

Cobalt 27 Acquires Royalty on Flemington Nickel Cobalt Project in Australia

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TORONTO, May 7, 2018 /PRNewswire/ -- Cobalt 27 Capital Corp. ("Cobalt 27" or the "Company") (TSXV: KBLT)(FRA: 27O) announces that it has agreed to acquire a 1.5% Gross Revenue Royalty ("GRR") on the Flemington Cobalt-Scandium-Nickel project located 370 kilometers west of Sydney, in New South Wales, Australia (the "Flemington Royalty") held under option by Australian Mines Ltd. ("Australia Mines").

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"Large-scale nickel cobalt deposits such as the Flemington project represent important, undeveloped sources of cobalt and nickel. With ongoing geopolitical uncertainty in the DRC, which accounts for approximately 65% of current global mined cobalt output, this Australian project provides development targets in a politically stable, mining-friendly jurisdiction," commented Anthony Milewski, Chairman and CEO, Cobalt 27.

"While management's priority and principal focus is on securing cobalt streaming transactions, we continue to opportunistically purchase cobalt royalties as opportunities present themselves," concluded Mr. Milewski.

Flemington Cobalt-Scandium-Nickel Project Highlights

*Maiden Cobalt mineral resource of 2.7 million tonnes at 0.101% of (1.010 ppm) cobalt with only 1% of the Flemington project area tested to date October 2017.

*SRK Consultants concluded in the October 2017 Maiden Mineral Resource estimate, that mineralization underlying the Flemington Cobalt-Scandium-Nickel Project is the direct continuation of Clean TeQ Holdings' Sunrise Project, separated only by a tenement boundary¹. Clean TeQ's Sunrise project hosts one of the highest grade and largest nickel and cobalt deposits outside of Africa.

*Australian Mines is fast-tracking development of the Flemington Cobalt-Scandium-Nickel Project with an updated mineral resource in 2019 and pre-feasibility study scheduled to commence thereafter; Preliminary Environmental Impact Study has been completed with final Environmental Impact Study and Mining Lease Application underway; water allocation has also been secured for future mining operations.

¹ A 2017 Scoping Study of the Flemington Cobalt-Scandium-Nickel Project concluded that the Flemington deposit and Clean TeQ's neighboring Sunrise mineralization constitute the same orebody (a single deposit) with the Flemington deposit representing a direct continuation of the Sunrise ore body, with the deposit separated only by a tenement boundary (SRK Consulting, 2017). This finding was further reinforced by the results of Australian Mines' extensive 239-hole resource extension resource drilling program completed in 2017.

In addition, Cobalt 27 has agreed to acquire a 1.7% GRR on the fully permitted and construction-ready Nyngan Scandium project. The Nyngan project is owned by Scandium International Mining ("SCY") and is located 500km NW of Sydney, 25km west of the town of Nyngan. Outside existing by-product production in Russia and China, the Nyngan project is the most advanced scandium development opportunity globally, with initial off-take contracts in place.

Cobalt 27 acquired the Flemington and Nyngan royalties from Jervois Mining Limited for total consideration of US\$4.5 million, comprised of US\$1.5 million in cash and US\$3.0 million in common shares of the Company which shares will be subject to a four month hold period from the date of issuance in accordance with applicable Canadian securities laws. Completion of the acquisition of the Flemington Royalty is subject to certain customary conditions of closing, including approval of the TSX Venture Exchange, and is expected to be completed shortly. Cobalt 27 has not received any scientific or technical information in respect of the Flemington Cobalt-Scandium-Nickel Project that is not otherwise publicly available. The scientific and technical information in respect of the Flemington Cobalt-Scandium-Nickel Project in this release is derived in its entirety from Australian Mines' and Jervois Mining Limited's publicly filed disclosures, and Cobalt 27 has not independently verified any such information.

In connection with the acquisition TD Securities is acting as financial advisor to Cobalt 27 and Stikeman Elliott LLP is acting as the Company's legal advisor.

About Cobalt 27 Capital Corp.

Cobalt 27 Capital Corp. is a minerals company that offers direct exposure to cobalt, an integral element in key technologies of the electric vehicle and battery energy storage markets. The Company owns over 2,980 Mt of physical cobalt and manages a portfolio of eight royalties. The Company intends to continue investing 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.

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

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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 press release.

Forward-Looking Information: This press 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 Flemington Cobalt-Scandium-Nickel Project (including with respect to anticipated life of mine, timing of commencement of production, future rates of production, anticipated capital and operating expenses, and mineral reserves and resources); statements pertaining to the implied value of the NSR and the length of payments; statements pertaining to the anticipated performance of operations at the Flemington Cobalt-Scandium-Nickel Project; statements pertaining to the Democratic Republic of Congo; statements pertaining to the OEM, battery and automobile industries; and statements pertaining to completion of the acquisition of the NSR and the timing thereof. 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. 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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