

## FORM 5

### **QUARTERLY LISTING STATEMENT**

Name of Listed Issuer: INTERNATIONAL COBALT CORP. (the “Issuer”).

Trading Symbol: CO

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

#### **General Instructions**

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

#### **SCHEDULE A: FINANCIAL STATEMENTS**

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

**Second quarter (six-month period) ended March 31, 2022.**

Unaudited condensed interim consolidated financial statements of the Issuer for the six-month period ended **March 31, 2022**, as filed with securities regulatory authorities, are attached to this Form 5 - Quarterly Listing Statement as Appendix "A".

**SCHEDULE B: SUPPLEMENTARY INFORMATION**

The supplementary information set out below must be provided when not included in Schedule A.

**1. Related party transactions**

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

With respect to related party transactions for information supplementary to that contained in the notes to the unaudited condensed interim consolidated financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the six-month period ended **March 31, 2022**, as filed with securities regulatory authorities and attached to this Form 5 - Quarterly Listing Statement as Appendix "B".

## 2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

As at **March 31, 2022**, 18,496,121 common shares in the capital of the Issuer were issued and outstanding.

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
N/A								

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
N/A						

## 3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

As at **March 31, 2022** the authorized capital of the Issuer consisted of an unlimited number of common shares without par value, and without any special rights or restrictions, of which **18,496,121** common shares were issued and outstanding.

The holders of common shares are entitled to receive notice of and to attend all meetings of the shareholders of the Issuer and are entitled to one vote in respect of each common share held at such meetings. Subject to the rights, if any at the time, of shareholders holding shares with special rights as to dividends (none of which are authorized or outstanding at the date of this Quarterly Listing Statement), holders of common shares of the Issuer are entitled to dividends as and when declared by the directors. Subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, the holders of common shares are entitled to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Issuer.

(b) number and recorded value for shares issued and outstanding,

Date	Number of common shares	Recorded value of common shares
As at June 30, 2021	18,496,121	\$16,634,818

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

**Options:** Options to purchase common shares in the capital of the Issuer are granted by the Issuer's Board of Directors to eligible persons pursuant to the Issuer's Stock Option Incentive Plan.

As at **June 30, 2021**, the following options were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:

Date of Grant	Number of Options	Exercise Price	Expiry Date
January 4, 2018	1,000,000	\$3.24	January 4, 2023
<b>TOTAL</b>	<b>1,000,000</b>		

**Warrants:** As at **March 31, 2022**, the following warrants were outstanding entitling holders to purchase common shares in the capital of the Issuer as summarized below:

Date of Issue	Number of Warrants	Exercise Price	Expiry Date
June 8, 2021	2,350,000	\$0.25	June 8, 2023
<b>TOTAL</b>	<b>2,350,000</b>		

**Convertible Securities:** The Issuer has no convertible securities outstanding.

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

As at **March 31, 2022**, no common shares of the Issuer were held in an escrow, a pooling agreement or had any other restriction on transfer.

4. **List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

<b>Name of Director/Officer</b>	<b>Position with Issuer</b>
Brendan Purdy	Director, President and CEO
Eugene Beukman	Director, Secretary and CFO
Paul DesLauriers	Director
Maciej Lis	Director

#### **SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

Provide Interim MD&A if required by applicable securities legislation.

Management's Discussion & Analysis for the six-month period ended **March 31, 2022**, as filed with securities regulatory authorities, is attached to this Form 5 - Quarterly Listing Statement as Appendix "B".

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## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated: May 24, 2022

Brendan Purdy  
Name of Director or Senior Officer

/s/ "Brendan Purdy"  
Signature

Chief Executive Officer  
Official Capacity

<b>Issuer Details</b>	For Quarter Ended	Date of Report
Name of Issuer		YY/MM/DD
International Cobalt Corp.	March 31, 2022	22/05/24
Issuer Address		
789 West Pender Street, Suite 810		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
Vancouver, British Columbia V6C 1H2	(604) 687-3141	(604) 687-2038
Contact Name	Contact Position	Contact Telephone No.
Eugene Beukman	Director	(604) 687-2038
Contact Email Address	Web Site Address	
<a href="mailto:ebeukman@pendergroup.ca">ebeukman@pendergroup.ca</a>	<a href="http://internationalcobalt.com/">http://internationalcobalt.com/</a>	

## **APPENDIX A**

### **INTERNATIONAL COBALT CORP.**

Unaudited condensed interim financial statements  
for the six-month period ended **March 31, 2022.**



**INTERNATIONAL COBALT CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)  
(Expressed in Canadian dollars)**

**FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021**



**INTERNATIONAL COBALT CORP.**

Suite 810 – 789 West Pender Street

Vancouver, British Columbia

V6C 1H2

Phone: (604) 687-2038 Fax: (604) 687-3141

May 24, 2022

**Condensed Interim Consolidated Financial Statements****Second Quarter Report**

**For the six months ended March 31, 2022 and 2021**

***NOTICE TO READER***

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company must disclose if an auditor has not performed a review of the interim financial statements.

The accompanying unaudited interim consolidated financial statements have been prepared by and are the responsibility of the Company's management.

These unaudited interim consolidated financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company.

Yours truly,

**INTERNATIONAL COBALT CORP.**

*"Brendan Purdy"*

Brendan Purdy

**President and CEO**

**INTERNATIONAL COBALT CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian dollars)

(Unaudited)

	March 31, 2022	September 30, 2021 (Audited)
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 37,000	\$ 147,044
Amounts receivable	2,403	1,586
Prepaid expenses	9,154	16,783
Investments (Note 4)	861,748	907,232
Convertible loans receivable (Note 5)	5,723,930	4,630,669
Loan receivable (Note 6)	190,233	186,128
	<u>6,824,468</u>	<u>5,889,442</u>
<b>Mineral properties</b> (Note 7)	<u>1</u>	<u>1</u>
	<u>\$ 6,824,469</u>	<u>\$ 5,889,443</u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	<u>\$ 248,071</u>	<u>\$ 206,195</u>
	248,071	206,195
<b>Equity</b>		
Share capital (Note 10)	16,634,818	16,634,818
Contributed surplus (Note 10)	2,890,352	2,964,777
Deficit	<u>(12,948,772)</u>	<u>(13,916,347)</u>
	<u>6,576,398</u>	<u>5,683,248</u>
	<u>\$ 6,824,469</u>	<u>\$ 5,889,443</u>

**Nature and continuance of operations** (Note 1)**Commitment** (Note 13)**Contingency** (Note 14)**Subsequent event** (Note 15)

Approved and authorized by the Board on May 24, 2022:

<u>"Brendan Purdy"</u>	Director	<u>"Eugene Beukman"</u>	Director
Brendan Purdy		Eugene Beukman	

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**INTERNATIONAL COBALT CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian dollars)

(Unaudited)

	Three Months Ended		Six Months Ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>ADMINISTRATIVE EXPENSES</b>				
Accounting (Note 9)	\$ 24,550	\$ 28,458	\$ 35,800	\$ 34,458
Consulting fees (Note 9)	30,000	35,000	70,000	85,000
Corporate fees	14,445	9,000	26,945	19,000
Office facilities and administrative services (Note 9)	10,445	8,992	20,489	22,945
Shareholder information	-	4,102	681	4,577
Transfer agent, filing and stock exchange fees	2,400	4,076	4,800	6,898
<b>Income (loss) before other items</b>	(81,840)	(89,628)	(158,715)	(172,878)
<b>OTHER ITEMS</b>				
Interest income	2,030	-	4,105	-
Foreign exchange gain (loss)	1	(31,136)	(17)	(26,660)
Loss on convertible debt settlement (Note 5)	-	-	-	(200,000)
Unrealized loss on investments (Note 4)	(22,502)	(9,992)	(45,484)	(48,284)
Unrealized gain (loss) on convertible loans receivable (Note 5)	(819,642)	914,971	1,093,261	706,540
<b>Net income (loss) and comprehensive income (loss) for the period</b>	\$ (921,953)	\$ 784,285	\$ 893,150	\$ 258,718
<b>Basic and diluted income (loss) per common share</b>	\$ (0.05)	\$ 0.05	\$ 0.05	\$ 0.02
<b>Weighted average number of common shares outstanding</b>	18,496,121	15,798,499	18,496,121	15,798,499

\*The share numbers have been adjusted to reflect a consolidation of the Company's share capital on a 12:1 basis effective April 30, 2021.

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**INTERNATIONAL COBALT CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian dollars)

(Unaudited)

	Six Months Ended	
	March 31, 2022	March 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period	\$ 893,150	\$ 258,718
Adjustment for non-cash items:		
Interest income	(4,105)	-
Foreign exchange (gain) loss	17	26,660
Loss on convertible debt settlement	-	200,000
Unrealized loss on investments	45,484	48,284
Unrealized loss (gain) on convertible loans receivable	(1,093,261)	(706,540)
Changes in non-cash working capital items:		
Amounts receivable	(817)	358
Prepaid expenses	7,629	6,802
Accounts payable and accrued liabilities	41,859	(39,139)
Net cash used in operating activities	(110,044)	(204,857)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loans and convertible loans receivable	-	100,000
Net cash provided by investing activities	-	100,000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of loan (Note 8)	-	(83,893)
Net cash used in financing activities	-	(83,893)
<b>Change in cash for the period</b>	(110,044)	(188,750)
<b>Cash, beginning of period</b>	147,044	254,288
<b>Cash, end of period</b>	\$ 37,000	\$ 65,538
<b>Cash paid during the period for interest</b>	\$ -	\$ -
<b>Cash paid during the period for income taxes</b>	\$ -	\$ -

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**INTERNATIONAL COBALT CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Expressed in Canadian dollars)

(Unaudited)

	<b>Share Capital</b>				
	<b>Number of shares</b>	<b>Amount</b>	<b>Contributed surplus*</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance at September 30, 2020</b>	15,588,064	\$ 16,146,978	\$ 2,964,777	\$ (14,200,555)	\$ 4,911,200
Exercise of stock options	62,500	12,525	-	-	12,525
Exercise of stock warrants	495,582	99,315	-	-	99,315
Net loss for the period	-	-	-	258,718	258,718
<b>Balance at March 31, 2021</b>	16,146,121	\$ 16,258,818	\$ 2,964,777	\$ (13,941,837)	\$ 5,281,758

	<b>Share Capital</b>				
	<b>Number of shares</b>	<b>Amount</b>	<b>Contributed surplus*</b>	<b>Deficit</b>	<b>Total</b>
<b>Balance at September 30, 2021</b>	18,496,121	\$ 16,634,818	\$ 2,964,777	\$ (13,916,347)	\$ 5,683,248
Expired stock options			(74,425)	74,425	-
Net income for the period	-	-	-	893,150	893,150
<b>Balance at March 31, 2022</b>	18,496,121	\$ 16,634,818	\$ 2,890,352	\$ (12,948,772)	\$ 6,576,398

\*Contributed surplus consists of fair values of share options granted.

\*\*The share numbers have been adjusted to reflect a consolidation of the Company's share capital on a 12:1 basis effective April 30, 2021.

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**INTERNATIONAL COBALT CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

**FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021**

(Unaudited)

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

1018521 B.C. LTD. was incorporated under the Business Corporations Act (British Columbia) on November 7, 2014 and changed its name to Brakpan Ventures Corp. on July 3, 2015 and changed its name to International Cobalt Corp. on March 29, 2017 (the “Company” or “ICC”).

The Company’s head office and principal address is Suite 810 – 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

The Company is an exploration stage company and is in the process of exploring its mineral properties and has not yet determined whether its properties contain ore reserves that are economically recoverable. The recovery of the amounts comprising mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These unaudited condensed interim consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. At March 31, 2022, the Company had not yet achieved profitable operations, had accumulated losses of \$12,948,772 (September 30, 2021 - \$13,916,347) since its inception, and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern. A number of alternatives including, but not limited to completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

The unaudited condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2022.

**2. BASIS OF PREPARATION****Statement of Compliance**

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS 34”), “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

**INTERNATIONAL COBALT CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(Unaudited)

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**2. BASIS OF PREPARATION (CONT'D)****Basis of Presentation**

The unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

**Principles of Consolidation**

These unaudited condensed interim consolidated financial statements consolidate the accounts of the Company and its wholly-owned subsidiaries, 1107430 B.C. Ltd., 1142888 B.C. Ltd., 2857695 Ontario Inc. and American Cobalt Corp. All intercompany transactions and balances are eliminated on consolidation. 1107430 B.C. Ltd., 1142888 B.C. Ltd., 2857695 Ontario Inc. and American Cobalt Corp. had no transactions or activity during the six month period ended March 31, 2022.

**Significant accounting judgments and estimates**

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include recognition of deferred income tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the unaudited condensed interim consolidated financial statements are as follows:

**Economic recoverability and probability of future economic benefits of mineral properties**

Management has determined that mineral property costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

**Determination of functional currency**

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

**Income taxes**

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

**INTERNATIONAL COBALT CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(Unaudited)

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**2. BASIS OF PREPARATION (CONT'D)****Significant accounting judgments and estimates (cont'd)**Contingencies and settlement provisions

The estimate for contingencies and settlement provisions require management to make judgments as to the likelihood of outcomes and estimates of the timing and the possible outflow of economic benefits.

Site decommissioning obligations

The Company recognizes a provision for future abandonment activities in the unaudited condensed interim consolidated financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the statement of financial position date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates were made by management and external consultants considering current costs, technology and enacted legislation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Convertible loans and loans receivable

The fair value of warrants, debentures, convertible debentures and loans receivables held by the Company are derived from estimates based on available market data at that time, which include volatility, interest-free rates, share prices and market adjusted risk rates. Changes to subjective input assumptions can materially affect the fair value estimate.

Fair value of investments not quoted in an active market or investments in private companies

Where the fair values of investments cannot be derived from active markets, the Corporation uses valuation models to determine fair value. Where possible, the Corporation uses inputs derived from observable market data for the models. Where observable market data is not available, the Corporation uses judgment to establish fair value.

**3. SIGNIFICANT ACCOUNTING POLICIES**

In preparing these unaudited condensed interim consolidated financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited consolidated financial statements for the year ended September 30, 2021.

The preparation of condensed interim consolidated financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's unaudited condensed interim consolidated financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.



**INTERNATIONAL COBALT CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(Unaudited)

**4. INVESTMENTS**

On August 21, 2019, the Company acquired 158,000 common shares of Brazil Potash Corp (“BPC”) for \$450,000. As at March 31, 2022, the fair value of the BPC common shares was adjusted to \$789,748 (September 30, 2021 - \$805,232), resulting in an unrealized loss on investment of \$15,484 (2021 - unrealized gain on investment of \$48,284).

On March 4, 2021, the Company received 200,000 common shares of Battery Mineral Resources (“BMR”) at a fair value of \$102,000 as a result of the sale of the Blackbird Creek property (Notes 7 and 14). At March 31, 2022, the fair value of the BMR common shares was \$72,000 (September 30, 2021 - \$102,000), resulting in an unrealized loss on investment of \$30,000 (2021 - \$Nil).

**5. CONVERTIBLE LOANS RECEIVABLE**

On August 20, 2018, the Company purchased unsecured convertible debentures units of Tantalex Resources Corporation (“Tantalex”) in the principal amount of \$1,764,855 (US\$1,350,000) bearing interest of 12% per annum and was due on August 20, 2019. The principal amounts are convertible at the option of the Company into common shares of Tantalex, and each common share being issued at a price per common share being equal to the current trading price of the common shares on the Canadian Securities Exchange on the maturity date or on the early conversion date to which shall be applied a 25% discount (collectively referred to as the “Conversion Price”). Principal amount of the Debenture is subject to a warrant coverage of up to 50% of the principal amount of the Debenture and the holder of the Debenture will be entitled to receive up to 50% of the Principal Amount of the Debenture issued in warrants in the share capital of Tantalex (the “Warrants”), each Warrant entitling its holder to acquire one common share in the share capital of Tantalex at a price of \$0.13 per common share for a period of 12 months from the date of issuance. On July 28, 2020, the Company renegotiated the outstanding Tantalex convertible debentures. The amended convertible debentures would mature on July 28, 2021. The principal amount bears interest at 12% per annum, payable on the maturity date and a conversion price of the convertible debenture was amended to \$0.05 per a common share. On November 10, 2020, the Company renegotiated the outstanding Tantalex convertible debentures. The amended convertible debentures will mature on May 10, 2022. A conversion Price was amended that \$0.03 per a common share on the first \$300,000 CAD and \$0.05 per a common share on the balance due of the Convertible Debenture. At March 31, 2022, the convertible debenture had a fair value of \$2,909,018 (September 30, 2021 - \$2,365,703). An unrealized gain of \$543,315 (2021 - \$477,586) was recognized at March 31, 2022. The fair value of the convertible debenture was estimated using a market risk rate and the Black-Scholes model based on the following assumptions: share price of \$0.09 (2021 - \$0.065); risk-free rate of 2.17% (2021 - 0.53%); dividend yield of 0% (2021 - 0%); stock price volatility of 101.15% (2021 - 128.44%) and an expected life to maturity.

On November 9, 2018, the Company purchased additional unsecured convertible debentures of Tantalex in the principal amount of \$1,000,000 bearing interest of 12% per annum and was due on November 1, 2019. The principal amounts are convertible at the option of the Company into common shares of Tantalex, and each common share being issued at a price per common share being equal to the current trading price of the common shares on the Canadian Securities Exchange on the maturity date or on the early conversion date to which shall be applied a 25% discount (collectively referred to as the “Conversion Price”). Principal amount of the Debenture is subject to a warrant coverage of up to 50% of the principal amount of the Debenture and the holder of the Debenture will be entitled to receive up to 50% of the Principal Amount of the Debenture issued in warrants in the share capital of Tantalex (the “Warrants”), each Warrant entitling its holder to acquire one common share in the share capital of Tantalex at a price of \$0.10 per common share for a period of 24 months from the date of issuance. On July 28, 2020, the Company renegotiated the outstanding Tantalex convertible debentures. The amended convertible debentures would mature on July 28, 2021. The principal amount bears interest at 12% per annum, payable on the maturity date and a conversion price of the convertible debenture was amended to \$0.05 per a common share. On November 10, 2020, the Company renegotiated the outstanding Tantalex convertible debentures. The amended convertible debentures will mature on May 10, 2022. A conversion Price was amended that \$0.03 per a common Share on the first \$300,000 CAD and \$0.05 per a common share on the balance due of the Convertible Debenture.

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**5. CONVERTIBLE LOANS RECEIVABLE (CONT'D)**

In November 2020, the Company entered into an Agreement of Debt where the assignee paid \$100,000 to acquire \$300,000 of the convertible debenture due from Tantalex Resources Corp. At March 31, 2022, the convertible debenture had a fair value of \$1,330,638 (September 30, 2021 - \$1,050,299). An unrealized gain of \$280,339 (2021 - \$333,308) was recognized during the period ended March 31, 2022. The fair value of the convertible debenture was estimated using a market risk rate and the Black-Scholes model based on the following assumptions: share price of \$0.09 (2021 - \$0.065); risk-free rate of 2.17% (2021 - 0.53%); dividend yield of 0% (2021 - 0%); stock price volatility of 101.15% (2021 - 128.44%) and an expected life to maturity.

On April 24, 2019, the Company advanced \$673,750 (USD \$500,000) by way of a loan to Tantalex. The loan was due on April 24, 2020 and bears no interest rate.

On June 5, 2019, the Company advanced \$335,025 (USD \$250,000) by way of a loan to Tantalex. The loan was due on June 5, 2020 and bears no interest rate.

On July 28, 2020, the Company renegotiated the April 24, 2019 (USD\$500,000) and June 5, 2019 (USD\$250,000) unsecured loans issued to Tantalex. These unsecured loans were converted into USD\$750,000 unsecured convertible debentures effective July 28, 2020. These convertible debentures bear interest at 12% per annum and would expire on July 28, 2021. The principal amounts are convertible at the option of the Company into common shares of Tantalex, and each common share being issued at a price per common share being equal to the current trading price of the common shares on the Canadian Securities Exchange on the maturity date or on the early conversion date to which shall be applied a 25% discount (collectively referred to as the "Conversion Price"). The principal amount of the convertible debentures is subject to a warrant coverage of up to 50% of the principal amount and the holder will be entitled to receive up to 50% of the principal amount of the convertible debenture issued in warrants in the share capital of Tantalex. Each warrant is exercisable at \$0.10 per common share for a period of 24 months from the date of issuance. On November 10, 2020, the Company renegotiated the outstanding Tantalex convertible debentures. The amended convertible debentures will mature on May 10, 2022. A conversion price of the convertible debenture was amended to \$0.05 per a common share. At March 31, 2022, the convertible debenture had a fair value of \$1,341,170 (September 30, 2021 - \$1,099,595). An unrealized gain of \$241,575 (2021 - unrealized loss of \$100,916) was recognized during the period ended March 31, 2022. The fair value of the convertible debenture was estimated using a market risk rate and the Black-Scholes model based on the following assumptions: share price of \$0.09 (2021 - \$0.065); risk-free rate of 2.17% (2021 - 0.53%); dividend yield of 0% (2021 - 0%); stock price volatility of 101.15% (2021 - 128.44%) and an expected life to maturity.

On October 8, 2019, the Company advanced \$100,000 by way of a loan to Tantalex. The loan was due on October 8, 2020 and bears no interest rate. The loan receivable is measured initially and subsequently at fair value, with any changes in the fair value of the loan being recorded in the unaudited condensed interim consolidated financial statements as unrealized gain or loss on loan receivable. On July 28, 2020, the Company renegotiated the October 8, 2019 (\$100,000) unsecured loans issued to Tantalex. This unsecured loan was converted into \$100,000 unsecured convertible debentures effective July 28, 2020. These convertible debentures bear interest at 12% per annum and would expire on July 28, 2021. The principal amounts are convertible at the option of the Company into common shares of Tantalex, and each common share being issued at a price per common share being equal to the current trading price of the common shares on the Canadian Securities Exchange on the maturity date or on the early conversion date to which shall be applied a 25% discount (collectively referred to as the "Conversion Price"). The principal amount of the convertible debentures is subject to a warrant coverage of up to 50% of the principal amount and the holder will be entitled to receive up to 50% of the principal amount of the convertible debenture issued in warrants in the share capital of Tantalex. Each warrant is exercisable at \$0.10 per common share for a period of 24 months from the date of issuance.

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**5. CONVERTIBLE LOANS RECEIVABLE (CONT'D)**

On November 10, 2020, the Company renegotiated the outstanding Tantalex convertible debentures. The amended convertible debentures will mature on May 10, 2022. A conversion price of the convertible debenture was amended to \$0.05 per a common share. At March 31, 2022, the convertible debenture had a fair value of \$143,104 (September 30, 2021 - \$115,072). An unrealized gain of \$28,032 (2021 - unrealized loss of \$3,438) was recognized during the period ended March 31, 2022. The fair value of the convertible debenture was estimated using a market risk rate and the Black-Scholes model based on the following assumptions: share price of \$0.09 (2021 - \$0.065); risk-free rate of 2.17% (2021 - 0.53%); dividend yield of 0% (2021 - 0%); stock price volatility of 101.15% (2021 - 128.44%) and an expected life to maturity.

**6. LOAN RECEIVABLE**

On August 11, 2021, the Company advanced \$185,000 to General Magnesium Corporation ("GMC"). The loan is due on August 11, 2022 and bears an interest rate of a prime rate of Bank of Canada plus 2%. As at March 31, 2022, the Company had a balance receivable including principal and interest of \$190,233 (September 30, 2021 - \$186,128). The Company accrued interest income of \$4,105 (2021 - \$Nil) during the six month period-ended March 31, 2022.

**7. MINERAL PROPERTIES**

The Company's mineral property interests are comprised of the following properties:

	<b>Blackbird Creek</b>	<b>Foster Marshall Project</b>	<b>Total</b>
Opening balance	\$ -	\$ 1	\$ 1
Impairment of mineral properties	-	-	-
Closing balance	\$ -	\$ 1	\$ 1

During the six month period ended March 31, 2022, the Company did not incur any exploration expenditures.

During the six month period ended March 31, 2021, the Company incurred exploration expenditures as follows:

	<b>Blackbird Creek and Formation North</b>	<b>Ramsay Cobalt</b>	<b>Total</b>
Geological	\$ 20,388	\$ -	\$ 20,388
Total exploration expenditures	\$ 20,388	\$ -	\$ 20,388

**Foster Marshall and Mount Thom Projects**

On April 13, 2018, the Company entered into two option agreements (the "FM Agreements") with Canadian GoldCamps Corp. (formerly Supreme Metals Corp.) to acquire up to an 80% interest in two cobalt projects which are comprised of the Foster Marshall Project and the Mount Thom Project (collectively known as the "FM Projects"). Pursuant to the FM Agreements, the Company will have the option to earn an initial 60% interest in any of the FM Projects by making a total initial payment of \$170,000 (paid in May 2018) and by funding exploration to reach an NI 43-101 compliant resource estimate within 60 months of signing of the FM Agreements. The Company will have the right to earn a further 20% interest and any of the FM Projects by completing a Preliminary Economic Assessment (PEA) within 24 months of completing the initial resource estimate. Each of the FM Projects is subject to a 1.5% NSR in favour of a third party. A finder's fee was paid in connection with this acquisition for 4,000,000 common shares of the Company valued at \$920,000 (issued in April 2018).

**INTERNATIONAL COBALT CORP.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(Unaudited)

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**7. MINERAL PROPERTIES (CONT'D)****Foster Marshall and Mount Thom Projects (cont'd)**

On August 20, 2019, the Company terminated the Mount Thom option agreement and wrote off mineral property costs of \$85,000.

As at September 30, 2020, due to uncertainty of future exploration of the Foster Marshall Project, the Company recorded \$1,004,999 of impairment on mineral properties resulting in capitalized acquisition costs of \$1 for the project.

**Blackbird Creek Property**

On February 27, 2017, the Company entered into an agreement (the "Blackbird Agreement") to acquire a 100% interest in the Blackbird Creek Project located in the Idaho Mineral Belt in Lemhi County, Idaho, USA (the "Blackbird Property") by acquiring all of the issued and outstanding shares of 1107430 B.C. Ltd., which had an ownership of the Property. The claims (the "Lode Claims") were located approximately 70 kilometres Southwest from Salmon, Idaho. Under the terms of the Blackbird Agreement, to earn its 100% interest in the Property, the Company was obligated to pay \$150,000 (paid in October 2017) and issue 30,000,000 common shares (issued) of the Company. DG Resource Management Ltd. ("DRG Resource") shall retain a 2.0% NSR. The Company could have, within 5 years of Exchange approval, acquired 1.0% of the NSR for \$2,500,000. The Company issued 1,200,000 common shares as a finder's fee in connection with this acquisition.

On December 4, 2017, the Company entered into an agreement (the "Second Agreement") to acquire a 100% interest in the Formation North Project and Blackbird South Project located in the Idaho Mineral Belt in Lemhi County, Idaho, USA (the "Formation North and Blackbird South Properties") by acquiring all of the issued and outstanding shares of 1142888 B.C. Ltd., which had an ownership of the Formation North and Blackbird South Properties. Under the terms of the Second Agreement, to earn its 100% interest in the Formation North and Blackbird South Properties, the Company paid \$120,000 (\$60,000 paid in December 2017 and \$60,000 paid in January 2018) and issued 12,000,000 common shares (issued) of the Company. DG Resource retained a 2.0% Net Smelter Return (the "NSR"). The Company could have, within 5 years of Exchange approval, acquired 1.0% of the NSR for \$2,500,000.

As at September 30, 2020, the Company's management determined that the Blackbird Creek, and Formation North Project did not contain economically recoverable reserves, and accordingly wrote off \$4,260,150 in acquisition costs. On March 4, 2021, the Company sold the Blackbird Creek property and received 200,000 shares of Battery Mineral Resources Corp., resulting in a recovery of mineral properties of \$102,000 (Note 4).

**8. LOANS PAYABLE**

On January 17, 2020, the Company entered into a loan agreement in the amount of \$80,000 with a private company in which a director of the Company jointly controls. The loan was due on demand and interest would accrue on the principal amount at the rate of 8% per annum. During the year ended September 30, 2021, the Company repaid the loan payable of \$80,000 plus \$3,893 of accrued interest payable.

On March 5, 2020, the Company entered into a loan agreement in the amount of \$25,000 with a company controlled by a director of the Company. The loan was due on demand and interest would accrue on the principal amount at the rate of 8% per annum. On September 15, 2020, the Company repaid the \$25,000 loan plus \$150 of accrued interest payable. During the year ended September 30, 2021, the Company repaid the accrued interest balance of \$908.

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(Unaudited)

**9. RELATED PARTY TRANSACTIONS**

The remuneration of directors and key management personnel during the six months ended March 31, 2022 and 2021 are as follows:

Relationship to the Company	Type of service provided	March 31, 2022	March 31, 2021
Company controlled by CFO, Director, and Corporate Secretary	Consulting fees	\$ 60,000	\$ 60,000
Company that CFO, Director and Corporate Secretary jointly controls	Accounting and administrative fees	30,472	15,000
Company that CFO, Director and Corporate Secretary jointly controls	Corporate fees	26,945	19,000
Company that CFO, Director and Corporate Secretary jointly controls	Rent	-	3,000
		<u>\$ 117,417</u>	<u>\$ 97,000</u>

As at March 31, 2022, the Company owed \$200,500 (September 30, 2021 - \$140,500) to Beukman & Associates Enterprise Limited, a company controlled by a director of the Company. These amounts are included in accounts payable and accrued liabilities.

All related party transactions are in the normal course of operations and have been measured at the agreed to amount, which is the amount of consideration established and agreed to by the related parties.

**10. SHARE CAPITAL****a) Authorized share capital**

As at March 31, 2022, the authorized share capital of the Company is an unlimited number of common shares without par value.

**b) Issued and outstanding**

On April 30, 2021, the Company consolidated all of its issued and outstanding share capital on the basis of one (1) post-consolidation share for each twelve (12) pre-consolidation common shares. Unless otherwise noted, all figures have been retroactively restated to reflect the share consolidation.

There were no share issuances during the period ended March 31, 2022.

During the period ended March 31, 2021, the Company issued 62,500 common shares on the exercise of options for proceeds of \$12,525 and 495,583 common shares on the exercise of warrants for proceeds of \$99,315.

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(Unaudited)

**10. SHARE CAPITAL (CONT'D)**

## c) Share options

The following table summarizes share option activity during the period ended March 31, 2022, and the year ended September 30, 2021:

	<b>March 31, 2022</b>		<b>September 30, 2021</b>	
	<b>Number of options</b>	<b>Weighted average exercise price of options exercisable</b>	<b>Number of options</b>	<b>Weighted average exercise price of options exercisable</b>
Opening balance	1,437,500	\$2.31490	1,500,000	\$2.22684
Options exercised	-	-	(62,500)	\$0.20040
Options expired	(437,500)	0.20000	-	-
Closing balance	1,000,000	\$3.24000	1,437,500	\$2.31490

At March 31, 2022, share options outstanding are as follows:

<b>Number of options outstanding and exercisable</b>	<b>Exercise price</b>	<b>Expiry date</b>
1,000,000	\$3.24	January 4, 2023
1,000,000		

## d) Warrants

The following table summarizes share purchase warrants activity during the three months ended March 31, 2022, and the year ended September 30, 2021:

	<b>March 31, 2022</b>		<b>September 30, 2021</b>	
	<b>Number of warrants</b>	<b>Weighted average exercise price of warrants</b>	<b>Number of warrants</b>	<b>Weighted average exercise price of warrants</b>
Opening balance	3,038,399	\$ 0.24	1,183,981	\$ 0.24
Warrants granted	-	-	2,350,000	0.25
Warrants exercised	-	-	(495,582)	0.20
Warrants expired	(688,399)	0.20		
Closing balance	2,350,000	\$ 0.25	3,038,399	\$ 0.24

Share purchase warrants outstanding as at March 31, 2022 are as follows:

<b>Number of warrants</b>	<b>Exercise price</b>	<b>Expiry date</b>
2,350,000	0.25	June 8, 2023
2,350,000		

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FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(Unaudited)

**11. FINANCIAL AND CAPITAL RISK MANAGEMENT****Designation and valuation of financial instruments**

The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

As at March 31, 2022, the fair values of cash, amounts receivable, loan receivable and accounts payable and accrued liabilities approximate their carrying value due to the short-term maturity of these instruments. Investment in a public company is carried at level 1 fair value measurement and investment in a private company and convertible loans receivable are carried at level 3 fair value measurement.

The Company enters into financial instruments to finance its operations in the normal course of business. The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at March 31, 2022 as follows:

Cash and cash equivalents	Amortized costs	N/A
Amounts and loan receivable	Amortized costs	N/A
Investments	FVTPL	Level 1 & 3
Convertible loans receivable	FVTPL	Level 3
Accounts payable and accrued liabilities	Amortized costs	N/A

<b>Financial assets measured at fair value per hierarchy</b>	<b>Level 1 &amp; 2</b>	<b>Level 3</b>	<b>Total fair value</b>
Investments	\$ 72,000	\$ 789,748	\$ 861,748
Convertible loans receivable	-	5,723,930	5,723,930
	\$ 72,000	\$ 6,513,677	\$ 6,585,678

The Company did not transfer any financial instruments between Level 1, 2 or 3 during the six months ended March 31, 2022.

*Level 3*

The following table reconciles level 3 fair value measures from September 30, 2021 to March 31, 2022:

	<b>Common shares - Private</b>	<b>Convertible loans receivable</b>	<b>Total</b>
Total fair value at September 30, 2020	\$ 843,026	\$ 4,159,284	\$ 5,002,310
Additions (payments)	-	(300,000)	(300,000)
Unrealized gain (loss)	(37,794)	771,385	733,591
Total fair value at September 30, 2021	805,232	4,630,669	5,435,901
Unrealized gain (loss)	(15,484)	1,093,261	1,077,777
Total fair value at March 31, 2022	\$ 789,748	\$ 5,723,930	\$ 6,513,678

*Significant unobservable inputs*

The key assumptions the Company used in the valuation of level 3 investments included and are not limited to the value of recently completed financing by investees, entity-specific information, and publicly available information of comparable entities.

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(Unaudited)

**11. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)**

The following table summarizes valuation techniques and significant unobservable inputs used for the Company's investment classified in Level 3 of the fair value hierarchy as at March 31, 2022.

	<b>Fair value to March 31, 2022</b>	<b>Valuation technique</b>	<b>Unobservable inputs</b>
Common Shares – private	\$ 789,748	Recent financing	Transaction price
Convertible loans receivable	\$ 5,723,930	Black-Scholes	Volatility

For these Level 3 investments, the inputs used can be highly judgmental. A 25% increase or decrease in the assumptions will result in a corresponding \$197,437 and \$153,515 change in the total fair value of Level 3 investments for common shares in a private company and convertible loans respectively.

The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions. The overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances. The results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Corporation's view of expected future changes in the fair value of these investments.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

*Foreign exchange risk*

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company has foreign exchange risk with respect to its bank account and convertible loans receivable in US Dollars. The Company does not believe it is exposed to significant foreign exchange risk. A 5% fluctuation in the foreign exchange rate between the Canadian and US dollar will result in a foreign exchange gain/loss of approximately \$218,000.

*Credit risk*

The Company does not have any asset-backed commercial paper. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

*Interest rate risk*

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates.

*Liquidity risk*

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.



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FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(Unaudited)

**11. FINANCIAL AND CAPITAL RISK MANAGEMENT (CONT'D)***Capital management*

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and exploration and development of mineral properties. The Board of Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company intends to rely on the equity markets to fund its activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

**12. SEGMENTED INFORMATION**

The Company's operations comprise one reportable segment. The carrying value of the Company's non-current assets on a country-by-country basis is as follows:

	March 31, 2022			September 30, 2021		
	Canada	U.S.	Total	Canada	U.S.	Total
Mineral properties	\$1	\$Nil	\$1	\$1	\$Nil	\$1
Total	\$1	\$Nil	\$1	\$1	\$Nil	\$1

**13. COMMITMENT**

On August 10, 2021, the Company entered into a definitive Business Combination Agreement (the "Agreement") with General Magnesium Corporation ("GMC") and 2857695 Ontario Inc., a wholly-owned subsidiary of the Company. Pursuant to the Agreement, the Company will acquire all of the issued and outstanding shares of GMC in exchange for shares of the Company (the "Transaction"). Completion of the Transaction is subject to a number of conditions, including, but not limited to, receipt of regulatory approval, compliance with applicable securities laws and the receipt of all requisite shareholder approval. There can be no assurances the Transaction will be completed as proposed or at all.

**14. CONTINGENCY**

Arizona Lithium Company Ltd. ("AZ Lithium") commenced suit against Battery Mineral Resources (United States), Inc. ("Battery Minerals") in Lemhi County, Idaho on July 17, 2017. Battery Minerals removed the action to the United States District Court for the District of Idaho on August 28, 2017. On June 11, 2018, the parties stipulated that AZ Lithium's transferee in interest, Idaho Metals Corp., and Idaho Metals Corp.'s parent company, the Company would be joined in the action. The parties also stipulated to amend Battery Mineral's name to reflect the corporate name change to North American Cobalt Inc. ("NAC"). The Company's causes of action involved the validity of certain mining claims in the Blackbird Creek Property located at Lemhi County, Idaho. In August, 2020, the Company settled the lawsuit with the plaintiff by transferring the deed to the plaintiff. Battery Mineral Resources Corp. issued 200,000 restricted common shares of Battery Mineral Resources Corp. on March 4, 2021 for the sale of the mining claims in the Blackbird Creek Property (Notes 4 and 7).

**INTERNATIONAL COBALT CORP.**

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

FOR THE SIX MONTHS ENDED MARCH 31, 2022 AND 2021

(Unaudited)

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**15. SUBSEQUENT EVENT**

On May 10, 2022, the Company extended the maturity day of the Tantalex convertible debentures by 90 days.

## **APPENDIX B**

INTERNATIONAL COBALT CORP.

Management's Discussion & Analysis  
for the six-month period ended **March 31, 2022.**



INTERNATIONAL COBALT  
CORPORATION

## **INTERNATIONAL COBALT CORP.**

Management's Discussion & Analysis  
For the six months ended March 31, 2022 and 2021

**INTERNATIONAL COBALT CORP.**  
**Management's Discussion & Analysis**  
**For the six months ended March 31, 2022 and 2021**

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Date: May 24, 2022

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the six months ended March 31, 2022 and 2021, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All financial amounts are stated in Canadian currency unless stated otherwise.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of the Company. There are many risks and uncertainties attached to the mineral exploration business. Given these risks and uncertainties, the reader should not place undue reliance on these forward-looking statements (See "Risks and Uncertainties" in this MD&A for more information).

**Forward-looking statements**

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This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans and our other future plans and objectives are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of share-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date statements are made, and the Company endeavors to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks.

Forward looking statements and other information contained herein concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

**Overall Performance and Description of Business**

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1018521 B.C. LTD. was incorporated under the Business Corporations Act (British Columbia) on November 7, 2014 and changed its name to Brakpan Ventures Corp. on July 3, 2015 and changed its name to International Cobalt Corp. on March 29, 2017 (the "Company" or "ICC").

The Company's head office and principal address is Suite 810 – 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

The Company is a reporting issuer in British Columbia, Alberta and Ontario. On March 29, 2017, the Company's trading symbol changed to "CO" on the Canadian Securities Exchange.

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**Overall Performance and Description of Business (continued)**

The Company is an exploration stage company and is in the process of exploring its mineral property and has not yet determined whether its property contains ore reserves that are economically recoverable. The recovery of the amounts on the mineral property is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

On April 30, 2021, the Company consolidated its common shares on the basis of one (1) post-Consolidation Share for every twelve (12) pre-Consolidation Shares.

On August 12, 2021, trading of the Company's shares was halted as a result of the proposed Business Combination with General Magnesium Corporation.

*Business Combination with General Magnesium Corporation and Proposed Private Placement*

On August 10, 2021, the Company entered into a definitive business combination agreement (the "Agreement") with General Magnesium Corporation ("GMC") and 2857695 Ontario Inc. ("Subco"), a newly incorporated, wholly-owned subsidiary of International Cobalt. Pursuant to the Agreement, International Cobalt will acquire all of the issued and outstanding shares of GMC in exchange for shares of International Cobalt (the "Transaction"). The Transaction will constitute a reverse takeover of International Cobalt by GMC and will be a "fundamental change" of International Cobalt pursuant to the policies of the Canadian Securities Exchange ("CSE"), requiring approval from the CSE. Approval of the shareholders of International Cobalt and GMC will also be required.

Pursuant to the Agreement, the Transaction will be structured as a three-cornered amalgamation, with GMC amalgamating with Subco under the Business Corporations Act (Ontario) and becoming a wholly-owned subsidiary of International Cobalt. Shareholders of GMC will receive 1,417,444 common shares in the capital of International Cobalt in exchange for each outstanding common share of GMC held by them, with International Cobalt expected to issue an aggregate of approximately 104,811,352 common shares of International Cobalt to the shareholders of GMC under the Transaction.

*About General Magnesium Corporation*

GMC is a private company incorporated in Ontario, Canada, whose principal asset is the 100% owned Whitney (Talc-Magnesite) property, located in Whitney Township, situated approximately 3 km south of the town of Porcupine and 12 km southeast of the city of Timmins, Ontario. The property covers a total of 161.27 hectares (398.50 acres) that are contained in 4 mining leases that include surface rights. Further technical information on the Whitney Talc-Magnesite project can be found below.

*About the Combined Company*

Upon completion of the Transaction, the resulting company (the "Combined Company") will continue to carry on the business of GMC and the development of the Whitney Talc-Magnesite project. The board and management of International Cobalt will be reconstituted on close of the Transaction and is expected to be comprised of the following:

Tom Griffis, Chairman – Mr. Griffis is the founder of Griffis Capital, a private investment and corporate management firm based in Toronto, Canada and Takoradi, Ghana. Griffis Capital has focused the majority of its activities on natural resource, technology and healthcare companies requiring early to mid-stage financing. The focus of past activities has been in resource-based assets located in Ghana, Argentina, Kazakhstan, USA and Canada and technology and healthcare companies with a primarily North America focus. Mr. Griffis has founded and served on the Board of Directors of several private and publicly traded companies in the resource, technology and healthcare sectors. Previously, Mr. Griffis was a pilot in the Canadian Armed Forces. During his 20 years of service he held several positions of command including as pilot and commander of the Canadian national aerobatic team the Snowbirds. Tom has been actively involved in the growth and development of GMC since 2008.

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**Overall Performance and Description of Business (continued)**

*Business Combination with General Magnesium Corporation and Proposed Private Placement (continued)*

Michael Nikiforuk, President, Chief Executive Officer and Director - Mr. Nikiforuk has focused the past twenty years of his business career on natural resource opportunities. Michael has played a direct role in the raising of approximately \$100M in exploration and development capital. His corporate responsibilities include Executive Leadership, Finance, Acquisition(s) and Divestment(s), Exploration and Development, Government Relations and Corporate Social Responsibility. Mr. Nikiforuk was the Founder and past President of African Gold Group, Inc. Prior to engaging in the formation of companies focused on the exploration and development of natural resource opportunities, Mr. Nikiforuk was a partner / shareholder of a financial advisory firm that was purchased by the Canadian subsidiary of HSBC. Michael has been actively involved in the growth and development of GMC since July, 2019. Winfield Ding, CPA, CA, MBA - Chief Financial Officer - Mr. Ding is a seasoned senior finance executive with over fifteen years of finance and operations experience and has held CFO, board director and audit committee chair positions at several public and privately held companies in the education, technology, energy & mining industries. Mr. Ding began his career as an Audit Manager with McGovern Hurley Cunningham LLP. At McGovern, Mr. Ding worked in their audit and assurances practice across a wide range of industries.

Eugene Beukman, Director – Mr. Beukman is the corporate counsel of Partum Advisory Services Corp. He graduated from the Rand University of Johannesburg, South Africa, with a bachelor of law degree and a bachelor of law honours postgraduate degree in 1987. After practising as a lawyer, Mr. Beukman was employed as a legal adviser to the BHP Billiton group companies, a leading global resources company and a producer of major commodities, including iron ore, metallurgical coal, copper and uranium, with substantial interests in conventional and unconventional oil and gas and energy coal. He also has over 30 years of experience in the acquisition of assets and joint ventures, and serves as chief executive officer and director of a number of TSX Venture Exchange and CSE listed companies.

Ryan Quesnel, Director – Mr. Quesnel is an experienced project manager with an accomplished history delivering heavy civil, infrastructure and mining projects throughout North and South America. With a formal education in Civil Engineering Technology, Project and Business Management, Mr. Quesnel has been actively involved with GMC since 2008 at varying full and part time capacities. This includes managing and/or supporting the project through financing, permitting, exploration, advanced exploration, metallurgical work, off-take agreement negotiations, concentrator engineering and coordination with public, private and First Nations stakeholders.

Maciej Lis, Director – Mr. Lis holds an Honors Degree in Economics from the University of Toronto. Mr. Lis currently holds interests in various predominately sales, distribution and logistics companies which he helped build over the preceding decade. Mr. Lis has also previously acted in a number of business development and investor communication roles for both public and private small-cap and mid-cap natural resource sector companies operating globally. Mr. Lis is an active patron of the arts and theatre, to which he contributes not only financial support but also resources, skills and time in North America and Europe.

On completion of the Transaction, it is anticipated that former shareholders of GMC will hold approximately 85% of the Combined Company and shareholders of International Cobalt will hold approximately 15% of the Combined Company.

**Proposed Private Placement**

In connection with the Transaction, GMC will undertake the completion of a private placement for up to \$4,000,000 in gross proceeds, on a best-efforts basis, through the issuance of securities of GMC, a portion of which may be issued on a “flow-through” basis pursuant to subsection 66(15) of the Income Tax Act (Canada). The proceeds of the private placement will be held in escrow and released to the Combined Company on close of the Transaction.

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**Overall Performance and Description of Business (continued)**

*Business Combination with General Magnesium Corporation and Proposed Private Placement (continued)*

The proceeds of the private placement will be used to fund the development of the Whitney Talc-Magnesite project and for general working capital purposes.

**Whitney Talc-Magnesite Project Details**

The Whitney Talc-Magnesite project is situated within the Timmins mining camp and is in close proximity to critical infrastructure including: an active haul road, rail, hydro and natural gas lines. In addition, there are existing milling / concentrator facilities in close proximity to the project.

Timmins is most famous for its gold endowment, however, it is also the "Talc Capital of Canada," hosting the Penhorwood Talc mine, a former Rio Tinto asset, that has been in production since the 1970's. The Penhorwood Talc mine represented the "Jewel in the Crown" of Imerys S. A. ("Imery") \$340 million acquisition of Rio Tinto's global Talc assets, in 2011. In February, 2021, the newly formed Magris Talc Canada, Inc. acquired Imerys North American Talc assets for US\$223 million, which included the Penhorwood Talc mine.

The Whitney Talc-Magnesite project has been the subject of extensive historical work that has resulted in the definition of a bulk tonnage Talc-Magnesite deposit with the potential to produce two (2) distinct, high-value, industrial minerals: Talc and Magnesite. Historical bulk sampling and metallurgical testing of the Talc component of the mineralized deposit has generated high-quality Talc with good potential for various industrial applications. GMC's immediate objective is to commence with a Definitive Feasibility Study focused on the "Phase One" Talc component of the Whitney Talc-Magnesite project. As part of this process, the Company intends to immediately deliver a fresh composite sample to SGS Lakefield Mineral Services to produce 10 Kg of Talc Filter Cake for evaluation by a 3rd party. The purification of the Talc fraction of the sample will generate Magnesite rich (Talc) tailings. The Company will simultaneously pursue metallurgical test work on the (Talc) tailings to determine the mineralogy and chemistry of the tailings with the objective of identifying potential processing options to extract the high value Magnesite.

To date, GMC has expended approximately \$12,000,000 in development capital at the Whitney project that resulted in a (2012) resources estimate, for the South Zone (the core zone of the Whitney project). Although carried out with professional rigor this 2012 resource was not publicly released and is not NI43-101 compliant and should be considered historical in nature. It reported Measured and Indicated resources totaling 54,076,357 tonnes at 34.44% magnesite and 47.40% talc, and Inferred resources of 43,000,000 tonnes at 34% magnesite and 47% talc.

**Conditions To Closing Transaction**

International Cobalt and GMC will conduct meetings of their shareholders for purposes of obtaining shareholder approval of the Transaction and related matters. Further details about the Transaction and the Combined Company will be provided in the information circulars and a listing statement of International Cobalt to be prepared and filed in respect of the Transaction. Investors are cautioned that, except as disclosed in the information circulars or listing statement, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon.

Completion of the Transaction is subject to a number of conditions, including, but not limited to, receipt of regulatory approval, compliance with applicable securities laws, the receipt of all requisite shareholder approvals and completion of the private placement. Trading in the common shares of International Cobalt will remain halted pending review of the Transaction by the CSE. There can be no assurance that trading in the common shares will resume prior to completion of the Transaction.



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**Overall Performance and Description of Business (continued)**

*Business Combination with General Magnesium Corporation and Proposed Private Placement (continued)*

All scientific and technical information was reviewed and approved by Joseph Campbell, P.Geo. who is an independent Qualified Person for the technical disclosure as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects.

*Loan receivable from General Magnesium Corporation*

On August 11, 2021, the Company advanced \$185,000 to General Magnesium Corporation ("GMC"). The loan is due on August 11, 2022 and bears an interest rate of a prime rate of Bank of Canada plus 2%. As at March 31, 2022, the Company had a balance receivable including principal and interest of \$190,233 (September 30, 2021 - \$186,128). The Company accrued interest income of \$4,105 (2021 - \$Nil) during the six month period-ended March 31, 2022.

*Laurentian Bank Securities engaged as Financial Advisor*

On October 13, 2021, the Company and General Magnesium Corporation announced that Laurentian Bank Securities Inc. ("Laurentian") has been engaged as Financial Advisor.

Laurentian has been engaged to advise the Companies on the execution of a private placement of up to \$4,000,000 in gross proceeds, through the issuance of securities of GMC, a portion of which may be issued on a "Flow-Through" basis pursuant to subsection 66(15) of the Income Tax Act (Canada). The proceeds of the private placement will be held in escrow and released to the Combined Company on close of the Transaction. The proceeds of the private placement will be used to fund the development of the Whitney Talc-Magnesite project and for general working capital purposes.

*Update on proposed Business Combination with General Magnesium Corporation*

On December 13, 2021, the Company announced that it is advancing its due diligence investigations and anticipates that it will be in a position to file materials with the CSE and to call a special meeting to obtain shareholder approval of the transaction in early 2022.

*COVID-19 Pandemic*

In March 2020, the World Health Organization declared, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", a pandemic. This has resulted in governments worldwide enacting emergency measures to limit the spread of the virus, including closure of non-essential businesses. As of the date of this MD&A, the majority of the Company's operations are considered essential in all jurisdictions in which the Company operates. As such, to date the Company has been able to continue operating with no material impact to operations.

There have been no material revisions to the nature and number of estimates and judgments made in respect of the Company's financial statements of prior periods. However, the effects of COVID-19 have required significant judgements and estimates to be made in the preparation of the Company's financial statements.

Additionally, the effects of COVID-19 may require revisions to estimates of expected credit losses attributed to amounts receivable and convertible loans receivable. To date no revisions to managements' estimates and judgements used in the preparation of the Company's financial statements have been necessary.

Due to rapid developments and uncertainty surrounding COVID-19 or the possible ending of COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's operations or financial results in the future, its suppliers, and its customers. Additionally, it is possible the Company's operations and consolidated financial results will change in the near term as a result of COVID-19 or the ending of COVID-19.

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**Overall Performance and Description of Business (continued)**

**Convertible loans receivable**

On August 20, 2018, the Company purchased unsecured convertible debentures units of Tantalex Resources Corporation ("Tantalex") in the principal amount of \$1,764,855 (US\$1,350,000) bearing interest of 12% per annum and was due on August 20, 2019. The principal amounts are convertible at the option of the Company into common shares of Tantalex, and each common share being issued at a price per common share being equal to the current trading price of the common shares on the Canadian Securities Exchange on the maturity date or on the early conversion date to which shall be applied a 25% discount (collectively referred to as the "Conversion Price"). Principal amount of the Debenture is subject to a warrant coverage of up to 50% of the principal amount of the Debenture and the holder of the Debenture will be entitled to receive up to 50% of the Principal Amount of the Debenture issued in warrants in the share capital of Tantalex (the "Warrants"), each Warrant entitling its holder to acquire one common share in the share capital of Tantalex at a price of \$0.13 per common share for a period of 12 months from the date of issuance. On July 28, 2020, the Company renegotiated the outstanding Tantalex convertible debentures. The amended convertible debentures would mature on July 28, 2021. The principal amount bears interest at 12% per annum, payable on the maturity date and a conversion price of the convertible debenture was amended to \$0.05 per a common share. On November 10, 2020, the Company renegotiated the outstanding Tantalex convertible debentures. The amended convertible debentures will mature on May 10, 2022. A conversion Price was amended that \$0.03 per a common share on the first \$300,000 CAD and \$0.05 per a common share on the balance due of the Convertible Debenture. At March 31, 2022, the convertible debenture had a fair value of \$2,909,018 (September 30, 2021 - \$2,365,703). An unrealized gain of \$543,315 (2021 - \$477,586) was recognized at March 31, 2022. The fair value of the convertible debenture was estimated using a market risk rate and the Black-Scholes model based on the following assumptions: share price of \$0.09 (2021 - \$0.065); risk-free rate of 2.17% (2021 - 0.53%); dividend yield of 0% (2021 - 0%); stock price volatility of 101.15% (2021 - 128.44%) and an expected life to maturity.

On November 9, 2018, the Company purchased additional unsecured convertible debentures of Tantalex in the principal amount of \$1,000,000 bearing interest of 12% per annum and was due on November 1, 2019. The principal amounts are convertible at the option of the Company into common shares of Tantalex, and each common share being issued at a price per common share being equal to the current trading price of the common shares on the Canadian Securities Exchange on the maturity date or on the early conversion date to which shall be applied a 25% discount (collectively referred to as the "Conversion Price"). Principal amount of the Debenture is subject to a warrant coverage of up to 50% of the principal amount of the Debenture and the holder of the Debenture will be entitled to receive up to 50% of the Principal Amount of the Debenture issued in warrants in the share capital of Tantalex (the "Warrants"), each Warrant entitling its holder to acquire one common share in the share capital of Tantalex at a price of \$0.10 per common share for a period of 24 months from the date of issuance. On July 28, 2020, the Company renegotiated the outstanding Tantalex convertible debentures. The amended convertible debentures would mature on July 28, 2021. The principal amount bears interest at 12% per annum, payable on the maturity date and a conversion price of the convertible debenture was amended to \$0.05 per a common share. On November 10, 2020, the Company renegotiated the outstanding Tantalex convertible debentures. The amended convertible debentures will mature on May 10, 2022. A conversion Price was amended that \$0.03 per a common Share on the first \$300,000 CAD and \$0.05 per a common share on the balance due of the Convertible Debenture.

In November 2020, the Company entered into an Agreement of Debt where the assignee paid \$100,000 to acquire \$300,000 of the convertible debenture due from Tantalex Resources Corp. At March 31, 2022, the convertible debenture had a fair value of \$1,330,638 (September 30, 2021 - \$1,050,299). An unrealized gain of \$280,339 (2021 - \$333,308) was recognized during the period ended March 31, 2022. The fair value of the convertible debenture was estimated using a market risk rate and the Black-Scholes model based on the following assumptions: share price of \$0.09 (2021 - \$0.065); risk-free rate of 2.17% (2021 - 0.53%); dividend yield of 0% (2021 - 0%); stock price volatility of 101.15% (2021 - 128.44%) and an expected life to maturity.

On April 24, 2019, the Company advanced \$673,750 (USD \$500,000) by way of a loan to Tantalex. The loan was due on April 24, 2020 and bears no interest rate.

On June 5, 2019, the Company advanced \$335,025 (USD \$250,000) by way of a loan to Tantalex. The loan was due on June 5, 2020 and bears no interest rate.

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**Overall Performance and Description of Business (continued)**

**Convertible loans receivable (continued)**

On July 28, 2020, the Company renegotiated the April 24, 2019 (USD\$500,000) and June 5, 2019 (USD\$250,000) unsecured loans issued to Tantalex. These unsecured loans were converted into USD\$750,000 unsecured convertible debentures effective July 28, 2020. These convertible debentures bear interest at 12% per annum and would expire on July 28, 2021. The principal amounts are convertible at the option of the Company into common shares of Tantalex, and each common share being issued at a price per common share being equal to the current trading price of the common shares on the Canadian Securities Exchange on the maturity date or on the early conversion date to which shall be applied a 25% discount (collectively referred to as the "Conversion Price"). The principal amount of the convertible debentures is subject to a warrant coverage of up to 50% of the principal amount and the holder will be entitled to receive up to 50% of the principal amount of the convertible debenture issued in warrants in the share capital of Tantalex. Each warrant is exercisable at \$0.10 per common share for a period of 24 months from the date of issuance. On November 10, 2020, the Company renegotiated the outstanding Tantalex convertible debentures. The amended convertible debentures will mature on May 10, 2022. A conversion price of the convertible debenture was amended to \$0.05 per a common share. At March 31, 2022, the convertible debenture had a fair value of \$1,341,170 (September 30, 2021 - \$1,099,595). An unrealized gain of \$241,575 (2021 - unrealized loss of \$100,916) was recognized during the period ended March 31, 2022. The fair value of the convertible debenture was estimated using a market risk rate and the Black-Scholes model based on the following assumptions: share price of \$0.09 (2021 - \$0.065); risk-free rate of 2.17% (2021 - 0.53%); dividend yield of 0% (2021 - 0%); stock price volatility of 101.15% (2021 - 128.44%) and an expected life to maturity.

On October 8, 2019, the Company advanced \$100,000 by way of a loan to Tantalex. The loan was due on October 8, 2020 and bears no interest rate. The loan receivable is measured initially and subsequently at fair value, with any changes in the fair value of the loan being recorded in the unaudited condensed interim consolidated financial statements as unrealized gain or loss on loan receivable. On July 28, 2020, the Company renegotiated the October 8, 2019 (\$100,000) unsecured loans issued to Tantalex. This unsecured loan was converted into \$100,000 unsecured convertible debentures effective July 28, 2020. These convertible debentures bear interest at 12% per annum and would expire on July 28, 2021. The principal amounts are convertible at the option of the Company into common shares of Tantalex, and each common share being issued at a price per common share being equal to the current trading price of the common shares on the Canadian Securities Exchange on the maturity date or on the early conversion date to which shall be applied a 25% discount (collectively referred to as the "Conversion Price"). The principal amount of the convertible debentures is subject to a warrant coverage of up to 50% of the principal amount and the holder will be entitled to receive up to 50% of the principal amount of the convertible debenture issued in warrants in the share capital of Tantalex. Each warrant is exercisable at \$0.10 per common share for a period of 24 months from the date of issuance.

On November 10, 2020, the Company renegotiated the outstanding Tantalex convertible debentures. The amended convertible debentures will mature on May 10, 2022. A conversion price of the convertible debenture was amended to \$0.05 per a common share. At March 31, 2022, the convertible debenture had a fair value of \$143,104 (September 30, 2021 - \$115,072). An unrealized gain of \$28,032 (2021 - unrealized loss of \$3,438) was recognized during the period ended March 31, 2022. The fair value of the convertible debenture was estimated using a market risk rate and the Black-Scholes model based on the following assumptions: share price of \$0.09 (2021 - \$0.065); risk-free rate of 2.17% (2021 - 0.53%); dividend yield of 0% (2021 - 0%); stock price volatility of 101.15% (2021 - 128.44%) and an expected life to maturity.

During the six months ended March 31, 2022, the Company recorded a \$1,093,261 (2021 - \$706,540) unrealized gain on convertible loans receivable. The unrealized gain was attributed to measuring the asset at its fair value.

On May 10, 2022, the Company extended the maturity date of the Tantalex convertible debentures by 90 days.

**INTERNATIONAL COBALT CORP.**  
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**Results of Operations – For the six months ended March 31, 2022**

For the six months ended March 31, 2022, the Company recognized a net income (loss) and comprehensive income (loss) of \$893,150 compared to \$258,718 during the six months ended March 31, 2021. The income and expenditures were primarily comprised of the following:

- Unrealized (loss) gain on convertible loans receivable of \$1,093,261 (2021 – \$706,540) was attributed to measuring the asset at its fair value.
- Consulting fees of \$70,000 (2021 - \$85,000) decreased by \$15,000 in 2022. Consulting fees were primarily comprised of \$60,000 (2021 - \$60,000) of services rendered by the Company's CFO, Director, and Corporate Secretary. The remaining \$10,000 (2021 - \$25,000) was incurred in relation to due diligence and advisory services provided by consultants.
- Accounting fees of \$35,800 (2021 - \$34,458) decreased \$1,342 in 2022. During the comparative period the Company recorded an adjustment that reduced accounting fees by \$3,000.
- Unrealized loss on investments of \$45,484 (2021 – \$48,284) was recorded in 2022. The fair value of 158,000 Brazil Potash Corp common shares was adjusted to \$789,748 (September 30, 2021 - \$805,232), resulting in an unrealized loss on investment of \$15,484 (2021 - \$48,284). An additional unrealized loss of \$30,000 (2021 - \$Nil) resulted from a fair value adjustment to \$72,000 (September 30, 2021 - \$102,000) on 200,000 common shares of Battery Mineral Resources.
- Corporate fees of \$26,945 (2021 - \$19,000) increased \$7,945 in 2022 as a result of paralegal services related to the proposed Business Combination with General Magnesium Corporation.
- Office facilities and administrative services of \$20,489 (2021 - \$22,945) decreased by \$2,456 as a result of cost-cutting measures.
- Interest income of \$4,105 (2021 - \$Nil) was accrued on the \$185,000 loan receivable to General Magnesium Corporation during 2022.

**Results of Operations – For the three months ended March 31, 2022**

For the three months ended March 31, 2022 ("Q2-2022"), the Company recognized a net income (loss) and comprehensive income (loss) of \$(921,953) compared to \$784,285 during the three months ended March 31, 2021 ("Q2-2021"). The income and expenditures were primarily comprised of the following:

- Unrealized (loss) gain on convertible loans receivable of \$(819,642) (Q2-2021 – \$914,971) was attributed to measuring the asset at its fair value.
- Consulting fees of \$30,000 (Q2-2021 - \$35,000) decreased by \$5,000 in Q2-2022. Consulting fees were primarily comprised of \$30,000 (Q2-2021 - \$30,000) of services rendered by the Company's CFO, Director, and Corporate Secretary. The remaining \$Nil (Q2-2021 - \$5,000) was incurred in relation to due diligence and advisory services provided by consultants.
- Accounting fees of \$24,550 (Q2-2021 - \$28,458) decreased \$3,908 in Q2-2022 mainly relate to decrease in corporate tax filing fees.
- Unrealized loss on investments of \$22,502 (Q2-2021 – \$9,992) was recorded in Q2-2022. The fair value of 158,000 Brazil Potash Corp common shares was adjusted to \$789,748 (September 30, 2021 - \$805,232), resulting in an unrealized loss on investment of \$15,484 (Q2-2021 - \$48,284). An additional unrealized loss of \$30,000 (Q2-2021 - \$Nil) resulted from a fair value adjustment to \$72,000 (September 30, 2021 - \$102,000) on 200,000 common shares of Battery Mineral Resources.
- Corporate fees of \$14,445 (Q2-2021 - \$9,000) increased \$5,445 in Q2-2022 as a result of paralegal services related to the proposed Business Combination with General Magnesium Corporation.
- Office facilities and administrative services of \$10,045 (Q2-2021 - \$8,992) increased by \$1,053, which is insignificant change. The increase is partially related to inflation of fees.
- Interest income of \$2,030 (Q2-2021 - \$Nil) was accrued on the \$185,000 loan receivable to General Magnesium Corporation during Q2-2022.

Risk to the Company's business is not solely dependent on Tantalex repaying the convertible loans receivable. The Company intends to evaluate exploration results from Tantalex's project in order to make a decision on whether or not to convert the convertible loans into common shares of Tantalex.

**INTERNATIONAL COBALT CORP.**  
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The Company's management is currently focused on completing the proposed Business Combination with General Magnesium Corporation.

**Summary of Quarterly Results:**

<b>Fiscal 2022/21 Quarterly Results:</b>	<b>2<sup>nd</sup> Quarter</b>	<b>1<sup>st</sup> Quarter</b>	<b>4<sup>th</sup> Quarter</b>	<b>3<sup>rd</sup> Quarter</b>
Revenue	\$ -	\$ -	\$ -	\$ -
Income (loss) and comprehensive income (loss)	(921,953)	1,815,103	(409,645)	435,135
Basic and diluted income (loss) per share	(0.05)	0.10	(0.03)	0.03
Total assets	6,824,469	7,706,736	5,889,443	6,310,124
Working capital	6,576,397	7,498,350	5,683,247	6,092,592
<b>Fiscal 2021/20 Quarterly Results:</b>	<b>2<sup>nd</sup> Quarter</b>	<b>1<sup>st</sup> Quarter</b>	<b>4<sup>th</sup> Quarter</b>	<b>3<sup>rd</sup> Quarter</b>
Revenue	\$ -	\$ -	\$ -	\$ -
Income (loss) and comprehensive income (loss)	784,285	(525,567)	(4,481,018)	1,032,914
Basic and diluted income (loss) per share	0.02	(0.00)	(0.39)	0.07
Total assets	5,527,969	4,612,675	5,265,753	9,885,438
Working capital	5,281,757	4,385,632	4,911,199	4,243,543

\* No exercise or conversion is assumed during the quarters in which a net loss is incurred, as the effect is anti-dilutive.

The Company recognized the most significant loss and comprehensive loss during the 4<sup>th</sup> quarter ended September 30, 2020 ("Q4-2020"). The \$4,481,018 loss was mainly attributed to the \$5,265,149 impairment of mineral properties which was primarily offset with a \$912,088 unrealized gain on convertible loans receivable. Management decided that future exploration of the Foster Marshall and Mount Thom Projects were uncertain, and accordingly recorded \$1,004,999 of impairment expense. An additional \$4,260,150 of acquisition costs were written off when management decided that the Blackbird Creek, and Formation North Projects did not contain economically recoverable reserves.

During 2022 the Company reported a \$893,150 net income and comprehensive income that was primarily attributed to the \$1,093,261 unrealized gain on convertible loans receivable. The unrealized gain was attributed to measuring the convertible loans receivable at their fair value.

As at March 31, 2022, the convertible loans receivable due from Tantalex Resources Corp. have a fair value of \$5,723,930 (September 30, 2021 - \$4,630,669). The Company's cash position improved on June 8, 2021, as a result of completing a 2,350,000 unit non-brokered private placement for gross proceeds of \$376,000. The Company's management hopes to make an informed decision on whether or not to convert the loans into Tantalex common shares soon, after they analyze exploration results for Tantalex's mineral project in the Congo.

**Project Summaries and Activities**

**CANADA**

***Foster Marshall Project***

On April 13, 2018, the Company entered into two option agreements (the "FM Agreements") with Canadian GoldCamps Corp. (formerly Supreme Metals Corp.) to acquire up to an 80% interest in two cobalt projects which were comprised of the Foster Marshall Project and the Mount Thom Project (collectively known as the "FM Projects"). Pursuant to the FM Agreements, the Company will have the option to earn an initial 60% interest in any of the FM Projects by making a total initial payment of \$170,000 (paid in May 2018) and by funding exploration to reach an NI 43-101 compliant resource estimate within 60 months of signing of the FM Agreements. The Company will have the right to earn a further 20% interest in any of the FM Projects by completing a Preliminary Economic Assessment (PEA) within 24 months of completing the initial resource estimate. Each of the FM Projects is subject to a 1.5% NSR in favour of a third party. A finder's fee was paid in connection with this acquisition for 4,000,000 common shares of the Company valued at \$920,000 (issued in April 2018).

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***Foster Marshall Project (continued)***

On August 20, 2019, the Company terminated the Mount Thom option agreement and wrote off mineral property costs of \$85,000.

On September 30, 2020, due to uncertainty of future exploration of the Foster Marshall Project, the Company recorded \$1,004,999 of impairment on mineral properties resulting in capitalized acquisition costs of \$1 for the project.

**New Opportunities**

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The Company continues to evaluate mineral properties and is focused on deposits in Canada and the United States. Properties with economic merit and good logistics will be considered for acquisition. See Business Combination with General Magnesium Corporation in Overall Performance and Description of Business section.

**Outstanding Share Data**

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The Company has an authorized share capital of an unlimited number of common shares without par value, of which 18,496,121 shares were issued and outstanding as at the date of this MD&A.

The Company currently has total of 2,350,000 common share purchase warrants outstanding, which are exercisable at \$0.25 per share until June 8, 2023.

The Company currently has a total of 1,000,000 share options outstanding, which are exercisable at \$3.24 per share until January 24, 2023.

**Related Party Transactions**

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The remuneration of directors and key management personnel during the six months ended March 31, 2022 and 2021 are as follows:

<b>Name of related party</b>	<b>Relationship to International Cobalt</b>	<b>Type of service provided</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Beukman & Associates Enterprise Limited	Eugene Beukman (CFO, Director, and Corporate Secretary) controls Beukman & Associates Enterprise Limited	Consulting fees	\$ 60,000	\$ 60,000
Partum Advisory Services Corp.	Eugene Beukman (CFO, Director and Corporate Secretary) jointly controls Partum Advisory Services Corp.	Accounting and, and administrative fees	\$ 30,472	\$ 15,000
Partum Advisory Services Corp.	Eugene Beukman (CFO, Director and Corporate Secretary) jointly controls Partum Advisory Services Corp.	Corporate fees	\$ 26,945	\$ 19,000
Partum Advisory Services Corp.	Eugene Beukman (CFO, Director and Corporate Secretary) jointly controls Partum Advisory Services Corp.	Rent	\$ -	\$ 3,000
			<b>\$ 117,417</b>	<b>\$ 97,000</b>

As at March 31, 2022, the Company owed \$200,500 (September 30, 2021 - \$140,500) to Beukman & Associates Enterprise Limited, a company controlled by a director of the Company. These amounts are included in accounts payable and accrued liabilities.

All related party transactions are in the normal course of operations and have been measured at the agreed to amount, which is the amount of consideration established and agreed to by the related parties.

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**Liquidity and Solvency**

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The following table summarizes the Company's cash on hand, working capital and cash flow:

<b>As at</b>	<b>March 31, 2022</b>	<b>September 30, 2021</b>
Cash and cash equivalents	\$ 37,000	\$ 147,044
Working capital	6,576,397	5,683,247
<b>Quarter Ended</b>	<b>March 31, 2022</b>	<b>September 30, 2021</b>
Cash used in operating activities	\$ (110,044)	\$ (424,670)
Cash used in investing activities	-	(85,000)
Cash provided by financing activities	-	402,426
Change in cash	\$ (110,044)	\$ (107,244)

As at March 31, 2022, the Company had cash and cash equivalents of \$37,000 (September 30, 2021 - \$147,044) and current liabilities of \$248,071 (September 30, 2021 - \$206,195). The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The Company hopes to raise additional funds through a future equity private placement and possibly collect the amounts due from Tantalex if management decides not to convert the convertible loans receivable into common shares of Tantalex. The Company may also consider attempting to find debt financing if available under favorable terms. In the event that the Company is unsuccessful in obtaining financing it may request extensions on payment obligations. There is no assurance that the Company will be successful in its plans to raise additional funds.

In addition, the COVID-19 pandemic casts many economic uncertainties on the Company's operations and the resource sector in general. Management continues to closely monitor the economic impact the pandemic has created on the Company and the resource sector. Specifically, the ability to obtain favorable financing has become more challenging for the Company as a result of the pandemic.

There were no share issuances during the six month ended March 31, 2022.

During the period ended March 31, 2021, the Company issued 62,500 common shares on the exercise of options for proceeds of \$12,525 and 495,583 common shares on the exercise of warrants for proceeds of \$99,315.

**Capital Resources**

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The Company has no operations that generate cash flow and its long-term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable. The Company's primary capital assets are its convertible loans receivable due from Tantalex, 158,000 common shares of Brazil Potash Corp, and 200,000 common shares of Battery Mineral Resources. Exploration expenditures are expensed as incurred.

The Company's resource property agreements are primarily option agreements and the exercise thereof are at the discretion of the Company. To earn its interest in the properties, the Company must incur certain expenditures in accordance with the agreements (see "Project Summaries and Activities" in this MD&A for more information).

The Company depends on equity sales to finance its exploration programs and to cover administrative expenses.

**Off-Balance Sheet Arrangements**

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The Company does not utilize off-balance sheet transactions.

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**Proposed Transactions**

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Please refer to Business Combination with General Magnesium Corporation in the Overall Performance and Description of Business section of this MD & A.

**Accounting Policies**

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The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgements or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing consolidated financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the year. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

*Critical Accounting Estimates*

The Company prepares its unaudited condensed interim consolidated financial statements in accordance with IFRS, which require management to estimate various matters that are inherently uncertain as of the date of the unaudited condensed interim consolidated financial statements. Accounting estimates are deemed critical when a different estimate could have reasonably been used or where changes in the estimate are reasonably likely to occur from period to period, and would materially impact the Company's unaudited condensed interim consolidated financial statements. The Company's significant accounting policies are fully disclosed in the audited consolidated financial statements for the year ended September 30, 2021.

**Financial Instruments**

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**Designation and Valuation of Financial Instruments**

The three levels of the fair value hierarchy are:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3: inputs that are not based on observable market data.

As at March 31, 2022, the fair values of cash, amounts receivable, loan receivable and accounts payable and accrued liabilities approximate their carrying value due to the short-term maturity of these instruments. Investment in a public company is carried at level 1 fair value measurement and investment in a private company and convertible loans receivable are carried at level 3 fair value measurement.

The Company enters into financial instruments to finance its operations in the normal course of business. The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at March 31, 2022 as follows:

Cash and cash equivalents	Amortized costs	N/A
Amounts and loan receivable	Amortized costs	N/A
Investments	FVTPL	Level 1 & 3
Convertible loans receivable	FVTPL	Level 3
Accounts payable and accrued liabilities	Amortized costs	N/A

The Company is exposed to varying degrees to a variety of financial instrument related risks:



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**Risks and Uncertainties**

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*Foreign exchange risk*

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company has foreign exchange risk with respect to its bank account and convertible loans receivable in US dollars. The Company does not believe it is exposed to significant foreign exchange risk. A 5% fluctuation in the foreign exchange rate between the Canadian and US dollar will result in a foreign exchange gain/loss of approximately \$218,000.

*Credit risk*

The Company does not have any asset-backed commercial paper. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

*Interest rate risk*

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates.

*Liquidity risk*

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

*Capital management*

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and exploration and development of mineral properties. The Board of Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company intends to rely on the equity markets to fund its activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company's principal activity is mineral acquisition, exploration and development. Companies in this industry are subject to many and varied kinds of risk, including but not limited to, environmental, metal prices, political and economical.

The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from the treasury to investors.

These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management.

The Company has no significant source of operating cash flow and no revenues from operations. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

There is no guarantee that the Company will be able to contribute or obtain all necessary resources and funds for the exploration and exploitation of its permits, and may fail to meet its exploration commitments.

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**Risks and Uncertainties (continued)**

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Mineral exploration involves a high degree of risk and few properties, that are explored, are ultimately developed into producing mines.

Exploration of the Company's mineral properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

**Financial and disclosure controls and procedures**

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The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

During the six months ended March 31, 2022, there were no significant change in the Company's internal control over financial reporting since last year.

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's unaudited condensed interim consolidated financial statements for the six months ended March 31, 2022.

The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Quarterly Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

**Other**

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Additional information relating to the Company's operations and activities can be found by visiting the Company's profile at [www.sedar.com](http://www.sedar.com).

**Outlook**

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The outlook for precious metals and the prospect for financing the Company's projects is challenging due to the COVID-19 pandemic but the recent high demand for resources should help the Company continue to be a viable entity. The projects will require significant investment as they transition into development stage projects.