

eCobalt Reports Successful Concentrate Roasting Test Results

✘ January 3, 2018 (Source) – eCobalt Solutions Inc. (TSX: ECS; OTCQX: ECSIF; Frankfurt: ECO) (“eCobalt” or the “Company”) is reporting that positive progress continues to be made on optimization of the Idaho Cobalt Project (“ICP”). Successful laboratory scale testing has demonstrated arsenic removal from ICP ore concentrates by conventional roasting methods. These successful results support the Company’s new direction to produce a clean (low arsenic content) cobalt concentrate product, an upstream precursor material for battery cathode production, that may result in material reduction of capital and operating cost at the Cobalt Production Facility (“CPF”). This product change and other project optimization efforts, as announced by the Company on December 7, 2017, have the potential to result in a significant improvement in economics for the ICP. This new opportunity is being pursued in response to changes in battery supply chain dynamics and in-depth discussions with potential offtake partners.

Mr. Paul Farquharson, President and C.E.O. of the Company commented: *“The successful test results to remove arsenic is a significant positive development as we can demonstrate to potential offtake partners that a clean cobalt concentrate with arsenic levels below 1% can be produced from the ICP. This confirmation advances ongoing offtake discussions and further reduces the technical and execution risks of the project. This new development has the potential to decrease total capital requirements without altering the project’s initial timeline”.*

Clean Cobalt Concentrate Production

Testing during the week of December 18, 2017 at Dundee Sustainable Technologies' ("DST") facilities in Quebec, witnessed by Micon International Ltd. ("Micon") and SNC Lavalin Inc. ("SNC") metallurgists, has identified that the ICP ore is amenable to roasting, resulting in a 99% reduction of arsenic to <0.5% arsenic content and up to 50% reduction in sulphur in atmospheric roasting conditions between 700 and 850 degrees Celsius. These positive results support further metallurgical work, which will continue with pilot scale testing of a bulk sample currently being collected for processing at DST in late January 2018. This pilot testing will affirm development of a feasibility level flow sheet and costing of the optimized process.

The change to a clean cobalt concentrate is in response to changing battery market dynamics and in-depth discussions with potential offtakers. This testing affirms the opportunity to reduce capital and operating cost at the CPF and improve construction timelines by pursuing a clean cobalt concentrate product with by-products of copper and gold. As a less refined product, compared to cobalt sulphate, investment in a CPF can be reduced to a fraction of the capital identified in the September 2017 Feasibility Study ("FS"). Based on a cobalt price of US\$34.00/lb (LME- January 2, 2018 cash contract Co-99.3%- US\$34.24/lb), the ICP's after tax NPV (7.5% discount rate) and IRR per the FS is US\$239M and 30.4% respectively. The Company believes that a more simplified flowsheet to produce a clean cobalt concentrate product may result in material reduction in both capital and operation expenditures, and along with the new tax law recently passed in the United States, would be expected to have a further significant positive impact on overall project economics.

This opportunity is being pursued with Micon, SNC and DST through detailed metallurgical testing and development of a revised flowsheet with the intent to develop feasibility level designs and costs. The Company has begun executing Letters of

Intent for offtake and project financing based on this new strategy and intends to identify its partner(s) and definitive agreements in early 2018 after a thorough evaluation of the proposals.

E.R. (Rick) Honsinger, P.Geo., Senior V.P. with eCobalt, is the Qualified Person who has reviewed and approved the contents of this news release.

About eCobalt Solutions Inc. (www.eCobalt.com)

eCobalt is a well-established Toronto Stock Exchange listed company committed to providing ethically produced, environmentally sound, battery grade cobalt products, essential for the rapidly growing rechargeable battery and renewable energy sectors, made safely, responsibly, and transparently in the United States. The Company's ICP, located in East Central Idaho, is the only environmentally permitted, primary cobalt project in the United States. It is 100% owned by the Company's wholly owned subsidiary, Formation Capital Corporation, U.S.

eCobalt Solutions Inc.

"J. Paul Farquharson"

J. Paul Farquharson
President & CEO

Cautionary Statement on Forward Looking Statements

This news release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Statements in this news release pertaining to expected financings, filings, uses of proceeds or project completion dates are forward-looking statements. These forward-looking statements are based on assumptions and address future events and conditions and are subject to known and unknown risks, uncertainties and other factors that may cause the actual

results, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future results, performance or achievement. These risks, uncertainties and factors include general business, economic, competitive, political, regulatory and social uncertainties; actual results of exploration activities and economic evaluations; fluctuations in currency exchange rates; changes in project parameters; changes in costs, including labour, infrastructure, operating and production costs; future prices of cobalt; variations of mineral grade or recovery rates; operating or technical difficulties in connection with exploration, development or mining activities, including the failure of plant, equipment or processes to operate as anticipated; delays in completion of exploration, development or construction activities; changes in government legislation and regulation; the ability to maintain and renew existing licenses and permits or obtain required licenses and permits in a timely manner; the ability to obtain financing on acceptable terms in a timely manner; contests over title to properties; employee relations and shortages of skilled personnel and contractors; the speculative nature of, and the risks involved in, the exploration, development and mining business.

Such projections are and will inevitably always be dependent on assumptions about future mineral prices and development costs which will be subject to fluctuation due to global and local economic and industry conditions. Further information regarding risks and uncertainties which may cause results to differ from those contained in forward-looking statements is included in filings by the Company with securities regulatory authorities and is available at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Although the Company has disclosed that the ICP remains the sole, near term, environmentally permitted, primary cobalt deposit in the United States and offers a unique potential for North American consumers to secure an ethically sourced, environmentally sound supply of battery grade cobalt products, there is no guarantee that the Company will attain commercial production of such cobalt products for use in the rechargeable battery sector. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws.

The statements contained in this news release in regard to eCobalt that are not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including eCobalt's beliefs, expectations, hopes or intentions regarding the future. All forward-looking statements are made as of the date hereof and are based on information available to eCobalt as of such date. It is important to note that actual outcome and the actual results could differ from those in such forward-looking statements. Factors that could cause actual results to differ materially include risks and uncertainties such as technological, legislative, corporate, commodity price and marketplace changes.