

*A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities of the provinces of British Columbia, Alberta and Ontario, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the securities regulatory authorities.*

*This short form base shelf prospectus has been filed under legislation in the provinces of British Columbia, Alberta and Ontario, 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 only by persons permitted to sell these securities in those jurisdictions.*

*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 First Cobalt Corp., 140 Yonge Street, Suite 201, Toronto, Ontario, M5C 1X6, Telephone (416) 900-3891, and are also available electronically at [www.sedar.com](http://www.sedar.com).*

*The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws and may not be offered or sold within the “United States” or, if applicable, to, or for the account or benefit of, “U.S. persons” (as such terms are defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See “Plan of Distribution.”*

*With respect to Australia, this short form base shelf prospectus is not a disclosure document under Part 6D.2 of the Corporations Act 2001 (Commonwealth) (the “Corporations Act”) and has not been lodged with the Australian Securities and Investments Commission. Neither ASX Limited nor its officers take any responsibility for the contents of this short form base shelf prospectus or the merits of the investment to which this short form base shelf prospectus relates. See “Plan of Distribution”.*

## PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue

December 17, 2018



## FIRST COBALT CORP.

**C\$20,000,000**

**Common Shares**

**Debt Securities**

**Warrants**

**Subscription Receipts**

First Cobalt Corp. (“First Cobalt” or the “Corporation”) may offer and issue from time to time common shares of the Corporation (“Common Shares”), debt securities (“Debt Securities”), warrants to purchase Common Shares or Debt Securities (collectively “Warrants”), or subscription receipts (“Subscription Receipts”) (all of the foregoing collectively, the “Securities”) or any combination thereof for up to an aggregate initial offering price of C\$20,000,000 (or the equivalent thereof in other currencies) during the 25-month period that this short form base shelf prospectus (the “Prospectus”), including any amendments hereto, remains effective. 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”). In addition, Securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Corporation or a subsidiary of the Corporation. The consideration for any such acquisition may consist of any of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and assumption of liabilities.

**All dollar amounts in this Prospectus are in Canadian dollars, unless otherwise indicated. See “Currency Presentation and Exchange Rate Information”.**

**Investing in the Securities involves significant risks. Prospective purchasers of the Securities should carefully consider the risk factors described under the heading “Risk Factors” in the Corporation’s Annual Information Form (as defined**

below) for the year ended December 31, 2017 and in this Prospectus and in documents incorporated by reference in this Prospectus.

The specific terms of the Securities with respect to a particular offering will be set out in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price, whether the Common Shares are being offered for cash, and any other terms specific to the Common Shares being offered; (ii) in the case of Debt Securities, the specific designation, the aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, the maturity, the interest provisions, the authorized denominations, the offering price, whether the Debt Securities are being offered for cash, the covenants, the events of default, any terms for redemption or retraction, any exchange or conversion rights attached to the Debt Securities, whether the debt is senior or subordinated to the Corporation's other liabilities and obligations, whether the Debt Securities will be secured by any of the Corporation's assets or guaranteed by any other person and any other terms specific to the Debt Securities being offered; (iii) in the case of Warrants, the offering price, whether the Warrants are being offered for cash, the designation, the number and the terms of the Common Shares, or Debt Securities purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, the dates and periods of exercise, the currency in which the Warrants are issued and any other terms specific to the Warrants being offered; and (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, whether the Subscription Receipts are being offered for cash, the procedures for the exchange of the Subscription Receipts for Common Shares, Debt Securities or Warrants, as the case may be, and any other terms specific to the Subscription Receipts being offered. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the Securities will be included in the Prospectus Supplement describing the Securities.

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, or 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 U.S. federal funds rate.

All information permitted under applicable law 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 such Prospectus Supplement pertains.

This Prospectus constitutes a public offering of the Securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell the Securities in those jurisdictions. The Corporation may offer and sell Securities to, or through, underwriters or dealers and also may offer and sell certain Securities directly to other purchasers or through agents pursuant to exemptions from registration or qualification under applicable securities laws. A Prospectus Supplement relating to each issue of Securities offered thereby will set forth the names of any underwriters, dealers, or agents involved in the offering and sale of the Securities and will set forth the terms of the offering of the Securities, the method of distribution of the Securities including, to the extent applicable, the proceeds to the Corporation and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution.

The outstanding Common Shares are listed on the TSX Venture Exchange (the "TSXV") under the symbol "FCC", and on the Australian Securities Exchange (the "ASX") in the form of CHESS Depository Interests ("CDI") under the symbol "FCC", and on the OTCQX International (the "OTC") under the symbol "FTSSF". On December 14, 2018, the last trading day in North America prior to the date of this Prospectus, the closing price of the Common Shares on the TSXV was C\$0.19, and the closing price of the Common Shares on the OTC was US\$0.14. On December 17, 2018, the last trading day in Australia prior to the date of this Prospectus, the closing price of the Common Shares on the ASX was AUD\$0.20. **Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities, the Warrants and the Subscription Receipts will not be listed on any securities exchange. There is no market through which these Securities may be sold and purchasers may not be able to resell these Securities purchased under this Prospectus. This may affect the pricing of these Securities in the secondary market, the transparency and availability of trading prices, the liquidity of these Securities, and the extent of issuer regulation. See "Risk Factors".**

The registered office of the Corporation is located at Suite 2400, Bay Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2T6 and the principal office of the Corporation is located at 140 Yonge Street, Suite 201, Toronto, Ontario, M5C 1X6.

**Owning the Securities may subject purchasers to tax consequences in Canada and elsewhere. This Prospectus or any applicable Prospectus Supplement may not describe these tax consequences fully. Purchasers should read the tax discussion in any applicable Prospectus Supplement.**

**No underwriter has been involved in the preparation of this Prospectus nor has any underwriter performed any review of the contents of this Prospectus.**

**Agent for Service of Process**

**Steven J. Ristorcelli and Joseph Schlitt, being co-authors of the technical report entitled “Technical Report and Estimate of Mineral Resource for the Iron Creek Cobalt-Copper Project, Lemhi County, Idaho, USA”, reside outside of Canada. Purchasers are advised that it may not be possible for investors to enforce judgements obtained in Canada against Mr. Ristorcelli and Mr. Schlitt.**

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains certain information that may constitute “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws. Forward-looking statements are necessarily based on a number of estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies. All statements other than statements which are reporting results as well as statements of historical fact set forth or incorporated herein by reference, are forward-looking statements that may involve a number of known and unknown risks, uncertainties and other factors; many of which are beyond the Corporation’s ability to control or predict. Forward-looking statements include, without limitation, statements regarding strategic plans, future production, cost estimates and anticipated financial results; potential mineralization and evaluation and evolution of mineral reserves and resources and expected mine life; expected exploration results, future work programs, capital expenditures and objectives, evolution and economic performance of development projects and exploration budgets and targets; construction and production targets and timetables, as well as the anticipated timing of grants of permits and governmental incentives; expected continuity of favourable cobalt prices; contractual commitments, royalty payments, litigation matters and measures for mitigating financial and operational risks; anticipated liabilities regarding site closure and employee benefits; continuous availability of required manpower; the integration or expansion of operations, technologies and personnel of acquired operations and properties; and, more generally, continuous access to capital markets. These statements relate to analysis and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Known and unknown factors could cause actual results to differ materially from those projected in the forward looking statements.

Statements concerning actual mineral reserves and mineral resources estimates are also deemed to constitute forward looking statements to the extent that they involve estimates of the mineralization that will be encountered if the relevant project or property is developed.

Forward-looking statements, which involve assumptions and describe the Corporation’s future plans, strategies and expectations, are generally identifiable by use of the words “may”, “will”, “should”, “continue”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “plan” or “project” or the negative of these words or other variations on these words or comparable terminology. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The following are some, but not all, of the important factors that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements: general economic conditions in Canada, the United States, and globally; industry conditions, including the state of the electric vehicle market; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in the mining industry; changes in tax laws and incentive programs relating to the mining industry; and other related matters.

Although the Corporation has attempted to identify important factors that could cause actual results to differ materially from expectations, intentions, estimates or forecasts, there may be other factors that could cause results to differ from what is anticipated, estimated or intended. Those factors are described or referred to below, under the heading “Risk Factors” in this Prospectus, and under the heading “Risk Factors” in the amended and restated annual information form (the “Annual Information Form”) of the Corporation dated December 17, 2018 for the year ended December 31, 2017 and under the heading “Business Risks and Uncertainties” in the management’s discussion and analysis of financial position and results of operation of the Corporation for the nine months ended September 30, 2018, both of which are incorporated herein by reference and are available on SEDAR at [www.sedar.com](http://www.sedar.com). Market and commodity price volatility and uncertainty in capital markets stemming, in part, from events in financial and capital markets as well as from geo-political risks around the world, continue to cause volatility and uncertainty in the price of cobalt. These on-going events could impact forward-looking statements contained in this Prospectus and in the documents incorporated by reference in an unpredictable and possibly detrimental manner. Accordingly, readers should not place undue reliance on forward-looking statements. Forward-looking statements made in a document incorporated by reference in this Prospectus are made as at the date of the original document and have not been updated by the Corporation except as expressly provided for in this Prospectus.

Except as required under applicable securities legislation, the Corporation undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

## FINANCIAL INFORMATION

The financial statements of the Corporation incorporated herein by reference and in any Prospectus Supplement are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

## CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

All dollar amounts in this Prospectus and any Prospectus Supplement are or will be in Canadian dollars, unless otherwise indicated. All references to “\$” or “C\$” refer to Canadian dollars., all references to “U.S.\$” refer to United States dollars, and all references to “AUD\$” refer to Australian dollars.

The following table sets forth, for each of the years indicated, the high, low, closing and average closing rates for Canadian dollars in terms of the United States dollar, as reported on the Bank of Canada website.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
High .....	1.3743	1.4559	1.3965
Low .....	1.2128	1.2536	1.1749
Average.....	1.2986	1.3245	1.2785

The following table sets forth, for each of the years indicated, the high, low, closing and average closing rates for Canadian dollars in terms of the Australian dollar, as reported on the Bank of Canada website.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
High .....	1.0322	1.0337	1.0121
Low .....	0.9645	0.9364	0.9176
Average.....	0.9951	0.9852	0.9606

## DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada.** The following documents, filed by the Corporation with the securities commissions or similar authorities in the provinces of British Columbia, Alberta and Ontario, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the Annual Information Form;
- (b) the audited consolidated financial statements for the nine months ended December 31, 2017 and the year ended March 31, 2017;
- (c) the management’s discussion and analysis for the nine months ended December 31, 2017;
- (d) the unaudited condensed interim financial statements for the three and nine months ended September 30, 2018;
- (e) the management’s discussion and analysis for the nine months ended September 30, 2018;

- (f) the material change report dated June 4, 2018;
- (g) the material change report dated March 23, 2018;
- (h) the business acquisition report dated July 16, 2018;
- (i) the business acquisition report dated March 29, 2018;
- (j) the management information circular dated May 25, 2018;
- (k) the management information circular dated January 29, 2018; and
- (l) the management information circular dated September 29, 2017.

Any document of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* filed by the Corporation with the securities commissions or similar regulatory authorities in Canada after the date of this Prospectus and all Prospectus Supplements disclosing additional or updated information filed pursuant to the requirements of applicable securities legislation in Canada and during the period that this Prospectus is effective shall be deemed to be incorporated by reference in this Prospectus. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Corporation and the readers should review all information contained in this Prospectus and the documents incorporated or deemed to be incorporated herein by reference.

A Prospectus Supplement containing the specific terms of an offering of Securities and other information relating to the Securities will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement only for the purpose of the offering of the Securities covered by that Prospectus Supplement.

Upon a new annual information form and related annual consolidated financial statements being filed by the Corporation with the applicable securities commissions or similar regulatory authorities during the duration that this Prospectus is effective, the previous annual information form, the previous annual consolidated financial statements and all interim consolidated financial statements, and in each case the accompanying management's discussion and analysis, information circulars (to the extent the disclosure is inconsistent) and material change reports filed prior to the commencement of the financial year of the Corporation in which the new annual information form is filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus. Upon interim consolidated financial statements and the accompanying management's discussion and analysis being filed by the Corporation with the applicable securities regulatory authorities during the duration that this Prospectus is effective, all interim consolidated financial statements and the accompanying management's discussion and analysis filed prior to the new interim consolidated financial statements shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus. In addition, upon a new management information circular for the annual meeting of shareholders being filed by the Corporation with the applicable securities regulatory authorities during the period that this Prospectus is effective, the previous management information circular filed in respect of the prior annual meeting of shareholders shall no longer be deemed to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated herein by reference shall be deemed to be modified or superseded for the purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated herein by reference modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded. 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 such a modifying or superseding statement shall not be deemed an admission for any purposes 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.**

Copies of the documents incorporated or deemed to be incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of First Cobalt Corp., 140 Yonge Street, Suite 201, Toronto, Ontario, M5C 1X6, Telephone (416) 900-3891, and are also available electronically at [www.sedar.com](http://www.sedar.com).

**The Corporation is not making an offer of the Securities in any jurisdiction where the offer is not permitted. It should be assumed that the information appearing in this Prospectus and the documents incorporated herein by reference are accurate only as of their respective dates. The business, financial condition, results of operations and prospects of the Corporation may have changed since those dates.**

## AVAILABLE INFORMATION

The Corporation files reports and other information with the securities commissions and similar regulatory authorities in each of the provinces of Canada. These reports and information are available to the public free of charge on SEDAR at [www.sedar.com](http://www.sedar.com).

## THE CORPORATION

First Cobalt is a corporation governed by the *Canada Business Corporations Act*. The registered and principal office of the Corporation is located at 140 Yonge Street, Suite 201, Toronto, Ontario, M5C 1X6. The Corporation's telephone number is (416) 900-3891 and its website address is [www.firstcobalt.com](http://www.firstcobalt.com).

First Cobalt is a North American pure-play cobalt company whose flagship asset is the Iron Creek cobalt project in Idaho, USA. First Cobalt is engaged in the acquisition and exploration of resource properties with a focus on building a portfolio of assets that are leveraged to the cobalt market. The Corporation's other assets include 50 past-producing mines in the Canadian Cobalt Camp in Ontario and the only permitted cobalt refinery in North America capable of producing battery materials located in Cobalt, Ontario.

First Cobalt has six direct subsidiaries, being, Cobalt Industries of Canada Inc., Cobalt Projects International Corp., both of which are incorporated under the laws of the Province of Ontario, Canada, U.S. Cobalt Inc., CobalTech Mining Inc. ("CobalTech"), both of which are incorporated under the laws of the Province of British Columbia, Canada, First Cobalt Holdings (Cayman) Ltd., a Cayman Islands corporation, and Cobalt One Limited ("Cobalt One"), an Australian corporation. First Cobalt is the registered and beneficial owner of all of the outstanding share capital in all six direct subsidiaries.

The following list shows the Corporation's intercorporate relationships. First Cobalt owns, directly or indirectly, 100% of each subsidiary unless otherwise indicated.

- (a) Cobalt Industries of Canada Inc. (Ontario)
- (b) Cobalt Projects International Corp. (Ontario)
- (c) U.S. Cobalt Inc. (British Columbia)
  - (i) Scientific Metals (Delaware)
  - (ii) 108360 B Corp. (British Columbia)
    - (A) Idaho Cobalt Company (Idaho)
  - (iii) Orion Resources NV (Nevada)
- (d) First Cobalt Holdings (Cayman) Ltd. (Cayman Island)



- (i) First Cobalt (Cayman) Ltd. (Cayman Island)
- (e) CobalTech Mining Inc. (British Columbia)
  - (i) Grafito La Barranca de Mexico S.A. de C.V (Mexico)
  - (ii) Grafito La Colorada de Mexico S.A. de C.V. (Mexico) (50%)
- (f) Cobalt One Limited (Australia)
  - (i) Cobalt Camp Refinery Ltd. (British Columbia)
  - (ii) Cobalt Camp Ontario Holdings Corp. (Ontario)
  - (iii) Acacia Minerals Pty Ltd (Australia)
  - (iv) Ophiolite Consultants Pty Ltd (Australia) (80%)

As used in this Prospectus, except as otherwise required by the context, reference to “First Cobalt” or the “Corporation” means First Cobalt Corp. and its subsidiaries. Further information regarding the business of the Corporation, its operations and its mineral properties can be found in the Annual Information Form and other documents incorporated herein by reference.

### **CONSOLIDATED CAPITALIZATION**

There has been no material change in the share and loan capital of the Corporation, on a consolidated basis, since the date of the unaudited condensed interim financial statements of the Corporation for the three and nine months ended September 30, 2018, which are incorporated by reference in this Prospectus.

### **EARNINGS COVERAGE RATIOS**

If the Corporation offers any Debt Securities having a term to maturity in excess of one year under a Prospectus Supplement, the Prospectus Supplement will include earnings coverage ratios giving effect to the issuance of such Debt Securities.

### **USE OF PROCEEDS**

The net proceeds to the Corporation from the sale of Securities, the proposed use of those proceeds and the specific business objectives which the Corporation expects to accomplish with such proceeds will be set forth in the applicable Prospectus Supplement relating to that offering of Securities.

During the fiscal year ended December 31, 2017 and the nine month period ended September 30, 2018, the Corporation had negative cash flow from operating activities. As at September 30, 2018, the Corporation had working capital of approximately \$10,097,655. The Corporation has no history of revenues from its operating activities and anticipates it will continue to have negative cash flow from operating activities in future periods until commercial production is achieved at its mineral projects. To the extent that the Corporation has negative cash flow in any future period, certain of the proceeds from the sale of Securities may be used to fund such negative cash flow from operating activities. See “Risk Factors – Negative Cash Flow from Operations”.

All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the Corporation’s funds, unless otherwise stated in the applicable Prospectus Supplement.

## PLAN OF DISTRIBUTION

The Corporation may sell the Securities, separately or together, to or through underwriters or dealers purchasing as principals for public offering and sale by them, and also may sell Securities to one or more other purchasers directly or through agents. Each Prospectus Supplement will set forth the terms of the offering, including the name or names of any underwriters or agents, the purchase price or prices of the Securities and the proceeds to the Corporation from the sale of the Securities. A Prospectus Supplement may provide that the Securities sold thereunder will be “flow-through” securities. In addition, Securities may be offered and issued in consideration for the acquisition (an “Acquisition”) of other businesses, assets or securities by the Corporation or a subsidiary of the Corporation. The consideration for any such Acquisition may consist of any of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and assumption of liabilities.

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, including sales in transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 - *Shelf Distributions*, including sales made directly on the TSXV, ASX or other existing trading markets for the Securities. The prices at which the Securities may be offered may vary as 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 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 to the Corporation.

In connection with any offering of Securities, except as otherwise set out in a Prospectus Supplement relating to a particular offering of Securities or other than an “at-the-market distribution”, the underwriters may over-allot or effect transactions intended to maintain or stabilize 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 discontinued at any time. No underwriter or dealer involved in an “at-the-market distribution”, as defined under applicable Canadian securities legislation, 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 connection with an Acquisition, Securities may be offered and issued at a deemed price or deemed prices determined either when the terms of the Acquisition are tentatively or finally agreed to, when the Acquisition is completed, when the Corporation issues the Securities or during some other negotiated period.

This Prospectus is not a prospectus, product disclosure statement or disclosure document for the purposes of the *Corporations Act 2001* (Commonwealth of Australia) (the “Corporations Act”). It has not been lodged, and will not be lodged, with the Australian Securities and Investments Commission, or otherwise. Any offering made under this Prospectus will only be made in Australia to persons who fit the requirements under sections 708(8) and (11) of the Corporations Act, or other investors in Australia to whom securities can be issued without a disclosure document being required by the Corporations Act. Depending on the structure of any offer of Securities, the terms of the Securities may be subject to on-sale restrictions in Australia for the purposes of the Corporations Act.

Shareholder approval of the Corporation for the issue of Securities may be required under applicable Australian Securities Exchanges Listing Rules (“ASX Listing Rules”). A corporation listed on the ASX must not, subject to certain exceptions, issue or agree to issue a number of equity securities (as that term is defined in the ASX Listing Rules) that exceeds 15 per cent of its issued share capital over a twelve-month period without shareholder approval. In addition, and subject to exceptions, shareholder approval is required for issues of Securities to related parties of the Corporation or to a person whose relationship with the Corporation or a related party of the Corporation is such that ASX opines that shareholder approval should be obtained.

The Securities and any securities underlying the Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws, and the Securities may not be offered, sold or delivered to, or for

the account or benefit of, a person in the “United States” or, as applicable, a “U.S. person” (as such terms are defined in Regulation S under the U.S. Securities Act), except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state laws. Each underwriter or agent for any offering of Securities pursuant to this Prospectus and the applicable Prospectus Supplement will agree that it will not offer, sell or deliver such Securities to, or for the account or benefit of, a person in the United States, or, as applicable, a U.S. person except in certain transactions exempt from the registration requirements of the U.S. Securities Act and in compliance with applicable state securities laws.

### **DESCRIPTION OF SHARE CAPITAL**

The Corporation is authorized to issue an unlimited number of Common Shares. As of the date of this Prospectus, 339,321,827 Common Shares were issued and outstanding. In addition, as of the date of this Prospectus, there were 20,206,815 Common Shares issuable on the exercise of incentive stock options, 1,293,801 Common Shares issuable on the exercise of deferred share units and 13,217,682 Common Shares issuable on the exercise of common share purchase warrants.

Holders of Common Shares are entitled to receive notice of any meeting of shareholders of the Corporation, to attend and to cast one vote per share at such meetings. Holders of Common Shares are also entitled to receive on a pro-rata basis such dividends, if any, as and when declared by the directors of the Corporation at their discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of the Corporation are entitled to receive on a pro-rata basis, the net assets of the Corporation after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights.

### **DIVIDEND POLICY**

The Corporation has not, for any of the three most recently completed financial years or its current financial year, declared or paid any dividends on its Common Shares, and does not currently have a policy with respect to the payment of dividends. For the foreseeable future, the Corporation anticipates that it will not pay dividends but will retain future earnings and other cash resources for the operation and development of our business. The payment of dividends in the future will depend on our earnings, if any, our financial condition and such other factors as our directors consider appropriate.

### **DESCRIPTION OF DEBT SECURITIES**

The following sets forth certain general terms and provisions of Debt Securities. The particular terms and provisions of any Debt Securities offered, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in a Prospectus Supplement.

Debt Securities will be direct secured or unsecured obligations of the Corporation as described in the applicable Prospectus Supplement. Debt Securities will be senior or subordinated indebtedness of the Corporation as described in the applicable Prospectus Supplement. The senior Debt Securities will rank equal in right of payment to all other unsecured and unsubordinated indebtedness of the Corporation (except for unsecured and unsubordinated indebtedness preferred by mandatory provisions of law). The subordinated Debt Securities will be subordinated in right of payment to the prior payment in full of the senior Debt Securities and all other senior indebtedness of the Corporation.

Debt Securities will be issued under one or more indentures (each a “Debt Indenture”) between the Corporation and a trustee that will be named in the applicable Prospectus Supplement. Forms of indentures in respect of both senior Debt Securities and subordinated Debt Securities will be filed by the Corporation with securities regulatory authorities in Canada and elsewhere, as applicable, after it has been entered into by the Corporation. The Debt Indenture under which any Debt Securities are issued will be specified in the applicable Prospectus Supplement. The statements made hereunder relating to any Debt Indenture and the Debt Securities to be

issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Debt Indenture.

Each Debt Indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by the Corporation. The applicable Prospectus Supplement will contain the terms and other information with respect to the Debt Securities being offered thereby, which may include the following:

- (a) the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- (b) the currency or currency unit 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);
- (c) any applicable subordination provisions;
- (d) the offering price or the percentage of the principal amount or discount at which such Debt Securities will be issued;
- (e) the date or dates on which such Debt Securities will mature;
- (f) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such interest rates (if any);
- (g) the dates on which any such interest will be payable and the record dates for such payments;
- (h) the name of the trustee under the Debt Indenture pursuant to which the Debt Securities are to be issued;
- (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 (if any) and interest (if any) will be payable;
- (l) any sinking fund provisions;
- (m) whether such Debt Securities will be issued in whole or in part in the form of one or more global securities;
- (n) the identity of the depositary for global securities;
- (o) whether a temporary security is to be issued with respect to such Debt Securities and whether any interest payable prior to the issuance of definitive Debt Securities of such series will be credited to the account of the persons entitled to such interest;
- (p) the terms upon which beneficial interests in a temporary global Debt Security may be exchanged in whole or in part for beneficial interests in a definitive global Debt Security or for individual definitive Debt Securities and the terms upon which such exchanges may be made;
- (q) the securities exchange(s) on which such series of Debt Securities will be listed, if any;

- (r) any terms relating to the modification, amendment or waiver of any terms of such Debt Securities or the Debt Indenture;
- (s) any right of the trustee or the holders to declare the principal, premium (if any) and interest (if any) with respect to such series of Debt Securities to be due and payable;
- (t) the governing law of such Debt Securities and Debt Indenture;
- (u) any provisions relating to any security provided for such Debt Securities;
- (v) any exchange or conversion terms; and
- (w) any other specific terms, including any additional events of default or covenants not inconsistent with the provisions of the applicable indenture.

The Debt Securities may, at our option, be issued in fully registered certificated form or in “book-entry only” form. Debt Securities 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 trustee for such Debt Securities.

Debt Securities of a single series may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary. 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 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 U.S. Federal funds rate.

The preceding description and any description of Debt Securities 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 Debt Indenture relating to such Debt Securities.

In the case of Debt Securities which are convertible into other securities of the Corporation, the holders will not have any of the rights of holders of the securities issuable upon the conversion of the Debt Securities until the issuance of those securities in accordance with the terms of the Debt Securities and Debt Indenture.

## **DESCRIPTION OF WARRANTS**

The Corporation may issue Warrants to purchase Common Shares or Debt Securities. This section describes the general terms that will apply to any Warrants issued pursuant to this Prospectus.

Warrants may be offered separately or together with other Securities and may be attached to or separate from any other Securities. Unless the applicable Prospectus Supplement otherwise indicates, each series of Warrants will be issued under a separate warrant indenture to be entered into between the Corporation and one or more banks or trust companies acting as Warrant agent. The Warrant agent will act solely as the agent of the Corporation and will not assume a relationship of agency with any holders of Warrant certificates or beneficial owners of Warrants. The applicable Prospectus Supplement will include details of the warrant indentures, if any, governing 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 out in the applicable Prospectus Supplement. A copy of the warrant indenture relating to an offering of Warrants will be filed by the Corporation with securities regulatory authorities in Canada and elsewhere, as applicable, after it has been entered into by the Corporation.

The Prospectus Supplement relating to any Warrants the Corporation offers will describe the Warrants and the specific terms relating to the offering. The description will include, where applicable:

- the designation and aggregate number of Warrants;
- the price at which the Warrants will be offered;
- the currency or currencies in which the Warrants will be offered;
- the date on which the right to exercise the Warrants will commence and the date on which the right will expire;
- the designation, number and terms of the Common Shares or Debt Securities, as applicable, that may be purchased upon exercise of the Warrants, and the procedures that will result in the adjustment of those numbers;
- the exercise price of the Warrants;
- the designation and terms of the Securities, if any, with which the Warrants will be offered, and the number of Warrants that will be offered with each Security;
- if the Warrants are issued as a unit with another Security, the date, if any, on and after which the Warrants and the other Security will be separately transferable;
- any minimum or maximum amount of Warrants that may be exercised at any one time;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- whether the Warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian federal and other income tax consequences of owning the Warrants; and
- any other material terms or conditions of the Warrants.

Warrant certificates will be exchangeable for new Warrant certificates of different denominations at the office indicated in the Prospectus Supplement. 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. The Corporation may amend the warrant indenture(s) and the Warrants, without the consent of the holders of the Warrants, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision or in any other manner that will not prejudice the rights of the holders of outstanding Warrants, as a group.

#### **DESCRIPTION OF SUBSCRIPTION RECEIPTS**

The Corporation may issue Subscription Receipts, separately or together, with Common Shares, Debt Securities or Warrants, as the case may be. The Subscription Receipts will be issued under a subscription receipt agreement. This section describes the general terms that will apply to any Subscription Receipts that may be offered by the Corporation pursuant to this Prospectus.

The applicable Prospectus Supplement will include details of the subscription receipt agreement covering the Subscription Receipts being offered. A copy of the subscription receipt agreement relating to an offering of Subscription Receipts will be filed by the Corporation with securities regulatory authorities in Canada and elsewhere, as applicable, after it has been entered into by the Corporation. 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. This description will include, where applicable:

- the number of Subscription Receipts;
- the price at which the Subscription Receipts will be offered and whether the price is payable in instalments;
- conditions to the exchange of Subscription Receipts into Common Shares, Debt Securities or Warrants, as the case may be, and the consequences of such conditions not being satisfied;
- the procedures for the exchange of the Subscription Receipts into Common Shares, Debt Securities or Warrants;
- the number of Common Shares or Warrants that may be exchanged upon exercise of each Subscription Receipt;
- the aggregate principal amount, currency or currencies, denominations and terms of the series of Debt Securities that may be exchanged upon exercise of the Subscription Receipts;
- 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;
- the dates or periods during which the Subscription Receipts may be exchanged into Common Shares, Debt Securities or Warrants;
- terms applicable to the gross or net proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- material Canadian federal and other income tax consequences of owning the Subscription Receipts;
- any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts.

Subscription Receipt certificates will be exchangeable for new Subscription Receipt certificates of different denominations at the office indicated in the Prospectus Supplement. Prior to the exchange of their Subscription Receipts, holders of Subscription Receipts will not have any of the rights of holders of the securities subject to the Subscription Receipts.

Under the subscription receipt agreement, a Canadian purchaser of Subscription Receipts will have a contractual right of rescission following the issuance of Common Shares, Debt Securities or Warrants, as the case may be, to such purchaser, entitling the purchaser to receive the amount paid for the Subscription Receipts upon surrender of the Common Shares, Debt Securities or Warrants, as the case may be, if this Prospectus, the applicable Prospectus Supplement, and any amendment thereto, contains a misrepresentation, provided such remedy for rescission is exercised within 180 days of the date the Subscription Receipts are issued. This right of rescission does not extend to holders of Subscription Receipts who acquire such Subscription Receipts from an initial purchaser, on the open market or otherwise, or to initial purchasers who acquire Subscription Receipts outside of Canada.

## PRIOR SALES

During the 12 month period before the date of this Prospectus, the Corporation has issued Common Shares and securities convertible into Common Shares as follows:

<u>Date of Issue/Grant</u>	<u>Price per Security</u>	<u>Number of Securities</u>
	(C\$)	
<i>Common Shares</i>		
December 5, 2017.....	\$0.10	100,000 <sup>(2)</sup>
December 21, 2017.....	\$1.51	4,700,000 <sup>(6)</sup>
December 21, 2017.....	\$1.10	20,950,000 <sup>(6)</sup>
December 28, 2017.....	\$1.31	234,000 <sup>(6)</sup>
December 28, 2017.....	\$1.14	200,728 <sup>(2)</sup>
December 28, 2017.....	\$0.25	81,250 <sup>(1)</sup>
January 5, 2018.....	\$1.20	526,400 <sup>(2)</sup>
January 5, 2018.....	\$1.14	69,274 <sup>(2)</sup>
January 18, 2018.....	\$1.07	224,000 <sup>(7)</sup>
January 26, 2018.....	\$1.10	151,364 <sup>(6)</sup>
February 19, 2018.....	\$0.64	1,566,933 <sup>(8)</sup>
April 12, 2018 .....	\$0.25	250,000 <sup>(1)</sup>
June 4, 2018 .....	\$0.76	115,318,357 <sup>(9)</sup>
July 5, 2018 .....	\$0.47	1,205,842 <sup>(10)</sup>
October 24, 2018 .....	\$0.33	120,833 <sup>(10)</sup>
<i>Options</i>		
June 26, 2018 .....	\$1.43	1,683,482 <sup>(11)</sup>
June 4, 2018 .....	\$0.294	3,468,750 <sup>(9)</sup>
June 4, 2018 .....	\$0.358	956,250 <sup>(9)</sup>
June 4, 2018 .....	\$0.418	1,425,000 <sup>(9)</sup>
June 4, 2018 .....	\$0.511	3,060,000 <sup>(9)</sup>
June 4, 2018 .....	\$0.518	450,000 <sup>(9)</sup>
June 26, 2018 .....	\$0.49	2,273,333 <sup>(12)</sup>
September 27, 2018 .....	\$0.36	600,000 <sup>(12)</sup>
September 27, 2018 .....	\$0.36	1,700,000 <sup>(16)</sup>
October 24, 2018 .....	\$0.27	400,000 <sup>(12)</sup>



<u>Date of Issue/Grant</u>	<u>Price per Security</u>	<u>Number of Securities</u>
	(C\$)	
<b><i>Deferred Share Units</i></b>		
February 1, 2018.....	N/A	898,962 <sup>(5)</sup>
June 26, 2018 .....	N/A	425,000 <sup>(12)</sup>
September 27, 2018 .....	N/A	340,000 <sup>(16)</sup>
<b><i>Performance Share Units</i></b>		
December 1, 2017 .....	N/A	580,681 <sup>(5)</sup>
June 26, 2018 .....	N/A	120,833 <sup>(13)</sup>
<b><i>Restricted Share Units</i></b>		
June 26, 2018.....	N/A	255,000 <sup>(14)</sup>
<b><i>Warrants</i></b>		
January 16, 2018.....	\$1.50	13,017,682 <sup>(6)</sup>

**Notes:**

<sup>(1)</sup> Issued pursuant to exercise of options.

<sup>(2)</sup> Issued pursuant to exercise of warrants.

<sup>(3)</sup> Issued pursuant to the Corporation's acquisition of Cobalt One.

<sup>(4)</sup> Issued pursuant to the Corporation's acquisition of CobalTech.

<sup>(5)</sup> The Corporation issued 898,962 DSUs to certain non-executive directors of the Corporation and 580,681 PSUs to the chairman and certain officers of the Corporation. DSUs vest immediately and may not be exercised until a director ceases to serve on the board. PSUs may vest in two tranches over a 12-month period contingent on achieving strategic corporate objectives. The DSUs were cancelled and re-granted on June 26, 2018. As of the date hereof, 370,161 of the DSUs have been exercised.

<sup>(6)</sup> Issued pursuant to a private placement financing.

<sup>(7)</sup> Issued in connection with the acquisition of a series of mineral claims from Gold Rush Cariboo Inc.

<sup>(8)</sup> Issued to a third-party as a success fee in connection with the acquisition of Cobalt One and CobalTech.

<sup>(9)</sup> Issued pursuant to the Corporation's acquisition of US Cobalt

<sup>(10)</sup> Issued pursuant to vesting and settlement of PSUs, RSUs, or DSUs

<sup>(11)</sup> Options were cancelled and re-granted on June 26, 2018

<sup>(12)</sup> Issued to certain employees, officers, and directors.

<sup>(13)</sup> The Corporation granted 120,833 PSUs to the Chief Executive Officer, Trent Mell, all of which have vested and been settled.

<sup>(15)</sup> All RSUs have vested and been settled.

<sup>(16)</sup> Issued to directors. Pursuant to the ASX Listing Rules, the Corporation is required to obtain shareholder approval before it issues long term incentives to directors. Accordingly, the issuances of DSUs and Options to directors will require shareholder approval at the upcoming annual general meeting.

**TRADING PRICE AND VOLUME**

The principal market on which the Common Shares trade is the TSXV. The Common Shares also trade on the ASX and OTC.

The following tables set forth the reported high and low closing prices and the aggregate volume of trading of the Common Shares on the TSXV, ASX, and the OTC for the periods indicated during the 12 month period before the date of this Prospectus:

**TSXV**

<b><u>Month</u></b>	<b><u>C\$ High</u></b>	<b><u>C\$ Low</u></b>	<b><u>Volume</u></b>
December 2017	\$1.46	\$1.11	14,496,000
January 2018	\$1.58	\$0.97	18,319,400
February 2018	\$1.24	\$0.82	10,195,300
March 2018	\$1.18	\$0.91	10,703,500
April 2018	\$1.05	\$0.70	7,918,800
May 2018	\$0.82	\$0.65	8,090,500
June 2018	\$0.80	\$0.45	18,455,300
July 2018	\$0.48	\$0.32	21,829,800
August 2018	\$0.50	\$0.26	12,822,200
September 2018	\$0.45	\$0.31	12,690,900
October 2018	\$0.35	\$0.20	15,724,400
November 2018	\$0.32	\$0.19	15,489,815
December 1 to 14, 2018	\$0.25	\$0.19	3,582,187

The closing price of the Common Shares on the TSXV on December 14, 2018 was C\$0.19.

## ASX

<u>Month</u>	<u>AUS\$ High</u>	<u>AUS \$ Low</u>	<u>Volume</u>
December 2017	\$1.45	\$1.16	15,329,004
January 2018	\$1.50	\$1.00	11,787,958
February 2018	\$1.17	\$0.89	3,990,764
March 2018	\$1.16	\$0.99	2,689,290
April 2018	\$0.99	\$0.73	1,749,135
May 2018	\$0.84	\$0.67	2,237,541
June 2018	\$0.79	\$0.47	5,986,280
July 2018	\$0.52	\$0.35	4,722,700
August 2018	\$0.52	\$0.28	5,051,009
September 2018	\$0.47	\$0.33	1,969,757
October 2018	\$0.38	\$0.24	5,441,289
November 2018	\$0.31	\$0.19	3,060,122
December 1 to 17, 2018	\$0.26	\$0.20	618,659

The closing price of the CDIs on the ASX on December 17, 2018 was AUS\$0.20

## OTC

<u>Month</u>	<u>U.S.\$ High</u>	<u>U.S.\$ Low</u>	<u>Volume</u>
December 2017	\$1.15	\$0.87	3,391,273
January 2018	\$1.29	\$0.77	10,463,097
February 2018	\$0.98	\$0.66	4,669,118
March 2018	\$0.93	\$0.71	3,262,559
April 2018	\$0.84	\$0.55	2,473,449
May 2018	\$0.63	\$0.49	1,994,060
June 2018	\$0.62	\$0.33	6,767,558
July 2018	\$0.39	\$0.24	5,391,848
August 2018	\$0.38	\$0.20	5,072,284
September 2018	\$0.34	\$0.24	2,995,437
October 2018	\$0.27	\$0.15	5,670,396
November 2018	\$0.24	\$0.14	3,590,666
December 1 to 14, 2018	\$0.19	\$0.14	1,454,254

The closing price of the Common Shares on the OTC on December 14, 2018 was U.S.\$0.14.

## LEGAL MATTERS

Certain legal matters relating to the offering of Securities hereunder will be passed upon on behalf of the Corporation by Fasken Martineau DuMoulin LLP with respect to Canadian legal matters. At the date hereof, the partners and associates of Fasken Martineau DuMoulin LLP, as a group each beneficially own, directly or indirectly, less than one per cent of any outstanding securities of the Corporation or any associate or affiliate of the Corporation.

## AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are MNP LLP, Chartered Professional Accountants, through its offices at Suite 2200, 1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3. MNP LLP has confirmed that they are independent with respect to the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation, and that they are independent accountants with respect to the Corporation under all relevant U.S. professional and regulatory standards.

The transfer agent and registrar for the Common Shares is AST Trust Company (Canada) at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

## RISK FACTORS

Before making an investment decision, prospective purchasers of Securities should carefully consider the information described in this Prospectus and the documents incorporated by reference herein, including the applicable Prospectus Supplement. There are certain risks inherent in an investment in the Securities, including the factors described under the heading “Risk Factors” in the Annual Information Form, and any other risk factors described herein or in a document incorporated by reference herein, which investors should carefully consider before investing. Additional risk factors relating to a specific offering of Securities will be described in the applicable Prospectus Supplement. Some of the factors described herein, in the documents incorporated by reference herein, and/or the applicable Prospectus Supplement are interrelated and, consequently, investors should treat such risk factors as a whole. If any of the risk factors described herein, in the Annual Information Form, in another document incorporated by reference herein or in the applicable Prospectus Supplement occur, it could have a material adverse effect on the business, financial condition and results of operations of the Corporation. Additional risks and uncertainties of which the Corporation currently is unaware or that are unknown or that it currently deems to be immaterial could have a material adverse effect on the Corporation’s business, financial condition and results of operation. The Corporation cannot assure purchasers that it will successfully address any or all of these risks. There is no assurance that any risk management steps taken will avoid future loss due to the occurrence of the risks described herein, in the Annual Information Form, in the other documents incorporated by reference herein or in the applicable Prospectus Supplement or other unforeseen risks. While the significant risk factors which the Corporation believes it faces are discussed below, they do not comprise a definitive list of all risk factors related to the Corporation’s business and operations.

### No Market for the Securities

There is currently no trading market for any Debt Securities, Subscription Receipts, or Warrants that may be offered. No assurance can be given that an active or liquid trading market for these securities will develop or be sustained. If an active or liquid market for these securities fails to develop or be sustained, the prices at which these securities trade may be adversely affected. Whether or not these securities will trade at lower prices depends on many factors, including liquidity of these securities, prevailing interest rates and the markets for similar securities, the market price of the Corporation, general economic conditions and the Corporation’s financial condition, historic financial performance and future prospects.

### Loss of Investment

An investment in the Securities is suitable only for those investors who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment.

*Forward-Looking Statements May Prove Inaccurate*

Investors are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve 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 statements or contribute to the possibility that predictions, assumptions and uncertainties are found in the Prospectus under the heading “Cautionary Statement Regarding Forward-Looking Statements”.

*Figures for the Corporation’s Resources are Estimates Based on Interpretation and Assumptions and May Yield Less Mineral Production Under Actual Conditions than is Currently Estimated*

In making determinations about whether to advance any of its projects to development, the Corporation must rely upon estimated calculations as to the mineral resources and grades of mineralization on its properties. Until mineral resources are actually mined and processed, mineral resources and grades of mineralization must be considered as estimates only. Mineral resource estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling which may prove to be unreliable. The Corporation cannot be certain that reserve, resource or other mineralization estimates will be accurate or that mineralization can be mined or processed profitably. Any material changes in mineral resource estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital. The Corporation’s resource estimates have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for cobalt and other commodities may render portions of the Corporation’s mineralization uneconomic and result in reduced reported mineral resources.

*Dilution*

The Corporation expects to require additional funds to finance its growth and development strategy. If the Corporation elects to raise additional funds by issuing additional equity securities, such financing may substantially dilute the interests of the Corporation’s shareholders. The Corporation may also issue additional Common Shares in the future pursuant to existing and new agreements in respect of its projects or other acquisitions and pursuant to existing securities of the Corporation.

*Negative Cash Flow from Operations*

During the fiscal year ended December 31, 2017, and the three and nine month periods ended September 30, 2018, the Corporation had negative cash flow from operating activities. The Corporation has no source of operating cash flow and there is no assurance that additional funding will be available to it for exploration and development. The Corporation has incurred net losses in the past and may incur losses in the future and will continue to incur losses until and unless it can derive sufficient revenues from its mineral projects. These conditions, including other factors described herein, may create a material uncertainty regarding the Corporation’s ability to continue as a going concern. To the extent that the Corporation has negative cash flow in any future period, certain of the proceeds from the sale of Securities may be used to fund such negative cash flow from operating activities. See “Use of Proceeds”.

*Integration Risks and Costs*

The acquisition of Cobalt One, which was implemented on December 1, 2017, combined the businesses of two previously independent companies. While the Corporation expects to achieve synergies resulting from the acquisition of Cobalt One, the Corporation may fail to realize these net synergies. The Corporation’s ability to realize these synergies, and the success of the acquisition of Cobalt One generally, will depend significantly on management’s success in integrating the predecessor companies’ operations and personnel. Integrating businesses can result in unanticipated operational problems, expenses and liabilities.

Any failure to realize the anticipated net synergies from the acquisition of Cobalt One or any adverse effect on the Corporation's future revenues or future profitability resulting from integration difficulties may have a material adverse effect on the Corporation's results of operations, business, prospects and financial condition.

### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus or a prospectus supplement (including a pricing supplement) relating to the securities purchased by a purchaser and any amendment thereto. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages, if the prospectus or prospectus supplement (including a pricing supplement) relating to the securities purchased by a purchaser and any amendment thereto contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

Original purchasers of Securities which are convertible, exchangeable or exercisable for other securities of the Corporation, including Warrants if offered separately, will have a contractual right of rescission against the Corporation in respect of the conversion, exchange or exercise of such Securities. The contractual right of rescission will entitle such original purchasers to receive the amount paid upon conversion, exchange or exercise, upon surrender of the underlying securities gained thereby, in the event that this Prospectus, the relevant Prospectus Supplement or an amendment thereto contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such Securities under this Prospectus and 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 the *Securities Act* (Ontario) or otherwise at law.

Original purchasers are further advised that in certain provinces the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the Securities that were purchased under a prospectus, and therefore, a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the province in which the purchaser resides for the particulars of these rights, or consult with a legal advisor.

**CERTIFICATE OF THE CORPORATION**

Dated: December 17, 2018

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, and Ontario.

*“Trent Mell”*  
Trent Mell  
Chief Executive Officer

*“Ryan Snyder”*  
Ryan Snyder  
Chief Financial Officer

On behalf of the Board of Directors

*“Paul Matysek”*  
Paul Matysek  
Director

*“Jeffrey Swinoga”*  
Jeffrey Swinoga  
Director