



PACIFIC RIM

COBALT CORP.

**Canadian Securities Exchange
Form 2A**

ANNUAL LISTING STATEMENT

June 25, 2019

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SCHEDULE "A" CONSOLIDATED FINANCIAL STATEMENTS AND MD&A OF THE COMPANY FOR THE YEAR ENDING DECEMBER 31, 2018

SCHEDULE "B" STATEMENT OF EXECUTIVE COMPENSATION FOR THE YEAR ENDING DECEMBER 31, 2018

Introduction

This annual Listing Statement (the "**Listing Statement**") is furnished in connection with the fiscal year ended December 31, 2018 by and on behalf of the management of Pacific Rim Cobalt Corp. (the "**Company**" or "**Pacific Rim Cobalt**").

Forward-Looking Statements

Certain statements in this Listing Statement may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Listing Statement, such statements use such words as "will", "may", "could", "intends", "potential", "plans", "believes", "expects", "projects", "estimates", "anticipates", "continue", "potential", "predicts" or "should" and other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this Listing Statement. Forward-looking statements include, among others, statements with respect to:

- the Company's expected future losses and accumulated deficit levels;
- the requirement for, and the Company's ability to obtain future funding on favourable terms or at all;
- the Company's dependence on management;
- the Company's plans in respect of development and operations;
- the Company's risks associated with economic conditions; and
- the Company's conflicts of interest.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under the heading "*Risk Factors*". Although the forward-looking statements contained in this Listing Statement are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements and such statements should not be unduly relied upon by investors. These forward-looking statements are made as of the date of this Listing Statement. A number of factors could cause actual events, performance or results, including those in respect of the foregoing items, to differ materially from the events, performance and results discussed in the forward-looking statements. Factors that could cause actual events, performance or results to differ materially from those set forth in the forward-looking statements include, but are not limited to:

- the extent of future losses;
- the ability to obtain the capital required to fund development and operations;
- the ability to capitalize on changes to the marketplace;
- the ability to comply with applicable governmental regulations and standards;
- the ability to attract and retain skilled and experienced personnel;
- the impact of changes in the business strategies and development priorities of strategic partners;
- stock market volatility; and
- other risks detailed from time-to-time in the Company's ongoing quarterly and annual filings with applicable securities regulators, and those which are discussed under the heading "*Risk Factors*".

Readers should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Readers are cautioned that the foregoing lists of factors are not exhaustive. Each of the forward-looking statements contained in this Listing Statement are expressly qualified by

this cautionary statement. The Company expressly disclaims any obligation or responsibility to update the forward-looking statements in this Listing Statement except as otherwise required by applicable law.

Market and Industry Data

This Listing Statement includes market and industry data that has been obtained from third party sources. The Company believes that its industry data are accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data are believed to be reliable, the Company has not independently verified any of the data from third party sources referred to in this Listing Statement or ascertained the underlying economic assumptions relied upon by such sources.

Currency Information

In this Listing Statement, unless otherwise indicated, all references to "\$" or "CDN\$" are to Canadian dollars.

2. Corporate Structure

2.1 – Corporate Name and Head Office and Registered Office

This Form 2A is filed in respect of Pacific Rim Cobalt, in connection with its annual filing requirements pertaining to its listing on the Canadian Securities Exchange ("CSE"). The head office and registered address of the Company is located at Suite 300 - Bellevue Centre, 235 - 15th Street, West Vancouver, British Columbia, V7T 2X1. The records office of the Company is located at 1000 – 840 Howe Street, Vancouver, British Columbia, Canada, V6Z 2M1.

2.2 – Jurisdiction of Incorporation

The Company was incorporated under the name "Bice Ventures Corp." on May 13, 1996 pursuant to the predecessor to the *Business Corporations Act* (British Columbia) ("BCBCA"). On August 17, 1999, the Company consolidated its common shares on the basis of three (3) old shares for one (1) new share and increased its authorized capital to 100,000,000 common shares without par value. On September 24, 1999, the Company's name was changed to "Pol-Invest Holdings Ltd." On March 13, 2003, the Company changed its name to "Net Soft Systems Inc." On June 2, 2004, the Company transitioned to the BCBCA. On February 9, 2011, the Company adopted a special resolution to remove the 'pre-existing company provisions', amend its authorized capital to an unlimited number of common shares without par value and to replace the Company's articles. On March 3, 2011, the Company changed its name to "Rhys Resources Ltd.". On October 10, 2017, the Company changed its name to "Pacific Rim Cobalt Corp.". On October 23, 2017 the Company consolidated its share capital on a four (4) old share for one (1) new share basis and on November 6, 2017 the Company split its share capital on a one (1) old share for one and a half (1.5) new share basis.

2.3 – Intercorporate Relationships

On October 23, 2017, the Company acquired all of the issued and outstanding common shares of the privately held 1121844 B.C. Ltd. ("CPA"), a company incorporated on June 6, 2017 under the laws of the BCBCA, by way of a share exchange agreement dated September 7, 2017 (the "**Share Exchange Agreement**") among the Company, CPA, the CPA shareholders, Cobalt Power (Asia) Limited, a Hong Kong corporation incorporated on April 3, 2017 ("**CPA HK**"), a wholly owner subsidiary of CPA, and the CPA HK shareholders. Pursuant to the Share Exchange Agreement, the Company issued 11,000,000 common shares, in exchange for all of the issued and outstanding securities of CPA (the "**CPA Shares**"), being all of the issued and outstanding share capital of CPA (the "**CPA Exchange**"). Upon completion of the terms contemplated by the Share Exchange Agreement, CPA became a wholly-owned subsidiary of the Company. CPA's wholly owned subsidiary, CPA HK, is party to an option agreement dated June 15, 2017 (the "**Option Agreement**") with PT. Tablasufa Nickel Mining ("**TNM**") to acquire all of the issued and outstanding securities of TNM (the "**TNM Shares**"). TNM is a private Indonesia company holding an IUP Operation Production Mining Permit

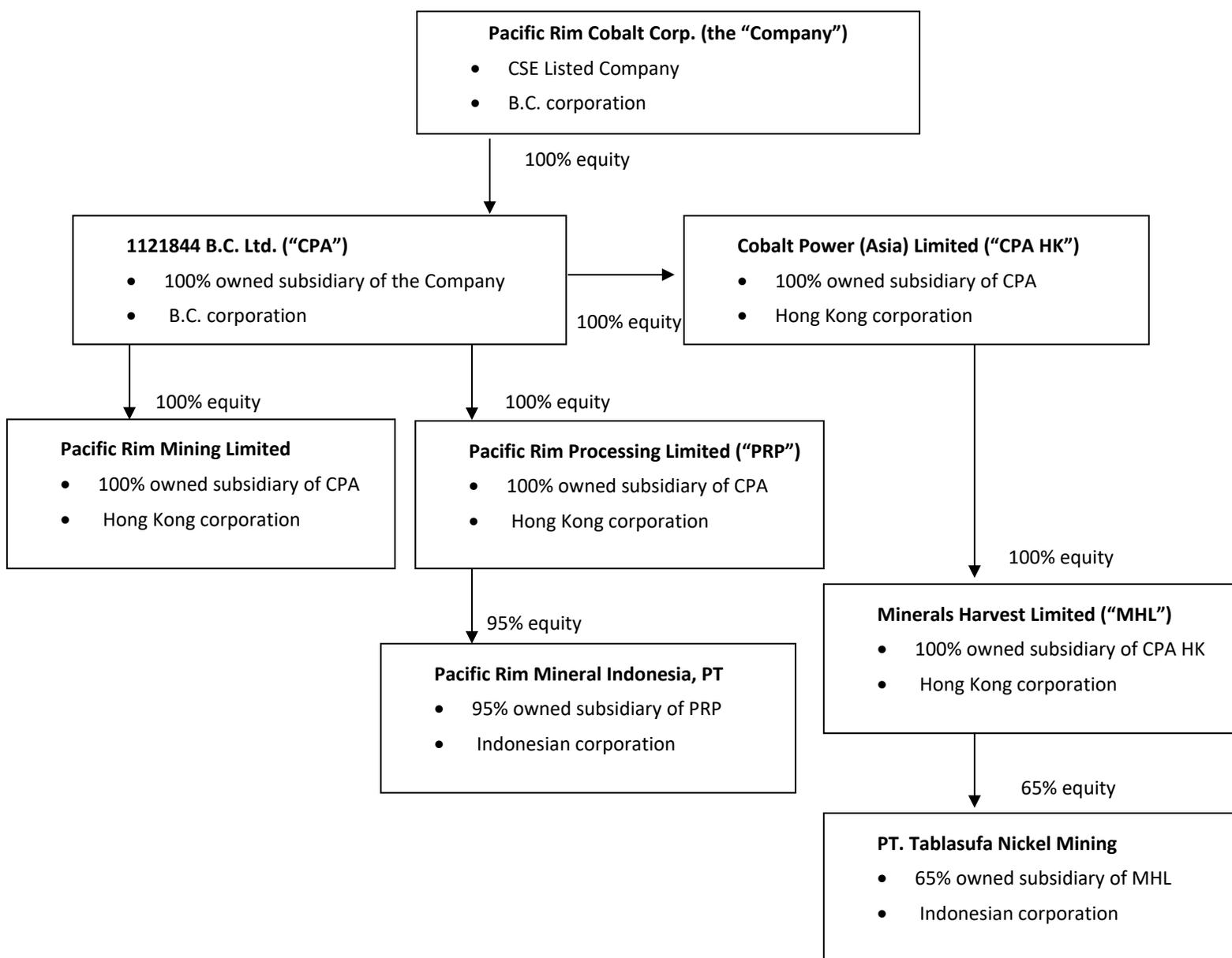
for the TNM Cobalt Project (the “**Cyclops Project**”), named for its close proximity to the Cyclops mountain range, situated on the north cost of Papua Province, Indonesia.

A copy of the Share Exchange Agreement is available on SEDAR under the Company’s profile, which can be accessed through the internet at www.sedar.com.

Pacific Rim Mining Limited, a Hong Kong corporation incorporated on April 13, 2018 and Pacific Rim Processing Limited (“**PRP**”), a Hong Kong corporation incorporated on December 4, 2017, are also wholly owned subsidiaries of CPA. PRP holds a 95% interest in Pacific Rim Minerals Indonesia, PT, an Indonesian corporation incorporated on April 20, 2018.

On July 16, 2018, CPA HK acquired Minerals Harvest Limited (“**MHL**”), a Hong Kong corporation incorporated on April 13, 2011, which holds a 65% interest in TNM.

The diagram below describes the inter-corporate relationship between the Company and its subsidiaries:



2.4 – Fundamental Change

The Company is not requalifying following a fundamental change or proposing an acquisition, amalgamation, merger, reorganization or arrangement.

2.5 – Non-corporate Issuers and Issuers incorporated outside of Canada

The Company holds its property interests through its wholly owned subsidiary, CPA, which holds its interest through a wholly owned subsidiary, CPA HK, which holds its interest through a wholly owned subsidiary, MHL.

3. General Development of the Business

3.1 – General Development of the Business

The Company is classified as a metals and minerals mining issuer engaged in the acquisition, exploration and development of mineral properties. The Company's common shares (each a "**Common Share**") are currently listed on the Canadian Securities Exchange (the "**CSE**") under the symbol of "BOLT" and on the Over the Counter Market Place QB Exchange (the "**OTCQB**") in the United States under the symbol "PCRCF".

History

Prior to the date of entering into the Share Exchange Agreement, the Company was focused on the acquisition and development of conventional oil and gas projects with low risk drilling opportunities in western Canada. The Company held (i) 128 hectares of land in the Provost area of Alberta known as the Dina Pool property, acquired in June 2016; and (ii) 128 hectares of land in the Grand Prairie area of Alberta known as the Doe Creek property, acquired in September 2016, both of which properties were acquired through Province of Alberta land sales for nominal cash consideration.

On September 7, 2017, Pacific Rim Cobalt entered into the Share Exchange Agreement and trading in the Company's Common Shares on the TSX Venture Exchange was halted pending completion of the terms contemplated by the Share Exchange Agreement. On October 24, 2017, Pacific Rim Cobalt completed the Share Exchange and became listed on the CSE.

On October 23, 2017, concurrently with the closing of the Share Exchange, the Company completed a private placement of 12,780,804 units. The units were sold at a price of CDN\$0.35 per unit, for aggregate gross proceeds of CDN\$4,473,281. Each unit consisted of one Common Share and one-half of one Common Share purchase warrant, each whole warrant exercisable into one Common Share at a price of \$0.50 until October 24, 2019, subject to accelerated expiry provisions. In the event the closing price of the Company's Common Shares exceeds \$0.70 per Common Share for a period of 20 consecutive trading days at any time, then at the Company's election, the 24 month period within which the warrants are exercisable will be reduced and the holders of the Warrants will be entitled to exercise their warrants for a period of 30 days commencing on the day the Company provides the acceleration notice via press release or written notice to all warrant holders. The Company paid a total of \$262,624 in fees, issued 367,621 brokers warrants and 380,500 units to eligible finders who introduced subscribers to the financing.

On January 17, 2018, Pacific Rim Cobalt became listed on the OTCQB.

Recent Financings

On February 12, 2019, the Company completed a private placement of 10,541,667 units. The units were sold at a price of CDN\$0.12 per unit, for aggregate gross proceeds of CDN\$1,265,000. Each unit consisted of one Common Share and one Common Share purchase warrant, each warrant exercisable into one Common Share at a price of \$0.20 until February 12, 2020, subject to accelerated expiry provisions. In the event the closing price of the Company's Common Shares exceeds \$0.30 per Common Share for a period of 10 consecutive trading days at any time, then at the Company's election, the 12 month period within which the warrants are exercisable will be reduced and the holders of the Warrants will be entitled to exercise their warrants for a period of 30 days commencing on the day the Company provides the acceleration notice via press release or written notice to all warrant holders. The Company paid a total of \$25,928 in cash to eligible finders who introduced subscribers to the financing.

3.2 – Significant Acquisitions and Dispositions

Other than as described in sections 3.1 and 4.1 in this Listing Statement, no significant acquisitions or significant dispositions have been completed by the Company during the last three financial years or are contemplated.

3.3 – Trends, Commitments, Events or Uncertainties

Other than as described in this section 3.3, there are no trends, commitments, events or uncertainties known to management which could reasonably be expected to have a material effect on the Company's business, the Company's financial condition or results of operations. However, there are significant risks associated with the Company's business, as described in "Part 17 – Risk Factors".

4. Narrative Description of the Business

4.1 General

Business of the Company

The Company is a publicly owned junior mining exploration business with a focus on properties based in Indonesia. Pacific Rim Cobalt will use its available capital to finance exploration and development on its Cyclops Project and for general working capital purposes.

Stated Business Objectives

Pacific Rim Cobalt's immediate short-term objective is to complete the exploration program on the Cyclops Project.

Pacific Rim Cobalt's long-term objectives will be to:

- (a) determine if economic mineral deposits exist on the Cyclops Project;
- (b) find one or more economic mineral deposits and bring them to commercial production; and
- (c) deliver a return on capitalization to shareholders.

Pacific Rim Cobalt's Board of Directors may, in its discretion, approve asset or corporate acquisitions or investments (including acquisitions outside the mining industry) that do not conform to these guidelines based upon the Board of Directors' discretion, in accordance with prescribed legal requirements.

To reach the foregoing objectives, Pacific Rim Cobalt will target the following milestones. Certain timeframes to reach the different business objectives and milestones may be adjusted depending on the availability of funds.

The following table summarizes each significant event that must occur for the business objectives described above to be accomplished, the time period in which each event is expected to occur and the costs related to each event:

| Objective | Target Date | Projected Cost |
|---|-------------------------|----------------|
| Complete exploration program on the Cyclops Project | Over the next 12 months | \$1,000,000 |

Principal Products or Services

This is not applicable to the Company.

Production and Sales

This is not applicable to the Company.

Lease Arrangements

This is not applicable to the Company.

Brand Recognition

This is not applicable to the Company.

Seasonality

This is not applicable to the Company.

Material Negotiations

The Company is not currently in any material negotiations. For a list of contracts potentially having a material impact on the Company’ business over the next 12 months (please see Section 22 - Materials Contracts below).

Employees

Pacific Rim Cobalt has no direct employees. CPA HK, Pacific Rim Cobalt’s Hong Kong subsidiary, hires individuals in country for work on the Cyclops Project in Indonesia.

Revenues

This is not applicable to the Company.

Funds Available and Use of Funds

The Company’s recurring cash requirements include executive compensation, exploration and development costs, property payments, administrative and public company costs. There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for Pacific Rim Cobalt to achieve its stated business objectives.

As at the date of this Listing Statement, the Company had working capital amounting to approximately \$967,000 (with \$984,000 cash on hand). The table does not include any proceeds that may be available to the Company through future financings, warrants or incentive stock options (“**Options**”).

The following table sets out the principal purposes, using approximate amounts, for which the Company intends to use the estimated funds available to the Company for the 12 months following the date of this Listing Statement.

| Use of Available Funds | Amount |
|--|---------------|
| Expenditures on Business ⁽¹⁾ | \$300,000 |
| CSE Monthly Fees | \$7,800 |
| General and Administrative Expenses ⁽²⁾ | \$450,000 |

Notes:

- (1) This amount includes but is not limited to, exploration and development programs and option commitments.
- (2) Includes consulting fees, insurance, interests, occupancy costs, professional fees, public company costs and expenses.

Competitive Conditions

The mineral exploration and mining industry is very competitive and Pacific Rim Cobalt will be required to compete for the acquisition of mineral permits, claims, leases and other mineral interests for exploration and development projects. The cobalt market is quite limited in size as well. As a result of this competition, the majority of which is with companies with greater financial resources than Pacific Rim Cobalt, the Company may not be able to acquire or retain attractive properties in the future on terms it considers acceptable. The ability of Pacific Rim Cobalt to acquire and retain mineral properties in the future will depend on its ability to operate and develop its existing properties and also on its ability to obtain additional financing to fund further exploration activities. Pacific Rim Cobalt will compete with other mining companies for investment capital with which to fund such projects and for the recruitment and retention of qualified employees.

Proprietary Protection

This is not applicable to the Company.

Lending and Investment Policies and Restrictions

This is not applicable to the Company.

Bankruptcy and Receivership

The Company has not been the subject of any bankruptcy or any receivership or similar proceedings against the Company or any of its subsidiaries or any voluntary bankruptcy, receivership or similar proceedings by the Company or its subsidiary, since its incorporation.

Material Restructuring

The Company has not completed any reorganizations in its last three financial years.

Social or Environmental Policies

Pacific Rim Cobalt has implemented a code of business conduct and ethics policy that covers a range of business practices and procedures which sets out key guiding principles of conduct and ethics that Pacific Rim Cobalt expects of its employees, directors and officers.

4.2 – Asset Backed Securities

The Company does not have any asset backed securities.

4.3 –Mineral Properties

Cyclops Project

CPA, through CPA HK, holds an option to acquire a 100% interest in the Cyclops Project, formerly referred to as the TNM Cobalt Project (the "**Cyclops Option**") subject to a Net Smelter Royalty ("**NSR**") as described below.

Under the terms of the Cyclops Option, to earn a 100% interest in the TNM, and thereby indirectly the Cyclops Project, CPA HK must pay to the owner of TNM aggregate cash payments of US\$1,500,000 over a three-year period as follows:

- US\$50,000 within 30 days of execution of the Option Agreement (paid);
- US\$150,000 on or before December 17, 2017 (paid);
- US\$150,000 on or before June 17, 2018;
- US\$250,000 on or before June 17, 2019; and
- US\$900,000 on or before June 17, 2020.

CPA HK has been appointed as the operator of the Cyclops Project and has the exclusive and sole responsibility of administering and carrying out the exploration programs on and for maintaining the Cyclops Project. The Option Agreement includes standard representations, warranties and termination provisions.

In addition, CPA HK has agreed, pursuant to a letter agreement dated July 1, 2017, to grant to a private individual a 2% net smelter royalty on the Cyclops Project.

Technical Report on the Cyclops Project

A Technical Report dated July 11, 2017 on the Cyclops Project prepared for Pacific Rim Cobalt by Glenn S. Griesbach, B.Sc., P. Geo, in accordance with National Instrument 43-101, is available for review on www.sedar.com. Readers are encouraged to review the entire Technical Report.

4.4 –Oil and Gas Operations

The Company does not have oil and gas operations.

5. Selected Consolidated Financial Information

5.1 – Annual Information

The information below should be read in conjunction with the management's discussion and analysis ("**MD&A**"), the audited consolidated financial statements and related notes and other financial information, all of which are available at www.sedar.com. This selected financial information has been prepared using accounting policies in compliance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

| | | Financial Year ended December 31, 2018 (\$) | Financial Period ended December 31, 2017 (\$) | Financial Year ended December 31, 2016 (\$) |
|--|--|---|---|---|
| Total Revenues | | nil | nil | - |
| Income (Loss) from continuing operations | | (5,847,234) | (3,916,184) | - |
| - per share | | (0.11) | (0.18) | - |
| Net Income (Loss) | | (5,847,234) | (3,916,184) | - |
| - per share | | (0.11) | (0.18) | - |
| Total Assets | | 2,434,746 | 6,299,427 | - |
| Total Long Term Liabilities | | nil | nil | - |

The Company has not declared any cash dividends as of the date hereof and does not currently have a dividend policy.

To date, the Company has incurred losses and further losses are anticipated as the Company further develops its business.

5.2 – Quarterly Information

The following table sets forth summary financial information for the Company for the eight most recently completed interim periods ending at the end of the most recently completed financial year end (December 31, 2018). This summary financial information should only be read in conjunction with the Company's consolidated financial statements, including the notes thereto.

| | 2018 | | | | 2017 | | | |
|--|------------|-------------|-------------|-------------|-------------|------------|------------|------------|
| | Q4 (\$) | Q3 (\$) | Q2 (\$) | Q1 (\$) | Q4 (\$) | Q3 (\$) | Q2 (\$) | Q1 (\$) |
| Total Revenues | nil | nil | nil | Nil | nil | nil | nil | - |
| Income (Loss) from continuing operations | (781,946) | (1,293,338) | (1,866,379) | (1,905,571) | (3,904,805) | 654 | (12,033) | - |
| - per share | (0.02) | (0.02) | (0.04) | (0.04) | (0.18) | 0.00 | (0.00) | - |
| Net Income (Loss) | (781,946) | (1,293,338) | (1,866,379) | (1,905,571) | (3,904,805) | 654 | (12,033) | - |
| - per share | (0.02) | (0.02) | (0.04) | (0.04) | (0.18) | 0.00 | (0.00) | - |

5.3 – Dividends

Dividends can be declared by the Company's Board of Directors when deemed appropriate from time to time. As of the date of this Listing Statement, the Company has not declared any dividends on the Common Shares and it is unlikely that earnings will be available for the payment of dividends in the foreseeable future.

5.4 – Foreign GAAP

Not applicable.

6. Management's Discussion and Analysis

The Company's MD&A for the year ended December 31, 2018 should be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2018, attached to this Listing Statement as Schedule "A". The Company's other public disclosure documents are available for viewing under the Company's profile at www.sedar.com.

7. Market for Securities

The Company's Common Shares currently trade on the CSE under the symbol "BOLT" and on the OTCQB under the symbol "PCRCF".

8. Consolidated Capitalization

The following table sets forth the consolidated capitalization of the Company as at December 31, 2018 and as of the date of this Listing Statement:

| <u>Authorized</u> | <u>Outstanding as at December 31, 2018</u> | <u>Outstanding as of this Listing Statement</u> |
|-------------------|--|---|
| Warrants | 14,921,992 | 25,596,991 |
| Stock Options | 3,993,750 | 3,993,750 |
| Common Shares | 51,952,691 | 63,094,358 |

9. Option to Purchase Securities

As of the date of this Listing Statement, 3,993,750 Options are outstanding. The maximum aggregate number of Common Shares reserved for issuance and which may be purchased upon exercise of Options granted is equal to 10% of the issued Common Shares at the time the Option is granted. As of the date of this Listing Statement 6,309,436 Common Shares are reserved for issuance pursuant to the 3,993,750 Options issued as set forth below, all Options are exercisable as at the date of this Listing Statement as all vesting provisions have been met.

| <u>Optionee</u> | <u>Type of Option</u> | <u>Common Shares Issuance</u> | <u>Exercise Price</u> | <u>Expiry Date</u> |
|----------------------------------|-----------------------|-----------------------------------|-----------------------|--------------------|
| Officers (2) | Stock Option | 56,250 | \$0.1333 | May 12, 2021 |
| | | 900,000 | \$0.3067 | October 24, 2019 |
| Directors (3) | Stock Option | 600,000 | \$0.3067 | October 24, 2019 |
| | | 250,000 | \$0.78 | November 7, 2019 |
| Officers of Subsidiaries | Nil | Nil | Nil | Nil |
| Directors of Subsidiaries | Nil | Nil | Nil | Nil |
| Employees | Nil | Nil | Nil | Nil |
| Employees of Subsidiaries | Nil | Nil | Nil | Nil |
| Consultants (11) | Stock Option | 975,000 | \$0.3067 | October 24, 2019 |
| | | 187,500 | \$0.3067 | October 24, 2019 |
| | | 25,000 | \$0.78 | November 7, 2019 |
| | | 200,000 | \$0.76 | November 14, 2019 |
| | | 500,000 | \$0.69 | March 9, 2020 |
| | | 300,000 | \$0.45 | June 12, 2023 |
| Investor Relations | Nil | Nil | Nil | Nil |
| Other | Nil | Nil | Nil | Nil |
| TOTAL | | 3,993,750 | | |

The Company's stock option plan (the "**Option Plan**") is a 10% "rolling" stock option plan. Pursuant to the terms of the Option Plan, the Board of Directors may designate directors, officers, employees and consultants (and any subsidiaries thereof) (the "Optionees") of the Company eligible to receive Options. The number of Common Shares subject to each Option, in addition to the exercise price, vesting period and term of each Option is to be determined by the Board of Directors.

The maximum aggregate number of Common Shares reserved for issuance and which may be purchased upon exercise of Options granted is equal to 10% of the issued shares of the Company at the time the Option is granted.

In accordance with its terms, in no case will the grant of Options under the Option Plan result in: (i) the number of Common Shares reserved for issuance pursuant to Options granted to any one individual, within any twelve-month period, exceeding in the aggregate 5% of the issued and outstanding Common Shares; (ii) the number of Common Shares reserved for issuance pursuant to Options granted all persons engaged by the Company to provide investor relations activities, within any twelve month period, exceeding in the aggregate 2% of the issued and outstanding Common Shares; or (iii) the number of Common Shares reserved for issuance pursuant to Options granted to any one consultant, in any twelve month period, exceeding in the aggregate 2% of the issued and outstanding Common Shares.

The price at which Common Shares may be purchased under any Option granted pursuant to the Option Plan (the "**Exercise Price**") shall not be less than the minimum exercise price determined under the applicable rules and regulations of all regulatory authorities and stock exchanges to which the Company is or may be subject, including the CSE. Subject to certain exceptions, any Options granted pursuant to the Option Plan will terminate within 90 days of the Optionee ceasing to be a director, officer, employee or consultant of the Company. Options held by any Optionee who ceases to be a director, officer, employee or consultant of the Company for "cause" as defined in the Option Plan, shall terminate immediately. If the Optionee dies during the term of the Option, the Options will expire one year after the date of the Optionee's death and may be exercised by the Optionee's legal personal representative until that time, or until the expiry date of the Option, whichever is earlier.

10. Description of the Securities

10.1 – Description of the Company's Securities

The Company is authorized to issue an unlimited number of Common Shares without par value. As of the date hereof, there are 63,094,358 Common Shares issued and outstanding.

The holders of Common Shares are entitled to receive notice of and to attend all meetings of the Shareholders and shall have one vote for each Common Share held at all meetings of the Shareholders. The holders of Common Shares are entitled to: (a) receive any dividends as and when declared by the Board of Directors, out of the assets of the Company properly applicable to the payment of dividends, in such amount and in such form as the Board of Directors may from time to time determine; and (b) receive the remaining property of the Company (after payment of all outstanding debts) in the event of any liquidation, dissolution or winding-up of the Company. The holders of the Common Shares have no pre-emptive, redemption or conversion rights, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or provisions requiring a securityholder to contribute additional capital.

10.2 – 10.6 – Miscellaneous Securities Provisions

None of the matters set out in sections 10.2 to 10.6 of CSE Form 2A are applicable.

10.7 – Prior Sales of Common Shares

The following table summarizes the issuances of Common Shares or securities convertible into Common Shares for the 12 month period prior to the date of the Listing Statement.

| Date Issued | Class of Security | Number of Common Shares Issued/Issuable | Price/Deemed Price/Exercise Price of Security |
|--------------------|------------------------------|--|--|
| June 7, 2018 | Common Shares ⁽¹⁾ | 48,213 | \$0.3333 |
| June 8, 2018 | Common Shares | 74,250 | \$0.3333 |
| June 19, 2018 | Common Shares | 324,750 | \$0.3333 |
| February 12, 2019 | Common Shares ⁽²⁾ | 10,541,667 | \$0.12 |
| February 12, 2019 | Warrants ⁽³⁾ | 10,541,667 | \$0.20 |
| March 5, 2019 | Common Shares ⁽⁴⁾ | 600,000 | \$0.18 |
| June 6, 2019 | Common Shares ⁽⁵⁾ | 600,000 | \$0.30 |

Notes:

- (1) The Common Shares were issued due to exercise of warrants with each warrant exercisable at \$0.3333 per Common Share.
- (2) The Common Shares were issued in exchange for \$1,265,000 in cash for the financing that closed February 12, 2019.
- (3) Each warrant is exercisable into one Common Share at \$0.20 until February 12, 2020.
- (4) The Common Shares were issued to settle indebtedness in the amount of \$108,000.
- (5) The Common Shares were issued to settle indebtedness in the amount of \$180,000.

10.8 – Stock Exchange Price

The Common Shares are listed and posted for trading on the CSE under the trading symbol "BOLT". The following table sets forth the high and low price ranges and the volume of the trading of the Common Shares, on days which there was trading activity, on the CSE for the periods indicated.

| | Price Range Per Common Share | | Volume |
|---------------------------|-------------------------------------|------------|---------------|
| | High | Low | |
| June, 2019 ⁽¹⁾ | \$0.15 | \$0.14 | 175,275 |
| May, 2019 | \$0.19 | \$0.18 | 58,038 |
| April, 2019 | \$0.30 | \$0.28 | 97,576 |
| March, 2019 | \$0.25 | \$0.23 | 246,206 |
| February, 2019 | \$0.18 | \$0.17 | 39,805 |
| January, 2019 | \$0.18 | \$0.16 | 86,926 |
| December, 2018 | \$0.13 | \$0.12 | 84,074 |
| November, 2018 | \$0.14 | \$0.13 | 82,699 |
| October, 2018 | \$0.13 | \$0.12 | 77,230 |
| September, 2018 | \$0.22 | \$0.20 | 100,242 |
| August, 2018 | \$0.28 | \$0.26 | 87,100 |
| July, 2018 | \$0.37 | \$0.35 | 179,829 |
| June, 2018 | \$0.43 | \$0.39 | 272,684 |

Notes:

- (1) Up to and including June 25, 2019.

11. Escrowed Securities

As of the date of this Listing Statement the following Common Shares of the Company are held in escrow:

| Designation of class held in escrow | Number of securities held in escrow | Percentage of class |
|-------------------------------------|-------------------------------------|---------------------|
| Common Shares | 7,425,000 ⁽¹⁾ | 11.77% |

Notes:

- Held in escrow pursuant to an escrow agreement with Computershare Trust Company dated October 23, 2017 with release dates remaining of October 23, 2019 and April 23, 2020 (the “**Share Exchange Escrow Agreement**”).

12. Principal Shareholders

To the knowledge of Company, there are no beneficial owners or persons exercising control or direction over Common Shares carrying more than 10% of the outstanding voting rights as of the date of this Listing Statement.

12.1. – Voting Trusts

To the knowledge of the Company, no voting trust exists within the Company such that more than 10 percent of any class of voting securities of the Company are held, or are to be held, subject to any voting trust or similar agreement.

12.2. – Associates and Affiliates

This section is not applicable.

13. Directors and Officers

13.1 – 13.3 – Directors and Officers

The following table sets forth the names and location of residence of the officers and directors of the Company, their positions and their principal occupations:

| Name and Municipality of Residence | Position with the Company ⁽⁵⁾ | Number of Common Shares | Principal Occupation for the Past 5 Years |
|---|--|-----------------------------------|---|
| Ranjeet Sundher <i>West Vancouver, B.C., Canada</i> | Director, President and CEO | 3,260,000 5.17% ⁽⁴⁾ | President and CEO of the Company; Director of Corporate Development of DeepMarkit Corp. June 2014 to present. |
| Steve Vanry <i>West Vancouver, B.C., Canada</i> | Director and CFO | 1,000,349 1.59% ⁽⁴⁾ | Self-employed business consultant. |
| Sean Bromley ⁽¹⁾⁽²⁾ <i>West Vancouver, B.C., Canada</i> | Director | 361,250 0.57% ⁽⁴⁾ | Chief Financial Officer of the Parmar Group. |
| J. Garry Clark ⁽¹⁾⁽²⁾ <i>Denver, Colorado, USA</i> | Director | 9,375 0.01% ⁽⁴⁾ | President and CEO of the Corporation. Previously independent consultant and Adjunct Professor Colorado School of Mines. |
| Tim Johnston ⁽¹⁾⁽²⁾ <i>Victoria, B.C., Canada</i> | Director | Nil | President and Chief Executive Officer of Desert Lion Energy Inc. |

| Name and Municipality of Residence | Position with the Company ⁽⁵⁾ | Number of Common Shares | Principal Occupation for the Past 5 Years |
|--|--|-------------------------|---|
| Geoffrey Fielding ⁽¹⁾ <i>Pasig City, Manila, Philippines</i> | Director | Nil | Self-employed consultant. |

Notes:

- (1) Independent Director.
- (2) Member of the Audit Committee.
- (3) Each director's term of office will expire at the next annual meeting of the shareholders unless re-elected at such meeting.
- (4) Based on 63,094,358 Common Shares issued and outstanding as of the date of this Listing Statement.

13.4 – Board Committees of the Company

The Company currently has the following committee:

Audit Committee

The purpose of the Audit Committee is to assist the Board of Directors in discharging its responsibilities with respect to: the integrity of the financial statements and the financial reporting process; external and internal audits; compliance with legal and regulatory requirements; internal controls; financial risk management; and disclosure.

13.5 – Principal Occupation of Directors and Officers

See table 13.1 – 13.3 above.

13.6 – Corporate Cease Trade Orders or Bankruptcies

No director, officer or a shareholder of the Company holding a sufficient number of securities of the Company to affect materially the control of the Company other than disclosed herein:

(a) is, as at the date of this Listing Statement, or has been, within ten years before the date of this Listing Statement, a director or officer of any company, including the Company, that:

(i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under Ontario securities law, that was in effect for a period of more than 30 consecutive days while that person was acting in the capacity as director or officer; or

(ii) was subject to a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the person ceased to be a director or officer of the company and which resulted from an event that occurred while that person was acting in the capacity as director or officer; or

(b) is as at the date of this Listing Statement or has been within the 10 years before the date of this Listing Statement, a director or officer of any company, including the Company, that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

13.7 - 13.8 - Penalties Sanctions and Settlements

No director, officer, or promoter of the Company, or any shareholder anticipated to hold a sufficient amount of securities of the Company to materially affect control of the Company, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

13.9 – Personal Bankruptcies

No director, officer or promoter of the Company, or a shareholder anticipated to hold a sufficient amount of securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons, has, within the 10 years preceding the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

13.10 – Conflicts of Interest

Conflicts of interest may arise as a result of the directors, officers and promoters of the Company also holding positions as directors or officers of other companies. Some of the individuals who are directors and officers of the Company have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Company will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies provided under the BCBCA.

13.11 – Directors and Officers

Other than as set forth below, no director or officer has entered into a non-competition, nondisclosure, or confidentiality agreement with the Company.

Ranjeet Sundher – President, Chief Executive Officer and Director (Age 53)

Mr. Sundher has been the President and sole director of the Company since October 23, 2017. Mr. Sundher has over 20 years of capital markets experience and has founded, developed and funded several successful public companies. Mr. Sundher is the former CEO and President of Red Hill Mining Inc. (currently Prophecy Development Corp.), a company listed on the TSX Venture Exchange with late stage development properties in Mongolia.

Mr. Sundher is an independent contractor of the Company and will spend the time necessary in order to complete his duties and responsibilities as an officer and director of the Company.

The Company has not entered into a non-competition, or confidentiality agreement with Mr. Sundher

Steve Vanry – CFO, Director and Corporate Secretary (Age 53)

Mr. Vanry was appointed as a director and Chief Financial Officer of the Company on April 24, 2017 and as Corporate Secretary on April 26, 2019. Mr. Vanry has 25-years professional experience in senior management positions with public and private companies, providing expertise in capital markets, strategic planning, corporate finance, mergers and acquisitions, regulatory compliance, accounting and financial reporting. Mr. Vanry is a principal in Vanry Capital Partners, a firm specializing in orchestrating and facilitating the "go-public" process for private natural resource companies. He currently serves as a director and officer of several public companies in the mining sector. He holds

the right to use the Chartered Finance Analyst (CFA) and Canadian Investment Manager (CIM) designations and is a member of the CFA Institute and the Vancouver Society of Financial Analysts.

The Company has not entered into a non-competition, or confidentiality agreement with Mr. Vanry

Mr. Vanry is an independent contractor of the Company and will spend the time necessary in order to complete his duties and responsibilities as an officer and director of the Company.

Sean Bromey – *Director and Member of the Audit Committee (Age 29)*

Mr. Bromley joined the board of directors of Company on October 23, 2017. Mr. Bromley received his Bachelor of Commerce in Finance at the University of Calgary with an exchange at the Hong Kong University of Science and Technology. After university, he became an Investment Advisor at Jordan Capital Markets specializing in technology and special situations. Mr. Bromley is a member of the Company of Young Professionals at the Vancouver Board of Trade, as well as being involved in numerous technology events such as the Technology Leadership Forum. Sean is also a director of several TSX.V listed companies.

Mr. Bromley has not entered into a non-competition, or confidentiality agreement with the Company. It is expected that Mr. Bromley will devote the time necessary in order to complete his duties and responsibilities as a director of the Company.

J. Garry Clark – *Director and Member of the Audit Committee (Age 59)*

Mr. Clark joined the board of directors of the Company on October 23, 2017. Mr. Clark is a Professional Geologist registered with the Association of Professional Geoscientists of Ontario. He has held various exploration geological positions with both major and junior explorers. In the late 1980's Mr. Clark began his consulting career with a lengthy list of projects across Ontario and globally. Mr. Clark is the Executive Director of the Ontario Prospectors Association (OPA) since the restructuring in 2000 and has been a Director, Vice President or President of the OPA since its formation in the early 1990's. Mr. Clark serves on various provincial government committees and boards that support mineral explorers, including the Minister of Mines Mining Act Advisory Committee and Ontario Geological Survey Advisory Board.

Mr. Clark has not entered into a non-competition, or confidentiality agreement with the Company. It is expected that Mr. Clark will devote the time necessary in order to complete his duties and responsibilities as a director of the Company.

Tim Johnston – *Director and Member of the Audit Committee (Age 33)*

Mr. Johnston joined the board of directors of the Company on November 23, 2017. Mr. Johnston is President and Chief Executive Officer of Desert Lion Energy, a company developing the first large scale lithium mine in Namibia. He was formerly Hatch's specialist in project management and transactional analysis for their global lithium and battery business. During his time with Hatch, he evaluated hundreds of battery metals projects, and managed the development of battery metals projects around the world for Lion Ore, Vale, Xstrata, SQM, Rockwood Lithium (Albemarle), Bacanora Minerals, AMG-NV, Rio Tinto, Galaxy Resources and other key developers. He has co-authored 7 technical publications with a focus on project execution. Mr. Johnston is a chartered professional engineer (CPEng) and CFA charterholder.

Mr. Johnston has not entered into a non-competition, or confidentiality agreement with the Company. It is expected that Mr. Johnston will devote the time necessary in order to complete his duties and responsibilities as a director of the Company.

Geoffrey Fielding – Director (Age 76)

Mr. Fielding joined the board of directors of the Company on July 5, 2018. Mr. Fielding was educated at the Sorbonne in Paris and has an LLB from the Faculty of Law at the London School of Economics. He was an equity partner at Grenfell & Colegrave, one of the oldest city of London Stockholding firms before the company was acquired by CIBC, Canada's largest retail bank. As a London Director of CIBC's Investment Division, Geoffrey founded up the overseas investment division in the Carribean where he built up and managed funds of over US\$ 1 billion in 3 years. In 2007, Geoffrey moved to South-east Asia where he is now based. He is currently President and CEO of All State Asset Management in Asia, a Chinese asset investment management company. And is Chairman of Wealth Technology Limited, A Malaysian wealth fund. Mr. Fielding advises both these companies on investment opportunities as well as several other Hong Kong and International clients.

Mr. Fielding has not entered into a non-competition, or confidentiality agreement with the Company. It is expected that Mr. Fielding will devote the time necessary in order to complete his duties and responsibilities as a director of the Company.

14. Capitalization

14.1 – Capitalization

Issued Capital: *Common Shares*

| | Number of Securities (non-diluted) | Number of Securities (fully-diluted) | % of Issued (non-diluted) | % of Issued (fully diluted) |
|--|------------------------------------|--------------------------------------|---------------------------|-----------------------------|
| <u>Public Float</u> | | | | |
| Total outstanding (A) | 63,094,358 | 92,685,099 | 100% | 100% |
| | | | | |
| Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B) | 15,094,165 | 17,983,748 | 23.92% | 19.40% |
| | | | | |
| Total Public Float (A-B) | 48,000,193 | 74,701,351 | 76.07% | 80.59% |
| | | | | |
| <u>Freely-Tradeable Float</u> | | | | |
| Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or | 7,425,000 | 7,425,000 | 11.76% | 8.01% |

| | Number of Securities (non-diluted) | Number of Securities (fully-diluted) | % of Issued (non-diluted) | % of Issued (fully diluted) |
|---|------------------------------------|--------------------------------------|---------------------------|-----------------------------|
| in a shareholder agreement and securities held by control block holders (C) | | | | |
| Total Tradeable Float (A-C) | 40,575,193 | 85,260,099 | 64.30% | 91.98% |

Public Securityholders (Registered)

Class of Security

Common Shares

Size of Holding

Number of holders

Total number of securities

| | | |
|--------------------------|-----------|-------------------|
| 1 – 99 securities | 5 | 324 |
| 100 – 499 securities | 4 | 1,066 |
| 500 – 999 securities | 2 | 1,428 |
| 1,000 – 1,999 securities | 2 | 3,098 |
| 2,000 – 2,999 securities | 2 | 4,724 |
| 3,000 – 3,999 securities | 9 | 33,168 |
| 4,000 – 4,999 securities | 0 | 0 |
| 5,000 or more securities | 34 | 63,650,540 |
| Total | 58 | 63,694,358 |

Public Securityholders (Beneficial)

Class of Security

Common Shares

Size of Holding

Number of holders

Total number of securities

| | | |
|--------------------------|-----|---------|
| 1 – 99 securities | 66 | 2,327 |
| 100 – 499 securities | 104 | 25,653 |
| 500 – 999 securities | 67 | 43,401 |
| 1,000 – 1,999 securities | 92 | 106,765 |
| 2,000 – 2,999 securities | 63 | 141,406 |
| 3,000 – 3,999 securities | 31 | 101,289 |

| | | |
|--------------------------|-----|------------|
| 4,000 – 4,999 securities | 25 | 105,648 |
| 5,000 or more securities | 325 | 42,930,944 |
| Unable to confirm | Nil | Nil |

Non-Public Securityholders (Registered)

| Class of Security | | Common Shares | |
|--------------------------|--------------------------|-----------------------------------|--|
| Size of Holding | Number of holders | Total number of securities | |
| 1 – 99 securities | | | |
| 100 – 499 securities | | | |
| 500 – 999 securities | | | |
| 1,000 – 1,999 securities | | | |
| 2,000 – 2,999 securities | | | |
| 3,000 – 3,999 securities | | | |
| 4,000 – 4,999 securities | | | |
| 5,000 or more securities | 7 | 15,094,165 | |
| Total | 7 | 15,094,165 | |

14.2 – Convertible/Exchangeable Securities

The following table sets out information regarding securities convertible or exchangeable into Common Shares as of the date of this Listing Statement:

| Description of Security (include conversion/exercise/terms, including conversion/exercise price) | Number of convertible/exchangeable securities outstanding | Number of listed securities issuable upon conversion/exercise |
|---|--|--|
| Stock Options (\$0.3067) ⁽¹⁾ | 2,850,000 | 2,475,000 |
| Stock Options (\$0.78) ⁽²⁾ | 275,000 | 275,000 |
| Stock Options (\$0.76) ⁽³⁾ | 200,000 | 200,000 |
| Stock Options (\$0.69) ⁽⁴⁾ | 500,000 | 500,000 |
| Stock Options (\$0.45) ⁽⁵⁾ | 300,000 | 300,000 |
| Warrants ⁽⁶⁾ | 10,541,667 | 10,541,667 |
| Warrants ⁽⁷⁾ | 338,332 | 338,332 |
| Warrants ⁽⁸⁾ | 4,801,602 | 4,801,602 |
| Agents Warrant ⁽⁹⁾ | 164,600 | 164,600 |

| Description of Security (include conversion/exercise/terms, including conversion/exercise price) | Number of convertible/exchangeable securities outstanding | Number of listed securities issuable upon conversion/exercise |
|--|---|--|
| Agents Units ⁽¹⁰⁾ | 133,333 | 133,333 |
| Warrants ⁽¹¹⁾ | 8,835,401 | 8,835,401 |
| Agents Warrant ⁽¹²⁾ | 782,057 | 782,057 |

Notes:

- (1) Each Option is exercisable for one Common Share at a price of \$0.3067 per Common Share expiring October 24, 2019. 2,850,000 Options are currently exercisable.
- (2) Each Option is exercisable for one Common Share at a price of \$0.78 per Common Share expiring November 7, 2019. 275,000 Options are currently exercisable.
- (3) Each Option is exercisable for one Common Share at a price of \$0.76 per Common Share expiring November 14, 2019. 200,000 Options are currently exercisable.
- (4) Each Option is exercisable for one Common Share at a price of \$0.69 per Common Share expiring March 9, 2020. 500,000 Options are currently exercisable.
- (5) Each Option is exercisable for one Common Share at a price of \$0.45 per Common Share expiring June 12, 2023. 300,000 Options are currently exercisable.
- (6) Each warrant is exercisable into one Common Share at \$0.20 until February 12, 2020.
- (7) Each warrant is exercisable into one Common Share at \$1.00 until January 22, 2020.
- (8) Each warrant is exercisable into one Common Share at \$1.00 until December 22, 2019.
- (9) Each agents warrant is exercisable into one Common Share at \$1.00 until December 22, 2019.
- (10) Each agents unit is exercisable into one Common Share at \$0.75 and one agents warrant exercisable at \$1.00 until December 22, 2019.
- (11) Each warrant is exercisable into one Common Share at \$0.3333 until October 22, 2019.
- (12) Each agents warrant is exercisable into one Common Share at \$0.3333 until October 22, 2019.

14.3 – Other Listed Securities

The Company has no other listed securities reserved for issuance.

15. Executive Compensation

15.1 – Compensation of Executive Officers and Directors

The Company's Statement of Executive Compensation for the most recent financial year, December 31, 2018, is attached in Schedule "B".

16. Indebtedness of Directors and Executive Officers

No director or officer of the Company or person who acted in such capacity in the last financial year, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

17. Risk Factors

17.1 – Description of Risk Factors

An investor should carefully consider the following risk factors in addition to the other information contained in this Listing Statement. The risks and uncertainties below are not the only ones related to the Company. There are additional risks and uncertainties that the Company does not presently know of or that the Company currently considers immaterial which may also impair the Company's business operations. If any of the following risks occur, the Company's business may be harmed, and its financial condition and results of operations may suffer significantly. An investment in the Company's shares is speculative and will be subject to certain material risks. Investors should not invest in securities of the Company unless they can afford to lose their entire investment.

General

An investment in the shares is speculative and involves a high degree of risk due to the nature of the Company's business and the present stage of the Company's operations. The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements contained herein. Prospective investors should carefully consider the following risk factors along with the other matters set out herein.

An investment in the Company will be subject to certain material risks and investors should not invest in securities of the Company unless they can afford to lose their entire investment. A purchase of any of the securities of the Company involves a high degree of risk and should be undertaken only by purchasers whose financial resources are enough to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of the securities.

Limited Operating History

The Company is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Company has yet to generate a profit from its activities. The Company is subject to all the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

Exploration, Development and Operating Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will be discovered in enough quantities to warrant commercial exploitation. The Company's operations will be subject to all the hazards and risks normally encountered in the mineral exploration business. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions which could result in damage and possible legal liability. This could have a material adverse impact on the business, operations and financial performance of the Company.

Substantial Capital Requirements and Liquidity

Substantial additional funds will be required and there can be no assurances given that the Company will be able to raise the necessary funds. To meet such funding requirements, the Company may undertake additional equity financing which would be dilutive to shareholders. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may reduce or discontinue operations.

Political and Social Risk in Indonesia

The Company will be conducting its exploration and development activities in Indonesia. The Company believes that the Government of Indonesia strongly supports the development of its natural resources by foreign operators. However, there is no assurance that future political and economic conditions in Indonesia will not result in the government adopting different policies respecting foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both the ability of the Resulting Issuer to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore and develop those properties in respect of which it has obtained exploration and development rights to date. The possibility that a future government of Indonesia may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Instabilities can exist in relation to both the national government and local government. Certain political events can affect the enforceability of regional head's decrees or writs, especially in the mining and exploration industries which have strong connections with local autonomy and local authorities.

Taxation regulations are also flexible and subject to change, which may cause the Resulting Issuer to incur additional taxation costs.

The economy of Indonesia differs significantly from the economies of Canada, the United States and Western Europe in such respects as structure, level of development, gross national product, growth rate, capital reinvestment, resource allocation, self-sufficiency, rate of inflation and balance of payments position, among others. Growth rates, inflation rates and interest rates of developing nations are expected to be more volatile than those of western industrial countries. The Resulting Issuer's operations will be located in Indonesia and so are subject to risks associated with operating in a foreign jurisdiction, including political, infrastructure, legal and other unique risks.

Competition

There is competition within the mining industry for properties considered to have commercial potential. The Company will compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of its directors and officers and the ability to attract and retain its key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Fluctuating Mineral Prices and Marketability of Minerals

The market price of any mineral is volatile and is affected by many factors beyond the Company's control, including but not limited to: international supply and demand, consumer product demand levels, international economic trends, commodity prices, operations costs, variations in mineral grade, fluctuations in the market price of minerals, currency exchange rate fluctuations, the level of interest rates, the rate of inflation, global or regional political events and international events as well as a range of other market forces. Depending on the price of certain minerals, the Company may determine that it is impractical to continue its mineral exploration operations. Sustained downward movements in mineral market prices could render less economic, or uneconomic, some or all of the mineral exploration activities to be undertaken by the Company. The marketability of minerals is affected by factors such as government regulation of mineral prices, royalties, allowable production and the importation and exportation of minerals, the effect of which cannot be accurately predicted.

No Mineral Reserves or Mineral Resources

The Cyclops Project is in the early exploration stage only and does not contain a known body of commercial minerals.

Environmental Risks

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and prevailing governing laws and regulations. Environmental legislation regulates various substances produced or used in association with mining operations. The legislation also requires that operations sites be maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability, all of which will increase capital expenditures and operating costs.

Governmental Regulations and Processing Licenses and Permits

The activities of the Company are subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in such projects may decline.

Management Inexperience in Developing Mines

The proposed management of the Company will have some experience in exploring for minerals but may lack some of the necessary technical training and experience to successfully develop and operate a mine. Without adequate training or experience in these areas, management may not be fully aware of many of the specific requirements related to working within the mining industry and their decisions and choices may not consider all available and necessary engineering or managerial approaches that experienced mine operating companies commonly use to successfully develop a mine. Consequently, the Company's operations, earnings and ultimate financial success could be materially adversely affected.

Markets for Securities

There can be no assurance that an active trading market in the Company's Common Shares will be established and sustained. The market price for the Company's Common Shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of the Company's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Company. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector.

Uninsurable Risks

Exploration operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or for other reasons. Should there be the occurrence of such an event, it could have an adverse impact on the Company. The Company does not intend to maintain insurance against environmental risks.

Foreign Exchange

The Company may be adversely affected by future fluctuations in foreign exchange rates. For example, to the extent the actual Canadian to U.S. dollar exchange rate is less than or more than the exchange rate used in this Listing Statement, the costs to complete the exploration program on Cerro Hermoso Property as set out in the Technical Report will increase and thereby decrease funds available for general and administrative expenses and the Company's available unallocated capital.

Internal Controls

Ensuring that the Company has adequate internal financial and accounting controls and procedures in place so that the Company can produce accurate financial statements on a timely basis is a costly and time-consuming effort. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. If the Company or its independent audit firm identify deficiencies in the Company's internal control over financial reporting that are deemed to be material weaknesses, the market's confidence in the Company's financial statements could decline and the market price of the Company's securities could be adversely impacted.

Stage of Development

The Company may be subject to growth-related risks, capacity constraints and pressure on the Company's internal systems and controls, particularly given the early stage of the Company's development. The ability of the Company to manage growth effectively will require the Company to continue to expand its operations and to train and manage the Company's employee base. The inability of the Company to deal with this growth could have a material adverse impact on the Company's business, operations and prospects.

Legal Risks

The Company is subject to legal risks related to operations, contracts, relationships and otherwise, pursuant to which Pacific Rim Cobalt may be served with legal claims. Whether or not the claims are legally valid, such claims may result in legal fees, damages, settlement costs and other costs as well as significant time and distraction of management and employees.

Conflicts of Interest

Conflicts of interest for the directors and officers of the Company, if any, will be subject to and governed by the procedures prescribed by the BCBCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with the Company to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the BCBCA.

Absence of Cash Dividends

Pacific Rim Cobalt has not paid any cash dividends to date on its Common Shares and there are no plans for the Company to pay such dividend payments in the foreseeable future.

Additional Risks

Please refer to the Company's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2018 included in Schedule "A" and incorporated by reference into this Listing Statement for additional risk factors.

17.2 – Additional Securityholder Risk

There is no risk that securityholders of the Company may become liable to make an additional contribution beyond the price of the security.

17.3 – Other Risks

Subject to the risk factors set out under section 17.1 above, there are no other material risk factors that a reasonable investor would consider relevant to an investment in the Company's shares.

18. Promoters

18.1 – 18.3 – Promoter Consideration

Aaron Wong conducts investor relations activities on behalf of the Company. Mr. Wong has an office address of 2321 Jefferson Avenue, West Vancouver, B.C., V7V 2B1 and was engaged as the Company's investor relations consultant in June 2018.

Mr. Wong is paid \$2,500 per month for his services and currently holds 67,500 Common Shares, 100,000 warrants and has no other direct or indirect interests in the Company.

Mr. Wong has not been, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any company that:

- (a) was subject to an order that was issued while acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after they ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while acting in the capacity as director, chief executive officer or chief financial officer,

For the purposes of this section "order" means:

- (a) a cease trade order;

- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant person or company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Mr. Wong has not been:

- (a) as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any person or company that, while acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

Mr. Wong has not been subject to:

- (a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

19. Legal Proceedings

19.1 - Legal Proceedings

There are no legal proceedings material to the Company to which the Company is a party or of which any of its property is the subject matter, and there are no such proceedings known to the Company to be contemplated.

19.2 – Regulatory Actions

The Company has not been subject to any penalties or sanctions imposed by any court or regulatory authority relating to provincial or territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Listing Statement, nor has the Company entered into a settlement agreement with a securities regulatory authority within the three years immediately preceding the date of this Listing Statement or been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that are necessary to provide full, true and plain disclosure of all material facts relating to the Company's securities or would be likely to be considered important to a reasonable investor making an investment decision.

20. Interest of Management and Others in Material Transactions

Except as described herein, no director, executive officer, proposed management nominee for director or person who, to the knowledge of the directors or officers of the Company, beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of any class or series of outstanding voting securities of the Company, informed person or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction within the three years before the date of this Listing Statement or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or a subsidiary of the Company.

21. Auditors, Transfer Agents and Registrars

21.1 – Auditors

The firm of Davidson & Company LLP, Chartered Professional Accountants ("D&Co") is the independent external auditor of the Company with a Vancouver office address of 1200 – 609 Granville Street, Vancouver, B.C., V7Y 1G6. D&Co was first appointed as auditor of the Company in June of 2010.

21.2 – Transfer Agent and Registrar

The registrar and transfer agent of the Company's shares is Computershare Trust Company of Canada, at its Vancouver office located at suite 510 Burrard Street – 2nd Floor, Vancouver B.C., V6C 3B9.

22. Material Contracts

22.1 – Material Contracts

The Company has entered into the following material contracts:

1. the Share Exchange Agreement; and
2. the Share Exchange Escrow Agreement;

CPA has entered into the following material contract:

1. the Share Exchange Agreement.

CPA HK has entered into the following material contracts:

1. the Share Exchange Agreement; and
2. the Option Agreement.

Other than as outlined above, the Company has not entered into any other material contracts within the two years before the date of this Listing Statement other than contracts entered into in the ordinary course of business.

22.2 – Special Agreements

The Company is not a party to any co-tenancy, unitholders' or limited partnership agreements.

23. Interest of Experts

No person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or as having prepared or certified a report or valuation described or included in this Listing Statement holds any beneficial interest, direct or indirect, in any securities or property of the Company or of an Associate (as defined in the policies of the CSE) or Affiliate (as defined in the policies of the CSE) of the Company and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an Associate or Affiliate of the Company and no such person is a promoter of the Company or an Associate or Affiliate of the Company. D&Co is independent of the Company in accordance with the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

24. Other Material Facts

Other than as set out elsewhere in this Listing Statement, there are no other material facts about the Company and its securities which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company and its securities.

25. Financial Statements

Schedule "A" contains the audited consolidated financial statements of the Company for the year ended December 31, 2018 and the MD&A of the Company for the year ended December 31, 2018.

CERTIFICATE OF THE COMPANY

The foregoing contains full, true and plain disclosure of all material information relating to Pacific Rim Cobalt Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 25th day of June, 2019

/s/ "Ranjeet Sundher"

Ranjeet Sundher, President and Chief Executive Officer

/s/ "Steve Vanry"

Steve Vanry, Chief Financial Officer

/s/ "Aaron Wong"

Aaron Wong, Promoter

/s/ "Sean Bromley"

Sean Bromley, Director

/s/ "J. Garry Clark"

J. Garry Clark, Director

SCHEDULE "A"

FINANCIAL STATEMENTS AND MD&A OF THE COMPANY

**The audited consolidated financial statements of the Company for the year ended December 31, 2018,
&
The MD&A of the Company for the year ended December 31, 2018.**

[See Attached]

SCHEDULE "B"

STATEMENT OF EXECUTIVE COMPENSATION

**PACIFIC RIM COBALT CORP.
(the "Corporation")**

FOR THE FINANCIAL YEAR ENDING DECEMBER 31, 2018

In accordance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations*, the Canadian Securities Administrators have issued guidelines on executive compensation disclosure for venture issuers as set out in Form 51-102F6V. The objective of the disclosure is to communicate the compensation the Company paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial year, and the decision-making process relating to compensation. The disclosure will provide insight into executive compensation as a key aspect of the overall stewardship and governance of the Company and will help Shareholders understand how decisions about executive compensation are made. The Company's approach to executive compensation is set forth below.

Director and Named Executive Officer Compensation

Executive compensation is required to be disclosed for each (i) Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) the most highly compensated executive officer (other than the Chief Executive Officer and the Chief Financial Officer) who were serving as executive officers at the end of the most recently completed fiscal year whose total compensation was, individually, more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year (the "Named Executive Officers" or "NEO's").

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all compensation paid or accrued, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof, to each Named Executive Officer and director of the Company, for each of the two most recently completed financial years ended December 31, 2018 and 2017.

| Table of compensation excluding compensation securities | | | | | | | |
|---|-------------|--|-------------------|---------------------------------------|---|--|--------------------------------|
| Name and position ⁽¹⁾ | Year | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) ⁽²⁾ | Value of all other compensation (\$) ⁽³⁾ | Total compensation (\$) |
| SUNDHER, Ranjeet ⁽⁴⁾ <i>President, CEO & Director</i> | 2018 | 185,964 | Nil | Nil | Nil | Nil | 185,964 |
| | 2017 | 30,010 | Nil | Nil | Nil | Nil | 30,010 |
| VANRY, Steve ⁽⁵⁾ <i>CFO & Director</i> | 2018 | 92,000 | Nil | Nil | Nil | Nil | 92,000 |
| | 2017 | 38,625 | Nil | Nil | Nil | Nil | 38,625 |
| BROMLEY, Sean ⁽⁶⁾ <i>Director</i> | 2018 | 60,000 | Nil | Nil | Nil | Nil | 60,000 |
| | 2017 | 32,591 | Nil | Nil | Nil | Nil | 32,591 |
| CLARK, J. Garry ⁽⁷⁾ | 2018 | 21,100 | Nil | Nil | Nil | Nil | 21,100 |

| | | | | | | | |
|--|------|--------|-----|-----|-----|-----|--------|
| <i>Director</i> | 2017 | Nil | Nil | Nil | Nil | Nil | Nil |
| JOHNSTON, Tim ⁽⁸⁾ <i>Director</i> | 2018 | 18,000 | Nil | Nil | Nil | Nil | 18,000 |
| | 2017 | 1,909 | Nil | Nil | Nil | Nil | 1,909 |
| FIELDING, Geoffrey ⁽⁹⁾ <i>Director</i> | 2018 | 8,795 | Nil | Nil | Nil | Nil | 8,795 |
| | 2017 | - | - | - | - | - | - |
| VANRY, Mark ⁽¹⁰⁾ <i>Former President, CEO & Director</i> | 2018 | - | - | - | - | - | - |
| | 2017 | 15,000 | Nil | Nil | Nil | Nil | 15,000 |
| SMITH, Kiriaki ⁽¹¹⁾ <i>Former CFO & Director</i> | 2018 | - | - | - | - | - | - |
| | 2017 | Nil | Nil | Nil | Nil | Nil | Nil |
| BARTH, Richard ⁽¹²⁾ <i>Former Director</i> | 2018 | - | - | - | - | - | - |
| | 2017 | Nil | Nil | Nil | Nil | Nil | Nil |

Notes:

1. If an individual is an NEO and a director, both positions have been listed. Directors do not receive compensation for acting as directors; all compensation noted is for serving as an NEO.
2. Includes perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are greater than (a) \$15,000, if the NEO or director's total compensation for the financial year is \$150,000 or less; (b) 10% of the NEO or director's salary for the financial year, if the NEO or director's total compensation for the financial year is greater than \$150,000 but less than \$500,000; (c) \$50,000, if the NEO or director's total for the financial year is \$500,000 or greater.
3. No form of other compensation paid or payable equals or exceeds 25% of the total value of other compensation paid or payable to the director or Named Executive Officer.
4. Mr. Sundher was appointed President, CEO and a director of the Corporation on October 23, 2017.
5. Mr. Steve Vanry was appointed as CFO and a director of the Corporation on April 24, 2017. The table above reflects the compensation paid to 677185 B.C. Ltd., a company controlled by Mr. Steve Vanry.
6. Mr. Bromley was appointed a director of the Corporation on October 23, 2017. The table above reflects the compensation paid to 1129925 B.C. Ltd., a company controlled by Mr. Bromley.
7. Mr. Clark was appointed a director of the Corporation on October 23, 2017.
8. Mr. Johnston was appointed a director of the Corporation on November 23, 2017. The table above reflects the compensation paid 2555663 Ontario Limited, a company controlled by Mr. Johnston.
9. Ms. Fielding was appointed a director of the Corporation on July 5, 2018.
10. Mr. Vanry resigned as President, CEO and as a director of the Corporation on October 23, 2017. The table above reflects the compensation paid to 0845557 B.C. Ltd., a company controlled by Mr. Mark Vanry.
11. Mr. Smith resigned as CFO and a director of the Corporation on April 24, 2017.
12. Mr. Barth resigned as a director of the Corporation on October 23, 2017.

External Management Companies

Please refer to "Employment, Consulting and Management Agreements" below for disclosure relating to any external management company employing, or retaining individuals, acting as Named Executive Officers of the Company, or that provide the Company's executive management services and allocate compensation paid to any Name Executive Officer or director.

Stock Options and Other Compensation Securities

The were no compensation securities granted or issued by the Company, or any subsidiary thereof, to any director or Named Executive Officer in the most recently completed financial year ended December 31, 2018 for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof.

There were no exercises, by a director or Named Executive Officer, of compensation securities during the most recently completed financial year ended December 31, 2018.

Stock Option Plans and Other Incentive Plans

The following is a summary of the Company's stock option plan (the "Option Plan"), which is the only incentive plan in place available to the Named Executive Officers and Directors.

The number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Option Plan shall not exceed ten percent (10%) of the total number of issued and outstanding shares in the Company.

- Under the Option Plan, the aggregate number of optioned Common Shares granted to any one director or Named Executive Officer, together with all other Common Share compensation arrangements, must not exceed 5% of the Company's issued and outstanding shares in any 12-month period, unless the Company has obtained disinterested shareholder approval.
- The exercise price for options granted under the Option Plan will be set by the Board of Directors at such time as the option is allocated under the Option Plan and cannot be less than the discounted market price permitted by the policies of the Canadian Securities Exchange.
- Options can be exercisable for a maximum of 10 years, subject to earlier termination in the event of the optionee's death or the cessation of the optionee's services to the Company.
- Options granted under the Option Plan will not be assignable or transferable, except in the case of the death of an optionee; any vested option held by such individual at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option.

Employment, Consulting and Management Agreements

The following is a summary of the Company's employment, consulting and management agreements with its directors and Named Executive Officers during the most recently completed financial year.

Compensation of Mrs. Leah Hodges, Corporate Secretary

Mrs. Hodges, by way of Benchmark Governance, entered into a consulting agreement on April 9, 2018 with the Company (the "Hodges Agreement"), pursuant to which Mrs. Hodges provides her services to the Company as Corporate Secretary. Pursuant to the Hodges Agreement, Mrs. Hodges receives \$2,500 per month and participation in the Option Plan. The Hodges Agreement may be terminated at the election of Mrs. Hodges or the Company on reasonable notice.

Oversight and Description of Director and Named Executive Officer Compensation

Director Compensation

The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors, except for the granting from time to time of incentive stock options in accordance with the policies of the Canadian Securities Exchange and the Plan.

Named Executive Officer Compensation

As the Corporation does not have a compensation committee, the functions of a compensation committee are performed by the Board of Directors as a whole and the compensation of the Named Executive Officers is reviewed and approved annually by the Board of Directors.

The objective of the Board of Directors in setting compensation levels is to attract and retain individuals of high caliber to serve the Company, to motivate their performance in order to achieve the Company's strategic objectives

and to align the interests of the Named Executive Officers with the long-term interests of the Shareholders. These objectives are designed to ensure that the Company's business continues to grow and develop.

The Board of Directors sets the compensation received by the Named Executive Officers so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size and stage of development having similar assets, number of employees and market capitalization.

The Company compensates its Named Executive Officers based on their skill and experience levels and the existing stage of development of the Company. Named Executive Officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, the Company's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board of Directors has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, Named Executive Officers are paid a monthly consulting fee or salary determined by the Board of Directors, if appropriate. Second, the Board of Directors awards Named Executive Officers long term incentives in the form of stock options, if appropriate. Finally, and only in special circumstances, the Board of Directors may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value.

The base compensation of the Named Executive Officers is reviewed and set annually by the Board of Directors. The Chief Executive Officer has substantial input in setting annual compensation levels. The Chief Executive Officer is directly responsible for the financial resources and operations of the Company. In addition, the Chief Executive Officer and Board of Directors from time to time determine the stock option grants to be made pursuant to the Option Plan. Previous grants of stock options are taken into account when considering new grants. The Board of Directors awards bonuses at its sole discretion. The Board of Directors has not set any performance criteria or objectives.

The Board of Directors considers the implications of the risks associated with the Company's compensation policies and practices when determining rewards for its Named Executive Officers and ensures that those policies do not encourage management to take inappropriate or excessive risks. The Board of Directors does not believe that there are any risks arising from the compensation programs that would be reasonably likely to have a material adverse effect on the Company.

Neither Named Executive Officers nor directors are permitted to take any derivative or speculative positions in the Company's securities. This is to prevent the purchase of financial instruments that are designed to hedge or offset any decrease in the market value of the Company's securities.

Compensation for the most recently completed financial year should not be considered as an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

Pension Disclosure

The Company does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement for its directors or Named Executive Officers.
