

Strategic Metals & Rare Earths Letter

INTERNATIONAL

the independent information and advisory publication on investing in Strategic Metals & Rare Earths

INVESTMENT ALERT – February 26, 2020

www.pacificrimcobalt.com



Bolt Metals Corp.. (C\$ 0.25)

CNX : BOLT
OTCQB : PCRCF
Frankfurt : NXFE

H + L prices (12 months) : C\$ 0.34 - 0.11

Net shares issued : 64.8 million

Market Capitalization : C\$ 16.5 million
(US\$ 12.4 million)

2020 price target C\$ 0.70

INVESTMENT ALERT

- ▶ The Company secures Indonesian government approval for the registration of its **Cyclops Cobalt-Nickel Project License**
- ▶ Name change to **Bolt Metals Corp.**



On February 8, 2020, **Pacific Rim Cobalt** (“**Pacific Rim**”) announced that it had received approval from the OMBUDSMAN of the Republic of Indonesia for the registration of the **Cyclops Cobalt-Nickel Project license** in the Directorate General of Minerals and Coal and the Ministry of Energy and Mineral Resources of the Republic of Indonesia.

The Project license will be transferred into a Foreign Investment Licence where it will be administered by the central government.

Effective February 26, 2020, the Company changed its name from Pacific Rim Cobalt to **Bolt Metals Corp.**

The Project license will then be fully compliant with the regulation of the **Ministry of Energy and Mineral Resources No.11 of 2018** regarding the procedure for the granting of licenses and reporting on mineral and coal mining business activities.

On February 6, 2020, the Company also announced that it had closed a non-brokered private placement for aggregate proceeds of C\$ 742,165 through the issuance of approximately 6.18 million units at a subscription price of C\$ 0.12 per Unit.

Each Unit is comprised of one (1) common share of the Company and one (1) Warrant, which entitles the holder to purchase one (1) common share at an exercise price of C\$ 0.16 for the period of a year.

The Company intends to use the net proceeds from the Offering to fund development of its nickel-cobalt business in Indonesia.

On January 13, 2020, the Company reported that **Indonesia has approved environmental impact studies for factories to produce battery-grade nickel chemicals in Moro Wali, Central Sulawesi**, as sid by Minister of Maritime and Investment Affairs Luhut Pandjantan on January 12, 2020.

The approval will allow investors, such as stainless steel giant **Tsingshan Group**, to continue to construction of their high-pressure acid leach plants in Moro Wali.

Investment comments:

Bolt Metals' Cyclops Cobalt-Nickel Project has a significant, shallow, historic **estimate of 37 million tonnes grading 0.11% Co and 1.31% Ni at 0.8% cut-off grade** and has the potential for considerable expansion as mineralization is open at and on strike *historical not NI-43-101 compliant estimate*..

Having the official registration of its **Cyclops Cobalt-Nickel Project License** secured and to be transferred into a fully compliant Foreign Investment License, this is an important step forward to the development of the **Cyclops Project** to one of the major economically viable cobalt projects outside of the **DRC**, which country, as a geopolitically unstable destination, controls almost two-thirds of the global cobalt market.

The Company's efforts will primarily focus on historically identified and drill-tested prospects, as well as previously undrilled prospects. The goal of the program is to establish a compliant maiden resource on the **Cylops Project**, as well as to identify target location for exploration of mining bulk samples required to upcoming metallurgical process testing.

Thanks to the secured Indonesian approval for the registration of its **Cyclops Cobalt-Nickel Project**, which offers the opportunity of securing strategic partnership and participating in Asia's growing battery metals chain, the **Bolt Metals'** share price more than doubled from C\$ 0.14 to a high of C\$ 0.34 since the publication of my **Special Situation – January 2020 Update**.

Considering a current market valuation of just US\$ 12.4 million, **Bolt Metals**, in my view, remains strongly undervalued.

I increase my 2020 price target from C\$ 0.50 to C\$ 0.70.