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NEWS RELEASE

TSX.V: CPO

February 16, 2017

COBALT POWER GROUP ANNOUNCES CORPORATE UPDATE AND PENDING PRIVATE PLACEMENT

February 16, 2017 Vancouver, British Columbia – Cobalt Power Group Inc. (the “Company”) (TSX.V: CPO) today announces a corporate update and a pending private placement.

Recently, Cobalt Power Group has seen an upswing in market activity. The Company attributes this increase to several factors. The energy metals space has received significant focus over the past several months due to the rise in demand for lithium-ion batteries. Cobalt, in particular, has been on the forefront of media exposure. As a result, over this time period (*Sept 2016- Feb 2017*), the price of cobalt has risen from approximately USD\$12.00/lb to USD\$19.50/lb. Cobalt Power Group has amassed a significant portfolio of cobalt assets in the Cobalt, Ontario region of Canada (*see news releases dated September 6 & 13, 2016, and October 11, 2016*). The Company has completed its phase 1 Smith Cobalt exploration program (*see news release dated November 17, 2016*) and begun its phase 2 program (*see news release dated November 22, 2016*).

The Company is in the process of finalizing two private placements pursuant to price reservation forms filed with the TSX Venture Exchange.

The first is a non-brokered private placement of 13,000,000 units of the Company at a price of \$0.08 per unit for total gross proceeds of up to CDN\$1,040,000. Each Unit consists of one previously unissued common share (a “Share”) and one-half common share purchase warrant (a “Warrant”) of the Issuer. One whole Warrant will entitle the holder, on exercise, to purchase one common share of the Issuer (a “Warrant Share”) at a price of \$0.16 per share at any time until the close of business on the day which is eighteen months from the Closing Date.

The second placement is a non-brokered private placement of 4,000,000 flow through shares at a price of \$0.12 per share for total gross proceeds of up to CDN\$480,000.

The proceeds of the Offerings to be raised will be used by the Issuer to commence an extensive exploration program on the Company's Smith Cobalt project located in the vicinity of the City of Cobalt in the Province of Ontario, and administrative expenses. The phase 3 exploration program will consist of drill target identification (once all data from phase 2 has been analysed) and drilling.

Finder's fees acceptable to the TSX Venture Exchange will be payable in connection with a portion of the Offerings.

Both placements are subject to filing of final documentation with the TSX Venture Exchange.

The private placements are expected to close in the third week of February.

About the Smith Cobalt Project

The Smith Cobalt project is underlain by a sequence of Archaean volcanics which are unconformably overlain by Huronian sediments. These formations have been intruded by the Proterozoic-age Nipissing diabase sill. Faulting, on both a regional and local scale, has been found by surface mapping and in drill cores. Polymetallic veining, and especially pinkish-white carbonate veins, has also been reported. Thus, all the necessary geological components of accepted mineralization models for cobalt-silver have been identified on the properties.

About Cobalt Power Group Inc.

Cobalt Power Group Inc. is a publicly traded Canadian exploration company listed on the TSX-Venture Exchange (TSX-V: CPO) focused on cobalt exploration and development.

The company has made a series of strategic property acquisitions over the past several months, seeking cobalt mineralization near Cobalt, Ontario - a region with a long history of silver and associated cobalt production. Property holdings total 720 ha (1780 acres) in contiguous blocks. There are several historic mining operations on the properties that are potentially accessible, including the Smith Cobalt shaft and its underground workings.

Chris M. Healey, P. Geo, a Director of Cobalt Power Group is the qualified person responsible for the technical content of this release, and consents to its dissemination.

On behalf of the Board of Directors

"Andreas Rompel"

Dr. Andreas Rompel, President and CEO
Cobalt Power Group Inc.

www.cobaltpowergroup.com

We seek safe harbor.

For additional information, please contact Daniel Caamano, VP Corporate Communications or Judy A. McCall, Corporate Secretary at: 604.620.7737. The company's profile may also be viewed on www.sedar.com.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Forward Looking Information

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this News Release. WARNING: The Company relies on litigation protection for "forward looking" statements. Actual results could differ materially from those described in the news release as a result of numerous factors, some of which are outside the control of the Company. This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.