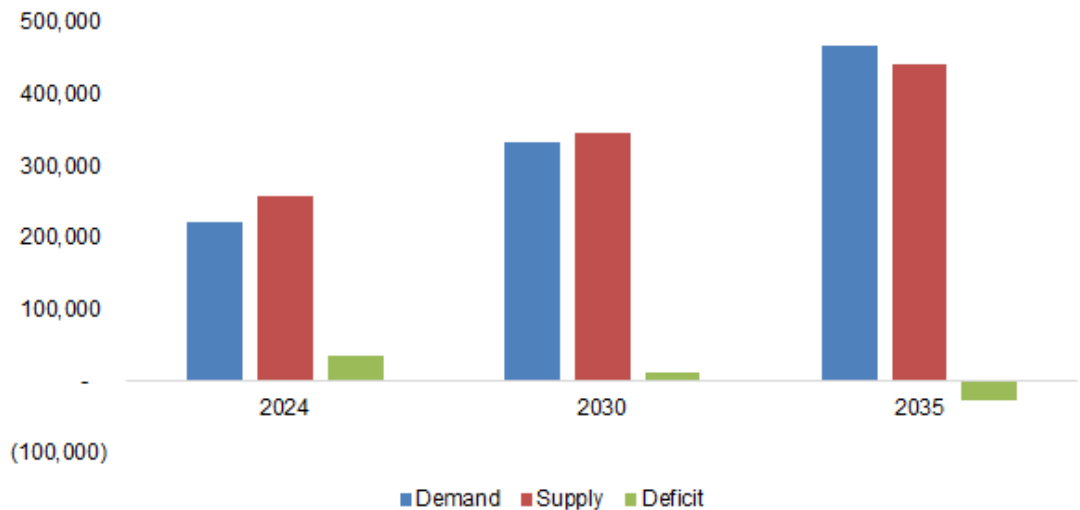
The cobalt market has been in surplus since 2022, with a 36 kt surplus in 2024, equivalent to 15% of demand

Cobalt – Market Balance (Kt)



Source: Cobalt Institute/Benchmark Mineral Intelligence

Cobalt - Supply vs Demand (Forecast)



Source: FRC/Various

Per consensus forecasts, demand is expected to grow 7% p.a., while supply will rise 5% p.a. over the next decade, pushing the market from surplus to deficit by the early 2030s

Cobalt 15-Year Price Trend



Source: Daily Metal Price

Cobalt prices have been volatile over the past 15 years

After steep declines since 2022 from oversupply and weaker EV demand, prices rebounded in early 2025, up 50% YTD to \$15/lb, after a DRC export ban tightened supply

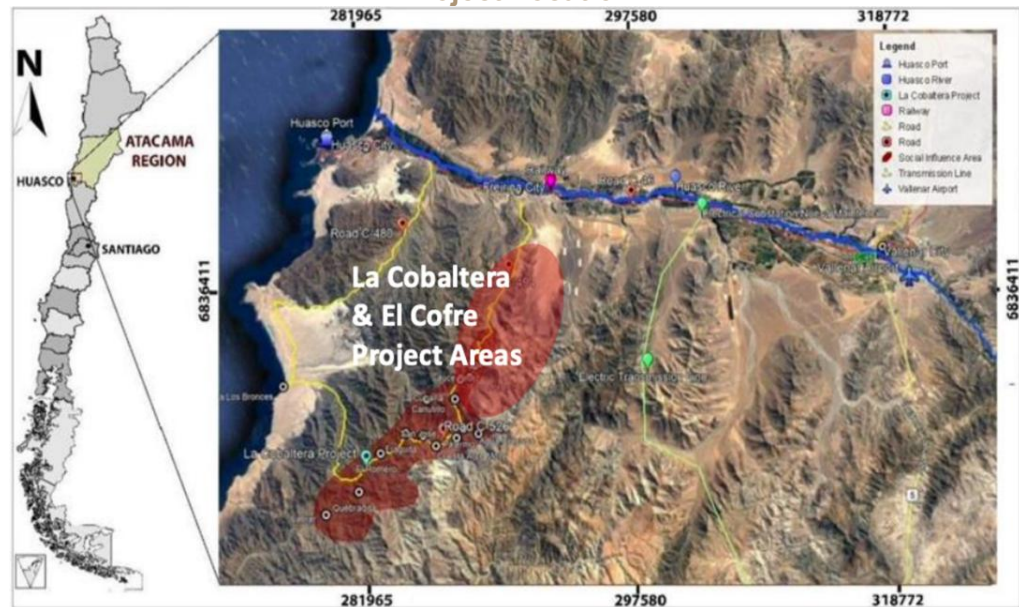
Last month, the DRC lifted its export ban, and announced plans to implement an **export quota** until at least 2027, clearly signaling its willingness to curb production to support prices. We believe this move will provide **near-term support** for cobalt prices, enhance market stability, and boost confidence among explorers and developers. Over the longer term, prices should remain supported by tightening supply, structural shifts in market balance, and the transition from surplus to deficit. For our valuation purposes, **we use the 10-year average cobalt price of US\$21.80/lb.**

La Cobaltera Cobalt-Copper Project (100% owned)

COBA's La Cobaltera project, located 700 km north of Santiago, spans 3,007 ha in the historic San Juan cobalt-copper mining district in the Atacama region

The San Juan district, just 10 km from the coast and 30 km from the Port of Huasco, benefits from robust infrastructure, including roads, rail, processing facilities, power (15 km away), and skilled labor

Project Location



Source: Company

Chile is the world's top copper producer, and the second-largest lithium producer.

La Cobaltera was the largest production area in the historic San Juan cobalt-copper mining district

The company gained control of the project in 2018 and is focused on consolidating land packages in the region to create a district-scale asset

The Atacama region is home to **Lundin Mining's** (TSX: LUN) Candelaria Copper Complex and **Hot Chili's** (ASX: HCH) advanced-stage Costa Fuego copper-gold project. San Juan hosts several cobalt-rich zones, including Mineral de Labrar, Quebradita, El Romero, Fraguaita, and La Cobaltera (including Rosa Amelia), with over a century of cobalt and copper production history. **Historic cobalt output** was modest, around 7,000 tonnes, but of **exceptionally high grade**, ranging from 1% to over 15%, well above the global average of 0.10–2.00% for primary cobalt deposits, and 0.05–0.40% for by-product cobalt.

Chilean Cobalt Production, 1844 to 1941

Period	Kilograms	Co Grade (%)
1844-1902	5,941,384	-
1903	284,990	7.15
1904	124,990	6.00
1905	28,589	6.83
1906	3,150	6.00
1907-1918	-	-
1919-1923	-	-
1924	34,588	6.00
1925	-	-
1926	6,400	15.00
1927	2,991	15.75
1928	10,543	15.81
1929-1937	-	-
1938	7,998	9.05
1939	27,949	11.10
1940	-	-
1941	555,522	1.35
TOTAL	7,029,094	

Source: Hornkohl. 1944

Historic Open Pit Mine Sites



Source: Company

History, Mineralization, and Infrastructure

Cobalt, rarely found in pure form, is sourced from primary and secondary deposits. Primary cobalt deposits, where cobalt is the main economic mineral, are extremely rare. In contrast, **99% of global cobalt production comes from secondary deposits**, where cobalt is a by-product of nickel and copper mining.

Hydrothermal cobalt deposits, the only type where cobalt is the primary metal, are rare but typically high-grade, enabling optimized processing and lower OPEX

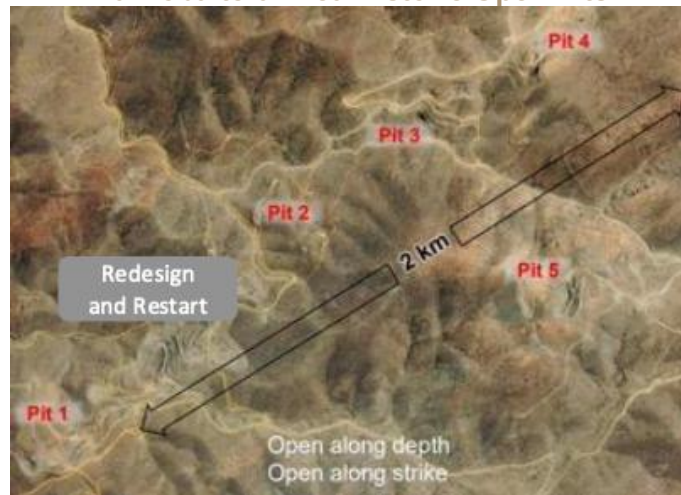
Cobalt Deposit Types

Feature	Hydrothermal Vein	Sediment-Hosted Stratiform	Magmatic Ni-Cu-Co Sulfide	Laterite
Deposit Type	Primary	Secondary	Secondary	Secondary
Extraction	Primary commodity	By-product of copper mining	By-product of nickel and copper mining	By-product of nickel mining
Formation	Large-scale hydrothermal systems	Ancient sedimentary basins	Sulfur-rich magmas that cool and separate into immiscible sulfide liquids; Ni-Cu-PGE deposits	Intense chemical weathering of ultramafic rocks in tropical and subtropical climates; laterite deposits
Composition	Typically found in skutterudite, Safflorite and cobaltite	Typically found in sulfide minerals like carrollite	Typically found within minerals like pentlandite and linnaeite	Typically found within a variety of oxide and hydroxide minerals such as asbolane and heterogenite
Grade, % Co	0.5% to 2% Co	0.1% to 1.1% Co	0.01% to 0.21% Co	<0.1% to 0.22% Co
Key deposits	Bou Azzer district in Morocco, and Cobalt-Goganda district in Ontario	Central African Copperbelt in the DRC, and Zambia	Voisey's Bay and Sudbury in Canada, and Norilsk-Tarnakh in Russia	Murrin in Australia, Moa Bay in Cuba, Sulawesi deposits in Indonesia, and Palawan deposits in the Philippines
Highlights	High-grade; market flexibility, specialized infrastructure	Diversified revenue stream, lower OPEX as mining and processing covered by the primary metal, established infrastructure		

Source: FRC / Various

La Cobartera hosts a hydrothermal system featuring **two main trends**: a cobalt-rich (+copper) vein system extending over 12 km, and a copper-rich (+cobalt) three-zone vein system spanning 20 km. Mining began in the 1840s through both open-pit and underground methods, targeting oxide and sulphide mineralization.

La Cobartera Area Historic Open Pits



Source: Company

High-grade cobalt was mined from the 1840s to 1944, with reported grades ranging from 1.3% to 15.8%

Historic open pits along a 2 km trend represent less than 20% of the total length of the cobalt-rich vein system

From 2018–2019, the company drilled 96 holes totaling 21,943 m

Exploration

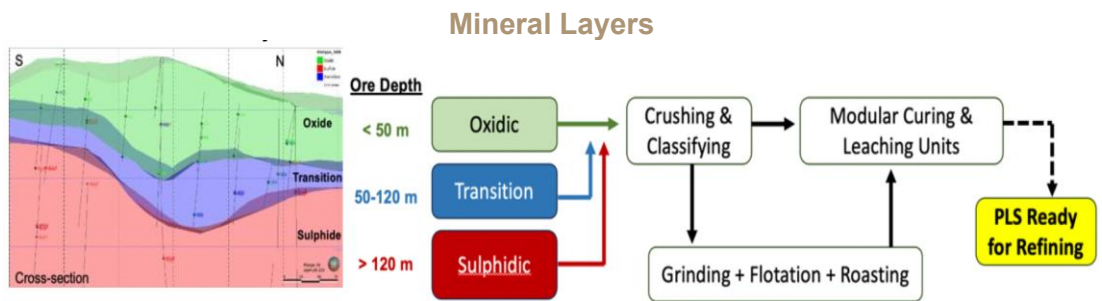
Despite a 100+ year mining history, the district lacked modern exploration until COBA acquired the project. In 2018–2019, in collaboration with SRK Consulting, the company conducted a comprehensive program, including mapping, trenching, and drilling to validate historical data, and assess potential open-pit oxide and underground sulphide resources.

Management is leveraging results from the 2018–2019 program, along with new AI and machine learning tools, to identify targets and **potentially delineate a medium-sized, high-grade cobalt–copper oxide deposit.**

Development Plans

COBA is **planning a drill program** in 2026 ahead of completing a maiden resource estimate. To develop the project, management is **considering a phased strategy**: phase one would target near-term production by reopening historic pits and mining oxides, followed by phase two mining of transition and sulphide zones. This phased approach offers lower CAPEX, and a faster route to production.

Management plans to mine the oxide zone first, offering a lower-CAPEX, and a faster route to production

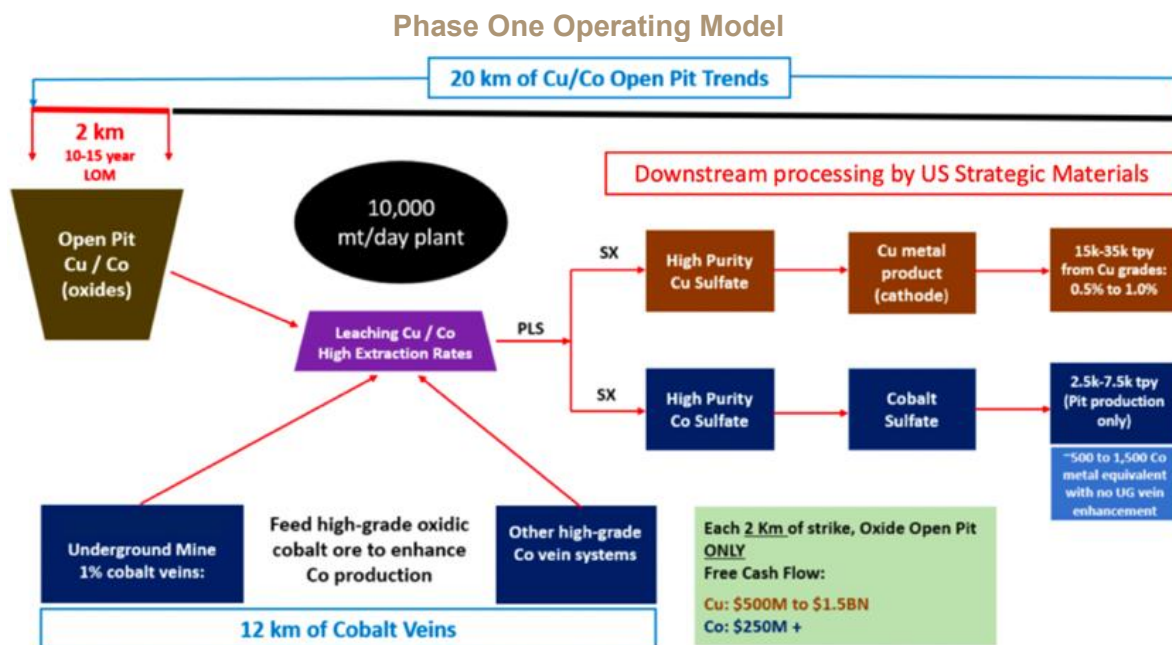


Source: Company

In 2019, SRK Consultants conducted a study for COBA. Based on regional mineralization, and historical production data, **SRK developed a model for a potential 10-15 year operation.** We note that this study used very preliminary, speculative estimates, and was **not backed by a formal resource estimate.** However, we believe it provides a useful benchmark for our valuation, presented later in this report.

SRK estimated a 10-15 year operation per 2 km strike, with CAPEX of \$300–400M for a 10,000 tpd operation, producing 3,000–5,000 tpa cobalt, and 20,000–25,000 tpa copper

Management aims to reach production within four to five years



Source: Company/SRK

Management's near-term plans include completing a resource estimate in 2026, followed by a Preliminary Economic Assessment (PEA) in 2026–2027.

Key Partnerships to Develop an Americas Cobalt Supply Chain

- In 2024, COBA received a **\$317M LOI from the Export-Import Bank of the U.S. (EXIM)** for a potential debt funding package to cover most of the estimated \$300–400M CAPEX for a 10,000 tpd operation, as projected by SRK. The company plans to submit a formal application to EXIM, potentially after completing the maiden resource estimate and PEA.
- The company has formed strategic partnerships with **Glencore** (LSE: GLEN) for concentrate offtake, and **US Strategic Metals (USSM)** for downstream cobalt and copper processing in the U.S. They are exploring options to export La Cobaltera concentrates to USSM's integrated processing site in Missouri.

We believe these deals strongly validate COBA's portfolio and strategic vision

Building an Americas Cobalt Supply Chain



Cobalt-copper concentrates from La Cobartera will be exported to the U.S. for processing

Upcoming Catalysts

- Complete a **pilot exploration program** using AI and machine learning tools.
- Conduct drilling ahead of a resource estimate (2026).
- Complete a PEA in 2026–2027.
- **Strategic district consolidation in San Juan:** Last month, the company entered a definitive agreement to acquire 3,742 ha of exploitation claims, including 372 ha adjacent to existing holdings, and 3,370 ha containing the El Cofre project, a copper–cobalt–gold target with two drill-ready prospects. Management aims to advance exploration at El Cofre, considered a likely extension or analogue of the San Juan district.

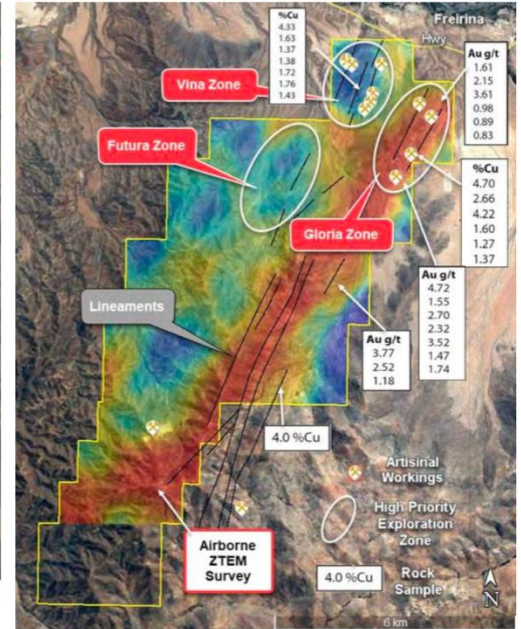
Multiple catalysts

El Cofre hosts two copper-cobalt-gold targets identified through prior aeromagnetic, IP surveys, and trenching

El Cofre Project Area



Past Exploration Work



Source: Company

COBA plans to keep pursuing acquisitions to build a district-scale asset in San Juan.

Management and Board

Share Ownership

Management/Directors*	Shares	% of Total
Duncan T. Blount - CEO & Chairman	1,055,000	2.43%
Greg Levinson - Founder & Director	5,637,687	12.96%
Jim Van Horn - CFO	802,011	1.84%
Dr. Lawrence W. Snee - EVP Exploration	6,250	0.01%
Jeremy McCann - COO	1,455,428	3.35%
Andy Sloop - CSO & Director	893,632	2.05%
Ash Lazenby - Director	50,000	0.11%
Fiona Clouder - Director	168,750	0.39%
	10,068,758	23.15%

*includes direct and beneficial ownership

Source: Company

Management and board own 23%

Two out of five directors are independent

Brief biographies of the management team, as provided by the company, follow:

Duncan T. Blount, CEO & Chairman

Mr. Blount has over 18 years of experience in commodities and global natural resources. Prior to joining Chilean Cobalt, he served as CEP and Director of Decklar Resources, an independent oil and gas exploration production company operating in Nigeria. He also held the same executive roles when the company operated under its former name, Asian Mineral Resources, which managed a nickel-copper-cobalt mine in northern Vietnam. He also held key positions at Redwheel (formerly RWC Partners) and Everest Capital, where he has developed portfolio strategies centered on commodities and natural resources.

Greg Levinson, Founder & Director

Mr. Levinson has over 30 years of finance and capital markets expertise, and was founder of Chilean Cobalt in 2017. Prior to Chilean Cobalt, he spent 20+ years within the multi-strategy hedge fund and proprietary trading community. He was a founder of Polaris Advisors, an asset manager specializing in convertible arbitrage, equity, and derivative strategies. Prior to his hedge fund work, Mr. Levinson was a Managing Director at BNP/Paribas, leading groups in both proprietary trading and client managed assets.

Jim Van Horn, CFO

Mr. van Horn has over 25 years of experience in accounting, audit, and compliance. He has been actively licensed as a CPA in the state of Oregon since May 1999. He served in Controller and CFO roles in the parking management and investment management space from 1999-2020.

Dr. Lawrence W. Snee, EVP for Exploration

Dr. Snee is a certified professional geologist (CPG-10085 and Qualified Person) with over years of experience on a broad array of Us government, academic, and foreign projects. He is a specialist in field geology, mineral resource assessment, petrology, geochemistry, isotope geology, structural geology, tectonics, economic geology, and the geology of gemstone deposits and has been a manager of over 100 scientists, technicians, and administrative personnel in the U.S Geological Survey (USGS).

Jerremy McCann, COO

Mr. McCann has served as Chief Operating Officer of Chilean Cobalt since December 2017. He is also the COO and a Founder of Genlith Inc., a holding company focused on clean energy, energy materials, and battery technology and a former affiliated of Chilean Cobalt. Prior to his current role, from 2008-2017, he was COO for Schooner Investment Group LLC, a registered investment advisor to multiple registered mutual funds.

Andy Sloop, CSO & Director

Mr. Sloop has served as an Independent Director, ESG Committee Chair, and Audit Committee Member at Chilean Cobalt since October 2021. He is a recognized sustainability expert with over 30 years of experience developing and managing innovative programs and initiatives across the public, private, and non-profit sectors. From 2016 to 2024, he served as the Global Director of Zero Waste & Circularity at Nike. Additionally, Mr. Sloop is a Strategic Advisor to Airbuild.

Ash Lazenby, Director

Mr. Lazenby is an experienced critical minerals trader, battery supply chain investor, and strategic advisor. For the past eight years, he was at Glencore, initially in Switzerland across finance and global cobalt trading functions, and then in New York as a senior critical minerals trader running the North American cobalt business and expanding the lithium portfolio.

Fiona Clouder, Director

Ms. Clouder has wide experience of Latin America, both as a diplomat and now through her work in the private sector. She was the UK's Ambassador to Chile from 2014 to 2018; and then regional Ambassador, Latin America and Caribbean, COP26, from 2020-2022, driving diplomatic engagement, at the top of governments and business, for a Net Zero world.

Financials

(in US\$) (FYE - Dec 31)	2024	2025 (6M)
Cash	\$331,309	\$601,108
Working Capital	\$434,587	\$659,071
Current Ratio	13.57	23.63
Debt	-	-
Monthly Burn Rate (G&A)	-\$75,012	-\$105,900
Cash Spent on Properties	-	-\$19,798
Cash from Financing Activities	\$325,995	\$830,945

Options	#	Exercise Price (\$)	Amount
Total	7,431,254	\$0.24	\$1,750,251
In-the-Money	6,786,254	\$0.21	\$1,427,751

Warrants	#	Exercise Price (\$)	Amount
Total	-	-	-
In-the-Money	-	-	-

Source: FRC / Company

At the end of Q2-2025, COBA had \$0.60M in cash

In-the-money options can bring in \$1.4M

FRC Projections and Valuation

Our DCF valuation returned a fair value estimate of \$1.28/share

Even though the project does not have a resource estimate, we are using SRK's study as a benchmark, but applying more conservative assumptions

We assume 60% of CAPEX will be debt-financed via EXIM Bank

We are using a 20% discount rate (versus our usual 11.6%) to reflect financing and execution risks, as well as the absence of a resource estimate or economic study

DCF Valuation Summary	10,000 tpd
Mine Life (years)	10
Annual Cobalt Production (Mlbs)	8.82
Annual Copper Production (Mlbs)	55.12
OPEX Margin	30%
Average Cobalt Price (\$/lb)	\$21.80
Average Copper Price (\$/lb)	\$3.75
Initial CAPEX (\$M)	\$500
Debt Financing @ 8% p.a. (\$M)	\$300
After Tax-NPV20%	\$58,145,612
Working Capital	\$341,372
Number of Shares*	45,682,751
Value Per Share (\$)	\$1.28

*calculated based on the treasury stock method

Valuation Sensitivity		Discount Rate (%)				
		10.0%	15.0%	20.0%	25.0%	30.0%
Cobalt Price (\$/lb)	\$12.50	\$2.67	\$1.30	\$0.54	\$0.11	-\$0.12
	\$15.00	\$3.10	\$1.59	\$0.74	\$0.26	-\$0.01
	\$17.50	\$3.54	\$1.88	\$0.94	\$0.40	\$0.09
	\$21.80	\$4.29	\$2.38	\$1.28	\$0.64	\$0.27
	\$25.00	\$4.85	\$2.75	\$1.54	\$0.83	\$0.40
	\$30.00	\$5.72	\$3.34	\$1.94	\$1.11	\$0.61
	\$35.00	\$6.59	\$3.92	\$2.35	\$1.40	\$0.81

Valuation Sensitivity		Copper Price (\$/lb)				
		\$3.00	\$3.35	\$3.75	\$4.25	\$4.75
Cobalt Price (\$/lb)	\$12.50	\$0.16	\$0.34	\$0.54	\$0.79	\$1.04
	\$15.00	\$0.36	\$0.54	\$0.74	\$0.99	\$1.24
	\$17.50	\$0.56	\$0.74	\$0.94	\$1.19	\$1.44
	\$21.80	\$0.91	\$1.08	\$1.28	\$1.54	\$1.79
	\$25.00	\$1.16	\$1.34	\$1.54	\$1.79	\$2.04
	\$30.00	\$1.57	\$1.74	\$1.94	\$2.20	\$2.45
	\$35.00	\$1.97	\$2.15	\$2.35	\$2.60	\$2.85

Source: FRC

We are initiating coverage with a BUY rating, and a fair value estimate of \$1.28/share. COBA offers exposure to a district-scale cobalt-copper project aligned with the global shift toward secure, ethical, and diversified critical mineral supply chains. Backed by partnerships with Glencore and US Strategic Metals, and



potential financing support from the U.S. EXIM Bank, the company is well positioned to advance its La Cobaltera project toward development. With cobalt prices rebounding and demand expected to tighten by the early 2030s, upcoming milestones such as the maiden resource estimate, and PEA, could serve as key value catalysts.

Risks

We believe the company is exposed to the following key risks (not exhaustive):

- Commodity prices
- **No resource or economic study**
- Exploration and development
- **Permitting**
- Access to capital and potential for share dilution
- FOREX

*We are assigning a
risk rating of 5
(Highly Speculative)*

Fundamental Research Corp. Equity Rating Scale (ratings are not a recommendation to acquire, dispose of, or take no action regarding a security; the definitions of our ratings are explained below):

Buy – Fair value is 12% above the current market price; or risk and reward is favorable

Hold – Fair value is between 5% to 12% above the current market price

Sell – Fair value is 5% above, or less, than the current market value; or risk and reward is unfavorable

Suspended or Rating N/A— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

Fundamental Research Corp. Risk Rating Scale:

1 (Low Risk) - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.

2 (Below Average Risk) - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.

3 (Average Risk) - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.

4 (Speculative) - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.

5 (Highly Speculative) - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues and may rely on external funding. These stocks are considered highly speculative.

Definition of FRC's Fair Value Estimate – Our fair value estimate is the theoretical value of the company's equity using widely accepted methods of valuation such as discount cash flow or comparables. IT IS NOT A TARGET PRICE or PREDICTION OF THE FUTURE STOCK PRICE.

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