

Strategic Metals & Rare Earths Letter

INTERNATIONAL

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

INVESTMENT ALERT – March 14, 2018

www.pacificrimcobalt.com



**Pacific Rim Cobalt Corp.
(C\$ 0.60)**

CNX : BOLT
OTCQB : PCRF
Frankfurt : NXFE

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

Net shares issued : 50.2 million
Fully diluted shares : 68.9 million

Market Capitalization : C\$ 30.1 million
(US\$ 23.4million)

2018 price target C\$ 1.50

INVESTMENT ALERT

**Pacific Rim Cobalt commences 2018 work program at its
TNM Cobalt Project, Papua Province, Indonesia**

On March 13, 2018, **Pacific Rim Cobalt** announced the launch of the initial work program to be conducted at its 100%-owned **TNM Cobalt Project** and the first since historical operators conducted extensive studies in the 1970s and as again recently as 2011. The Project encompasses 5,000 hectares covering 9 known cobalt-nickel prospects.

A historical not NI 43-101 compliant estimate indicates that that mineralization is from surface and estimates potential mineralization of 37 million tonnes of 0.11% cobalt and 1.31% nickel at a 0.8% nickel cut-off grade.

This information is based on a total of 856 holes with average historic drilling to depth of 11-15 metres and 26 test pits on 5 of the 9 cobalt prospects located on the Project.

Historic data implies a potential for cobalt mineralization to over 25 metres in depth.

Cobalt Project Area



As an initial step to guide the 2018 work plan, **Pacific Rim Cobalt** has begun detailed drone operated topographic and photographic surveys. The resulting data will provide control for exploration planned activities, including geological mapping, sampling, test pitting and diamond drilling to confirm historically reported cobalt-nickel bearing laterite zones.

During 2018, diamond drilling and test pit excavations will be undertaken to delineate the lateral and vertical extent of cobalt and nickel mineralization within the project area, which has a good infrastructure.

Pacific Rim Cobalt also expects to commission metallurgical studies of laterite materials from the JNM Project for test processing at a North American-based pilot processing facility.

The studies are intended to guide development of best practice industrial scale processing methods for battery grade cobalt and nickel sulphates, both of which are critical inputs for the rapidly growing lithium-ion battery industry.

The Company further advises it has an ongoing program to identify and evaluate other Indonesian cobalt opportunities in order to enhance its position in the sector and is carrying out due diligence on a number of projects which may offer a strategic fit.

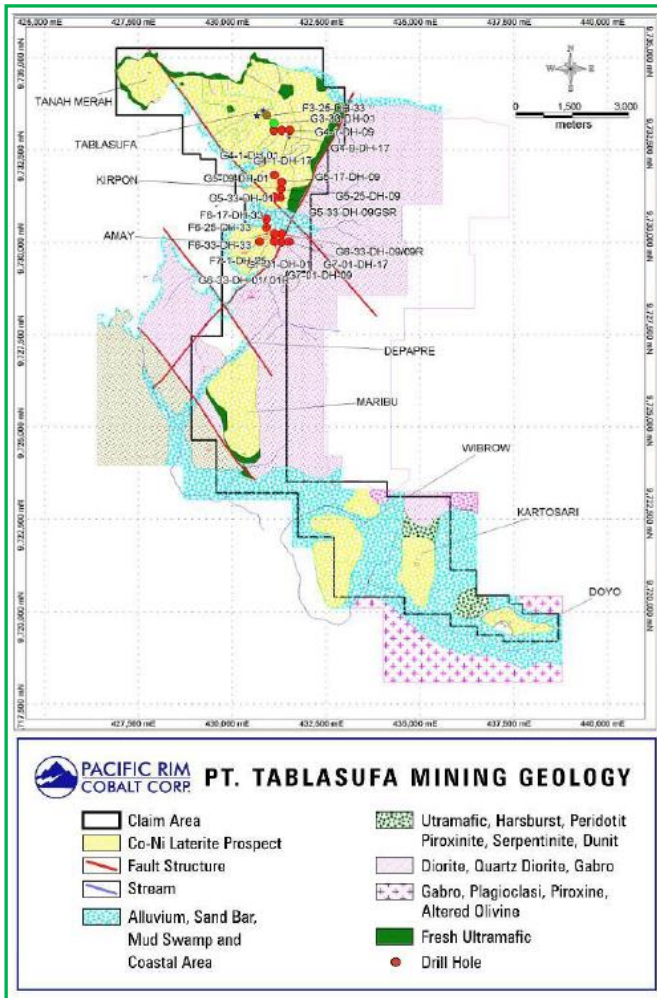
Investment comments:

Pacific Rim Cobalt has announced the 2018 initial work program to be commenced at the **TNM Cobalt Project** to target expansion of known cobalt mineralization and assist with development planning. In addition, studies and test work on process options, metallurgy and cobalt recovery is undertaken.

This step is the preliminary stage to start with a JORC/NI 43-101 compliant resource/reserve estimate, enabling **Pacific Rim Cobalt** to determine an economically viable cobalt production and process route, supported by production flexibility-early cash flow option.

Compared to its pre-production and late-stage exploration peer group, **Pacific Rim Cobalt** is priced at a significant discount. Having four-folded in price since October 2017 after completion of the acquisition of the **TNM Cobalt Project**, this was followed by profit taking. Expecting that on a compliant basis, the valuation would be at least C\$ 100 million, at a current market valuation of just US\$ 30 million, the Company, in my view, is strongly undervalued, thereby offering a high investment leverage potential.

My 2018 share price target is C\$ 1.50.



Ni-Co Estimate

- Project covers 5000 Ha with 5 known cobalt-nickel prospects
- Total historical estimate¹ of 37mt @ 0.11% Co and 1.31% Ni at 0.8% Ni cut-off grade*
- Historical estimate¹ based on over 856 shallow drill holes and 26 test pits*
- The Ni-Co mineralization is from surface to average drilled depth of 11-15 meters*
- Production Permit Issued
- Environmental Permits Issued (AMDAL)

*See addendum for results

Prospect Blocks:

- Tanahmerah
- Tablasufa
- Kirpon
- Away
- Depapre
- Maribu
- Wibrow
- Kartosari
- Doyo

Lets Talk Cobalt Demand: It's Battery Powered

