

Cobalt 27 Capital Corp. Acquires US\$300 Million Cobalt Stream on Vale's Voisey's Bay Mine Expansion

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And Announces C\$300 Million Bought Deal Offering of Common Shares To Fund Stream Acquisition
Conference Call scheduled for June 11 at 4:45 pm EDT, dial in details below.

TORONTO, June 11, 2018 - [Cobalt 27 Capital Corp.](#) ("Cobalt 27" or the "Company") (TSXV:KBLT) (FRA:27O) is pleased to announce that the Company has entered into an agreement (the "Voisey's Bay Purchase Agreement") to acquire from a subsidiary of [Vale S.A.](#) ("Vale"), an amount of finished cobalt equal to 32.6% of the cobalt production from the Voisey's Bay Mine, including from the proposed Voisey's Bay Mine Expansion (the "VBME", and collectively, "Voisey's Bay"), commencing January 1, 2021 (the "Cobalt Stream"). Upon closing, Cobalt 27 will pay Vale upfront cash consideration of US\$300 million, which will represent a prepayment of a portion of the purchase price for the sale of cobalt to Cobalt 27 (the "Advance Amount").

Also on June 11, 2018, Vale entered into a separate agreement with [Wheaton Precious Metals Corp.](#) ("WPM"), whereby WPM has agreed to acquire from Vale, an amount of finished cobalt equal to 42.4% of the cobalt production from Voisey's Bay, commencing January 1, 2021 (the "WPM Agreement"). WPM will pay Vale upfront cash consideration of US\$390 million upon closing. The terms of the Voisey's Bay Purchase Agreement and the WPM Agreement, other than the advance amounts and the stream percentages, are substantially the same.

In total, Cobalt 27 and WPM will provide Vale an aggregate of US\$690 million in upfront proceeds for a combined purchase of finished cobalt equal to 75% of Voisey's Bay cobalt production commencing January 1, 2021.

On June 11, 2018, Vale announced its plans to proceed with the construction of the VBME, which is expected to have its first full year of production in 2021. Total estimated capital expenditures to complete construction and commissioning of the VBME are estimated by Vale to be approximately US\$1.7 billion. Vale expects with VBME to extend Voisey's Bay's mine life to 2034.

Transaction Highlights

- Strengthens portfolio with world-class, low-cost and long-life asset in a low political-risk jurisdiction.
- Commencing January 1, 2021, Cobalt 27 will receive an amount of finished cobalt equal to 32.6% of the cobalt production from Voisey's Bay until an aggregate of approximately 10.8kt (23.8mmlb) has been delivered and 16.3% of cobalt production thereafter.
- Adds cobalt production starting in 2021 coincident with the ramp up of the VBME and growing to approximately 0.85kt (1.9mmlb) per year attributable to Cobalt 27 under the Cobalt Stream once fully ramped up.
- The VBME is a brownfield project with extensive infrastructure in place.
- Vale has made a significant investment in the state-of-the-art nickel/copper/cobalt refinery at the Long Harbour Processing Plant.
- The Cobalt Stream is expected to significantly increase Cobalt 27's cash flows starting in 2021.
- Adds strong partner in Vale for Cobalt 27.

"Cobalt 27 is very excited to partner with Vale to advance future development of Voisey's Bay," said Anthony Milewski, Chairman and CEO of Cobalt 27. Milewski added, "Following our recent investment in Ramu, this transaction builds on our commitment to add high quality streams and royalties and represents a strong step forward in diversifying our portfolio with the Voisey's Bay mine, a world-class, low-cost and long-life nickel/copper/cobalt asset located in a low political-risk jurisdiction. Further, Voisey's Bay has significant infrastructure including a state-of-the-art nickel/copper/cobalt refinery to support the planned VBME. We believe the enhanced exposure to cobalt, will yield significant returns to our investors as electric

vehicles begin to change our society in the coming years."

Cobalt Stream Terms

- Vale will deliver to Cobalt 27, an amount of finished cobalt equal to 32.6% of the cobalt production from Voisey's Bay commencing January 1, 2021.
- Once an aggregate of approximately 10.8kt (23.8mmlb) of cobalt has been delivered to Cobalt 27, which would occur once Voisey's Bay cobalt production after January 1, 2021 reaches approximately 33.1kt (73.0mmlb), the proportion of cobalt production delivered to Cobalt 27 will reduce to 16.3%.
- Cobalt 27 will pay Vale cash consideration of US\$300 million upon closing.
- Cobalt 27 will make ongoing payments (the "Ongoing Payments") equal to 18% of the Cobalt Reference Price for each pound of cobalt delivered under the Cobalt Stream, until Cobalt 27 has recovered the full value of the Advance Amount through Vale's deliveries of finished cobalt under the Cobalt Stream. After this time, the Ongoing Payments will increase to 22% of the Cobalt Reference Price.
- The Cobalt Reference Price will be equal to an applicable, as determined by grade, Cobalt Metal Bulletin free market U.S. dollar per pound in warehouse price, as published by Metal Bulletin, or an alternative reference price mutually agreed to by Vale and Cobalt 27.
- Vale has agreed that if mill throughput does not reach 85% of targeted levels by December 31, 2025, some or all of the Advance Amount may be refunded and/or the applicable cobalt stream percentages may be increased.
- The Voisey's Bay Purchase Agreement will be settled with physical delivery of cobalt. Vale will deliver cobalt metal stored in warehouse in the form of warehouse certificates.
- The stream is subject to a 93.3% payability factor applied to cobalt contained in concentrate recovered from the stream area.
- Closing of the transaction is expected to occur in late June following the closing of the Offering (as defined below) announced concurrently with the Cobalt Stream, and is subject to customary conditions.

Voisey's Bay and Long Harbour Processing Plant

Voisey's Bay is located in Newfoundland & Labrador, Canada and has been in production since 2005. The Voisey's Bay site consists of an open pit mine, concentrator, tailings facility, diesel power generation facility, airstrip, accommodations complex, concentrate storage, fuel storage, and port facility.

To view the Location of Voisey's Bay & Long Harbour Processing Plant, please visit, <http://www.globenewswire.com/NewsRoom/AttachmentNg/c37fcbb7-6532-4736-8947-de056f033b9f>

In 2014, the Long Harbour Processing Plant ("LHPP") became operational and has total production capacity of 50,000 tonnes of nickel per annum. The LHPP uses a state-of-the-art high pressure acid leaching, solvent extraction and electrowinning processes to process the Voisey's Bay nickel concentrate. In late 2017, all Voisey's Bay nickel concentrate began shipping to the LHPP. The LHPP produces high purity nickel rounds, high purity cobalt rounds and copper cathode from the Voisey's Bay concentrate.

Voisey's Bay Mine Expansion

On June 11, 2018, Vale announced its plans to proceed with the construction of the VBME, which is expected to have its first full year of production in 2021. Total estimated capital expenditures to complete construction and commissioning of the VBME are estimated by Vale to be approximately US\$1.7 billion. The VBME is expected to extend Voisey's Bay's mine life to 2034.

Cobalt 27's stream commences January 1, 2021 and will include Voisey's Bay ore from remaining open pit operations and all future underground operations within the stream area. As estimated by Vale, during the initial ramp-up period of 4 years, first full ramp-up year commencing in 2021, the underground mine is expected to produce an average of approximately 1.8kt (4.0mmlb) per year of refined cobalt. When complete, the underground mine is expected to produce an average of 2.6kt (5.8mmlb) per year of refined cobalt. Nickel production from Voisey's Bay mine will be maintained at 38kt per year from 2018 to 2020, ramping up to 45-50kt per year of nickel contained in concentrate from 2024 onwards.

Financing the Acquisition

In connection with the Cobalt Stream, Cobalt 27 has entered into an agreement with a syndicate of underwriters led by TD Securities Inc., Credit Suisse (Canada), Inc., BMO Capital Markets and Scotiabank as bookrunners and National Bank Financial Inc., as co-lead (the "Underwriters"), pursuant to which they have agreed to purchase, on a bought deal basis, 30,800,000 common shares of Cobalt 27 at a price of C\$9.75 per share (the "Offering Price"), for aggregate gross proceeds to Cobalt 27 of approximately C\$300 million (the "Offering"). In addition, Cobalt 27 has agreed to grant to the Underwriters an option to purchase up to an additional 4,620,000 common shares at the Offering Price, on the same terms and conditions as the Offering, exercisable at any time, in whole or in part, until the date that is 30 days following the closing of the Offering. In the event that the option is exercised in its entirety, the aggregate gross proceeds of the Offering to Cobalt 27 will be approximately C\$345 million.

The Company will fund the Advance Amount of US\$300 million using the net proceeds of the Offering, our recently announced US\$80 million revolving credit facility and cash on hand. As at March 31, 2018, the Company had approximately C\$195 million of cash on hand.

The Offering will be made by way of a short form prospectus to be filed on or about June 20 2018, with the securities regulatory authorities in each of the provinces and territories of Canada, and may also be offered by way of private placement into the United States pursuant to an exemption from registration under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"). Closing of the Offering is subject to customary regulatory and stock exchange approvals and is anticipated to occur on or about June 27, 2018.

The common shares have not been registered under the U.S. Securities Act, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the common shares in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

Advisors and Counsel

TD Securities Inc. acted as financial advisor to Cobalt 27. Stikeman Elliott LLP acted as legal advisor to Cobalt 27.

Conference Call

Cobalt 27 will hold a conference call and audio webcast on Monday, June 11th at 4:45 pm Eastern Daylight Time for management to discuss details of the Voisey's Bay Cobalt Stream.

Live Dial-in Information

Date: Monday, June 11th, 2018
Time: 4:45 pm EDT
Toronto and international: (647) 427-7450
North America (toll-free): (888) 231-8191

To participate in the webcast and slide presentation live via your computer go to:
<https://event.on24.com/wcc/r/1770893/5E64F6D7BCCEB1B9D51B3E5375F44A44>

Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to hear the webcast. An archived webcast will be available for one year.

Replay call information

Toronto and international: 416.849.0833, passcode: 5869835
North America (toll-free): 855.859.2056, passcode: 5869835

The conference call replay will be available from 7:45 pm EDT on June 11th, 2018, until 11:59 pm EDT on June 18, 2018. Participant audio webcast will also be available on the events page of the investors section of Cobalt 27's website at: <http://www.co27.com/investors/events/>

Scientific and Technical Information

The scientific and technical information in this news release, as well as additional material scientific and technical information with respect to Voisey's Bay, has been prepared by Vale in its capacity as 100% owner and operator of Voisey's Bay and the LHPP, and disclosed by Vale and is available on Vale's filings with the U.S. Securities and Exchange Commission at <https://www.sec.gov> as well as on Vale's website at <http://www.vale.com/canada/>.

All estimates of mineral reserves and mineral resources in respect of Voisey's Bay in this news release are based on Vale's Canadian mines operations; use of the NI 43-101 standard of estimating and reporting.

Disclosures of a scientific or technical nature in this news release have been reviewed on behalf of Cobalt 27 by Mr. Robert Osborne P.Eng., geologist and President of OLGs, an independent consultant to Cobalt 27 and a "Qualified Person" as defined by Canadian National Instrument 43-101 – *Standard of Practice for Technical Reports*.

About Cobalt 27 Capital Corp.

[Cobalt 27 Capital Corp.](#) is a battery metals streaming and royalty company offering direct exposure to cobalt, an integral element in key technologies of the electric vehicle and battery energy storage markets. The Company owns over 2,982Mt of physical cobalt and is acquiring the world's first producing cobalt nickel stream on the low-cost, long-life Ramu Nickel-Cobalt Mine and a cobalt stream on Vale's world-class Voisey's Bay mine; beginning in 2021, including the announced underground expansion. The Company also manages a portfolio of ten royalties and intends to continue to invest in a cobalt-focused portfolio of streams, royalties and direct interests in mineral properties containing cobalt, while potentially adding to its cobalt physical holdings when opportunities arise.

About Vale S.A.

Vale is one of the largest metals and mining companies in the world with a market capitalization of approximately US\$75 billion. Vale operates four principal business segments: Ferrous Minerals, Base Metals, Coal and Logistics Infrastructure. Vale is one of the world's largest producers of iron ore and iron ore pellets and the world's largest producer of nickel. Vale also produces manganese ore, ferroalloys, metallurgical and thermal coal, copper, platinum group metals (PGMs), gold, silver and cobalt. Vale operates large logistics systems in Brazil and other regions of the world, including railroads, maritime terminals and ports, which are integrated with its mining operations. Vale has a track record of successfully streaming by-product metals from several of its base metals mines, with upfront payments totaling US\$3.7 billion since 2013 (excluding the Voisey's Bay Purchase Agreement and the WPM Agreement).

For further information please visit the Company website at www.co27.com or contact:

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Voisey's Bay Mineral Reserves and Mineral Resource Estimate (100% Basis)

Source: 2017 Vale MRMR Technical Report. Note: As reported by Vale, as of December 31, 2017. Resources shown exclusive of reserves. Numbers may not add due to rounding. The 2017 MRMR Technical Report was reviewed in detail. It is backed up with reviewed documents on QA/QC, drilling database, resource and reserve modeling and related reports plus a similar review of the 2016 MRMR report and

documentation. The documentation is believed to be thorough and to a standard acceptable for NI-43-101 technical reporting.

	Tonnes mt	Grade (%)		Contained Metal (kt)		Contained Metal (mmlb)	
		Ni	Co	Ni	Co	Ni	Co
Proven & Probable							
Main Ovoid	5.8	2.67	0.34	0.34	380	380	380
Mini Ovoid	0.2	1.37	0.03	0.03	0	0	0
SE Extension	2.8	0.71	0.09	0.09	24	24	24
Reid Brook	6.1	2.10	0.37	0.37	282	282	282
Eastern Deeps	17.5	2.20	0.68	0.68	889	889	889
Total	32.4	2.13	0.28	0.28	1523	1523	1523

	Tonnes mt	Grade (%)				Contained Metal (kt)			Contained Metal (mmlb)		
		Ni	Cu	Co	Ni	Cu	Co	Ni	Cu	Co	
Measured & Indicated											
SE Extension	3.8	0.67	0.38	0.03	25	14	1	55	31	2	
Discovery Hill	6.5	0.99	0.80	0.05	64	52	3	141	114	7	
Total	10.3	0.87	0.65	0.04	89	66	4	196	145	10	

	Tonnes mt	Grade (%)				Contained Metal (kt)			Contained Metal (mmlb)		
		Ni	Cu	Co	Ni	Cu	Co	Ni	Cu	Co	
Inferred											
Discovery Hill	6.8	0.9	0.6	0.1	58	42	3	128	93	7	
Reid Brook	5.9	2.1	0.8	0.1	120	49	8	265	108	18	
Total	12.7	1.4	0.7	0.1	178	91	12	393	200	26	

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. No securities regulatory authority has either approved or disapproved of the contents of this news release.

Forward-Looking Information: This news release contains certain information which constitutes "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking statements in this news release include, without limitation: statements pertaining to the timing and completion of the acquisition of the Cobalt Stream and completion of the equity capital raise, and the receipt of any regulatory and stock exchange approvals therefor; statements pertaining to the timing and amounts of cash and proceeds related to the Cobalt Stream; statements pertaining to the construction and commissioning of the VBME; statements pertaining to the Syndicate with WPM; statements pertaining to estimates of mineral resources and mineral reserves at Voisey's Bay; statements pertaining to future production and mining costs at Voisey's Bay; statements pertaining to future prices of cobalt, nickel and other commodities; statements pertaining to the adoption of electric vehicles globally; and statements pertaining to impact of the Cobalt Stream on the future performance of the Company. Forward-looking statements involve known and unknown risks and uncertainties, most of which are beyond the Company's control. For more details on these and other risk factors see the Company's most recent Annual Information Form on file with Canadian securities regulatory authorities on SEDAR at www.sedar.com under the heading "Risk Factors". Should one or more of the risks or uncertainties underlying these forward-looking statements materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements. Accordingly, undue reliance should not be placed on these forward-looking statements. This news release also contains references to estimates of mineral resources and mineral reserves. The estimation of mineral resources is inherently uncertain and involves subjective judgments about many relevant factors. Estimates of mineral reserves provide more certainty but still involve similar subjective judgments. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation (including estimated future production from the company's projects, the anticipated tonnages and grades that will be mined and the estimated level

of recovery that will be realized), which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that ultimately may prove to be inaccurate. Mineral resource or mineral reserve estimates may have to be re-estimated based on: (i) fluctuations in mineral prices; (ii) results of drilling; (iii) metallurgical testing and other studies; (iv) proposed mining operations, including dilution; (v) the evaluation of mine plans subsequent to the date of any estimates and/or changes in mine plans; (vi) the possible failure to receive required permits, approvals and licences; and (vii) changes in law or regulation.

The forward-looking statements contained herein are made as of the date of this release and, other than as required by applicable securities laws, the Company does not assume any obligation to update or revise it to reflect new events or circumstances. The forward-looking statements contained in this release are expressly qualified by this cautionary statement.

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