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## NEWS RELEASE

TSX.V: CPO

August 21, 2017

### HOCHSCHILD MINING JOINS FORCES WITH COBALT POWER GROUP

August 21, 2017 - **Vancouver, BC, Canada** – Cobalt Power Group Inc. ("CPO") (TSX.V: CPO) is pleased to announce that it has entered into a letter agreement with Hochschild Mining Holdings Limited ("Hochschild") to establish an alliance pursuant to which Hochschild will initially invest the sum of USD\$500,000 in CPO. This investment will be through a private placement subscription for units of CPO. In conjunction with the subscription Hochschild will receive additional rights including (1) the right to one director on the Board of CPO; (2) the right to option and joint venture one of CPO's properties with the property to be selected in the two years following the initial investment by Hochschild, and at Hochschild's sole discretion to determine; and (3) an annual right to top-up to its percentage interest in CPO.

Hochschild will subscribe for 4,886,538 units of CPO at a price of CDN\$0.13 per unit. The USD\$500,000 subscription amount will be converted into CDN funds at a conversion rate of USD\$1.00 = CDN\$1.2705 which equals CDN\$635,250. Each unit will consist of one common share and one half of one non-transferrable share purchase warrant, with each one warrant being exercisable to purchase one additional common share of CPO over a period of two years from closing at a price of CDN\$0.30 per share.

The proceeds of the private placement will be used by CPO to expand its existing portfolio of properties and to further explore and develop its mineral property interests and for general working capital.

At the closing of the private placement, Hochschild will be appointing a director to the Board of CPO. As such, CPO has agreed that for as long as Hochschild holds a minimum of 5% of the issued and outstanding shares of CPO, Hochschild will be entitled to one director, and management of CPO will include Hochschild's nominee on management's proposed slate of Directors to stand for re-election to the Board of CPO at each Annual General Meeting of Shareholders of CPO.

The right granted to Hochschild to option and joint venture one of CPO's properties provides that Hochschild may select in its sole discretion a project held and being explored and developed by CPO for joint participation. If a project is selected for participation over the next 24 month period, Hochschild will reimburse CPO for 20% of CPO's cost of exploring and developing the selected project and credit CPO for the remaining 80% of expenditures towards a joint venture participating credit. Thereafter, Hochschild will be entitled to earn a 60% interest in and to the

selected project by making work expenditures of CDN\$6,000,000 over a four year period. Once the 60% interest has been earned, Hochschild and CPO will jointly contribute to the joint venture work expenditures. Full terms will be set out in a joint venture agreement that will be subsequently negotiated and that CPO and Hochschild have agreed will include these key terms.

Annually, Hochschild will be able to top up its shareholding interest in CPO in order to maintain its percentage interest in the issued and outstanding share capital of CPO. The top up is optional and would be exercised through further private placements to be made at the 20 day volume weighted average market price of CPO's common shares as traded on the TSX Venture Exchange subject to the application of the minimum pricing policies of the TSX Venture Exchange.

The terms of the private placement and incidental rights granted to Hochschild are subject to prior TSX Venture Exchange approval. The common shares and warrants to be issued will all be subject to a four-month statutory hold period. Closing of the Offering remains subject to receipt of all necessary regulatory and TSXV approvals.

*"We are delighted to become associated with a reputable mining house like Hochschild and welcome them as our strategic partner in Cobalt, Ontario," Dr. Andreas Rompel, President & CEO, commented. "Hochschild's extensive experience in mining and treatment of steeply dipping, narrow epithermal veins will be of paramount importance in the development of the Smith Cobalt project and adjoining lands."*

#### **About Hochschild Mining Holdings Limited**

Hochschild Mining Holdings Limited is a wholly owned subsidiary of Hochschild Mining plc both English companies. Hochschild Mining plc is based in Lima, Peru and currently trades on the London Stock Exchange. Hochschild is a well-established senior mining company with over 60 years operating experience in the Americas. It currently operates four underground mines of which three are located in Peru and one is located in Argentina. Each of the operating mines are focused on the production of precious metals.

#### **About Cobalt Power Group Inc.**

Cobalt Power Group Inc. is a publicly traded Canadian exploration company listed on the TSX-Venture Exchange and U.S. Pink Sheets (TSX-V: CPO, OTC Pink: CBBWF) focused on cobalt exploration and development. The company plans to acquire, de-risk and advance assets in mining friendly jurisdictions prior to seeking joint venture partnerships.

The Company has made a series of strategic property acquisitions over the past year, seeking cobalt mineralization near Cobalt, Ontario - a region with a long history of silver and associated cobalt production. Property holdings total 863.6 hectares (2134 acres) in contiguous and strategic claim blocks. There are several historic mining operations on the properties that are potentially accessible, including the Smith Cobalt shaft and its underground workings.

#### **On behalf of the Board of Directors**

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

[www.cobaltpowergroup.com](http://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](http://www.sedar.com).

***Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this 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.*

***This news release is not for distribution in the United States or over United States newswires.***

### **Cautionary Statement on Forward Looking Statement**

Certain information contained in this news release, including information as to our strategy, projects, plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute "forward looking statements". Actual results may differ materially from those indicated by such statements. All statements, other than historical fact, included herein, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

In connection with the forward-looking information contained in this news release, CPO has made numerous assumptions. While CPO considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies. Additionally, there are known and unknown risk factors which could cause CPO's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein.

A more complete discussion of the risks and uncertainties facing CPO is disclosed in CPO's continuous disclosure filings with Canadian securities regulatory authorities at [www.sedar.com](http://www.sedar.com). All forward-looking information herein is qualified in its entirety by this cautionary statement, and CPO disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.