GLOBAL COBALT CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED APRIL 30, 2015

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Management's Discussion and Analysis contains “forward-looking statements” within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this Management's Discussion and Analysis.

In certain cases, forward-looking statements can be identified by the use of words such as “believe”, “intend”, “may”, “will”, “should”, “plans”, “anticipates”, “believes”, “potential”, “intends”, “expects” and other similar expressions. Forward-looking statements reflect our current expectations and assumptions, and are subject to a number of known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements, the actual results of exploration activities, the estimation or realization of mineral reserves and resources, capital expenditures, costs and timing of the development of new mineral deposits, requirements for additional capital, future prices of precious and base metals, possible variations in ore grade or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes, road blocks and other risks of the mining industry, delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation and the timing or magnitude of such events are inherently risky and uncertain.

Key assumptions upon which the Company’s forward-looking statements are based include the following:

- the Company’s ability to successfully integrate, explore, develop and operate the Karakul Cobalt Project, the Werner Lake Project, Benton Resource property, Bug Lake/Fortune lake and Iron Creek Projects, (as defined in this Management's Discussion and Analysis);
- the prices for cobalt will not fall significantly;
- the Company will be able to secure new financing to continue its exploration, development and operational activities;
- there being no significant adverse changes in currency exchange rates;
- there being no significant changes in the ability of the Company to comply with environmental, safety and other regulatory requirements;
- the Company is able to obtain regulatory approvals (including licenses and permits) in a timely manner;
- the absence of any material adverse effects arising as a result of political instability, terrorism, sabotage, natural disasters, equipment failures or adverse changes in government legislation or the socio-economic conditions in the surrounding area to the Company’s operations;
- the Company’s ability to achieve its growth strategy; and
- the Company’s operating costs will not increase significantly.

These assumptions should be considered carefully by investors. Investors are cautioned not to place undue reliance on the forward-looking statements or the assumptions on which the Company’s forward-looking statements are based.

Investors are advised to carefully review and consider the risk factors identified in this Management's Discussion and Analysis under the heading “Risk Factors” for a discussion of the factors that could cause the Company’s actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements.

Investors are further cautioned that the foregoing list of assumptions is not exhaustive and it is recommended that prospective investors consult the more complete discussion of the Company's business, financial condition and prospects that is included in this Management's Discussion and Analysis and other documents available under the Company's profile on SEDAR at www.sedar.com. The forward-looking statements contained in this Management's Discussion and Analysis are made as of the date hereof and, accordingly, are subject to change after such date.

Although the Company believes that the assumptions on which the forward-looking statements are made are reasonable, based on the information available to the Company on the date such statements were made, no assurances can be given as to whether these assumptions will prove to be correct. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except as, and to the extent, required by applicable securities laws. The forward-looking statements contained in this Management's Discussion and Analysis are expressly qualified by this cautionary statement.

1.1 Date

The following management's discussion and analysis ("MD&A"), which is dated of August 31, 2015, provides a review of the activities, results of operations and financial condition of Global Cobalt Corporation (the "Global Cobalt" or "Company") as at and for the year ended April 30, 2015, as well as future prospects of the Company. This MD&A should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended April 30, 2015. All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise specified (the Company's consolidated financial statements are prepared in Canadian dollars). Additional information relating to the Company, including the Company's annual information form, is available on SEDAR at www.sedar.com.

1.2 Overall Performance

1.2.1 General

The Company was incorporated on March 9, 2007 pursuant to the *Business Corporations Act* (British Columbia) under the name "Puget Ventures Inc." and extra-provincially registered in the Province of Ontario on May 25, 2009 under the *Business Corporations Act* (Ontario).

On July 21, 2011, the Company's shareholders approved, among other things, the Company's proposed name change to "Global Cobalt Corporation". The Company formally changed its name to Global Cobalt Corporation and commenced trading its common shares on the TSX-V under the new ticker symbol "GCO" on June 4, 2013.

The name change recognizes the Company's objective of becoming a consolidator of cobalt and strategic metal assets globally and its evolution into an international cobalt exploration and development company with a growing cobalt portfolio in the Altai Republic of Russia.

The Company is a reporting issuer under the *Securities Act* (British Columbia) and the *Securities Act* (Alberta) and thereunder is required to make filings on a continuous basis. All disclosure filings as required under applicable securities laws are available for review under the Company's SEDAR profile at www.sedar.com.

On April 2, 2014 the Company's common shares commenced trading on the OTC Bulletin Board under the symbol GLBCF.

Its Common Shares began trading on the TSX Venture Exchange ("TSX-V") as a capital pool corporation on October 31, 2007 and completed its qualifying transaction on May 15, 2008. The Common Shares traded on the TSX-V under the symbol "PVS" as a Tier 2 listed company in the category of mining issuers.

The Company has a wholly owned Canadian subsidiary, Global Energy Metals Corporation, a private corporation incorporated on April 27, 2015, pursuant to the *Business Corporations Act* (British Columbia).

Its head office is located at Suite 1501-128 West Pender Street, Vancouver, British Columbia, V6B 1R8, and its registered and records office is located at 415 - 1040 West Georgia Street, Vancouver, British Columbia V6E 4H1.

1.2.2 Description of business

The Company is a junior mining company focused on the acquisition, exploration and development of strategic base metals properties. To date, the Company has concentrated its operations on its Werner Lake Mineral Belt properties located in the Province of Ontario and the Karakul Cobalt Project in the Altai Republic, Russia.

The Company's strategy has been to acquire advanced stage strategic metal properties that are either past producers, have been the subject of prior work programs, and/or contain historic resources. Its past acquisitions have all been within the Werner Lake Mineral Belt, located in the Kenora Mining District in northwestern Ontario. In particular, primary focus is placed on the Werner Lake Property, an advanced primary cobalt property.

Management believes that cobalt is an element essential to modern life. From drill bits to prosthetics, from solar panels to turbine blades, from cellular phones to hybrid vehicles, this element has a wide variety of applications. To date, the Company's property portfolio has specifically emphasized mineral interests showing cobalt characteristics.

On May 28, 2013, the Company announced that it has successfully negotiated a new Option Agreement with Imperial Mining Holding Ltd. ("IMHL") to acquire on an earn-in basis up to one hundred percent (100%) of the Karakul Cobalt Project and four neighbouring cobalt-tungsten and silver assets collectively termed the "Sister Properties." The new arrangement enables the Company to emerge to the market in a shorter time frame, maintain a stronger capital structure, keeping it agile and able to leverage itself for future opportunities, and exercise greater control over a more robust project portfolio.

1.2.3 Proposed Transaction

RuMetall Insolvency

The Karakul Cobalt Project includes a subsoil licence issued to AltaiRudaMetall LLP ("RuMetall"), which permits exploration and extraction of copper-cobalt ore on the property. RuMetall is an indirect, wholly-owned subsidiary of IMHL.

On November 29, 2011, insolvency proceedings (the "2011 Insolvency Proceedings") were commenced against RuMetall in the Arbitration Court of the Altai Republic (the "Altai Court") with respect to certain indebtedness owing by RuMetall. The debts were subsequently purchased and settled by Invest Project ("Invest Project"), a third party private corporation. The result of which was that (i) the 2011 Insolvency Proceedings were terminated and (ii) RuMetall was indebted to Invest Project for an estimated 353,801,630 Russian roubles (equal to approximately CAD 10,719,800 as at August 28, 2014) (the "Indebtedness"), payable within 30 days of demand.

In 2013, Invest Project demanded the repayment of the Indebtedness, and subsequently initiated insolvency proceedings against RuMetall in the Altai Court (the "2013 Insolvency Proceedings"). On October 28, 2013, the Altai Court issued a decision declaring RuMetall insolvent, following which, bankruptcy proceedings were commenced against RuMetall. The conclusion of the bankruptcy proceedings has been extended to September 30, 2015.

If the 2013 Insolvency Proceedings against RuMetall are completed, RuMetall will lose the subsoil licence for Karakul. The terms of the Karakul licence do not permit its transfer and, if RuMetall loses the licence, the licence will revert to the federal licensing authority, Rosnedra, for possible re-auction.

If RuMetall loses the Karakul licence, then the Company will not be able to earn-in any interest in the Karakul project under its May 27, 2013 Earn-in Agreement with IMHL. The Company's only recourse will be to sue IMHL under the terms of the Agreement for failure to keep the property and licence in good standing and unencumbered. IMHL is aware of this possibility, and is in advanced-stage communications with Invest Project for a negotiated settlement to the 2013 Insolvency Proceedings. There is no assurance that IMHL will be successful in achieving any settlement. Accordingly, there is a risk that Global Cobalt will not earn any title, directly or indirectly, in the Karakul Cobalt Project.

1.2.4 Recent Developments

Strategic review to protect shareholder value

On March 16, 2015, the Company announced that it is currently underway on a review of the Company's business and alternatives in order to protect value for its shareholders.

On April 7, 2015, Global Cobalt announced its intention to reorganize into two companies. Global Cobalt intended to spin-off Global Cobalt's interests in the Werner Lake Property and the Iron Creek Property (the "Spin-Off Properties"), so that they are indirectly held by a separate public company, Global Energy Metals Corporation. The Arrangement will separate both the Spin-Off Properties from Global Cobalt's other mineral properties located in the Altai Republic, Russia.

As of the anticipated effective date of September 2, 2015 (the "Effective Date"), Global Cobalt will transfer to Global Energy all of Global Cobalt's interests in the Spin-Off Properties. As consideration for the Spin-Off Properties, Global Energy expects to issue to Global Cobalt 78,252,177 Global Energy Shares, which Global Cobalt will then distribute to Shareholders, other than Dissenting Shareholders and IMHL and its affiliates and associates, on the basis of one Global Energy Share for each Global Cobalt Common Share held immediately prior to the Effective Date. In addition to the transfer of the Spin-Off Properties, on the Effective Date Global Cobalt will transfer to Global Energy the Global Energy Assumed Debt (for which Global Energy will assume liability).

Upon completion of the Arrangement, Shareholders (other than Dissenting Shareholders and IMHL and its associates and affiliates) will own one Global Cobalt New Common Share and will receive one Global Energy share for each Global Cobalt Common Share held. Each Shareholder as at the Effective Date will, immediately after the Arrangement, continue to hold the same pro rata interest in Global Cobalt that such Shareholder held in Global Cobalt prior to the completion of the Arrangement, subject to the issuance of any Debt Conversion Shares in connection with the conversion into Global Cobalt Common Shares of all outstanding principal and interest owing by Global Cobalt to IMHL pursuant to the IMHL Loan Agreement (the "Debt Conversion"). Any shares issued will be in accordance with the TSX-V, provided that such price shall be equal to or greater than $0.05 per share.

On completion of the Arrangement, the Company will have estimated assets of $4,300,000 and liabilities of $9,165. For a detailed estimated financial effect, refer to the Management Information Circular dated August 5, 2015

On August 12, 2015 the Company announced that it had filed and mailed a management information circular relating to an Annual General and Special Meeting of shareholders, where amongst other matters, shareholders will consider and vote on a Plan of Arrangement (the "Arrangement") to spin-out Global Energy Metals Corporation from Global Cobalt. On August 31, 2015, the shareholders approved the Arrangement.

New Agreement to acquire cobalt project in Idaho, USA

On October 2, 2014, the Company entered into Mining Lease Agreement with an Option to Acquire (the "Iron Creek Agreement") with Chester Mining Company (the "Lessor").

In order to maintain the Agreement, the Company must complete a minimum of $500,000 in work on the property during the first 3 years of the term of the lease, issue 1,000,000 common shares in the Company to the Lessor, and pay $1,250 per month per year as an advance on against royalties on each anniversary of the agreement. There is a 2.5% net smelter royalty payable to the Lessor on all development and production ores and minerals extracted, milled and sold from the Leased Premises. At any time following completion of the agreement, the Lessee may purchase one-half the royalty in the form of cash or stock or combination consideration of $2,500,000. The Company has an option to acquire the Property at any time for a onetime payment in the form of cash or shares or combination and with prior approval of the Exchange.

The Iron Creek deposit is located at the south-eastern end of the Idaho Cobalt Belt, a 40 kilometre long belt of cobalt (copper)-mineralisation hosted within Proterozoic aged Yellowjacket Formation rocks in central Idaho. This belt includes the Idaho Cobalt Project owned by Formation Metals Inc. and numerous other smaller showings. In Formation's year end MD&A dated May 2014 it was reported that the proven and probable mineral reserves outlined in the technical report for the Idaho Cobalt Project is 2,636,200 tons with an average grade of 0.559% cobalt, 0.596% copper and 0.014 ounces per ton gold, based on a cut-off grade of 0.2% cobalt for a ten year mine life.

There is a long history of mineral exploration on and in the vicinity of the Iron Creek property and the Property has been explored since 1970 by Sachem, Coastal Mining (a division of Hanna Mining), Noranda, Inspiration Copper, Centurion Minerals and by Cominco American Resources Inc. as late as 1992. Extensive mapping, soil and rock geochemistry, geophysics, and trenching have been completed. Records indicate a total of 21,336 feet of core has been drilled in 32 holes; 17,832 feet in 22 holes on the Main Copper Zone, also referred to as the "No Name Zone" and approximately 1,398 feet at the Jackass Zone. From 1972-1975 Coastal drove an exploration drift approximately 1,500 feet along the strike of mineralisation. In 1986 and 1987 Hanna Mining rehabilitated the adits for assessment, but today the adits have collapsed and are not accessible.

On August 12, 2015, Company announced that it had terminated the lease agreement with Chester Mining Company announced in October 2014. This allows for Global Energy Metals Corporation to enter into a new agreement with Chester Mining Company to acquire the Iron Creek property.

New Nominations

On May 16, 2014, Dr. Michael Hitch resigned from the position of Chief Operating Officer due to his increasing role as an Associate Professor at the Norman B. Keevil Institute of Mining Engineering, UBC. Dr. Hitch will remain a pivotal component of the Company as a member of the Advisory Board and as an engineering consultant to the Company.

On May 16, 2014, t the Board of Directors has appointed Mr. Oleg Scherbina as new Chief Financial Officer ("CFO") as the Company builds further general and administrative capacity with Russian experience. Mr. Scherbina is a financial manager with broad experience in all aspects of accounting and financial management. He has direct experience within the mining, construction and oil/gas sectors in Russian and North America, and has been involved with numerous mining companies including Uranium One, Eureka Mining and Bema Gold Corporation. Oleg has been instrumental for the development financial control and reporting systems for Global Cobalt, as well as the day-to-day financial operations of the company, including contract review, payroll, budgeting, and financial control development.

Subsequently, Mr. Chris Couzelis resigned from the position of CFO as of May 15, 2014.

1.2.5 Property Activities

Property Details

Past drilling by previous operators at the Karakul Cobalt Deposit intersected multiple zones of cobalt mineralization. An initial mineral resource was estimated to Soviet standards totalling 14.98 million tonnes of 0.21% cobalt, 0.09% bismuth, 0.44% copper and 0.11% tungsten in C1+C2 categories. An additional 47 million tonnes of material was outlined in the P1 category. This resource estimate is historic in nature and not compliant to National Instrument 43-101 CIM or other international standards and should not be relied upon as they are not accepted mineral resource categories as defined by Canadian NI 43-101 standards or international resource categories or standards.

Interpretation of historic data has defined a geological model identifying multiple target areas for validation drilling with potential for cobalt, tungsten, copper and bismuth mineralization at the hydrothermal polymetallic sulphide deposit. Most historic work was carried out on the Western Zone, including trenching, in excess of 24,700 meters of diamond drilling and over 3,000 meters of underground workings that extends for over 2.5 kilometers at surface. Limited drilling had been completed on the Eastern Zone that lies approximately 300 meters east of the Western Zone and is considered a parallel structure of the same mineralising system. Limited historic drilling at the Eastern Zone defined a non-continuous zone of mineralisation over a length of approximately 2 kilometres.

The Kuruozek property is located just 500 meters north of the Karakul property boundary. Mineralisation similar to the Western Zone has been identified at the north end of Kuruozek licence and has seen only limited surface trenching, mapping and sampling. Evidence suggests mineralisation is part of a district scale trend and the key zones align along strike from Karakul. A gap of approximately 5 kilometres between Kuruozek mineralisation and the Western Zone has not been explored and would be considered highly prospective for additional mineralisation.

Karakul 2013 Drill Program

The drilling campaign was designed to assess the merit of the historical work conducted on the property by various workers since discovery in the mid 1970's. The Company's primary objective was to confirm previous geological interpretations and to confirm the validity of the historical database for use in the first NI 43-101 complaint mineral resource Technical Report. To that end, the Company completed its 2013 drill program at the Karakul in Altai Republic, Russia totalling 7,398 metres (45 holes) and subsequently engaged Wardell Armstrong International ("WAI") to prepare a Technical Report.

Highlights:

- Visual estimates over a number of sections suggest the mineralised zone appears to be gaining width and exhibits strong mineralisation at depth;
- Overall, visual and assay results appear to demonstrate good continuity and correlation with historic results adding confidence to the historical database and confirming long held geological interpretations;
- East Zone drilling indicates a new traceable zone requiring additional drilling for further understanding and definition;

Global Cobalt initiated and completed 7,398 metres in 45 holes as part of their mineral resource definition drill program from August 2014 through the end of December 2014. The program was designed to establish continuity and confirm the work of previous Soviet and post-Soviet operators as well as to in-fill and define/add more mineralized material as predicted by geological modelling. Overall the objectives of the program where met and the Company issued a NI 43-101 compliant Mineral Resource Technical Report on Karakul project July 2, 2014.

The 2013 results are leading the exploration team to consider the deeper, bulk tonnage underground potential of Karakul and are contributing to a greater understanding of the zonation of metals within mineralised zones. As a result of greater confidence in other metals in the deposit, cobalt equivalent ("CoEq") grades are being reported for the first time at Karakul.

Global Cobalt's team has initiated critical path items such as updated environmental, social and metallurgical studies required for mine planning under Russian subsoil regulations that also meet international standards concurrently. Global Cobalt has short listed several consultants to complete updates to previously-initiated environmental and social studies and hope to announce new contracts in the near future. Planning for additional metallurgical work, including a 750kg bulk sample is underway as part of the 2014 Work Program that will also focus on infill and deep drilling at the Western Zone and more definition drilling along the Eastern Zone where high-grade cobalt zones have been intersected and preliminary drilling has provided strong continuity between drilled sections.

National Instrument 43-101 Technical Report

On July 2, 2014, The Company completed the initial National Instrument 43-101 technical report (the "Report") for the Karakul Cobalt Project, located in the Altai Republic, Russia. The independent NI 43-101 technical report prepared by Wardell Armstrong International Limited ("WAI") is available under the

Company's profile on SEDAR and on the corporate website www.globalcobaltcorp.com.

Highlights for the Karakul Cobalt Deposit NI 43-101 Report include:

- Resource demonstrates larger than expected tonnages in indicated and inferred categories

- Western Zone Indicated Sulphide Resources totaled 17,156.33kt at 0.318% CoEq and Indicated Oxide Resources totaled 981.1kt at 0.257% CoEq for a Total Indicated Oxide + Sulphide Resource totaling 18,137.34kt at 0.314% CoEq at a 0.05% Cobalt equivalent cut-off.
- Western Zone Inferred Resources totaled 2,915.63kt at 0.326% CoEq and Inferred Oxide Resources totaled 17.82kt at 0.069% CoEq for a Total Inferred 2,933.45kt at 0.325% CoEq at a 0.05% Cobalt equivalent cut-off.
- Eastern Zone Inferred Sulphide Resources totaled 5,971.10kt at 0.237% CoEq and Inferred Oxide Resources totaled 147.26kt at 0.261% CoEq for a Total Inferred 6,118.36kt at 0.238% CoEq, both at a 0.05% Cobalt equivalent cut-off.
- Indicated Mineral Resources have been assigned to the majority of the Western Zone mineralization and all Mineral Resources in the Eastern Zone here have been classified as Inferred Resources.
- Both mineralised zones remain open at depth.

Table 1.1: Summary of Karakul Mineral Resource Statement – By Mineralised Zone, Cut-off Grade of 0.05% Cobalt Equivalent WAI (June 30, 2014)

Resource Classification	Rock Type	Tonnes (Kt)	Density	Co (%)	Bi (%)	Cu (%)	WO_3 (%)	Ag (g/t)	CoEq (%)	Contained Metal Co (t)	Bi (t)	Cu (t)	WO_3 (t)	Ag (t)	CoEq (t)
Western Zone															
Indicated	Oxide	981.01	2.56	0.024	0.068	0.269	0.096	0.87	0.257	230.88	664.67	2,640.99	940.51	0.85	2,525.87
Indicated	Sulphide	17,156.33	2.96	0.113	0.057	0.362	0.056	3.13	0.318	19,449.50	9,753.72	62,146.50	9,629.98	53.71	54,480.66
Total Indicated	**Oxide+Sulphide**	**18,137.34**		**0.109**	**0.057**	**0.357**	**0.058**	**3.01**	**0.314**	**19,680.38**	**10,418.39**	**64,787.49**	**10,570.49**	**54.56**	**57,006.53**
Inferred	Oxide	17.82	2.56	0.007	0.001	0.067	0.037	0.00	0.069	1.19	0.22	12.00	6.57	0.00	12.34
Inferred	Sulphide	2,915.63	3.11	0.096	0.107	0.325	0.053	4.48	0.326	2,792.06	3,131.74	9,467.09	1,532.24	13.07	9,509.79
Total Inferred	**Oxide+Sulphide**	**2,933.45**		**0.095**	**0.107**	**0.323**	**0.052**	**4.46**	**0.325**	**2,793.25**	**3,131.96**	**9,479.09**	**1,538.81**	**13.07**	**9,522.13**
Eastern Zone															
Inferred	Oxide	147.26	2.56	0.034	0.061	0.211	0.102	3.08	0.261	49.54	89.36	311.16	150.84	0.45	384.91
Inferred	Sulphide	5,971.10	2.89	0.078	0.066	0.218	0.045	1.80	0.237	4,636.72	3,939.70	13,001.47	2,690.20	10.73	14,167.84
Total Inferred	**Oxide+Sulphide**	**6,118.36**		**0.077**	**0.066**	**0.218**	**0.046**	**1.83**	**0.238**	**4,686.26**	**4,029.07**	**13,312.63**	**2,841.04**	**11.18**	**14,552.75**

Notes:
1. Mineral Resources are not reserves until they have demonstrated economic viability based on a feasibility study or pre-feasibility study;
2. Mineral Resources are reported inclusive of any reserves;
3. Grade represents estimated contained metal in the ground and has not been adjusted for metallurgical recovery;
4. No additional mining factors applied and;
5. Numbers may not add due to rounding.
6. Co Equivalent calculated based on the following parameters assuming 100% recovery:

Metals	US$/lb (USD$/0z)	US$/tonne	CoEq factor
Co	13.608	30,000	1
Cu	3.266	7,200	0.2400
Bi	9.888	21,800	0.7267
WO3	16.783	37,000	1.2333
Ag	20	0.6430	0.0021
Conversion Factor			
lb/kg	g/troy oz		
2204.623	31.10348		
Factor			
22.0462			

WAI recommends that a comprehensive metallurgical test work program be implemented in order to improve the support for the CoEq calculation. With more advanced technical work Global Cobalt plans to move forwards to a Preliminary Economic Assessment (PEA).

The 2013 drilling program was successful in determining the historic Soviet and Russian era data was reliable and was therefore able to be utilized in the new resource estimate. The 2013 drilling also provided greater continuity to the mineralised zones than previously indicated. Geological modelling and assay results have been able to link previously delineated individual zones into more continuous structures in the central portion of the Western Zone. Western Zone the mineralisation remains open at depth and further drilling is required to test extensions to mineralisation in all directions.

Approximately 300 meters to the east of the Western Zone lies the Eastern Zone. Recent drilling has delineated a continuous structure of the same nature as the Western Zone and this target remains a high potential zone for further drilling to test the strike and down dip extensions of mineralisation. Closer spaced drilling will be required to increase the confidence level of this resource from the current inferred level to indicated or greater confidence.

As the Company moves to more advanced stages of technical study, an Environmental and Social Impact Assessment in accordance with IFC Performance Standards will be required to highlight any sensitive receptors and to determine any impacts requiring mitigation.

In parallel a Russian OVOS document is also required to meet the local environmental and social requirements, to include all the relevant permits and licenses associated with the project will also be required. Though initial work was undertaken, the process would need to be restarted.

It is the opinion of WAI that both open pit and underground mining methods will be considered for the Karakul Exploration project.

The technical information in the Report has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 and was reviewed on behalf of the company by its Qualified Person, Mr. Paul Sarjeant, P.Geo, the Company's VP Exploration.

Mineral Resources estimated in accordance with the guidelines of the CIM code, with an effective date of 30 June 2014, were prepared by WAI staff. Qualified persons are senior consultants from WAI, namely, Mark Owen and Nick Szebor for Mineral Resources.

Chinese Technical-Economic Study Contract

In October 2013, the Company awarded a contract to Beijing General Research Institute of Mining & Metallurgy ("BGRIMM"), a leading global mining consultancy to carry out advanced, internal technical and economic studies (the "Study") on the Karakul project. These studies would be considered similar to prefeasibility or feasibility level studies by Canadian standards.

BGRIMM will work closely with Global Cobalt to complete the Study, which will define the technical and economic parameters of the Project to assist with assessing a potential production and funding decision.

The Study will follow the $3 million, 7,400 metre validation and expansion drilling program announced August 21, 2013, and will incorporate both the results from the 2013 work program and historic data at the Karakul Project site. The Study is expected to be completed by the end of Q4 2014. Metallurgical test work conducted by SGS Chita and the NI 43-101 Resource Report completed by Wardell-Armstrong will also be integrated in the BGRIMM work.

As part of the definitive agreement, Global Cobalt negotiated that all payments to BGRIMM associated with the Study will be delayed until 12 months after the Study is completed. Should the Study prove to be positive and BGRIMM is awarded the Engineering, Procurement and Construction ("EPC") contract for project development work at Karakul, BGRIMM has agreed that the Study work costs will be subtracted from the cost of the EPC contract.

BGRIMM, incorporated in China and directly under the Chinese central government (SASAC), is a leading institute providing innovative technology, diversified products, and process-oriented engineering services in mineral and material industries worldwide. With ISO 9001 certification and as a well-established multi-disciplinary organization, BGRIMM takes pride in being a complete solution provider integrating research and development, engineering and equipment manufacturing tailored to customer requirements while serving the mineral industry with a full range of mining expertise.

Preliminary Sales Offtake Agreement

On October 3, 2013, the Company entered into a preliminary agreement (the "Agreement") with Beijing Easpring Material Technology Co., Ltd. ("Easpring") that gives Global Cobalt the right to sell to Easpring up to 100% of the total crude cobalt hydroxide, cobalt concentrate or cobalt carbonate production from the Karakul Cobalt Project ("Karakul") for an initial term of 10 years from the commencement of commercial production at market competitive prices if the material meets Easpring's technical requirements.

Easpring is a public company traded on the Shenzhen Stock Exchange (Stock Code: 300073) and counts Beijing General Research Institute of Mining & Metallurgy ("BGRIMM") among its major shareholders. As previously announced, BGRIMM was awarded the Feasibility Study contract (the "Study") for Karakul by the Company and can also secure the Engineering, Procurement and Construction ("EPC") contract if the Study provides evidence of economic feasibility.

In addition, the Agreement also allows for Easpring to participate in future mine project financing.

Founded in 2001 and based in Beijing, China, Easpring engages in the research, development, production and sale of energy materials. It offers lithium cobalt oxide, multi-element oxide, lithium manganese oxide, and other cathode materials for small lithium batteries and power batteries, as well as electronic ceramics materials. The company is a leading specialized supplier of cathode material for lithium-ion batteries to industry giants such as Samsung, Sony, Panasonic, SK Continental, and BYD.

Easpring is now recognized as a leader in its industry and was the first Chinese supplier to export lithium cathode material to multiple overseas markets. At present, Easpring supplies five of the world's six largest lithium battery manufacturers, and is the only Chinese supplier of high quality cathode materials to China, Japan and Korea's high-end lithium ion battery markets.

1.2.6 Property Holdings

Werner Lake Greenstone Belt Properties

Overview

On June 2, 2009 the Company completed the acquisition of an undivided 100% interest in the Werner Lake Greenstone Belt Properties in the Kenora Mining Division of the Province of Ontario. The key area is the historic Werner Lake Mine property ("Werner Lake") that achieved limited production of cobalt ores between 1932 and 1944.

Werner Lake is the Company's primary Canadian-based asset. The land package lies within the Werner Lake Greenstone Belt, a 60km long, highly mineralized belt of rocks that host base metal and cobalt showings and historic mines. The Werner Lake Mineral Belt covers two past producers and at least five historic deposits including three extremely rare primary cobalt deposits and two significant nickel-copper-PGE deposits. The property consists of thirty-four patented mining claims and/or mining leases that cover in excess of 440 hectares.

History

The earliest recorded claim staking in the Werner Lake area appears to have been about 1921 when the discovery of what was to become the Werner Lake mine was made. This property eventually came under the control of Falconbridge predecessor, Ventures Limited and achieved some production of cobalt ore between 1932 and 1944. Subsequently Falconbridge undertook more exploration including diamond drilling in 1957. They optioned their claims to Canmine in 1995, which earned a 100% interest in the project by completing extensive technical studies, underground rehabilitation and diamond drilling.

Just prior to the bankruptcy of Canmine they optioned part of their property to Atikwa Minerals Limited who also optioned the Norpax property and undertook an exploration program focused on the area around the Norpax property. The work included surface sampling and diamond drilling.

Historic work at Werner Lake falls into three phases. The early production and resource delineation period, the Canmine work period and the Atikwa work period.

In the mid nineteen nineties Canmine Resources Corporation assembled a mineral claims and land package which included most of the past producing areas in the camp and also residual resources referenced in old reports as not having been mined. Geophysical surveys followed by diamond drilling were successful at expanding known mineral zones and finding new zones in the vicinity of prior workings. Werner Lake is characterized by small but numerous lenses of mineralisation with clearly evident structural control and multiple metals having grades at levels where each could be considered as the primary economic component of the mineralized rock.

Canmine initially pursued exploration with drilling and resource expansion leading to engineering, metallurgical and environmental studies to scope out a pre-feasibility level assessment of the property. The company also developed an interest in cobalt as the primary commodity and envisaged production being utilized to provide feedstock for a cobalt refinery they were establishing at Cobalt, Ontario. Inability to equity finance the projects led to the company seeking protection under the *Companies Creditors Arrangement Act*. Commerce Capital Inc. then acquired title to the mineral rights and associated surface rights of the property and through a plan of arrangement with 2042708 Ontario Ltd. The Company made arrangements to acquire the properties from Commerce.

The current property was assembled in the late 2000's, to include much of the Canmine land package, (via Commerce Capital Inc. following Canmine entering into receivership), the West adjacent Norpax property, several mining claims, plus more recently, property obtained from Benton Resources. Many of the non-critical unpatented mining claims were allowed to lapse, retaining the key patents and mining leases that surround the historical workings and their extensions. Currently, the property consists of thirty-four patented mining claims and/or mining leases that cover in excess of 440 hectares.

Mineralization & Geology

The Werner Lake Geologic Belt is part of the Archean English River Subprovince of the Superior Geological Province in Ontario. The area is underlain by metasedimentary migmatites intruded by syn- to late-tectonic felsic intrusive rocks. The migmatites are predominantly quartz-feldspar-biotite gneiss and lesser ultramafic and mafic igneous rocks and mafic amphibolite gneiss (Beakhouse, G.P., 1997). The belt is defined by a deep-seated fault that is believed to have ruptured the Superior Province. The fault zone is up to 500 metres wide and dips near verticaly. The entire area of the fault has been termed the "Cu-Ni-PGE zone" by J.R. Parker of the Ontario Geological Survey.

At Werner Lake, the fault zone is marked at surface by a prominent 25 to 50 metre wide U-shaped valley. To the west it disappears under Reynar Lake, and at the Manitoba border, it is covered by overburden and Oiseau (Bird) Lake. The Bird River ultramafic sill in Manitoba, up to 500 metres wide, follows the strike continuity of the deep-seated fault. The fault zone to the east furcates into a number of smaller, discontinuous faults in the vicinity of the eastern end of Rex Lake. Parker has interpreted the erosional level of the belt to vary from one end to the other, preserving the top of the system in the west in the Oiseau (Bird) River area of Manitoba and being near the bottom of the system of the fault zone in the east in the Rex Lake area, east of Werner Lake. High grade, amphibolite to granulite facies, metamorphism affects the Ontario portion of the Werner Lake belt.

There are five mineralized zones with historic mineral resources on the property: these are the Norpax deposit, West Cobalt deposit, the Werner Lake Minesite Cobalt deposit, the Eastern Shallows Cobalt deposit, and the Big Zone deposit. The Norpax deposit is located approximately seven kilometres east of the Manitoba border and lies under a lake paralleling and some 70-150m north of the road. The lake has variously been named Tigar and Almo. In addition to the main deposit other drilled smaller zones are reported up to 500m east and 1000m west. The western trend of mineralisation merges with that of the Big Zone. The Norpax zone is entirely under the lake immediately west of a prominent cross fault reflected by the arms of the lake.

The breakdown of each category is as follows:

- Proven reserves - 140,031 tonnes of 0.47% cobalt, 0.26% copper and 0.008 oz/t gold.
- Probable reserves - 40,829 tonnes of 0.25% cobalt, 0.43% copper and 0.030 oz/t gold.
- Indicated resources - 51,456 tonnes of 0.13% cobalt, 0.20% copper and 0.003 oz/t gold.
- Inferred resources - 869,378 tonnes of 0.29% cobalt, 0.28% copper and 0.011 oz/t gold.

The Eastern Shallows deposit contains total indicated resources of 63,517 tonnes with 0.29% cobalt and

0.63% copper.

The Big Zone deposit contains total indicated resources of 172,396 tons with 0.26% copper, 0.62%nickel, 0.02% cobalt, 0.009 oz/t platinum and 0.030 oz/t palladium.

The historical resource estimates at Werner Lake are not being treated as a mineral reserve or mineral resource. Key assumptions, parameters, and methods used to prepare the historical estimates are not known. A qualified person has not done sufficient work to classify the historical estimate as a mineral resource or mineral reserve. Additional drilling and testing is required to determine a current classification as a mineral resource or mineral reserve. The Company is not treating the historical information as a current mineral resource or mineral reserve and the reader is cautioned to not rely upon this data. Please refer to the "Werner Lake Mineral Belt Properties Technical Report" by Gerald Harper, Ph.D., P.Geo. (On), dated March 22, 2011 and revised June 23, 2011 as filed on SEDAR.

Exploration & Development

From December 2009 to May 2010, the Company completed a 33 diamond-drill hole programme (7,565.3 meters) targeting the Werner Lake and West Werner Lake cobalt-nickel-copper deposits. The primary goal of the programme was to increase known mineralisation defined from previous drilling efforts and aid in the estimation of a resource for the Werner Lake and West Werner Lake cobalt-nickel-copper deposits.

The drilling returned significant base metal intercepts hosted within a folded, moderately strained to highly sheared, mafic-ultramafic volcanic-intrusive assemblage. Where best preserved the ultramafic is a two pyroxene, amphibole, plagioclase, lherzolitic peridotite. Locally pyroxenite, amphibolite and gabbro were also recognised that also host appreciable sulphides. Highest sulphide concentrations are >5% with varying proportions of pyrite, chalcopyrite, cobaltian pyrite, cobaltite and pentlandite. Semi-massive sulphides, which historically returned high cobalt values, were rarely intercepted except over 10-20 cm widths. It is apparent that mineralised widths for cobalt-rich material are relatively narrow, in the order of 1-3 metres.

The results of this drilling combined with the previous drilling and underground information will allow an updated resource estimate and thereafter consideration of a preliminary economic analysis of potential for commercial production.

During the year ended April 30, 2014, the Company decided to terminate the Norpax option agreement and relinquish the interest in Norpax Property. As the result, the Company wrote-off $400,496 of exploration and evaluation assets related to the Norpax Property.

1.3 Selected Annual Financial Information

The following table presents selected financial information for the last three fiscal years ended April 30, 2015, 2014 and 2013.

	2015 -$-	**2014** -$-	**2013** -$-
Revenue	-	-	-
Net loss	(2,980,531)	(4,008,633)	(3,293,967)
Basic and diluted loss per share	(0.03)	(0.07)	(0.09)
Total assets	7,824,441	7,641,553	4,492,204
Total long-term financial liabilities	-	2,744,194	-

1.4 Results of Operations

For the year ended April 30, 2015 (“fiscal 2015”), the Company reported a net loss of $2,980,531 or $0.03 per share, compared to a net loss of $4,008,633 or $0.07 per share, reported for the year ended April 30, 2014 (“fiscal 2014”). During the fiscal 2015, significant changes in expenses occurred in the expense categories described below as compared to the fiscal 2014:

Financing Costs

Financing costs increased to $1,631,696 fiscal 2015 (2014 - $864,510) mainly due to higher loan costs relating to the IMHL loan and a related party loan in 2015.

Share-based payment expense

In the fiscal 2015, the Company recognized $- nil (2014 - $995,900) in share-based payments from vesting of the stock options granted to directors, employees and consultants. There were no such expenses in the fiscal 2015.

Consulting Fees

Consulting fees decreased to $376,131 in the fiscal 2015 (2014 - $838,638) due to the resignation of an officer during the year and having his replacement appointed from within the organization in the Company’s efforts to optimize its resources.

Professional Fees

Professional fees decreased to $131,935 in the fiscal 2015 (2014 - $563,381) due to lesser activities during fiscal 2015.

Advertising and Promotion

Advertising and promotion expenses of $87,177 in the fiscal 2015 (2014 - $280,587) were lower compared to fiscal 2014 due to the Company’s effort to reduce costs.

1.5 Summary of Quarterly Results

The following table sets out certain unaudited interim financial information of the Company for each of the last eight quarters, beginning with the first quarter of fiscal 2014. This financial information has been prepared in accordance International Accounting Standard (“IAS”) 34 Interim Financial Reporting using accounting policies consistent with IFRS issued by the International Accounting Standards Board (“IASB”).

	Q4 2015 -$-	Q3 2015 -$-	Q2 2015 -$-	Q1 2015 -$-
Revenues	-	-	-	-
Net loss	(1,046,152)	(669,211)	(751,306)	(513,862)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)
	Q4 2014 -$-	**Q3 2014** -$-	**Q2 2014** -$-	**Q1 2014** -$-
Revenues	-	-	-	-
Net loss	330,294	(3,068,842)	(663,154)	(606,931)
Basic and diluted loss per share	0.01	(0.05)	(0.02)	(0.2

Quarterly results are highly variable for exploration companies depending on whether the company has abandoned any properties, write off the deferred expenses or granted any stock options.

1.6 Liquidity

The Company is a mining exploration and development company with no producing resource properties, and consequently does not generate operating income or cash flow. To date, the Company has relied upon the sale of equity securities to provide working capital for capital acquisitions, exploration and development activities, and to fund the administration of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to rely upon equity and debt financing to raise capital. There can be no assurance that financing will be available to the Company when required, or on terms satisfactory to the Company.

At April 30, 2015, the Company had $48,322 in cash compared to $58,302 at April 30, 2014.

The Company began the fiscal year, 2015, with $58,302 cash. During the fiscal year ended April 30, 2015 the Company incurred $692,619 from operating activities, net of working capital changes, incurred $194,026 from investing activities from exploration and evaluation expenditures and purchase of office equipment and received $876,665 from financing activities, mainly from loan proceeds and issuance of common shares to end at April 30, 2015 with $48,322 in cash.

The Company began the fiscal year ended April 30, 2014 with $43,710 cash. During the fiscal year ended April 30, 2014 the Company incurred $2,105.481 from its operating activities, net of working capital changes, incurred $3,179,347 from investing activities and received $5,299,420 from financing activities to end at April 30, 2014 with $58,302 in cash.

1.7 Capital Resources

The Company's working capital deficiency at April 30, 2015 was $7,040,704 compared with working capital deficiency of $1,584,709 at April 30, 2014.

1.8 Off-Balance Sheet Arrangements

None.

1.9 Transactions with Related Parties

Key management personnel are persons responsible for planning, directing and controlling the activities of the entity, and include all directors and officers. Key management compensation the years ended April 30, 2015 and 2014 were as follows:

	2015 -$-	2014 -$-
Short-term benefits	478,000	698,815
Share-based payments	-	879,750
	478,000	1,578,565

During the year ended April 30, 2015, the Company entered into a loan agreement with one of its directors. As at April 30, 2015 the balance of the loan is $1,237,865 (April 30, 2014 - $Nil). The loan payable is unsecured, with interest accruing at a rate of 11% per annum, with repayments due on demand.

1.10 Fourth Quarter

The net loss for the quarter ended April 30, 2015 was $1,046,152 or $0.01 per share compared with a loss of $330,294 or $0.01 per share for the quarter ended April 30, 2014.

The Company began the fourth quarter with $326 cash. During the three months ended April 30, 2015 the Company incurred $50,323 from operating activities, net of working capital changes, incurred $152,202 from investing activities and used $53,883 from financing activities, to end at April 30, 2015 with $48,322 in cash.

1.11 Proposed Transaction

The details of the proposed transaction are discussed in the section 1.2.3 on the page 5.

1.12 Critical Accounting Estimates

The Company's significant accounting policies are contained in Note 3 to the Audited Consolidated Financial Statements for the year ended April 30, 2015. The preparation of the Audited Financial Statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates and underlying assumptions are reviewed on an ongoing basis. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Audited Consolidated Financial Statements included the following:

Provisions and contingencies

The amount recognized as provision, including legal, contractual and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements.

Exploration and evaluation expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive income (loss) during the period the new information becomes available.

Impairment

Assets, including property, plant and equipment, exploration and evaluation, mines under construction and mineral properties, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the fair value often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, rehabilitation and restoration costs, future capital requirements and future operating performance. Changes in such estimates could impact recoverable values of these assets. Estimates are reviewed regularly by management.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Under IFRS, the Company is required to estimate the number of forfeitures likely to occur on grant date and reflect this in the share-based payment expense revising for actual experiences in subsequent periods.

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

1.13 Changes in Accounting Policies including Initial Adoption of IFRS

The Company adopted IFRS for the year ending April 30, 2012. There were no changes in accounting policies for the year ending April 30, 2015.

Future Accounting Pronouncements

A number of other new standards and issued amendments to standards and interpretations are not yet effective for the year ending April 30, 2015 and have not been applied when preparing the Company's financial statements. Management does not currently expect the implementation of these new standards and amendments will have a significant effect on the financial statements of the Company.

1.14 Financial Instruments and Other Instruments

Financial assets included in the consolidated statement of financial position are as follows:

	April 30, 2015 -$-	April 30, 2014 -$-
Cash	48,322	58,302

Financial liabilities included in the consolidated statement of financial position are as follows:

	April 30, 2015 -$-	April 30, 2014 -$-
Non-derivative financial liabilities:		

Accounts payable and accrued liabilities	1,665,077	1,332,981
Loans payable, current	5,446,352	582,470
Loans payable, long-term	-	2,744,194
	7,111,429	4,658,745

Fair value

The fair values of the Company's cash and cash equivalents, loans payable, and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments.

Fair value hierarchy

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities;

Level 2 Inputs, other than quoted prices in Level 1, that are observable for the asset or liability either directly or indirectly; and

Level 3 Unobservable inputs that are not based on observable market data.

At April 30, 2015, the Company's financial instruments are comprised of cash, deposits, loans payable and accounts payable. With the exception of cash and cash equivalents, all financial instruments held by the Company are measured at amortized cost.

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's has exposure to credit risk on its cash held in bank accounts and deposits. The majority of cash are deposited in bank accounts held with a major bank in Canada. As all of the Company's cash is held by a bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by ratings agencies. The maximum exposure to loss arising from deposits is equal to their carrying amounts.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risk as it incurs expenditures that are denominated in US dollars while its functional currency is the Canadian Dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. At April 30, 2015, the Company has a loan payable outstanding in the amount of US$3,458,951. A 10% change in the Canadian /US exchange rate would impact the Company's net loss and comprehensive loss by approximately $375,000.l

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at April 30, 2015:

	Due on demand	Within one year	Between one and five years	More than five years
	-$-	-$-	-$-	-$-
Accounts payable and accrued liabilities	-	1,665,077	-	-
Loans payable	5,446,352	-	-	-
	5,446,352	1,665,077	-	-

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity.

There were no changes in the Company's approach to risk management during the reporting period.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The Company's capital is comprised of share capital.

There were no changes in the Company's approach to capital management during the reporting period.

The Company is not subject to any externally imposed capital requirements.

1.15 Other MD&A Requirements

Disclosure of Outstanding Share Data

At April 30, 2015 there were 96,558,885 outstanding common shares 14,144,659 share purchase warrants outstanding and 4,155,000 outstanding stock options.

At August 28, 2015 there were 105,499,817 outstanding common shares, 17,134,659 share purchase warrants outstanding and 4,155,000 outstanding stock options.

Risks and uncertainties

The Company is in the business of acquiring, exploring and, if warranted, developing mineral properties, which is a highly speculative endeavour, and the Company's future performance may be affected by events, risks or uncertainties that are outside of the Company's control.

The Company's management consider the risks set out below to be the most significant to potential investors of the Company, but not all risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected.

In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

Political Developments and Uncertainty in the Russian Federation

Escalating political tensions and uncertainties as a result of the Russian Federation's foreign policy decisions and actions in respect of Ukraine have resulted in the imposition of economic sanctions and increased the risk that certain governments may impose further economic or other sanctions on the Russian Federation or on persons and/or companies conducting business in the Russian Federation. There can be no assurance that sanctions will not be imposed by the Russian Federation, including in response to existing or threatened sanctions, or by Canada, the United States or the European Union against persons and/or companies conducting business in the Russian Federation. The imposition of such economic sanctions or other penalties could have a material adverse effect on the Company's assets and operations.

Limited Operating History

The Company is still in an early stage of development. The Company is engaged in the business of acquiring, exploring and, if warranted, developing mineral properties in the hope of locating economic deposits of minerals. The Company's mineral interests are in the early stages of exploration and are without a known deposit of commercial ore. The Company has no history of earnings. There is no guarantee that economic quantities of mineral reserves will be discovered on the Company's property.

Exploration and Development Risks

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market and mineral price fluctuations, particular attributes of any deposits (including size and grade), the proximity and capacity of milling facilities, mineral markets and processing equipment, and other factors as government regulations, including regulations relating to royalties, allowable production, 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 having an adequate return on investment.

The Werner Lake Properties are in the exploration stage only and is without proven bodies of commercial minerals. Development of any property would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

There is no assurance that the Company's mineral exploration activities and, if warranted, its development activities will result in any discoveries of commercial bodies any minerals. The long-term profitability of the Corporation's operations will, in part, be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Mineral Titles Risks

No assurances can be given that title defects to the Company's mineral interests do not exist. The Company's current mineral properties and other properties it may from time to time acquire an interest in, may be subject to prior unregistered agreements, transfers or claims and title may be affected by undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its right, title and interest in and to the properties.

Without limiting the generality of the foregoing, there can be no assurances that all necessary work required to maintain the exploration and extraction licence for the Karakul and satellite Altai Sister Properties will be completed by the licence holder, RuMetall (an indirect, wholly-owned subsidiary of IMHL), within the timeframes set out in the licence. If the licence requirements are not met, it is possible that RuMetall will lose the licence, in which case, the Company may not be able to earn an interest in the properties. Without further limiting the generality of the foregoing, there can be no assurances that the current insolvency proceedings commenced by Invest Project against RuMetall will be resolved without RuMetall losing its interest in the exploration and extraction licence for the Karakul and satellite Altai Sister properties. If RuMetall loses the licence, the Company may not be able to earn an interest in the properties and its only recourse will be to sue IMHL under the terms of the Earn-in Agreement for failure to keep the property and licence in good standing and unencumbered.

Loss of Interest in Properties

The Company may acquire properties, which require the Company to make certain additional payments in order to maintain its interests. The Company's ability to acquire or maintain those interests will be dependent on its ability to raise additional funds by equity and/or debt financing. Failure to obtain additional financing may result in the Company being unable to make the periodic payments required for the acquisition of its interests in certain properties and could result in delay or postponement of further exploration and the partial or total loss of the Company's interest in such properties.

Aboriginal Rights

Aboriginal rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Company is not aware of any aboriginal land claims having been asserted or any legal actions relating to aboriginal issues having been instituted with respect of the mineral claims in which the Company has an interest.

Permits and Government Regulations

The future operations of the Company will require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing exploration, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on any of its properties.

Environmental and Safety Regulations and Risks

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be temporarily withdrawn where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches.

Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the acquired properties or non-compliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors, from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable standards. There is a risk that environmental laws and regulations may become more onerous, and thus raising the costs of operations.

Competition

The resource industry is intensely competitive in all of its phases. The Company competes with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could adversely affect the Company's ability to acquire suitable properties or prospects for exploration in the future.

Management

The success of the Company is currently dependant on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance that the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. At this date there are no indications that any change in management cannot be maintained at the current structure.

Conflicts of Interest

Various of the Company's directors, officers and other members of management do, and may in the future, serve as directors, officers, promoters and members of management of other companies involved in the acquisition, exploration and development of mineral resource properties and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws governing accountability of directors and officers for corporate opportunity and the requirement of directors to disclose conflicts of interest. The Corporation will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

Fluctuating Mineral Prices

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of base and precious metals. The price of those commodities has fluctuated widely, and is affected by numerous factors beyond the Company's control, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of base and precious metals, and therefore the economic viability of any of the Company's exploration projects, cannot be accurately predicted.

Additional Funding Requirements

From time to time, the Company will require additional financing in order to carry out its acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Company's cash flow from operations is not sufficient to satisfy its capital or resource expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or be available on favourable terms.

Price Volatility and Lack of Active Market

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Any quoted market for the Company's securities may be subject to such market trends and that the value of such securities may be affected accordingly.

Further Information

Additional information about the Company is available at the Company's website www.globalcobaltcorp.com