

Global Cobalt Acquires High Grade US Cobalt Project

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VANCOUVER, BC / TNW-ACCESSWIRE / OCTOBER 6th, 2014 / [Global Cobalt Corp.](#) (TSXV:GCO, OTCBB:GLBCF, FRA:3P0) ("Global Cobalt", the "Company" and/or the "Lessee") is pleased to announce today its entry into a Mining Lease Agreement with an Option to Acquire (the "Agreement") the Iron Creek Cobalt Project, a prospective cobalt property in the Idaho Cobalt Belt Trend located near [Salmon, Idaho](#). The Agreement is being made with [Chester Mining Company](#) (the "Owner" and/or the "Lessor").

Project Highlights:

- The Iron Creek project provides Global Cobalt with a foothold in the Idaho Cobalt Belt, the most prolific belt of cobalt mineralisation in the United States.

- Approximately 30,000 feet of diamond drilling and 1,500 feet of underground drifting has been completed exploring the project by previous operators.

- Historic literature defines "two distinct lenses of cobalt mineralization."

- The first lens estimated to contain 1,050,000 tons grading 0.61% cobalt (Co) and 0.3% copper (Cu) and having a strike length of about 750 feet.

- A second lens of high-grade cobalt mineralization, estimated to be 229,000 tons, extends for 600 feet of strike length, is deeper than the first lens, and averages about 0.48% Co and 0.24% Cu.

The historical resource estimates at Werner Lake are not being treated as a mineral reserve or mineral resource and are not NI 43-101 compliant. Key assumptions, parameters, and methods used to prepare the historical estimates are not known. A qualified person has not done sufficient work to classify the historical estimate as a mineral resource or mineral reserve. No details regarding cut-off grades, metal prices or other factors were detailed in the report. Additional drilling and testing is required to determine a current classification as a mineral resource or mineral reserve. The Company is not treating the historical information as a current mineral resource or mineral reserve and the reader is cautioned to not rely upon this data.

Erin Chutter, President and CEO of [Global Cobalt Corp.](#) commented:

"The addition of Iron Creek into our cobalt project portfolio is exciting and diversifies our project mix at a time when cobalt is becoming increasingly important in the battery sector. [Karakul](#) continues to be important to the company, but some shareholders are interested in projects in other regions like our [Canadian Werner Lake project](#) and now this US based asset."

Paul Sarjeant, the Company's VP Exploration added:

"This property has the potential to add significant value to our portfolio of cobalt properties. The Iron Creek project shares characteristics with a series of sediment hosted cobalt-copper deposits within the 60 km long Idaho Cobalt Belt, including [Formation Metal's proposed Idaho Cobalt Mine](#) and the Blackbird Mine. This transaction provides tremendous upside potential for our shareholders and we will leverage off extensive historic exploration and development work carried out by major mining companies, including Noranda, Cominco and Hanna Mining amongst others. As a result of this past work and development history, we have an extensive database from which to work that will allow us to quickly advance our exploration efforts."

The Iron Creek Cobalt-Copper Project:

The Iron Creek Cobalt-Copper property in Idaho, consists of seven patented mining claims of approximately 118 acres located in Lemhi County about 26 miles southwest of the town of Salmon, Idaho. Discovered in the 1940's as a possible iron deposit, past work by previous operators identified several zones of cobalt-copper mineralisation. Extensive drilling, sampling, and geologic work was completed on two of the most promising areas. Numerous other exploration targets have been identified on the property that have yet to be fully evaluated.

The first mineral resource of interest referenced in the historical literature is an underground target described by [Noranda Exploration](#) in a 1980 report as "two distinct lenses of cobalt mineralization". The first lens was called a "reserve" and was estimated to contain 1,050,000 tons grading 0.61% cobalt (Co) and 0.3% copper (Cu) and having a strike length of about 750 feet. A second lens of high-grade cobalt mineralization occurs to the northwest, and again is described as a "reserve". This lens extends for 600 feet of strike length, is deeper than the first lens, and averages about 0.48% Co and 0.24% Cu. The authors estimated this resource to be around 229,000 tons. In all, the Noranda authors state that between both lenses, they expect the potential for at least two million tons of similar grade resources could be developed. While this area will require more work to bring these resources into today's reserve compliant categories, if confirmed these zones would represent over 15 million pounds of cobalt and over 7.4 million pounds of copper. (As reported in an internal report titled "Iron Creek Prospect, Lemhi County, Idaho (#0483) Progress Report" by Terry A. Webster & Thomas K. Stump for Noranda Exploration, Inc. July 1980).

The reader is cautioned that data included in the reporting of resources pre-dates National Instrument 43-101 or is otherwise not compliant with National Instrument 43-101. The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource. The report does not detail cut-off grades and metal prices used to calculate the historical mineralisation. Such data is marked as being non-compliant, and a qualified person has not verified such data. As a result, the reader is cautioned not to rely upon that data. The Company is not treating the historical estimates as current mineral resources.

Mitchell Smith, Corporate Development commented on adding to the Company's existing cobalt properties through this Agreement:

["The Tesla-Panasonic 'Gigafactory' partnership"](#) has kickstarted a race to see which mining companies can satisfy the battery super-plant's appetite for materials including cobalt. We spent the last several years assessing opportunities in the cobalt space and at the same time have built not only a vast wealth of knowledge in the sector but also strategic relationships with end users such as Easpring, a Beijing based organization that supplies cobalt and other battery grade material to [Panasonic](#), [LG Chem](#), [BYD](#) amongst others. Global Cobalt will continue to locate properties that are complementary to our current investment properties, with an emphasis on properties with near term production potential to become strong candidate to fill some of the cobalt demand brought on by the electric vehicle race."

Highlights of the Agreement include:

- 1.The primary term of this lease will be twenty (20) years with the option for GCO to extend the lease for up to two successive terms of twenty (20) years each.
- 2.GCO has the option to terminate this lease by providing written notice to the Lessor six (6) months prior to the termination date.
- 3.A minimum of CDN \$500,000 of work performed by the Lessee upon the Leased Premises during the first three (3) years of the term of the lease.
- 4.GCO shall pay the Owner One Million (1,000,000) shares of common stock of Global Cobalt upon the completion of the Agreement and Lessee shall pay quarterly a minimum payment of CDN \$1,250 per month (CDN \$15,000.00) per year as an advance against royalties on each anniversary of the agreement.

5.The advance royalty payments may be in the form of cash or stock or combination as agreed by the parties.

6.GCO shall pay the Lessor a 2.5% Net Smelter Royalty on all development and production ores and minerals extracted, milled and sold from the Leased Premises.

7.At any time following completion of the agreement, the Lessee may purchase one-half the royalty in the form of cash or stock or combination consideration of CDN \$2,500,000.

8.At any time during the term of the Lease, the Iron Creek claims can be purchased, at the election of Global Cobalt, for a onetime payment in the form of cash or stock or combination as agreed by the parties at a price based on independent valuation.

The shares issued in the Service Settlement will be in accordance with applicable securities law and will be subject to the prior approval of the TSXV.

The technical information in this news release has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 and was reviewed on behalf of the company by its Qualified Person, Mr. Paul Sarjeant, P.Geo, the Company's VP Exploration.

[Global Cobalt Corp.:](#)

[Global Cobalt Corp.](#) is a Canada-based strategic metals company focused on the development of a new mining region in the Republic of Altai. Global Cobalt intends to build upon the success of the Karakul project, while aggressively expanding and exploring existing properties to meet the demand for cobalt and other strategic metals.

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Cautionary Statement on Forward-Looking Information: This news release contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws, concerning the business, operations and financial performance and condition of the Company. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements contained in this news release include statements with respect to: expectations regarding shareholder approval of the Amendment; the delivery of a National Instrument 43-101 compliant technical report and mineral resource estimate for the Karakul cobalt project and the ability of the Company to raise the additional funds required for the continued development of its mineral properties. Forward-looking statements involve various risks and

uncertainties. 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. Factors that could cause actual results to differ materially from our expectations include uncertainty about the level of shareholder support for the Amendment and the share issuances contemplated thereunder; the need to obtain permits and governmental approvals; risks of construction and mining projects such as accidents, equipment breakdowns, bad weather, non-compliance with environmental and permit requirements, unanticipated variation in geological structures, ore grades or recovery rates; unexpected cost increases; fluctuations in metal prices and currency exchange rates; the impact of economic sanctions on companies conducting business in Russia; and other risk and uncertainties disclosed in reports and documents filed by the Company with applicable securities regulatory authorities from time to time. The forward-looking statements made in this news release reflect management's beliefs, opinions and projections on the date the statements are made. Except as required by law, Global Cobalt assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.

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