

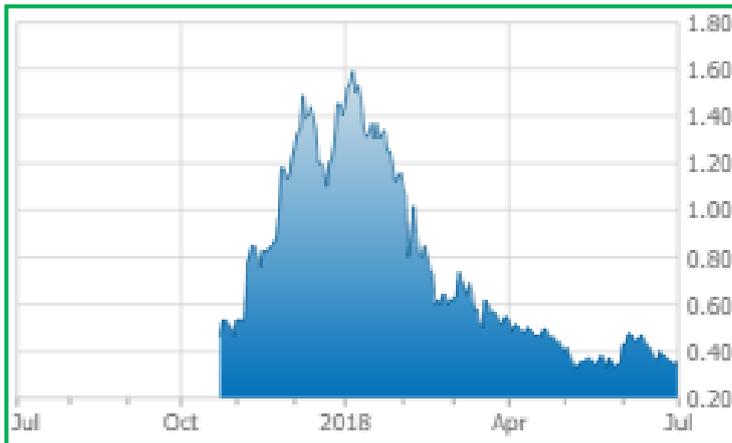
Strategic Metals & Rare Earths Letter

INTERNATIONAL

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

INVESTMENT ALERT – July 12, 2018

www.pacificrimcobalt.com



Pacific Rim Cobalt Corp.
(C\$ 0.39)

CNX : BOLT
OTCQB : PCRF
Frankfurt : NXFE

H + L prices (12 months) : C\$ 1.59 - 0.33

Net shares issued : 51.1 million
Fully diluted shares : 70.8 million

Market Capitalization : C\$ 19.9 million
(US\$ 15.2 million)

2018 price target C\$ 1.00

INVESTMENT ALERT

Pacific Rim Cobalt enters into a non-binding Preliminary Offtake Agreement with Beijing Easpring Material Technology for its Cyclops Nickel-Cobalt Project within Indonesia

On July 11, 2018, **Pacific Rim Cobalt** announced that it has entered into a non-binding Preliminary Offtake Agreement with **Beijing Easpring Material Technology Co. ("Easpring")** of China for its **Cyclops Nickel-Cobalt Project** in **Papua Province, Indonesia**, located proximal to the world's largest cobalt market.

Today, **Easpring**, listed on the Shenzhen Stock Exchange with a market capitalization of CNY 14.06 billion (US\$ 2.1 billion), is recognized as the leader in China in its industry and was one of the first suppliers for export lithium cathode material.

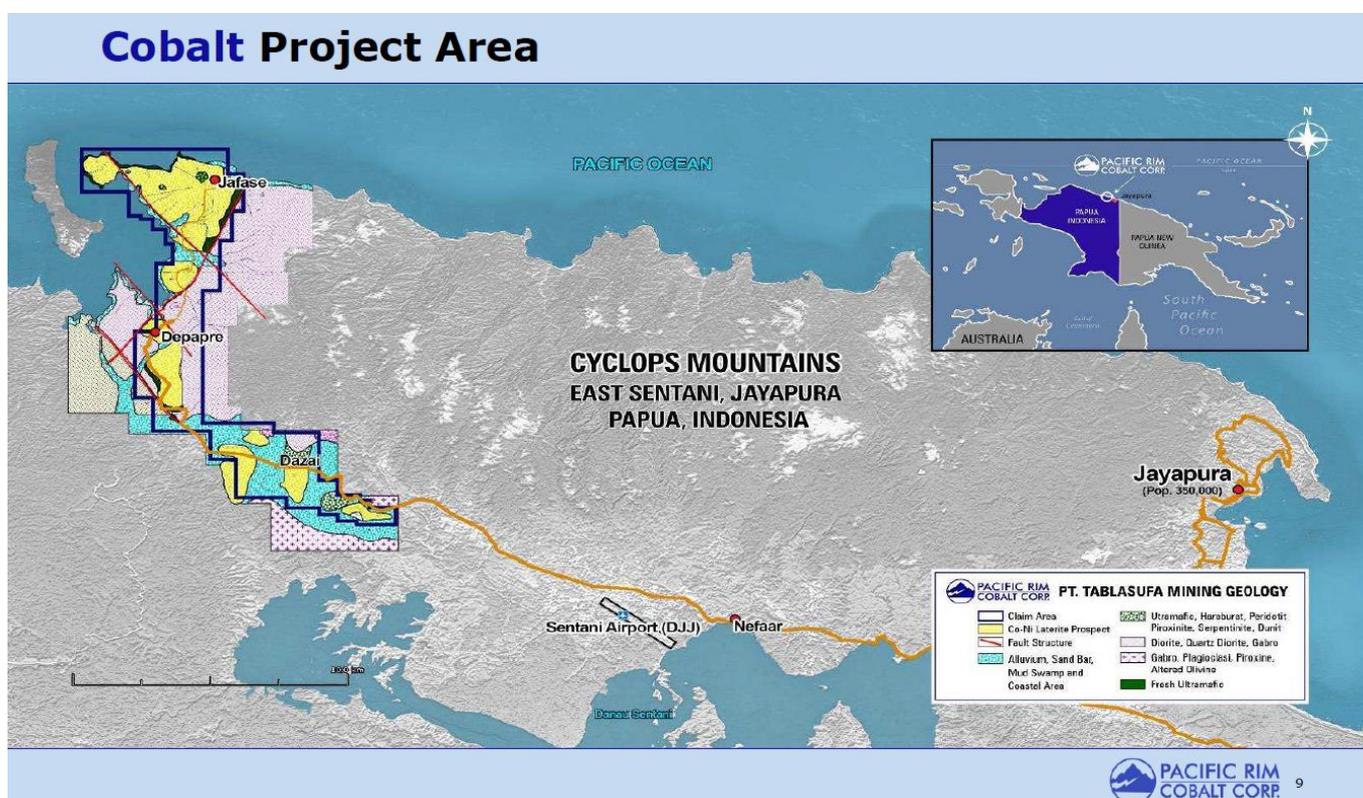


Presently, **Easpring** supplies 5 of the world's six larger lithium-ion battery manufacturers and is one of the only Chinese suppliers that simultaneously sell high-quality cathode materials in China and internationally, including Japan and Korea's high-end lithium-ion battery markets.

Pacific Rim Cobalt and **Easpring** intend to formalize the terms of a definitive binding agreement subject to further due diligence to be completed between the parties.

The **Definitive Agreement** is expected to grant **Easpring** the right to purchase nickel sulphate and cobalt sulphate from the Company's **Cyclops Project** for an initial term of 5 years from the commencement of commercial production. Annual volume will be determined in the Definitive Agreement and it is presently intended that **Pacific Rim Cobalt** will not be limited in respect to third parties to which it may sell any amount of nickel and cobalt product not committed to **Easpring**.

Pricing is intended to be linked directly to LME and LMB quoted metal pricing for nickel and cobalt, respectively, with sulphate premia to be quarterly based on the prevailing market pricing. Specific pricing parameters will be determined with granted certainty in the Definitive Agreement.



In addition, the Definitive Agreement contemplates a Strategic Investment Option, providing **Easpring** a preferential opportunity to make an equity investment directly in **Pacific Rim Cobalt**, or invest at the project level in Cyclops or other nickel-cobalt assets acquired by the Company.

Jashan Guan, Purchasing Director of Easpring, stated "The demand for lithium-ion batteries is growing rapidly due to the global shift to electric vehicle usage. Our partnership with **Pacific Rim Cobalt** is an important part of Beijing Easpring's strategy".

Investment comments:

Pac Rim's Cyclops Nickel-Cobalt Project has a significant, shallow, historic **estimate of 37 million tonnes grading 0.11% cobalt and 1.31% nickel at 0.8% cut-off grade** and has the potential for considerable expansion as mineralization is open at and on strike.

Pac Rim's efforts will focus on historically identified and drill-tested prospects as well as previously undrilled prospects. The goal of the program is to establish a maiden compliant resource on the Project, as well as to identify target locations for execution of mini bulk samples required for upcoming metallurgical and process testing. The program will be ongoing and during the next 6 months is scheduled to include approximately 150 holes totalling 5,000 metres of drilling.

On June 26, 2018, the Company announced the commencement of drilling activities on the **Cyclops Project**.

Having entered into a non-binding Preliminary Offtake Agreement with **Easpring**, recognized as the leader in China's lithium-ion battery market and Easpring having the strategic investment option to make an equity investment directly in **Pacific Rim Cobalt** or invest at the project level in **Cyclops**, this stresses the high investment leverage potential the Company is offering.

Compared to its pre-production and late-stage exploration peer group, **Pacific Rim Cobalt** is priced at a significant discount. Expecting positive results from the announced commencement of drilling activities, at a current share price of C\$ 0.39, representing a depressed market valuation of C\$ 20 million, in my view, this offers an attractive buy momentum.

My 2018 share price target remains C\$ 1.00.

