

**PRIMARY COBALT CORP.**  
**Management Discussion and Analysis**  
**For the year ended December 31, 2017**

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**DISCLAIMER FOR FORWARD-LOOKING INFORMATION**

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of December 31, 2017. These assumptions, which include, management's current expectations, estimates and assumptions about the global economic environment may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) inability to locate and identify potential business acquisitions, (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (4) other factors beyond our control. There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. Unless otherwise required by applicable securities laws, the Issuer disclaims any obligation to update any forward-looking statements, whether as a result of new events, circumstances and information, future events or results or otherwise. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

***1.1 – Date and Basis of Discussion & Analysis***

This management discussion and analysis ("MD&A") is dated as of April 30, 2018 and should be read in conjunction with the audited financial statements of Primary Cobalt Corp. for the year ended December 31, 2017. The December 31, 2017 Financial Statements are prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. Unless expressly stated otherwise, all financial information is presented in Canadian dollars.

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**1.2 – Overall Performance**

**Nature of Business**

Primary Cobalt Corp. (“Primary Cobalt” or the “Company”) was incorporated as Media Link Technology Corporation under the Laws of the Province of British Columbia on July 15, 2010. On January 19, 2011, the Company changed its name to Media Cloud Systems Inc. On September 14, 2016, the Company changed its name from Media Cloud Systems Inc. to Bego Advanced Materials Inc. On January 26, 2017, the Company changed its name to Primary Cobalt Corp. The address of the Company’s corporate office and its principal place of business is 430-580 Hornby Street, Vancouver, British Columbia, Canada.

The Company began operations on July 15, 2010 and its principal business activity was software development. As of December 31, 2011, the Company ceased the software development business and began looking for a new business and financing. On March 31, 2017, the Company entered into a mineral property purchase agreement. As of December 31, 2017, the Company’s principal business activity is the acquisition, exploration and development of mineral properties in British Columbia, Canada and the Company was in the exploration stage.

The Company has never generated revenue or positive cash flows from operations. For the year ended December 31, 2017, the Company reported a net loss of \$143,455, cash deficiency from operating activities of \$167,611 and has an accumulated deficit of \$213,614. This raises significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue its operations as intended are dependent on its ability to obtain necessary financing and raise capital sufficient to cover its operating costs.

**Financing**

In prior years, the Company issued 3,500,001 common shares at \$0.01 per share and 2,500,000 common shares at \$0.02 per share for total proceeds of \$85,001. During the year ended December 31, 2017, the Company issued 8,360,000 common shares at \$0.05 per share for total proceeds of \$418,000. In addition, the Company issued 1,250,000 common shares at a deemed value of \$0.05 per share in accordance with the property purchase option agreement described below. The Company engaged an agent for an initial public offering of 4,000,000 common shares at a price of \$.10 per common shares (the “Offering”). On March 7, 2018, the Company was listed on the Canadian Stock Exchange, completed the Offering and issued 4,700,000 common shares for total proceeds of \$470,000. The Company expects that the capital raised in the Offering will be sufficient to maintain the operating expenses for 2018 as well as to complete the Phase II exploration work program.

**Rocher Déboulé Claims**

**Property Acquisition Details**

On March 31, 2017, the Company entered into a property option agreement to acquire an undivided 100% right, title and interest to four contiguous mineral claims located in northwest British Columbia, subject to a 2% net smelter royalty (the “NSR”), comprised of approximately 5,852.53 hectares. The property purchase agreement required the payment of \$50,000 on closing (paid), plus the issuance of the greater of 1,500,000 common shares or 9.9% of the issued and outstanding shares as at the completion of Phase II work, and not later than September 30, 2018 as follows:

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**Rocher Déboulé Claims (continued)**

**Property Acquisition Details (continued)**

	Share Issuance	Cash Payment	Exploration Expenditures
		\$	\$
On signing memorandum of understanding (paid)	–	30,000	–
On first day of execution of Agreement (paid)	–	20,000	–
On or before May 31, 2017 (issued)	1,000,000	–	–
On or before September 30, 2017 (issued)	250,000	–	75,000
On or before September 30, 2018 ( <i>Note</i> )	250,000	–	105,000
	<b>1,500,000</b>	<b>50,000</b>	<b>180,000</b>

***Note:** In addition, on completion of the \$105,000 exploration expenditures, the Company will issue additional shares to the Optionor so that aggregate number of common shares issued to the Optionor will not be less than 9.9% of the total issued and outstanding common shares of the Company at the time of issuance.*

**Property Description**

The Rocher Déboulé (“RD”) Property is in west central British Columbia, Canada, in the Hazelton area, approximately 100 kilometers southwest of Stewart, BC. The area lies at the north end of the Rocher Déboulé Range, near the junction of the Bulkley and Skeena Rivers. The Rocher Deboule Property is in the Intermontane tectonic province of the Canadian Cordillera, and is underlain by rocks of the Late Paleozoic Stikine volcanic arc terrane. The Rocher Deboule area lies within the Skeena Arch, an east-northeast-trending belt of Jurassic and older mostly volcanic rocks that straddles Skeena Terrane, a volcanic arc complex. The Rocher Deboule Range is underlain by the upper two divisions of the Hazelton group (Red Rose and Brian Boru formations) and intruded by the Rocher Deboule stock, a predominantly porphyritic granodiorite with quartz monzonite.

Most of the areas of interest on the RD Property are associated with mineralized vein fillings and shear zones near the margin of the Rocher Deboule intrusion into sedimentary and volcanic rocks. Heat from the intrusion of the Rocher Deboule stock created a hornfelsic aureole in the surrounding Hazelton rocks. Access to the Property is by gravel road and ATV along trails. The Property experiences a mix of coastal and interior weather patterns owing to its location. The Property is in an area with an extensive history of mineral exploration, including showings on the Property. Previous exploration on the Property has been ongoing since the early 1900’s on two of the claims. For more detailed Property information, see the 43-101.

In May, 2017, Primary Cobalt engaged a Qualified Person to conduct an initial exploration work program and collected rock and stream sediment samples for analysis. During the exploration program the Company staked one claim contiguous to the RD Property. As a result the RD Property comprises five mineral claims covering 7,330.86 hectares. A 43-101 technical report was commissioned by to comply with regulatory disclosure and reporting requirements outlined in Canadian National Instrument 43-101

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**Rocher Déboulé Claims (continued)**

(“NI 43-101”), companion policy NI 43-101CP, and Form 43-101F. The goal of the exploration program was to confirm historic showings, identify possible new targets, and become familiar with the field conditions. Ninety-five (95) rock samples and 19 stream pan concentrate samples were collected from the Property to confirm historic assays and guide in development of potential exploration targets.

**Property Work to Date**

The initial exploration program at the RD Property focussed on investigating the cobalt and precious metal potential of the RD Property by confirming historic assay results and determining field conditions. The results of the initial exploration program indicate that the RD Property exhibits favourable geologic characteristics and sufficient potential to warrant further exploration for cobalt, gold, silver, and copper.

A detailed ground magnetic survey is recommended to determine the geophysical characteristics of the mineralization in the area of the Golden Wonder showing, at the west end of the Property. It also recommended that an extensive soil sampling program should be carried out in the same area, as well as completing small soil sample grids over the other showings on the Property. The budget for this work is \$115,610.

**1.3 – Selected Annual Information**

As at	31-Dec-17	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13
	\$	\$	\$	\$	\$
Current Assets	84,623	13,924	13,806	13,728	13,686
Mineral Assets	251,489	-	-	-	-
Total Assets	336,112	13,924	13,806	13,728	13,686
Current Liabilities	8,025	142	602	1,339	3,316
Shareholders' Equity	541,701	85,001	78,501	72,501	65,001
Deficit	(213,614)	(71,219)	(65,315)	(60,112)	(54,631)
Total Liabilities and Shareholders' Equity	336,112	13,924	13,806	13,728	13,686
Years ended	31-Dec-17	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13
Revenue	-	-	-	-	-
Operating Expenses	143,455	5,904	5,203	5,481	12,817
Loss and Comprehensive Loss for Period	143,455	5,904	5,203	5,481	12,817
Basic and diluted loss per share	(0.01)	(0.00)*	(0.00)*	(0.00)*	(0.00)*
Weighted average number of common shares outstanding	9,838,215	5,729,316	5,392,261	5,021,576	4,293,152

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**1.4 – Results of Operations**

Operations during the year ended December 31, 2017 were primarily related to obtaining the necessary financing, as well as conducting the initial exploration program.

There were no investor relations arrangements entered into during the year ended December 31, 2017. There were no legal proceedings, contingent liabilities, and defaults under debt or other contractual obligations, breach of any laws or special resolutions during the year ended December 31, 2017.

During the year ended December 31, 2017, the Company incurred operating expenses of \$142,395 (2016 – \$5,904), consisting of consulting fees of \$73,750 (2016 – \$nil), professional fees of \$42,158 (2016 – \$nil), rent of \$10,500 (2016 – \$nil), travel and promotion of \$6,036 (2016 – \$nil), office and miscellaneous of \$1,483 (2016 – \$nil) and project development fees of \$nil (2016 – \$5,904). Consulting fees, professional fees, rent and office and miscellaneous expenses were higher in 2017 due to the acquisition of the Rocher Déboulé Property described in section 1.2 above. Travel and promotion were higher in 2016 due to the identification and evaluation of mineral properties, including the Rocher Déboulé Property noted in 1.2 above. Project development fees were higher in 2016 due the Company's search for projects and ceased once the Company identified a project in 2017.

**1.5 – Summary of Quarterly Results (Unaudited)**

<b>As at</b>	<b>31-Dec-17</b>	<b>30-Sep-17</b>	<b>30-Jun-17</b>	<b>31-Mar-17</b>	<b>31-Dec-16</b>	<b>30-Sep-16</b>	<b>30-Jun-16</b>	<b>31-Mar-16</b>
	\$	\$	\$	\$	\$	\$	\$	\$
Current Assets	84,623	27,907	106,724	44,671	13,924	13,889	13,878	13,838
Mineral Assets	251,489	237,268	190,889	30,000	-	-	-	-
<b>Total Assets</b>	<b>336,112</b>	<b>265,175</b>	<b>297,614</b>	<b>74,671</b>	<b>13,924</b>	<b>13,889</b>	<b>13,878</b>	<b>13,838</b>
Current Liabilities	8,025	48,084	55,727	6,996	142	4,855	4,242	2,665
Shareholders' Equity	541,701	370,701	358,201	160,001	85,001	78,501	78,501	78,501
Deficit	(213,614)	(153,610)	(116,314)	(92,326)	(71,219)	(69,466)	(68,865)	(67,328)
<b>Total Liabilities and Shareholders' Equity</b>	<b>336,112</b>	<b>265,175</b>	<b>297,614</b>	<b>74,671</b>	<b>13,924</b>	<b>13,889</b>	<b>13,878</b>	<b>13,838</b>
<b>3 months ended</b>	<b>31-Dec-17</b>	<b>30-Sep-17</b>	<b>30-Jun-17</b>	<b>31-Mar-17</b>	<b>31-Dec-16</b>	<b>30-Sep-16</b>	<b>30-Jun-16</b>	<b>31-Mar-16</b>
Revenue	-	-	-	-	-	-	-	-
Operating Expenses	58,944	37,296	23,988	22,167	1,753	601	1,546	2,004
Other Comprehensive Income	-	-	-	(1,060)	-	-	-	-
<b>Loss and Comprehensive Loss for Period</b>	<b>58,944</b>	<b>37,296</b>	<b>23,988</b>	<b>21,107</b>	<b>1,753</b>	<b>601</b>	<b>1,546</b>	<b>2,004</b>
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of common shares outstanding	9,838,215	11,662,718	7,863,957	6,000,001	5,890,490	5,675,001	5,675,001	5,675,001

The operating expenses were generally consistent in 2017 and 2016. The operating expenses are higher related to the capital raising activities, as well as conducting the Phase I exploration program.

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***1.6 – Liquidity and Capital Resources***

The Company is undertaking an initial public offering and exploring the Rocher Déboulé Property and therefore has incurred losses and negative cash flows from operations. The Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's ability to raise cash depends on capital market conditions, commodities prices, and the results of ongoing exploration programs. There is no assurance that the Company will be able to obtain any additional financing on terms acceptable to the Company. The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. Actual funding requirements may vary from those planned due to a number of factors.

There can be no certainty that the Company's existing cash balances, or that the proceeds from the issuance of its common shares, will provide sufficient funds for all of the Company's cash requirements. Should the need arise, the Company may pursue other financing options or rely on joint venture partners to supply some of funds required to explore and develop any acquisitions. There is no assurance that the Company will be successful in obtaining the funds it may require for its program or that the terms of any financing obtained will be acceptable.

The Company's business premises are currently located at 430-580 Hornby Street, Vancouver, BC. The Company has no commitments for operations or capital expenditures as at December 31, 2017. As at December 31, 2017, the Company had cash and cash equivalents on hand of \$40,125 (2016 – \$nil).

During the year ended December 31, 2017, cash used in operating activities was \$167,611 (2016 – \$nil), cash used in investing activities was \$186,465 (2016 – \$nil), cash increased by financing activities was \$394,200 (2016 – \$nil). The increase in cash used in operating activities is primarily related to operating expenses of \$142,395 plus deposits and prepaid expenses of \$40,000.

Shareholder's equity as at December 31, 2017 was \$328,087 (2016 – \$13,782). The Company will need to raise additional sources of funding to maintain operations at the currently level. The Company has raised share capital of \$470,000 subsequent to December 31, 2017 pursuant to the Offering as described in section 1.2 above. Although the Company has been successful in the past in rising the necessary funding to continue operations, there can be no certainty it will be able to do so in the future.

***1.7 – Capital Resources***

The capital resources of the Company as at December 31, 2017 are primarily its cash of \$40,125 (2016 – \$nil). The Company will require additional financing to fund any anticipated operating expenses or future acquisitions. The Company anticipates funding future expenditures through additional equity subscriptions, such as private placements or through the exercise of warrants and options. In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions will be possible at the times required or for the amounts desired or that it can be obtained on terms acceptable to the Company and its shareholders. Accordingly, the Company is investigating various business opportunities that ideally will increase the Company's positive cash flow.

If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock.

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**1.8 – Off Balance Sheet Arrangements**

As at December 31, 2017, there were no off-balance sheet arrangements to which the Company was committed.

**1.9 – Transactions with Related Parties**

The Company entered into a month to month office rental agreement with H. Barry Hemsworth, a director of the Company. The Company pays \$1,500 per month pursuant to this agreement. Management believe this agreement is at fair market value. The Company entered into a twelve month consulting agreement with a company owned by Patrick Morris, the President of the Company, terminating on December 31, 2017. The Company pays \$5,000 per month pursuant to this agreement. Subsequent to the period end, the Company entered into a replacement consulting agreement with a company owned by Patrick Morris which pays \$5,000 per month, This agreement is for a period of twelve months with an automatic renewal option. Management believe these consulting agreements are at fair market value.

The Company had the following balances and transactions with executive officers or companies controlled by these officers for the year ended December 31, 2017:

	December 31, 2017	December 31, 2016
Transactions:		
Fees paid to Patrick Morris, the President	\$ 60,000	\$ Nil
Fees paid to William Grossholz, the Chief Financial Officer	\$ 5,500	\$ Nil
Rent paid to H. Barry Hemsworth, a Director	\$ 10,500	\$ Nil
Balances:		
Accounts payable to H. Barry Hemsworth, a Director:	\$ Nil	\$ 142

There were no other transactions with related parties except as noted in 1.2 above and 1.15 below.

**1.10 – Fourth Quarter**

During the three months ended December 31, 2017, the Company incurred operating expenses of \$58,944 (2016 – \$1,753), consisting of consulting fees of \$21,650 (2016 – \$nil), professional fees of \$21,120 (2016 – \$nil), rent of \$4,500 (2016 – \$nil), office and miscellaneous of \$228 (2016 – \$nil), travel and promotion of \$2,978 (2016 – \$nil) and project development fees of \$nil (2016 – \$1,753). Consulting fees, professional fees, rent and office and miscellaneous expenses were higher in 2017 due to the acquisition of the Rocher Déboulé Property described in section 1.2 above. Travel and promotion were generally consistent with the prior period. Project development fees were higher in 2016 due the Company's search for projects and ceased once the Company identified a project in 2017.

**1.11 – Proposed Transactions**

With the exception of the property option agreement for the RD Property and the Offering described above, the Company has no pending or proposed transactions at December 31, 2017.

**1.12 – Critical Accounting Estimates**

The Company has outlined the basis of its critical accounting estimates in Note 3 of the December 31, 2017 Financial Statements.

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**1.13 – Changes in Accounting Policies – International Financial Reporting Standards (“IFRS”)**

The Company does not foresee any material changes due to IFRS changes which are not yet effective. See Note 3 (q) of the December 31, 2017 Financial Statements.

**Future Changes in Accounting Policies**

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New accounting standards effective for annual periods on or after January 1, 2018:

*IAS 1 – Presentation of Financial Statements*

In December 2014, the IASB issued an amendment to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The changes clarify that materiality considerations apply to all parts of the financial statements and the aggregation and disaggregation of line items within the financial statements.

*IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets*

In May 2014, the IASB issued amendments to IAS 16 and IAS 38. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

The following standard will be effective for annual periods beginning on or after January 1, 2018:

*IFRS 9 Financial Instruments* - In November 2009, as part of the IASB project to replace IAS 39 *Financial Instruments: Recognition and Measurement*, the IASB issued the first phase of IFRS 9 *Financial Instruments*, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities.

*IFRS 16 Leases* - On January 13, 2016 the IASB issued IFRS 16, “Leases”. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.



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**1.14 – Financial Instruments and Other Instruments**

The Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities. The Company's financial instruments are exposed to the following risks:

**Credit Risk**

The Company's primary exposure to credit risk is the risk of illiquidity of cash and cash equivalents amounting to \$40,125 at December 31, 2017. As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible. Amounts receivable as at December 31, 2017 include GST receivable of \$4,497 due from the Canadian government.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet operating accounts payable requirements. The Company has maintained sufficient cash balances to meet these needs at December 31, 2017.

**Foreign Exchange Risk**

The Company has virtually no foreign exchange risk as all its activities are carried out in Canada and all its financial assets and liabilities are denominated in Canadian dollars.

**Price Risk**

The Company is not exposed to price risk. The carrying value of cash and cash equivalents and accounts payable and accrued liabilities approximate their fair values due to the short maturity of those instruments. There are no incomes, expenses, gains or losses associated with the financial instruments.

**Interest Rate Risk**

The Company has been exposed to interest rate risk on its cash and cash equivalents. The majority of these deposits have been in discounted instruments with pre-determined fixed yields. Interest rate movements will affect the fair value of these instruments so the Company manages maturity dates of these instruments to match cash flow needs, enabling realization at no loss in almost all cases. Unrealized gains and losses are reported in other comprehensive income. At December 31, 2017, the Company maintained all of its cash balance on deposit in a chequing account with a major Canadian bank.

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**1.15 – Other MD&A Requirements**

**Share Capital**

The total number of common shares issued and outstanding as at December 31, 2017 was 15,610,001 and 20,310,001 at April 30, 2018.

Disclosure of Outstanding Share Data

i) Authorized: Unlimited common shares without par value

ii) Common Shares Issued:

	Issue Price	Number of Shares	Proceeds
Founders' Shares	\$0.01	3,500,001	\$ 35,001
Founders' Shares	\$0.02	2,500,000	\$ 50,000
Private Placements	\$0.05	8,360,000	\$ 418,000
Property Acquisition	\$0.05	1,250,000	\$ 62,500
Total as at December 31, 2017		15,610,001	\$ 565,501
Private Placements	\$0.10	4,700,000	\$ 470,000
Total as at April 30, 2018		20,310,001	\$ 1,035,501

As at the date of this report there were no stock options or warrants outstanding.

## **RISK FACTORS AND UNCERTAINTIES**

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties, currently in British Columbia, Canada. Due to the nature of the Company's business and the present stage of exploration of its mineral properties (which are primarily early stage exploration properties with no known resources or reserves), many risk factors will apply. The risks described below are not the only ones facing the Company. Additional risks not presently known to the Company may also impair the business operations.

### **Going Concern and Financing Risks**

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

### **Insufficient Financial Resources**

The Company does not presently have sufficient financial resources to meet obligations when they become due, undertake by itself the acquisition, exploration and development of all of its planned acquisition, exploration and development programs. Future property acquisitions and the development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public financing, short or long term borrowings or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

### **General Economic Conditions**

The recent events in global financial markets have had a profound impact on the global economy. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. These factors could have a material adverse effect on the Company's financial condition and results of operations.

### **Share Price Volatility**

There can be no assurance that an active trading market in our securities will be established and sustained. The market price for our securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of our peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of our Company. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector, which have often been unrelated to the operating performance of particular companies.

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**RISK FACTORS AND UNCERTAINTIES (continued)**

**Dependence on Others and Key Personnel**

The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability to design and carry out appropriate exploration programs on its mineral properties; (ii) the ability to produce minerals from any mineral deposits that may be located; (iii) the ability to attract and retain additional key personnel in exploration, marketing, mine development and finance; and (iv) the ability and the operating resources to develop and maintain the properties held by the Company. There can be no assurance of success with any or all of these factors on which the Company's operations will depend, or that the Company will be successful in finding and retaining the necessary employees, personnel and/or consultants in order to be able to successfully carry out such activities.

**Government Regulation**

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to prospecting, development, production, environmental protection, mining taxes, labor standards, property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

**Competition**

The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

**Fluctuation of Metal Prices**

Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

**Title Matters**

Although the Company has taken steps to verify the title to the mineral properties in which it has or has a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples. Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties for which titles have been issued are in good standing.

**PRIMARY COBALT CORP.**  
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**RISK FACTORS AND UNCERTAINTIES (continued)**

**Uncertainty of Resource Estimates/Reserve**

Unless otherwise indicated, mineralization figures presented in the Company's filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Company personnel and independent geologists. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable.

**Limited Experience**

The Company has very limited experience in placing mineral resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its resource properties into production.

**Speculative Business**

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. There is no known resource, and there are no known reserves, on any of the Company's properties.

**Permits and Licenses**

The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out its projects, on reasonable terms or at all. Delays, or a failure to obtain such licenses and permits, or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

**Dilution to the Company's Existing Shareholders**

The Company will require additional equity financing to be raised in the future. The Company may issue securities at less than favorable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

**APPROVAL** The Board of Directors of the Company has approved the disclosure contained in this MD&A on April 30, 2018.