

VANCOUVER, July 27, 2017 /CNW/ - [Cobalt Power Group Inc.](#) (the "Company") (TSX.V: CPO, OTC Pink: CBBWF) is pleased to announce signing a non-binding letter of intent ("LOI") to acquire four separate blocks of mineral claims (the "Properties") located in the South Lorrain and Lorrain Townships, Ontario, encompassing approximately 7,400 ha of prospective mineral lands. The Properties are currently owned or leased by Canadian Cobalt Projects Inc. ("Canadian Cobalt"), a privately held mineral exploration company.

Highlights

- Acquisition is comprised of approximately 7,400 ha of strategically located mining claims in the Silver Center area of the Cobalt Camp, Ontario.
- Cobalt Power will become one of the largest landowners in the prolific Cobalt Camp/Silver Center with the addition of this land package.
- Claim group is in close proximity to several historic mines, including the former producing Keely and Frontier Mines in South Lorrain Township, Ontario, as well as the recently announced First Cobalt/Cobalt One lands.
- Presence of historical showings on the properties, combined with the favourable geological setting, enhances the geological potential for the properties.
- Combined land holdings for Cobalt Power Group are now approximately 10,000 ha in the Cobalt Camp, Ontario.

"With the addition of this land package, our company will have 100% ownership in the mineral rights for one of the largest land packages in the Cobalt Camp," comments Dr. Andreas Rompel, President & CEO. "Expanding our contiguous parcels into the core of the historic Silver Centre bodes well for continued exploration, increases our opportunity for discovery and turns us into one of the dominant players in the region."

Proposed Transaction

It is contemplated that the acquisition of the Properties will be accomplished by Cobalt Power Group acquiring all of the issued and outstanding shares of Canadian Cobalt in exchange for the issuance, pro-rata of 35,000,000 common shares of Cobalt Power to the existing shareholders of Canadian Cobalt and that at closing, the shareholders of Canadian Cobalt will receive the benefit of a 1.5% net smelter returns royalty, of which 75% may be purchased at any time in consideration for a cash payment of (CDN)\$1,000,000. Following completion of the transaction, Canadian Cobalt would become a wholly owned subsidiary of Cobalt Power Group.

Cobalt Power will now initiate a 30-day due diligence period wherein it will conduct a full due diligence investigation. The definitive agreement and the closing of the acquisition remains subject to a number of conditions, including approval of the TSX Venture Exchange, as well as such other conditions as are customary in transactions of this nature.

Cobalt Camp Properties

This large land package comprises 44 strategically situated dispositions (43 unpatented mining claims and 1 mining lease on patented land). The properties are generally underlain by Huronian Cobalt Group metasediments with abundant occurrences of the Nipissing diabase sill/dyke. Both the upper and lower contacts of the sill occur on the property. The Cobalt Group metasediments include quartzites and arkoses of the Lorrain Formation, as well as significant outcrops of siltstones and greywackes of the Coleman Formation, which are locally in contact with the base of the sill.

There are several known cobalt occurrences found on the land package - all reported in the Ontario Mineral Deposit Inventory files:

- Labine-McMahon showing - samples collected from a quartz-carbonate vein adjacent to an aplite dike contain cobaltite, arsenopyrite and bismuthinite. An assessment of the heavy material after a partial separation from the gangue returned: 32.54% As, 4.85% Fe, 21.09% Co, 1.18% Ni, 6.26% Bi and 0.09% Zn. A sample of wall rock adjacent to a ¾" wide quartz-carbonate vein assayed 1.10% Co and 0.21% Ni. Sample was collected in 1956 and assayed by the Cobalt Resident Geologist.
- Friday Creek showing - government reports show "a 20cm quartz-calcite veins with 17 g/t Ag, in Nipissing diabase."

The mining lease included in the package is the Silver Eagle property. Located on this property, the Silver Eagle mine (which operated around 1918) produced 8,000 ounces of silver from a 6-meter section of mine workings that crossed the property from the adjacent Wettlaufer Mine (cobalt was not recovered, as was typical for that era). Geological mapping shows the claim to be underlain by the Nipissing diabase sill in contact with "undifferentiated" intermediate to mafic volcanics, basalts and pillow lavas. This is the classic setting for Cobalt Camp mineralization.

Swedish Properties

Cobalt Power Group will become entitled to negotiations currently in progress with representatives of Canadian Cobalt Properties regarding acquiring several exploration licenses in historic cobalt mining areas of southern Sweden.

Additionally, the previously announced drill program at Smith Cobalt has been completed, with a total of 1897 m drilled in nine drill holes. Core logging and sampling is close to completion. Assays are pending and results will be released once they have been received and reviewed by the company.

About Cobalt Power Group Inc.

[Cobalt Power Group Inc.](#) is a publicly traded Canadian exploration company listed on the TSX-Venture Exchange and U.S. Pink Sheets (TSX-V: CPO, OTC Pink: CBBWF) focused on cobalt exploration and development.

The Company has made a series of strategic property acquisitions over the past year, seeking cobalt mineralization near Cobalt, Ontario - a region with a long history of silver and associated cobalt production. Property holdings total 863.6 hectares (2134 acres) in contiguous and strategic claim blocks. There are several historic mining operations on the properties that are potentially accessible, including the Smith Cobalt shaft and its underground workings.

About the Smith Cobalt Project

The Smith Cobalt project is underlain by a sequence of Archaean volcanics which are unconformably overlain by Huronian sediments. These formations have been intruded by the Proterozoic-age Nipissing diabase sill. Faulting, on both a regional and local scale, has been found by surface mapping and in drill cores. Polymetallic veining, and especially pinkish-white carbonate veins, has also been reported. Thus, all the necessary geological components of accepted mineralization models for cobalt-silver have been identified on the properties.

Chris M. Healey, P. Geo, V.P. Exploration, and a Director of Cobalt Power Group is the qualified person responsible for the technical content of this release, and consents to its dissemination.

On behalf of the Board of Directors

"Andreas Rompel"

Dr. Andreas Rompel, President and CEO

[Cobalt Power Group Inc.](#)

www.cobaltpowergroup.com

We seek safe harbor.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Forward Looking Information

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this News Release. WARNING: The Company relies on litigation protection for "forward looking" statements. Actual results could differ materially from those described in the news release as a result of numerous factors, some of which are outside the control of the Company. This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities 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 to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

SOURCE [Cobalt Power Group Inc.](#)

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The company's profile may also be viewed on www.sedar.com