



**NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
RELATING TO
AN ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS OF
GLOBAL COBALT CORPORATION**

Date and Time: August 31, 2015 at 10:00 a.m.
Place: Computershare Boardroom, 2nd Floor, 510 Burrard Street
Vancouver, British Columbia

August 5, 2015

This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you should consult with your investment dealer, broker, lawyer or other professional advisor. This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful.

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NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO: THE HOLDERS OF COMMON SHARES OF GLOBAL COBALT CORPORATION

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of shareholders of Global Cobalt Corporation (“**GCO**”) will be held at Computershare Boardroom, 2nd Floor, 510 Burrard Street, Vancouver, British Columbia on August 31, 2015, at 10:00 a.m. (Vancouver time) for the following purposes:

1. to consider, pursuant to an interim order of the Supreme Court of British Columbia dated July 30, 2015, (the “**Interim Order**”) and, if thought advisable, to pass, with or without variation, a special resolution (the “**Arrangement Resolution**”), the full text of which is set forth at Appendix “A” to the accompanying management information circular (the “**Circular**”), to approve an arrangement (the “**Arrangement**”) under Section 288 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) among GCO, the securityholders of GCO, Global Energy Metals Corporation (“**GEMC**”) and Imperial Mining Holding Limited (“**IMHL**”), all as more particularly described in the Circular;
2. to consider and, if deemed advisable, approve with or without variation, an ordinary resolution approving the conversion by IMHL of all of the outstanding principal and interest owing by GCO to IMHL under a loan agreement dated July 8, 2013 into common shares in the capital of GCO;
3. to receive and consider the audited financial statements of GCO for the financial year ended April 30, 2014, and the report of the auditors thereon;
4. to appoint Smythe Ratcliffe LLP, Chartered Accountants, as the auditors of GCO for the ensuing year and to authorize the directors of GCO to fix the auditors’ remuneration;
5. to fix the number of directors of GCO at 10;
6. to elect the directors of GCO for the ensuing year; and
7. to approve and ratify GCO’s Stock Option Plan;
8. to consider and, if deemed advisable, approve with or without variation, an ordinary resolution approving the implementation of a stock option plan for GEMC, subject to regulatory acceptances; and
9. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The board of directors of GCO has fixed July 31, 2015, as the record date for determining shareholders who are entitled to attend and vote at the Meeting. The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice of Meeting.

Accompanying this Notice of Meeting are the Circular, a form of proxy and letter(s) of transmittal, as applicable, in respect of the securities relating to the Arrangement.

Copies of the Arrangement Resolution, the Arrangement Agreement, the Plan of Arrangement, the Interim Order and the Notice of Hearing of Petition, all as defined herein or in the Circular, are attached to the Circular as Appendices “A”, “B”, “C”, “G” and “H”, respectively. The foregoing documents are also available for inspection prior to the Meeting at the head office of GCO at Suite 1501 - 128 West Pender Street, Vancouver, British Columbia, during regular business hours, and have been publicly filed on SEDAR at www.sedar.com.

If you are a registered shareholder of GCO, whether or not you are able to attend the Meeting, you are requested to complete, execute and deliver the enclosed form of proxy in accordance with the instructions set forth on the form to GCO, c/o Computershare Investor Services Inc., Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, by no later than 10:00 a.m. (Vancouver time) on August 27, 2015 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournment or postponement thereof. The time limit for the deposit of proxies may be waived by the Chairman of the Meeting at his discretion without notice. Registered shareholders of GCO can also vote their proxies via telephone or the internet in accordance with the instructions provided in the form of proxy.

If you are a non-registered holder of GCO common shares and you receive these materials through your broker, custodian, nominee or other intermediary, you should follow the instructions provided by your broker, custodian, nominee or other intermediary in order to vote your common shares.

The board of directors of GCO unanimously recommends that shareholders vote IN FAVOUR of the Arrangement Resolution. In the absence of any instruction to the contrary, the common shares represented by proxies appointing the management designees named in the accompanying form of proxy will be voted in favour of the Arrangement Resolution.

DATED at Vancouver, British Columbia, this 5th day of August, 2015.

BY ORDER OF THE BOARD

“Erin Chutter”

Erin Chutter
Director and Chief Executive Officer



MANAGEMENT INFORMATION CIRCULAR

Unless otherwise stated herein, all capitalized terms herein shall have the meaning set forth in the “*Glossary of Terms*”.

No securities regulatory authority has expressed an opinion about the securities described in this Circular, and it is an offence to claim otherwise. This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Descriptions in the body of this Circular of the terms of the Arrangement Agreement and the Plan of Arrangement are merely summaries of the terms of those documents. Shareholders should refer to the full text of the Arrangement Agreement and the Plan of Arrangement for complete details of those documents. The full text of the Plan of Arrangement is attached to this Circular as Appendix “C”.

Information contained in this Circular should not be construed as legal, tax or financial advice, and Shareholders are urged to consult their own professional advisers in connection with such matters.

Information in this Circular is given as at August 5, 2015, except as otherwise indicated.

NOTICE TO UNITED STATES SECURITYHOLDERS

NEITHER THE ARRANGEMENT NOR THE SECURITIES ISSUABLE PURSUANT TO THE ARRANGEMENT HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR THE SECURITIES REGULATORY AUTHORITY IN ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES PASSED UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The GCO New Common Shares and the GEMC Shares to be issued to Shareholders in exchange for their GCO Common Shares, the GCO Replacement Warrants and GEMC Warrants to be issued to GCO Warrantholders in exchange for their GCO Warrants, the GCO Replacement Options to be issued to GCO Optionholders in exchange for their GCO Options, and the GCO IMHL Replacement Warrants to be issued to IMHL in exchange for its GCO Warrants pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are being issued in reliance on the exemption from registration set forth in Section 3(a)(10) of the U.S. Securities Act (the “**Section 3(a)(10) Exemption**”) on the basis of the approval of the Arrangement by the Court. See “*Securities Law Considerations — United States Securities Law Matters*”.

This solicitation of proxies hereby is not subject to the proxy requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, the solicitation of proxies contemplated herein is made in accordance with Canadian corporate and securities laws, and this Circular has been prepared in accordance with applicable Canadian disclosure requirements. Securityholders in the United States should be aware that such requirements differ from those of the United States applicable to proxy statements under the U.S. Exchange Act or registration statements under the U.S. Securities Act.

Financial statements included herein have been prepared in accordance with International Financial Reporting

Standards as issued by the International Accounting Standards Board, which may differ from United States generally accepted accounting principles in certain material respects, and thus are not directly comparable to financial statements of United States companies.

Securityholders should be aware that the transactions contemplated pursuant to the Arrangement may have tax consequences in both the United States and Canada. Such consequences for securityholders who are resident in, or citizens of, the United States may not be described fully herein. Securityholders are advised to consult their tax advisors to determine the particular tax consequences to them of participating in the Arrangement and the acquisition, ownership, disposition and exercise, as applicable, of the GCO New Common Shares, the GEMC Shares, the GCO Replacement Warrants, GEMC Warrants, the GCO Replacement Options, and the GCO IMHL Replacement Warrants, as applicable, acquired pursuant to the Arrangement. See “*Certain United States Federal Income Tax Considerations*”.

Information concerning any properties and operations of GCO and GEMC, including those that may be acquired by GCO pursuant to the Acquisition, has been prepared in accordance with Canadian standards under applicable Canadian securities laws and may not be comparable to similar information for United States companies.

The enforcement by securityholders of civil liabilities under the United States securities laws may be affected adversely by the fact that each of GCO and GEMC is existing under the laws of British Columbia, Canada, that some or all of their respective officers and directors are not residents of the United States, that some or all of the experts named herein may be residents of a country other than the United States and that a substantial portion of the assets of GCO, GEMC and such persons may be located outside the United States. As a result, it may be difficult or impossible for securityholders resident in the United States to effect service of process within the United States upon GCO, GEMC, their respective officers and directors or any experts named herein, or to realize against them on judgments of courts of the United States. In addition, securityholders resident in the United States should not assume that the courts of Canada (i) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the securities laws of the United States; or (ii) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the securities laws of the United States.

The Section 3(a)(10) Exemption does not exempt the issuance of securities outside of the Arrangement. Therefore, the GCO New Common Shares issuable upon the exercise of the GCO Replacement Warrants, the GEMC Shares issuable upon the exercise of the GEMC Warrants, the GCO New Common Shares issuable upon the exercise of the GCO Replacement Options, and the GCO New Common Shares issuable upon the exercise of the GCO IMHL Replacement Warrants following the Effective Date may not be issued in reliance upon the Section 3(a)(10) Exemption and such securities may be exercised only pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Prior to the issuance of such securities pursuant to any such exercise, each of GCO and GEMC may require evidence (which may include an opinion of counsel of recognized standing) in form and substance reasonably satisfactory to each of GCO and GEMC, as applicable, to the effect that the issuance of such GCO New Common Shares upon the exercise of the GCO Replacement Warrants, the issuance of such GEMC Shares upon the exercise of the GEMC Warrants, the issuance of such GCO New Common Shares upon the exercise of the GCO Replacement Options, and the issuance of such GCO New Common Shares upon the exercise of the GCO IMHL Replacement Warrants, as applicable, does not require registration under the U.S. Securities Act or applicable state securities laws. For a general discussion of United States securities laws applicable to the Arrangement, see “*Securities Law Considerations — United States Securities Law Matters*”.

CAUTIONARY NOTICE TO SECURITYHOLDERS IN THE UNITED STATES REGARDING MINERAL RESERVES AND MINERAL RESOURCES

Information concerning the mineral properties of GCO and GEMC has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from the requirements of U.S. securities laws applicable to U.S. companies subject to the reporting and disclosure requirements of the SEC. Under SEC standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time of the reserve determination, and the SEC does not recognize the reporting of mineral deposits which do not meet the SEC Industry Guide definition

of “reserve”. In accordance with NI 43-101, the terms “mineral reserve”, “proven mineral reserve”, “probable mineral reserve”, “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” used in this Circular are defined in the Canadian Institute of Mining, Metallurgy and Petroleum (the “**CIM**”) Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on December 11, 2005. While the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are recognized and required by NI 43-101, the SEC does not recognize them. U.S. securityholders are cautioned that, except for that portion of the mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic value. Inferred mineral resources have a high degree of uncertainty as to their existence and as to whether they can ever be upgraded to a higher category that can be economically or legally mined. Under Canadian securities laws, estimates of inferred mineral resources may not form the basis of an economic analysis. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Therefore, U.S. securityholders are cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, U.S. securityholders are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be upgraded to mineral reserves.

FORWARD-LOOKING STATEMENTS

Except for statements of historical fact contained herein, the information presented in the Circular constitutes “forward-looking statements” or “information” (collectively “**statements**”). These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

GCO has obtained certain information contained in this Circular concerning the industry in which it operates from publicly available information from third party sources. GCO has not verified the accuracy or completeness of any information contained in such publicly available information. In addition, GCO has not determined if any such third party has omitted to disclose any facts, information or events which may have occurred prior to or subsequent to the date as of which any such information became publicly available or which may affect the significance or accuracy of any information contained in any such information and summarized herein.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be “forward-looking statements”. Such forward-looking statements, including, but not limited to, those with respect to: timing and completion of the Arrangement, including timing and receipt of shareholder, Court and/or TSX-V or other regulatory approvals therefor; the timing and completion of any listing of the GEMC Shares on the TSX-V or any other exchange or quotation service; financial information regarding GCO and GEMC and/or the availability and use of funds; the ability of GEMC to raise adequate funds to meet initial TSX-V listing requirements, including to carry on its stated work program on the Werner Lake Property and execute its business plan, or to continue as a going-concern; the officers and directors of GCO and GEMC following the Effective Time; the anticipated benefits of the Arrangement to GCO and its securityholders; management’s skill and knowledge with respect to the exploration and development of mining properties in Russia, the United States and Canada, and the relevance of that skill and knowledge to GCO and GEMC’s properties; plans to pursue the exploration of the mineral properties; ability to successfully obtain any necessary environmental permits or licenses; future exploration and development activities, and the costs and timing of those activities; timing and receipt of approvals, consents and permits under applicable legislation; assessment of potential environmental liabilities; assessment of potential political and economic uncertainties in Russia, the United States and Canada; results of future exploration and drilling; estimation of metallurgical response of ores to processing methods; and statements related to expected executive compensation for each of GCO and GEMC.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual plans, results, performance or achievements of each of GCO and GEMC to be materially different from any future plans, results, performance or achievements expressed or implied by such forward-looking statements. Such risks and other factors include, among others: the timing, closing or non-completion of the Arrangement, including due to GCO failing to receive, in a timely manner and on satisfactory terms, the necessary Court, shareholder and/or

TSX-V or other regulatory approvals; failure to receive in the time expected, or at all, final approval for the listing of the GCO New Common Shares or the GEMC Shares on the TSX-V; actual operating costs, total cash, transaction costs, administrative costs and other costs of GCO or GEMC differing materially from those anticipated; operating and technical difficulties in connection with mining development; actual results of exploration activities; estimation or realization of mineral reserves and mineral resources; the timing and amount of estimated future production; costs of production; the costs and timing of the development of new deposits; future prices of metal; changes in general economic conditions; changes in the financial markets and in the demand and market price for commodities; possible variations in ore grade or recovery rates; labour disputes; delays in obtaining governmental approvals permits or financing or in the completion of development or construction activities; changes in laws, regulations and policies affecting mining operations; title defects and disputes; environmental issues and liabilities; risks related to joint venture operations, as well as those factors discussed under the heading “*Risk Factors*” in this Circular and discussed in the annual management’s discussion and analysis and other filings with the Canadian Securities Authorities of GCO. Although GCO has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in the forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements contained in this Circular and in any appendices.

Forward-looking statements are made based on management’s beliefs, estimates and opinions on the date the statements are made, and GCO undertakes no obligation to update any forward-looking statement if these beliefs, estimates and opinions or other circumstances should change, except as may be required by applicable law.

TECHNICAL INFORMATION

Except where specifically indicated otherwise, scientific and technical information included in this Circular regarding GCO’s mineral properties has been reviewed and approved by Paul Sarjeant, P.Geo., Vice President Exploration of GCO and a “qualified person” within the meaning of NI 43-101.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed by GCO with securities commissions or similar regulatory authorities in Canada, are specifically incorporated by reference into, and form an integral part of, this Circular:

1. Audited financial statements for the years ended April 30, 2014 and 2013 and the management discussion and analysis filed in connection therewith;
2. Audited financial statements for the years ended April 30, 2013 and 2012 and the management discussion and analysis filed in connection therewith;
3. Amended unaudited condensed interim financial statements for the nine months ended January 31, 2015 and the amended management discussion and analysis filed in connection therewith;
4. Technical report entitled “NI 43-101 Technical Report on the Karakul Property and the Adjacent Satellite Occurrences, Republic of Altai, Russian Federation” dated June 30, 2014 prepared by Wardell Armstrong International;
5. Technical report entitled “Werner Lake Mineral Belt Property, Kenora Mining Division, Ontario” dated May 26, 2015 prepared by Gerald Harper, Ph.D., P.Geo.(ON.);
6. Arrangement agreement made as of July 27, 2015, between GCO, GEMC and IMHL; and
7. First amendment to arrangement agreement dated as of August 4, 2015, between GCO, GEMC and IMHL.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the

Secretary of GCO at Suite 1501 - 128 West Pender Street, Vancouver, British Columbia, Canada, V6B 1R8 or by telephone: 604-688-4215. These documents are also available under GCO's profile on the SEDAR website at www.sedar.com.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained in this Circular or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Circular, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

CURRENCY

Unless otherwise specified, all references to "CDN\$" or "\$" in this Circular refer to Canadian dollars and all references to "US\$" in this Circular refer to United States dollars.

On August 4, 2015, the rate of exchange was CDN\$1.00 equals US\$0.76 based on the noon hour rate of exchange as quoted by the Bank of Canada.

GLOSSARY OF TERMS

The following is a glossary of certain terms and abbreviations used in this Circular:

“**3(a)(10) Exemption**” means an exemption from registration set out Section 3(a)(10) of the U.S. Securities Act;

“**anomaly**” means a departure from the expected or normal background;

“**Arrangement**” means an arrangement under Section 288 of the BCBCA, on the terms and conditions set forth in the Arrangement Agreement and the Plan of Arrangement, subject to any amendments or supplements thereto made in accordance therewith, or at the direction of the Court;

“**Arrangement Agreement**” means the arrangement agreement made as of July 27, 2015, between GCO, GEMC and IMHL, as amended by a first amendment dated August 4, 2015, and any amendments or variations thereto;

“**Arrangement Resolution**” means the special resolution to be considered by the Shareholders to approve the Arrangement, the full text of which is set out at Appendix “A”;

“**BCBCA**” means the *Business Corporations Act*, S.B.C 2004, c. 57, as amended or replaced from time to time, together with all rules and regulations promulgated thereunder or with respect thereto;

“**Board**” means the board of directors of GCO, as same may be constituted from time to time;

“**Bridge Financing**” means non-brokered private placement by GCO of up to 5,000,000 units at a price of \$0.05 per Unit, each unit consists of one GCO Common Share and one GCO Warrant entitling the holder to acquire an additional GCO Common Share for a period of 24 months following the closing of the offering at an exercise price of \$0.07 per share;

“**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;

“**Circular**” means this management information circular dated August 5, 2015;

“**cm**” means centimeters;

“**Computershare**” means Computershare Investor Services Inc., the registrar and transfer agent of GCO;

“**Court**” means the Supreme Court of British Columbia;

“**CRA**” means the Canada Revenue Agency;

“**Debt Conversion**” means the conversion into GCO Common Shares of all outstanding principal and accrued interest thereon owing by GCO to IMHL pursuant to the IMHL Loan Agreement, which as at July 29, 2015, totalled approximately \$4,872,786, at the lowest price per GCO share allowed by the TSX-V in accordance with TSX-V Policy 4.3 *Shares for Debt*, provided that such price shall be at least equal to \$0.05 per share;

“**Debt Conversion Shares**” means the GCO Common Shares to be issued to IMHL in connection with the Debt Conversion;

“**deformation**” means the processes of folding, faulting, shearing, compression, or extension of rocks as a result of various earth forces;

“**deposit**” means a mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures;

“**Depositary**” means: (i) in respect of the GCO New Common Shares, Computershare Investor Services Inc., or

such other depository as GCO may determine; (ii) in respect of the GEMC Shares and the GEMC Warrants, Computershare Investor Services Inc., or such other depository as GEMC may determine; and (iii) in respect of the GCO Replacement Warrants and the GCO IMHL Replacement Warrants, GCO or its duly appointed agent;

“**Dissenting Shareholder**” means a registered Shareholder who exercises Dissent Rights in respect of the Arrangement in strict compliance with the BCBCA, as modified or supplemented by the Interim Order, Plan of Arrangement or any other orders of the Court;

“**diamond drill**” is a type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of the long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock which is recovered in long cylindrical sections, an inch or more in diameter;

“**dip**” means the angle that a stratum or any planar feature makes with the horizontal, measured perpendicular to the strike and in the vertical plane;

“**disseminated**” means fine particles of mineral dispersed throughout the enclosing rock;

“**Dissent Notice**” means the written objection of a Shareholder to the Arrangement Resolution, submitted to GCO in accordance with the Dissent Procedures;

“**Dissent Procedures**” means the dissent procedures set forth in Sections 237 to 247 of the BCBCA and the Interim Order required to be taken by a Shareholder to exercise the rights of dissent in respect of GCO Common Shares in connection with the Arrangement;

“**Dissent Rights**” means the right of registered holders of GCO Common Shares to exercise a right of dissent under Section 238 of the BCBCA;

“**Effective Date**” means the effective date set forth on the final notice of alteration of GCO that is filed with the Registrar in connection with the amendment to the authorized share structure of GCO under Section 3.1(j) of the Plan of Arrangement;

“**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date;

“**felsic**” means light-coloured volcanic rocks containing an abundance of feldspars and quartz;

“**Final Order**” means the final order of the Court approving the Arrangement;

“**gouge**” means fine, putty-like material composed of ground-up rock found along a fault;

“**grade**” means, in the context of specified quantity of rock, to contain a particular quantity of ore or minerals, relative to other constituents;

“**GCO**” means Global Cobalt Corporation (formerly Puget Ventures Inc.), a company existing under the laws of British Columbia;

“**GCO Class A Common Shares**” means the renamed and redesignated GCO Common Shares;

“**GCO Class B Preferred Shares**” means the Class B preferred shares without par value in the capital of GCO which will be created and issued pursuant to the Plan of Arrangement;

“**GCO Common Shares**” means the common shares without par value in the capital of GCO, as constituted immediately prior to the Effective Time;

“**GCO IMHL Replacement Warrants**” means common share purchase warrants to acquire GCO New Common Shares, which will be granted to IMHL and its affiliates and associates pursuant to the Plan of Arrangement;

“**GCO New Common Shares**” means the new class of common shares without par value which GCO plans to create pursuant to the Plan of Arrangement and which, immediately after the Effective Time, will have substantially the same rights and restrictions as the GCO Common Shares;

“**GCO Options**” means options to purchase GCO Common Shares outstanding immediately prior to the Effective Time under the GCO Stock Option Plan;

“**GCO Optionholder**” means a holder of GCO Options immediately prior to the Effective Time;

“**GCO Replacement Options**” means stock options granted pursuant to the GCO Stock Option Plan, which will be granted to the former holders of GCO Options in accordance with the Plan of Arrangement;

“**GCO Replacement Warrants**” means common share purchase warrants to acquire GCO New Common Shares, which will be granted pursuant to the Plan of Arrangement;

“**GCO Stock Option Plan**” means the 2007 Stock Option Plan of GCO, as amended June 14, 2013 and approved by Shareholders on July 19, 2013;

“**GCO Warrants**” means the common share purchase warrants of GCO outstanding immediately prior to the Effective Time entitling the holder thereof to acquire GCO Common Shares;

“**GCO Warrantholder**” means a holder of GCO Warrants immediately prior to the Effective Time;

“**GEMC**” means Global Energy Metals Corporation, a company existing under the laws of British Columbia, and, as at the date hereof, a wholly-owned subsidiary of GCO;

“**GEMC Assumed Debt**” means the debt amount to be transferred to GEMC by GCO pursuant to the Arrangement, including:

- (a) all indebtedness of GCO immediately prior to the Effective Time arising from all rights and obligations owed to officers, directors and other management of GCO, including unpaid salaries, wages, fees, bonuses or other compensation, any contractual severance or termination payments that may otherwise become payable upon the closing of the Transactions contemplated by the Arrangement or their subsequent termination; and
- (b) all accounts payable and accrued liabilities, including consultant and contractor fees, existing as at Closing, including the loan in the approximate amount of \$1,250,604 in outstanding principal and accrued interest as at July 31, 2015 advanced to GCO by Erin Chutter, but not including those accounts payable and accrued liabilities that relate to the Karakul and Altai Sister properties, located in Altai Republic, Russia and which were incurred during the period from August 1, 2013 to March 31, 2014;

“**GEMC Board**” means the board of directors of GEMC, as same may be constituted from time to time;

“**GEMC Shares**” means the common shares without par value in the capital of GEMC;

“**GEMC Stock Option Plan**” means the stock option plan of GEMC to become effective upon completion of the Arrangement;

“**GEMC Warrants**” means common share purchase warrants to acquire GEMC Shares, which will be granted pursuant to the Plan of Arrangement;

“**IMHL**” means Imperial Mining Holding Limited, a company existing under the laws of the Isle of Man, and its affiliates and associates, including the current nominees of IMHL on the board of directors of GCO - Alexander Ordanian, Kamen Zahariev and Marc Thomas, and the nominees of IMHL on the board of directors of GCO, as

constituted on the Effective Date;

“**IMHL Loan Agreement**” means a loan agreement dated July 8, 2013 between IMHL and GCO;

“**Interim Order**” means the interim order of the Court dated July 30, 2015, in respect of the Meeting and the Arrangement, a copy of which is attached as Appendix “G”;

“**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of beneficial shareholders;

“**Iron Creek Property**” means the Iron Creek property, which consists of a mining lease and option to purchase seven patented claims totalling approximately 118 acres in located in the Blackbird Mining Division, Lemhi County, central Idaho;

“**IRS**” means the United States Internal Revenue Service;

“**Karakul Property**” means the Karakul properties and the Altai Sister properties located in Altai Republic, Russia;

“**Karakul Property Option Agreement**” means the property option agreement dated May 27, 2013 between IMHL and GCO, whereby GCO was granted the option to earn a 100% interest in the Karakul Property;

“**Karakul Report**” means the NI 43-101 technical report on the Karakul Property entitled “NI 43-101 Technical Report on the Karakul Property and the Adjacent Satellite Occurrences, Republic of Altai, Russian Federation” dated June 30, 2014 prepared by Wardell Armstrong International;

“**km**” means kilometres;

“**m**” means metres;

“**magnetic survey**” means a systematic collection of readings of the earth’s magnetic field. The data are collected on the surface or from aircraft;

“**Meeting**” means the annual general and special meeting of Shareholders to be held on August 31, 2015, and any adjournments or postponements thereof, held in order to, among other things, consider and, if thought fit, approve the Arrangement;

“**metamorphism**” means the mineral, chemical and structural adjustment of solid rocks to new physical and chemical conditions that differ from those under which the rocks originated;

“**mineral reserve**” means the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined and processed;

“**mineral resource**” means a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. The term “mineral resource” covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which mineral reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socioeconomic and governmental factors. The phrase “reasonable prospects for economic extraction” implies a judgment by a qualified person (as that term is defined in NI 43-101) in respect of the technical and economic factors likely to influence the prospect of economic extraction. A mineral resource is an inventory of mineralization that, under realistically assumed and justifiable technical and economic conditions, might become economically extractable;

“**mineralization**” means the concentration of metals and their chemical compounds within a body of rock;

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*;

“**Notice of Hearing of Petition**” means the notice of hearing of petition for the Final Order attached as Appendix “H”;

“**Notice of Meeting**” means the notice of annual and special meeting in respect of the Meeting;

“**ordinary resolution**” has the meaning ascribed to such term in subsection 1(1) of the BCBCA;

“**Other GCO Shareholders**” means Shareholders, other than IMHL and its associates and affiliates;

“**oxide**” means pertaining to weathered or oxidized rock;

“**Plan of Arrangement**” means the plan of arrangement attached as Appendix “C”, and any amendments and variations thereto;

“**pyrite**” means a common iron sulphide mineral with the chemical formula FeS₂;

“**quartz**” means a common silica mineral with the chemical formula SiO₂;

“**Record Date**” means the record date for notice of and voting at the Meeting, such date currently being fixed at July 31, 2015;

“**Registrar**” means the Registrar of Companies for the Province of British Columbia, duly appointed pursuant to Section 400 of the BCBCA;

“**SEC**” means the United States Securities and Exchange Commission;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

“**Shareholder**” means a registered holder of GCO Common Shares as shown on the share register of GCO and for the purposes of the Meeting, is a registered holder of GCO Common Shares as of the record date therefor, and for the purposes of the Arrangement, is a registered holder of GCO Common Shares immediately prior to the Effective Time;

“**Spin-Off Properties**” means the Werner Lake Property and the Iron Creek Property;

“**stratigraphy**” means the arrangement of strata, especially as to geographic position and chronological order of sequence, e.g. the arrangement of sedimentary rocks in strata;

“**strike**” means the strike line of a bed, fault, or other planar feature, is a line representing the intersection of that feature with a horizontal plane;

“**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp) as may be amended, restated or replaced from time to time;

“**tectonics**” means large-scale processes affecting the structure of the earth’s crust;

“**TSX-V**” means the TSX Venture Exchange;

“**U.S. Exchange Act**” means the United States *Securities Exchange Act of 1934*, as may be amended, restated or replaced from time to time;

“**U.S. Securities Act**” means the United States *Securities Act of 1933*, as may be amended, restated or replaced from time to time;

“**Warrant Letter of Transmittal**” means the letter of transmittal to be sent to the GCO Warrantholders for receiving the GEMC Warrants;

“**Werner Lake Property**” means the Werner Lake mineral belt properties, which consist of five mining leases, 129 patented mineral claims and 10 licences of occupation covering an aggregate area of 1,700 – 2,000 hectares in the Kenora Mining Division, northwestern Ontario,

“**U.S.**” or “**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“**Werner Lake Report**” means the NI 43-101 technical report on the Werner Lake Property entitled “Werner Lake Mineral Belt Property, Kenora Mining Division, Ontario” dated May 26, 2015 prepared by Gerald Harper Ph.D., P.Geo.(ON); and

“**Werner Lake Valuation**” means a valuation report dated June 23, 2015 prepared by Gerald Harper Ph.D., P.Geo.(ON) on the Werner Lake Property.

Words importing the masculine shall be interpreted to include the feminine or neuter and the singular to include the plural and vice versa where the context so requires.

To convert from Imperial	To metric	To convert from Imperial
Acres	Hectares	0.404686
Feet	Metres	0.30480
Miles	Kilometres	1.609344
Tons	Tonnes	0.907185
Ounces (troy)/ton	Gram/Tonne	34.2857

2,204.62 pounds = 1 metric ton = 1 tonne

2,000 pounds (1 short ton) = 0.907 tonnes

1 ounce (troy) = 31.103 grams

1 ounce (troy)/ton = 34.2857 grams/tonne

SUMMARY

The following is a summary of certain information contained in this Circular. This summary is not intended to be complete and is qualified in its entirety by the more detailed information, financial data and statements contained in this Circular. Shareholders should read the entire Circular, including the appendices, and any documents referenced herein. Capitalized terms used in this summary are defined in the Glossary of Terms or elsewhere in this Circular.

The Meeting

The Meeting will be held at the Computershare Boardroom, 2nd Floor, 510 Burrard Street, Vancouver, British Columbia on August 31, 2015, at 10:00 a.m. (Vancouver time). At the Meeting, Shareholders will be asked, in addition to the other matters set forth in the Notice of Meeting, to consider and, if thought fit, to pass the Arrangement Resolution approving the Arrangement.

The Record Date for determining the Shareholders eligible to receive notice of and vote at the Meeting is July 31, 2015.

The Arrangement

On April 7, 2015, GCO announced its intention to reorganize into two companies. GCO intended to spin-off GCO's interests in the Werner Lake Property and the Iron Creek Property, so that they are indirectly held by a separate public company, GEMC, which is a newly formed subsidiary of GCO. The Arrangement will separate the Spin-Off Properties from GCO's other mineral properties located in the Altai Republic, Russia.

At the Effective Time, GCO will transfer to GEMC all of GCO's interests in the Spin-Off Properties. As consideration for the Spin-Off Properties, GEMC expects to issue to GCO 78,252,177 GEMC Shares, which GCO will then distribute to Shareholders, other than Dissenting Shareholders and IMHL and its affiliates and associates, on the basis of one GEMC Share for each GCO Common Share held immediately prior to the Effective Time. In addition to the transfer of the Spin-Off Properties, at the Effective Time GCO will transfer to GEMC the GEMC Assumed Debt (for which GEMC will assume liability).

Upon completion of the Arrangement, Shareholders, other than Dissenting Shareholders, will own one GCO New Common Share (which will be represented by existing GCO Common Share certificates) and Shareholders, other than Dissenting Shareholders and IMHL and its affiliates and associates, will receive one GEMC Share for each GCO Common Share held. Certificates or electronic registration statements representing the GEMC Shares that each Shareholder is entitled to receive in connection with the Arrangement will be forwarded to each Shareholder. Each Shareholder as at the Effective Time will, immediately after the Arrangement, continue to hold the same *pro rata* interest in GCO that such Shareholder held in GCO prior to the completion of the Arrangement, subject to the issuance of any Debt Conversion Shares in connection with the Debt Conversion. See "*The Arrangement*".

At the Meeting, Shareholders will also be asked to consider, and if thought fit, approve an ordinary resolution approving the Debt Conversion. The effect of the Debt Conversion will be that the principal and accrued interest owing to IMHL by GCO under the terms of the IMHL Loan Agreement which, as at July 29, 2015, was approximately \$4,872,786 will be settled for GCO Common Shares. If the Debt Conversion is completed IMHL's ownership interest in GCO will increase from 25% to approximately 61%.

Recommendation of the Board

After careful consideration, the Board has unanimously determined that the Arrangement is in the best interests of GCO. **The Board unanimously recommends that Shareholders vote FOR the Arrangement Resolution.** See "*The Arrangement – Recommendation of the Board*".

Each director and executive officer of GCO has advised that he intends to vote his GCO Common Shares FOR the Arrangement Resolution. See "*The Arrangement – Recommendation of the Board*".

Reasons for the Arrangement

In the course of its evaluation of the Arrangement, the Board consulted with GCO's senior management and legal counsel and financial advisors, reviewed a significant amount of information, and considered a number of factors, including, among others, the following:

- *Current Market Price Does Not Reflect Full Value* – the Board and GCO's management do not believe that the current market price of the GCO Common Shares reflects the full value of GCO's assets. In particular, the Board believes the market price of the GCO Common Shares is attributed mainly to the value of the Karakul Property. Accordingly, transferring the Werner Lake Property and the Iron Creek Property to a separate entity is expected to allow Shareholders to realize the value thereof (through their holdings of GEMC Shares);
- *Enhance Ability to Pursue Corporate Objectives and Strategies* – the Arrangement is expected to enhance the ability of each of GCO and GEMC to pursue their corporate objectives and strategies by allowing GCO to focus on the Karakul Property and by allowing GEMC to focus on the Werner Lake Property and the Iron Creek Property;
- *Focused Investment Decision* – the creation of two separate companies dedicated to the pursuit of their respective businesses will provide Shareholders with additional investment flexibility as Shareholders will hold a direct interest in two companies, which will each focus on different business objectives;
- *Independent Access to Capital* – each company will have independent access to capital (equity and debt), which management believes will result in more focused capital allocation practices and minimize future dilutions in each company;
- *Maintenance of Ownership in Assets* – Shareholders will maintain their ownership interests in GCO, subject to dilution resulting from the issuance of the Debt Conversion Shares, and through their ownership of both GCO New Common Shares and GEMC Shares, will maintain their ownership interests in GCO's current assets following the Arrangement;
- *Fairness* – the Arrangement is subject to a determination of the Court that the terms of the Arrangement and the procedures relating thereto are fair and reasonable, both procedurally and substantively, to the Shareholders; and
- *Neutral Tax Treatment for Canadian Shareholders* – subject to the discussion under the heading "*Certain Canadian Federal Income Tax Considerations*", the Arrangement should generally occur on a tax-deferred basis for Shareholders who are resident in Canada, who hold GCO Common Shares as capital property, and to whom the discussion under the heading "*Certain Canadian Federal Income Tax Considerations*" is directed.

Fairness of the Arrangement

The Arrangement was determined to be fair to the Shareholders by the Board based upon the following factors, among others:

- the procedures by which the Arrangement will be approved, including the requirement for approval by 66 $\frac{2}{3}$ % of the votes cast by Shareholders at the Meeting and approval by the Court after a hearing at which fairness will be considered;
- each Shareholder (other than Dissenting Shareholders and IMHL and its affiliates and associates), as at the Effective Time, will participate in the Arrangement such that each Shareholder, upon completion of the Arrangement, will hold a greater interest in the Spin-off Properties than the Shareholder held prior to the completion of the Arrangement, and will continue to hold the same *pro rata* interest in GCO that such Shareholder held in GCO prior to the completion of the Arrangement, subject to giving effect to the Debt

Conversion;

- the listing of the GEMC Shares on the TSX-V as at the Effective Time. *It is a condition precedent to the completion of the Arrangement that the TSX-V will have conditionally accepted the GEMC Shares for listing on the TSX-V. Until a listing on the TSX-V (or any other stock exchange or quotation system) is obtained, there will be no public market to trade the GEMC;* and
- the opportunity for Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to dissent from the approval of the Arrangement in accordance with the Interim Order.

See “*The Arrangement – Fairness of the Arrangement*”.

Global Cobalt Corporation

GCO was incorporated under the BCBCA on March 9, 2007 under the name “Puget Ventures Inc.”. On June 4, 2013, GCO changed its name to “Global Cobalt Corporation”.

GCO is an exploration-stage, TSX-V listed mining company that is focused on the acquisition, exploration, development, and production of cobalt and other strategic metals deposits, including most recently the Karakul Property. Upon completion of the Arrangement, GCO will remain focused on developing the Karakul Property. See “*Information Concerning GCO*”.

Global Energy Metals Corporation

GEMC was incorporated under the BCBCA on April 27, 2015 as “Global Energy Metals Corporation”. As of the date hereof, GEMC is a wholly-owned subsidiary of GCO. After giving effect to the Arrangement, GEMC will be wholly-owned by holders of GCO Common Shares immediately prior to the Effective Time, other than the Dissenting Shareholders and IMHL and its affiliates and associates.

GEMC was incorporated for the purposes of participating in the Arrangement and acquiring the Spin-Off Properties and has not carried on any active business other than in connection with the Arrangement and related matters and as discussed in this Circular. Pursuant to the Plan of Arrangement, GCO will transfer the Spin-Off Properties to GEMC on the Effective Date.

Upon completion of the Arrangement, GEMC will focus on the exploration and development of the Spin-Off Properties and will become a reporting issuer or the equivalent thereof in the Provinces of British Columbia and Alberta and will become subject to the reporting requirements under applicable securities laws. See “*Information Concerning GEMC*”.

Effects of the Arrangement

GCO Common Shares

Upon completion of the Arrangement, Shareholders will own one GCO New Common Share which will be represented by existing GCO Common Share certificates. See “*The Arrangement – Details of the Arrangement*”.

GEMC Shares

Upon completion of the Arrangement, Shareholders (other than Dissenting Shareholders and IMHL and its associates and affiliates) will receive one GEMC Share for each GCO Common Share held. Certificates or electronic registration statements representing the GEMC Shares that each Shareholder is entitled to receive in connection with will be forwarded to each Shareholder. See “*The Arrangement – Details of the Arrangement*”.

GCO Warrants

At the Effective Time, all of the outstanding GCO Warrants shall be cancelled and the former holders of such GCO

Warrants shall instead be granted one GCO Replacement Warrant and one GEMC Warrant for each GCO Warrant held; provided IMHL and its affiliates and associates shall be granted one GCO IMHL Replacement Warrant for each GCO Warrant held. See “*The Arrangement – Details of the Arrangement*” and “*The Arrangement – Treatment of GCO Convertible Securities*”.

GCO Options

At the Effective Time, all of the outstanding GCO Options shall be cancelled and the former holders of such GCO Options shall instead be granted one GCO Replacement Option for each GCO Option held. See “*The Arrangement – Details of the Arrangement*” and “*The Arrangement – Treatment of GCO Convertible Securities*”.

Stock Exchange Listings

The GCO Common Shares are currently listed on the TSX-V under the symbol “GCO” and will continue to be so listed upon completion of the Arrangement.

The GEMC Shares are not currently traded or quoted on a Canadian marketplace. GEMC has advised GCO that it expects to make an application to the TSX-V for the initial listing of the GEMC Shares thereon prior to the Effective Time. It is a condition precedent to the completion of the Arrangement that the TSX-V will have conditionally accepted the GEMC Shares for listing on the TSX-V. However, it is not certain that GEMC Shares will be listed on the TSX-V (or any other stock exchange or quotation system) upon the completion of the Arrangement. Until a listing on the TSX-V (or any other stock exchange or quotation system) is obtained, there will be no public market to trade the GEMC Shares.

See “*The Arrangement – Effect of the Arrangement on TSX-V Listing and Reporting Issuer Status*”.

Procedure for the Arrangement to Become Effective

Procedural Steps

The Arrangement is proposed to be carried out pursuant to Sections 288 to 299 of the BCBCA. The following procedural steps must be taken in order for the Arrangement to become effective:

- (a) the Arrangement must be approved by the Shareholders in the manner set forth in the Interim Order;
- (b) the Court must grant the Final Order approving the Plan of Arrangement;
- (c) all conditions to the Arrangement, as set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate party, including without limitation, that the Debt Conversion must have been approved by the Shareholders at the Meeting and that the TSX-V must have conditionally accepted the GEMC Shares for listing on the TSX-V;
- (d) the Final Order must be filed with the Registrar; and
- (e) the Arrangement must be effective on or before September 4, 2015.

See “*The Arrangement – Conditions of the Arrangement*”, “*The Arrangement - Court Approval of the Arrangement*” and “*The Arrangement - Shareholder Approval of the Arrangement*”.

Shareholder Approval

Pursuant to the terms of the Interim Order, the Arrangement Resolution must, subject to further order of the Court, be approved by at least 66⅔% of the votes cast by Shareholders present in person or by proxy at the Meeting. Each Shareholder shall be entitled to one vote for each GCO Common Share held by such holder.

Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Shareholders, subject to the terms of the Arrangement, to amend the Arrangement Agreement or to decide not to proceed with the Arrangement at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA. See Appendix "A" to this Circular for the full text of the Arrangement Resolution. See *"The Arrangement - Shareholder Approval of the Arrangement"*.

Court Approval

The Arrangement requires the Court's approval of the Plan of Arrangement, granted in a Final Order. Prior to the mailing of this Circular, GCO obtained the Interim Order authorizing and directing GCO to call, hold and conduct the Meeting and to submit the Arrangement Resolution to the Shareholders for approval. A copy of the Interim Order is attached as Appendix "G" to this Circular. Subject to the terms of the Arrangement Agreement and provided that the Arrangement Resolution is approved at the Meeting, GCO will make application to the Court for the Final Order at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, on September 1, 2015, at 9:45 a.m. (Vancouver time) or as soon thereafter as counsel may be heard. See *"The Arrangement - Court Approval of the Arrangement"*.

Timing

The Arrangement will become effective upon the filing with the Registrar of a copy of the Final Order and the final notice of alteration filed in connection with the amendment to the authorized share structure of GCO pursuant to the Plan of Arrangement. If the Arrangement Resolution is approved by the Shareholders as required by the Interim Order, GCO will apply to the Court for the Final Order. If the Final Order is obtained on September 1, 2015, in form and substance satisfactory to GCO and GEMC, and all other conditions specified in the Arrangement Agreement are satisfied or waived, GCO and GEMC expect that the Effective Date will be September 2, 2015. The Effective Date could be delayed for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order. See *"The Arrangement - Proposed Timetable for the Arrangement"*.

Distribution of Certificates

As soon as practicable after the Effective Time, the Depositary shall forward to each Shareholder (other than Dissenting Shareholders and IMHL and its affiliates and associates) a certificate representing the GEMC Shares that such holder is entitled to receive in connection with the Arrangement. See *"Distribution of Certificates"*.

Concurrent with the mailing of this Circular, GCO will also mail the Warrant Letter of Transmittal to registered holders of GCO Warrants, which will be used to exchange their certificates representing GCO Warrants for certificates representing the GCO Replacement Warrants, the GCO IMHL Replacement Warrants and the GEMC Warrants, as applicable. Until exchanged, each certificate representing GCO Warrants will, after the Effective Time, represent only the right to receive, upon surrender, GCO Replacement Warrants, GCO IMHL Replacement Warrants and the GEMC Warrants, as applicable.

Cancellation of Rights after Six Years

Any certificate which immediately prior to the Effective Time represented GCO Warrants, as the case may be, and which has not been surrendered with all other documents required by the Depositary, as applicable, on or prior to the sixth anniversary of the Effective Date, will cease to represent any claim against or interest of any kind or nature in GCO or GEMC. Accordingly, persons who tender certificates for the GCO Warrants after the sixth anniversary of the Effective Date will not receive GCO Replacement Warrants, GCO IMHL Replacement Warrants or GEMC Warrants, as applicable, will not own any interest in GCO or GEMC and will not be paid any cash or other compensation in lieu thereof.

Dissent Rights

Registered Shareholders are entitled to dissent from the Arrangement Resolution in the manner provided in Section 238 of the BCBCA, as modified by the Interim Order and the Plan of Arrangement. To exercise such right (i) a Dissent Notice must be received by GCO, c/o its legal counsel, Lotz & Company, Suite 415 - 1040 West

Georgia Street, Vancouver, British Columbia, V6E 4H1 (Attention: Jonathan Lotz) not later than 5:00 p.m. (Vancouver time) on the second Business Day immediately preceding the date of the Meeting, any adjournment or postponement of the Meeting; (ii) the Shareholder must not have voted in favour of the Arrangement Resolution; and (c) the Shareholder must have otherwise complied with the provisions of Sections 237 to 247 of the BCBCA, as modified by the Interim Order. The right to dissent is described in this Circular and the texts of the Interim Order and Sections 237 to 247 of the BCBCA are set forth in Appendices “G” and “I”, respectively, to this Circular. See “*Dissent Rights*”.

Canadian Securities Laws Matters

The GCO New Common Shares, the GEMC Shares and other securities to be issued under the Arrangement will be issued in reliance on exemptions from the prospectus requirement of applicable Canadian securities laws. The GCO New Common Shares and GEMC Shares may generally be resold in each of the provinces and territories of Canada, without significant restriction, provided the trade is not a “control distribution” under applicable legislation, no unusual effort is made to prepare the market or to create a demand for those securities and no extraordinary commission or consideration is paid in respect of that sale. Upon completion of the Arrangement, it is anticipated that GEMC will be a reporting issuer in British Columbia and Alberta. See “*Securities Law Considerations - Canadian Securities Law Matters*”.

United States Securities Laws Matters

The GCO New Common Shares and the GEMC Shares to be issued to Shareholders in exchange for their GCO Common Shares, the GCO Replacement Warrants and GEMC Warrants to be issued to GCO Warrantholders in exchange for their GCO Warrants, the GCO Replacement Options to be issued to GCO Optionholders in exchange for their GCO Options, and the GCO IMHL Replacement Warrants to be issued to IMHL in exchange for its GCO Warrants pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act, and such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof. The GCO New Common Shares and the GEMC Shares to be issued to Shareholders in exchange for their GCO Common Shares, the GCO Replacement Warrants and GEMC Warrants to be issued to GCO Warrantholders in exchange for their GCO Warrants, the GCO Replacement Options to be issued to GCO Optionholders in exchange for their GCO Options, and the GCO IMHL Replacement Warrants to be issued to IMHL in exchange for its GCO Warrants will generally not be subject to resale restrictions under U.S. federal securities laws for persons who are not affiliates of GCO or GEMC, as applicable, following the Arrangement or within 90 days prior to the Arrangement. See “*Securities Law Considerations - U.S. Securities Law Matters*”.

Certain Canadian Federal Income Tax Considerations

A summary of certain Canadian federal income tax considerations for Shareholders who participate in the Arrangement is set out in the section of this Circular entitled “*Certain Canadian Federal Income Tax Considerations*”.

Shareholders should carefully review the tax considerations applicable to them under the Arrangement and are urged to consult their own legal, tax and financial advisors in regard to their particular circumstances.

Certain United States Federal Income Tax Considerations

A summary of certain United States federal income tax considerations for Shareholders who participate in the Arrangement is set out in the section of this Circular entitled “*Certain United States Federal Income Tax Considerations*”.

Shareholders should carefully review the tax considerations applicable to them under the Arrangement and are urged to consult their own legal, tax and financial advisors in regard to their particular circumstances.

Risk Factors

In considering whether to vote for the approval of the Arrangement, Shareholders should be aware that there are various risks, as described elsewhere in this Circular. Shareholders should carefully consider these risk factors, together with the other information included in this Circular, before deciding whether to approve the Arrangement. See “*The Arrangement - Risk Factors Relating to the Arrangement*”.

Selected Unaudited Pro-Forma Financial Information for GEMC

GEMC has not completed a financial year since its incorporation. The following table sets out selected financial information on a pro-forma basis assuming completion of the Arrangement and should be read in conjunction with, and is qualified by reference to, GEMC’s pro-forma unaudited financial statements as at and for the year ended June 30, 2015 attached as Appendix “E” to this Circular.

	Selected Pro-Forma Financial Information of GEMC as at June 30, 2015 (unaudited)
Cash and other current assets.....	\$19,821
Non-current assets	\$3,513,802
Total assets	\$3,533,623
Current liabilities	\$2,496,249
Total liabilities	\$2,496,249
Shareholders’ equity	\$1,037,374
Net loss	\$1,764,205
Number of shares issued and outstanding.....	78,252,177

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is being furnished in connection with the solicitation by management of GCO of proxies to be used at the Meeting for the purposes set out in the accompanying Notice of Meeting. It is expected that the solicitation will be made primarily by mail, but proxies may also be solicited personally or by telephone, email and facsimile, or other communication by directors, officers and consultants of GCO (who will not be specifically remunerated therefore).

GCO does not reimburse shareholders, nominees or agents for costs incurred in obtaining, from the principals of such persons, authorization to execute forms of proxy, except that GCO has requested brokers and nominees who hold GCO Common Shares in their respective names to furnish this Circular and related proxy materials to their clients, and GCO will reimburse such brokers and nominees for their related out of pocket expenses.

The cost of solicitation, including the mailing of materials in connection with the Meeting, will be borne by GCO.

No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by GCO. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular.

Appointment of Proxyholders

The person(s) named in the accompanying form of Proxy (the “**Proxy**”) as proxyholders are management’s representatives. **A shareholder of GCO wishing to appoint some other person or company (that need not be a shareholder of GCO) to represent him at the Meeting may do so, either by striking out the printed names and inserting the desired person or company’s name in the blank space provided in the Proxy or by completing another Proxy.** A Proxy will not be valid unless the completed, dated and signed Proxy is delivered to the office of Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 or by fax to 1-866-249-7775 (North America) or 1-416-263-9524 (International) by 10:00 a.m. on August 27, 2015, or if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the date to which the Meeting is adjourned or postponed. The chairman of the Meeting has the discretion to accept Proxies received after that time. Registered Shareholders may also vote their Proxies via telephone or the internet in accordance with the instructions provided in the Proxy.

Voting of Proxies

If the Proxy is completed, signed and delivered to GCO, the person(s) named as proxyholders therein shall vote or withhold from voting the GCO Common Shares in respect of which they are appointed as proxyholders at the Meeting in accordance with the instructions of the Shareholder appointing them, on any show of hands and/or on any ballot that may be called for, and if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the person(s) appointed as proxyholder(s) shall vote accordingly. The Proxy confers discretionary authority upon the person(s) named therein with respect to: (i) each matter or group of matters identified therein for which a choice is not specified; (ii) any amendment to or variation of any matter identified therein; and (iii) to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof. As of the date of this Circular, the Board knows of no such amendments, variations or other matters to come before the Meeting, other than matters referred to in the Notice of Meeting. However, if other matters should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the Proxy.

If no choice is specified by a Shareholder with respect to any matter identified in the Proxy or any amendment or variation to such matter, it is intended that the person(s) designated by management in the Proxy will vote the shares represented thereby FOR such matter.

Advice to Non Non-Registered (Beneficial) Shareholders

Only registered Shareholders as of the Record Date or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders are “non-registered shareholders” because the shares they own are not registered in their name but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased their GCO Common Shares. More particularly, a person is not a registered shareholder in respect of GCO Common Shares which are held on behalf of that person (the “**Non-Registered Holder**”) but which are registered either: (i) in the name of an Intermediary that the Non-Registered Holder deals with in respect of the GCO Common Shares; or (ii) in the name of a depository (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Holders of Securities*, GCO has distributed copies of the Notice of Meeting, this Circular, the Proxy and applicable letter(s) of transmittal (collectively, the “**Meeting Materials**”) to the depositories and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies (such as Broadridge Investor Communication Solutions) to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of GCO Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the Proxy, this Proxy is not required to be signed by the Non-Registered Holder when submitting the Proxy. In this case, the Non-Registered Holder who wishes to submit the Proxy should otherwise properly complete the Proxy and deliver it to the offices of GCO; or
- (b) more typically, be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a proxy authorization form) which the Intermediary must follow.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the GCO Common Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholder(s) and insert the Non-Registered Holder’s name in the blank space provided, or in the case of a proxy authorization form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.**

Revocability of Proxy

A Shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder’s attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of GCO, at Suite 415 – 1040 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4H1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the chairman of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

If you are a non-registered Shareholder, please follow the instructions from your bank, broker or other financial intermediary for instructions on how to revoke your voting instructions.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed herein and other than the election of directors and the approval of the GCO Stock Option

Plan, no director or executive officer of GCO or any proposed nominee of management of GCO for election as a director of GCO, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of GCO's last financial year in matters to be acted upon at the Meeting.

Erin Chutter, the President, Chief Executive Officer and a director of GCO, is owed approximately \$1,250,604 in outstanding principal and accrued interest as of July 31, 2015 pursuant to a loan agreement made with GCO made as of June 6, 2014. In connection with the Arrangement, it is contemplated that this indebtedness will be transferred to GEMC, along with certain other amounts rising from all rights and obligations owed to current officers, directors and other management of GCO comprising the GEMC Assumed Debt, including unpaid salaries, wages, fees, bonuses or other compensation, any contractual severance or termination payments that may otherwise become payable upon the completion of the transactions contemplated by the Plan of Arrangement. The Plan of Arrangement further contemplates that the current officers, directors and other management of GCO (other than directors nominated by IMHL), will become the new management of GEMC upon the completion of the Arrangement. Alexander Ordanian is a director of IMHL. At the Meeting, shareholders will be asked to consider and it if thought advisable, to pass a resolution authorizing the Debt Conversion.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of GCO consists of an unlimited number of common shares without par value. As at the Record Date, there were a total of 105,499,817 GCO Common Shares issued and outstanding. Each GCO Common Share entitles the holder thereof to one vote. As at August 4, 2015, the closing market price of the GCO Common Shares on the TSX-V was \$0.035.

Only holders of GCO Common Shares of record at the close of business on July 31, 2015 (the "**Record Date**"), who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their GCO Common Shares voted at the Meeting.

On a show of hands, every individual who is present as a registered Shareholder or as a duly appointed representative of one or more registered corporate Shareholders will have one vote, and on a poll every registered Shareholder present in person or represented by a validly appointed proxyholder, and every person who is a duly appointed representative of one or more corporate registered Shareholders, will have one vote for each GCO Common Share registered in the name of the Shareholder on the list of Shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the Meeting. **Shareholders represented by proxyholders are not entitled to vote on a show of hands.**

Principal Holders of GCO Common Shares

The following table sets out, to the knowledge of the directors and executive officers of GCO, based on public information, those persons or companies who beneficially own, directly or indirectly, or exercise control or direction over, GCO Common Shares carrying 10% or more of the voting rights attached to all of the issued and outstanding GCO Common Shares as at the Record Date:

Name	Number of GCO Common Shares Held	Percentage of Issued and Outstanding GCO Common Shares
Imperial Mining Holding Limited	26,127,640 ⁽¹⁾	24.77% ⁽²⁾

Notes:

- (1) Does not include approximately 2,560,932 GCO Common Shares to be issued to IMHL as compensation for dilution arising from the issuance of shares by GCO to cover expenses associated with the Arrangement.
- (2) Assumes 105,499,817 GCO Common Shares issued and outstanding.

THE ARRANGEMENT

The general description of the Arrangement Agreement which follows is qualified in its entirety by reference to the

full text of the Arrangement Agreement, a copy of which is available for review by Shareholders, at the head office of GCO as shown on the Notice of Meeting, during normal business hours prior to the Meeting.

General

GCO is an exploration-stage, public company whose common shares are listed for trading on the TSX-V. GCO's primary business is the acquisition, exploration, development, and production of cobalt and other strategic metals deposits in Russia and North America. The Arrangement has been proposed to, among other things, allow GCO to split its North American mineral property assets from its Russian properties. Pursuant to the Arrangement, GCO will transfer all of its right, title and interest in the Werner Lake Property and the Iron Creek Property to GEMC in consideration for share consideration expected to be 78,252,177 GEMC Shares, which GCO will then distribute to Shareholders, other than Dissenting Shareholders and IMHL and its affiliates and associates, on the basis of one GEMC Share for each GCO Common Share held immediately prior to the Effective Time. In addition to the transfer of the Spin-Off Properties, at the Effective Time GCO will transfer to GEMC, the GEMC Assumed Debt (for which GEMC will assume liability). Each Shareholder (other than IMHL and its affiliates and associates) as at the Effective Time will, immediately after the Arrangement, continue to hold the same *pro rata* interest in GCO that such Shareholder held in GCO prior to the completion of the Arrangement, subject to the issuance of any Debt Conversion Shares in connection with the Debt Conversion, and will hold one GEMC Share for each GCO Common Share held immediately prior to the Arrangement.

In conjunction with the Arrangement, it is proposed that the principal and accrued interest owing to IMHL by GCO under the terms of the IMHL Loan Agreement, which as at July 29, 2015 was approximately \$4,872,786 will be settled for GCO Common Shares. If the Debt Conversion is completed, IMHL's ownership interest in GCO will increase from approximately 25% to approximately 61%. The maturity date of the IMHL Loan Agreement was July 7, 2015.

On completion of the Arrangement, as contemplated by the Plan of Arrangement and assuming that the Debt Conversion is completed, it is expected that Shareholders (other than IMHL and its affiliates and associates) will hold 39% of the issued and outstanding GCO Common Shares, a decrease of approximately 36% from the interest held by such Shareholders immediately prior to the Effective Time. However, Shareholders (other than Dissenting Shareholders and IMHL and its affiliates and associates) will own 100% of GEMC, which will focus on the exploration and development of the Werner Lake Property and the Iron Creek Property following the completion of the Arrangement.

Reasons for the Arrangement

Management of GCO continually reviews opportunities to bring value to GCO and thereby maximize Shareholder value. The Board believes that the Werner Lake Property and the Iron Creek Property are not being fully valued by the market, which views the Karakul Property as GCO's principal business asset and focus. The transfer of the Spin-off Properties to GEMC will provide each resulting company with a clear mandate to pursue its respective business strategies. GCO will focus on the exploration and development of the Karakul Property while GEMC will focus on the development of its North American property portfolio. Additionally because each of the resulting entities will be focused in its geographic sphere, resulting entities will be more readily understood by investors, allowing each company to be in a better position to raise capital. The Arrangement will also provide Shareholders with a direct interest in two separate companies, providing Shareholders with greater investment flexibility. Shareholders (other than Dissenting Shareholders and IMHL and its affiliates and associates) would increase their effective ownership interest in the Spin-off Properties to 100% through their ownership of GEMC following completion of the Arrangement. If the Debt Conversion was approved, Other GCO Shareholders (i.e. Shareholders, other than IMHL and its affiliates and associates) will suffer dilution in their ownership interest in GCO in the approximate amount of 36%. However, the Debt Conversion would significantly improve GCO's finances and, in conjunction with the transfer of the GEMC Assumed Debt to GEMC, would result in GCO being effectively debt free at the completion of the Arrangement.

In the course of its evaluation of the Arrangement, the Board consulted with GCO's senior management and legal counsel and financial advisors, reviewed a significant amount of information, and considered a number of factors. The Board is of the view that the Arrangement will benefit GCO and the Shareholders. This conclusion is based on

the following primary determinations:

- The Board and GCO's management do not believe that the current market price of the GCO Common Shares reflects the full value of GCO's assets. In particular, the Board believes the market price of the GCO Common Shares is attributed mainly to the value of the Karakul Property. Accordingly, transferring the Werner Lake Property and the Iron Creek Property to a separate entity is expected to allow Shareholders to realize the value thereof (through their holdings of GEMC Shares).
- The Arrangement is expected to enhance the ability of each of GCO and GEMC to pursue their corporate objectives and strategies by allowing GCO to focus on the Karakul Property and by allowing GEMC to focus on the Werner Lake Property and the Iron Creek Property.
- The creation of two separate companies dedicated to the pursuit of their respective businesses will provide Shareholders with additional investment flexibility as Shareholders will hold a direct interest in two companies, which will each focus on different business objectives.
- Each company will have independent access to capital (equity and debt), which management believes will result in more focused capital allocation practices and minimize future dilutions in each company.
- Shareholders will maintain their ownership interests in GCO, subject to dilution resulting from the issuance of the Debt Conversion Shares, and through their ownership of both GCO Common Shares and GEMC Shares, will maintain their ownership interests in GCO's current assets following the Arrangement.

Recommendation of the Board

The Board has concluded that the terms of the Arrangement are fair and reasonable to, and in the best interests of, GCO and Shareholders. The Board has therefore approved the Arrangement and authorized the submission of the Arrangement to Shareholders and the Court for approval. The Board recommends that Shareholders vote FOR the approval of the Arrangement Resolution at the Meeting. In reaching this conclusion, the Board considered the benefits to GCO and Shareholders, as well as the financial position, opportunities and outlook for the future potential and operating performance of GCO and GEMC. Each director and executive officer of GCO has advised that he intends to vote his GCO Common Shares FOR the Arrangement Resolution.

Fairness of the Arrangement

The Arrangement was determined to be fair to the Shareholders by the Board based upon the following factors, among others:

- the procedures by which the Arrangement will be approved, including the requirement for approval by 66 $\frac{2}{3}$ % of the votes cast by Shareholders at the Meeting and approval by the Court after a hearing at which fairness will be considered;
- each Shareholder (other than Dissenting Shareholders and IMHL and its affiliates and associates), as at the Effective Time, will participate in the Arrangement such that each Shareholder, upon completion of the Arrangement, will hold a greater interest in the Spin-off Properties than the Shareholder held prior to the completion of the Arrangement, and will continue to hold the same *pro rata* interest in GCO that such Shareholder held in GCO prior to the completion of the Arrangement, subject to the issuance of the Debt Conversion Shares to IMHL in connection with the Debt Conversion to be conducted in conjunction with the Arrangement;
- the listing of the GEMC Shares on the TSX-V as at the Effective Time. *It is a condition precedent to the completion of the Arrangement that the TSX-V will have conditionally accepted the GEMC Shares for listing on the TSX-V. Until a listing on the TSX-V (or any other stock exchange or quotation system) is obtained, there will be no public market to trade the GEMC;* and

- the opportunity for Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to dissent from the approval of the Arrangement in accordance with the Interim Order.

Details of the Arrangement

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement, attached as Appendix "C" to this Circular. The Plan of Arrangement should be read carefully in its entirety.

At the Effective Time, the following shall occur and shall be deemed to occur in the following order without any further act or formality, with each event or transaction occurring and being deemed to occur immediately after the occurrence of the preceding event or transaction:

- (a) subject to Article 6 of the Plan of Arrangement hereof, each GCO Common Share held by Dissenting Shareholders shall be, and shall be deemed to be, transferred to GCO free and clear of any Encumbrances for cancellation without any further act or formality and;
 - (i) such Dissenting Shareholders shall cease to be the holders of such GCO Common Shares, and to have any rights as holders of such GCO Common Shares, other than the right to be paid fair value for such GCO Common Shares as set out in Article 6 of the Plan of Arrangement; and
 - (ii) such Dissenting Shareholders' names shall be removed as the holders of such GCO Common Shares from the register of GCO Common Shares maintained by or on behalf of GCO;
- (b) the articles of GCO shall be amended by:
 - (i) changing the designation of the existing "Common Shares" to "Class A Common Shares" and to increase the voting rights of the GCO Common Shares from one vote to two votes per GCO Common Share and to change the rights, privileges, restrictions and conditions attached thereto, whether issued or unissued, so that the rights, privileges, restrictions and conditions attached thereto shall be as set out in Exhibit I attached to the Plan of Arrangement;
 - (ii) creating a new class of shares designated as "Common Shares", in an unlimited number, having the rights, privileges, restrictions and conditions set out in Exhibit I attached to the Plan of Arrangement;
 - (iii) creating a new class of shares designated as "Class B Preferred Shares", in an unlimited number, having the rights, privileges, restrictions and conditions set out in Exhibit I attached to the Plan of Arrangement; and
 - (v) otherwise to the extent necessary to facilitate the Arrangement,so that upon completion of the amendments of the articles of GCO set forth above, the authorized share capital of GCO shall be as set out in Exhibit I attached to the Plan of Arrangement;
- (c)
 - (i) all outstanding GCO Common Shares (redesignated as GCO Class A Common Shares), other than those held by Dissenting Shareholders and IMHL and its affiliates and associates, shall be and shall be deemed to be changed into and exchanged for GCO New Common Shares and GCO Class B Preferred Shares on the basis of one GCO New Common Share and one GCO Class B Preferred Share for each outstanding GCO Class A Common Share held; and

- (ii) all outstanding GCO Common Shares (redesignated as GCO Class A Common Shares) held by IMHL and its affiliates and associates shall be and shall be deemed to be changed into and exchanged for GCO New Common Shares on the basis of one GCO New Common Share for each outstanding GCO Class A Common Share;

and as a result thereof:

- (iii) the Shareholders whose GCO Common Shares have been so exchanged shall cease to be, and shall be deemed to cease to be, holders of such GCO Common Shares and to have any rights as holders of such GCO Common Shares other than the right to receive one GCO New Common Share and one GCO Class B Preferred Share pursuant to this paragraph (c); provided that IMHL and its affiliates and associates shall only be entitled to one GCO New Common Share for each GCO Common Share held at the Effective Time; and
- (iv) such Shareholders' names shall be removed as the holders of such GCO Common Shares from the register of GCO maintained by or on behalf of GCO and shall be added to the registers of the GCO New Common Shares and GCO Class B Preferred Shares maintained by or on behalf of GCO, respectively,

and in connection therewith, the amount of the stated capital account maintained by GCO for the GCO Common Shares shall be deducted from such account and a portion thereof shall be added to the stated capital account maintained by GCO for each of the GCO New Common Shares and the GCO Class B Preferred Shares as follows:

- (v) the amount thereof that is added to the stated capital account for the GCO Class B Preferred Shares being equal to the fair market value of the GCO Class B Preferred Shares, which fair market value is equal to the aggregate fair market value of the Spin-Off Properties net of the GEMC Assumed Debt; and
 - (vi) the amount thereof that is added to the stated capital account of the GCO New Common Shares being equal to the amount deducted from the stated capital account of the GCO Common Shares so exchanged less the aggregate of the amount added to the stated capital account of the GCO Class B Preferred Share;
- (d) concurrently with the exchange in paragraph (c) above, all outstanding GCO Warrants shall be cancelled and terminated and cease to represent any right or claim whatsoever and as the sole consideration therefor:
- (i) GCO shall grant GCO Replacement Warrants to the former holders of GCO Warrants, other than IMHL and its affiliates and associates;
 - (ii) GCO shall grant GCO IMHL Replacement Warrants to IMHL and its affiliates and associates, who were former holders of GCO Warrants; and
 - (iii) GEMC shall grant GEMC Warrants to the former holders of GCO Warrants, other than IMHL and its affiliates and associates,

(in this paragraph (d), the “**Warrant Exchange**”), such that, for each GCO Common Share that the holder would have been entitled to acquire pursuant to the GCO Warrants, holders, other than IMHL and its affiliates and associates, shall instead be entitled to acquire one GCO New Common Share pursuant to the corresponding GCO Replacement Warrant and one GEMC Share pursuant to the corresponding GEMC Warrant, which warrants shall have the same terms and conditions as to tenure and method of exercise as the corresponding GCO Warrants; provided that the original exercise price of the GCO Warrants shall be allocated to the GCO Replacement Warrants and the

GEMC Warrants acquired by the holder pursuant to the Warrant Exchange, in such proportion as may be determined by GCO and GEMC to reflect the comparative fair market values of GCO and GEMC as at the Effective Date. For the avoidance of doubt, each GCO IMHL Replacement Warrant held by IMHL and its affiliates and associates shall have the same terms and conditions as to tenure and method of exercise as the corresponding GCO Warrant, with the necessary adjustment to the exercise price thereof to reflect the fair market value of GCO as at the Effective Date;

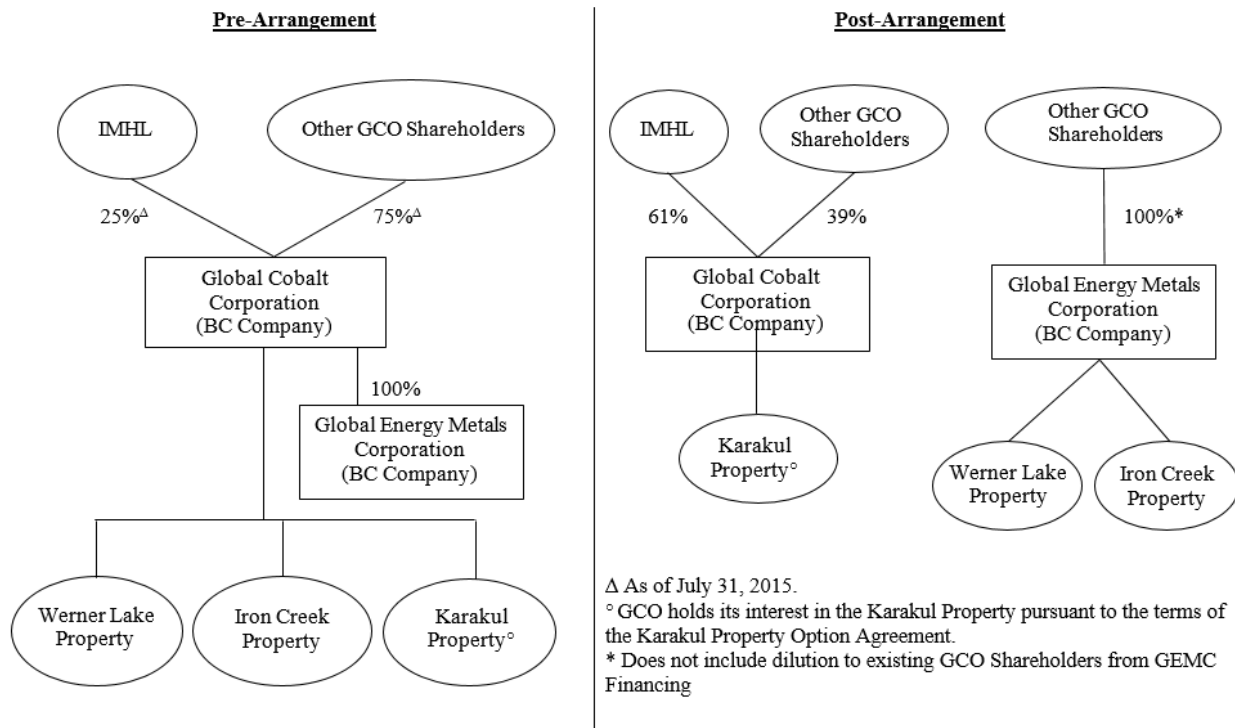
- (e) concurrently with the exchange in paragraph (c) above, all outstanding GCO Options shall be cancelled and terminated and cease to represent any right or claim whatsoever and as the sole consideration therefor GCO shall grant GCO Replacement Options to the former holders of GCO Options; provided that prior to the Effective Date and if required by the terms of the GCO Stock Option Plan, each holder of outstanding GCO Options shall be deemed to have waived any right and entitlement to receive a GEMC Share upon the exercise of the GCO Option. The GCO Replacement Options shall have the same terms and conditions as to vesting schedule, tenure and method of exercise as the corresponding GCO Options, with the necessary adjustment to the exercise price thereof to reflect the fair market value of GCO as at the Effective Date. For the avoidance of doubt, upon the due exercise of the GCO Replacement Options no GEMC Shares shall be issuable in respect thereof;
- (f) GCO will transfer the Spin-Off Properties to GEMC, together with the GEMC Assumed Debt, and GEMC will assume liability for the GEMC Assumed Debt, in consideration for that number of GEMC Shares (the “**GEMC Distribution Shares**”) as is equal to the number of GCO Common Shares issued and outstanding immediately prior to the Effective Time less the number of GCO Common Shares transferred to GCO pursuant to paragraph (a) above and the number of GCO Common Shares held by IMHL and its affiliates and associates immediately prior to the Effective Time, and GCO shall be added to the register of GEMC Shares maintained by or on behalf of GEMC, and in connection therewith, in accordance with the BCBCA, GEMC shall add to the stated capital account maintained by GEMC for the GEMC Shares issued to GCO, an amount that shall not exceed the aggregate PUC of the GCO Common Shares;
- (g) GCO shall redeem the issued GCO Class B Preferred Shares for consideration consisting solely of the GEMC Distribution Shares, such that each holder of GCO Class B Preferred Shares shall receive that number of GEMC Distribution Shares that is equal to the number of GCO Class B Preferred Shares held by such holder;
- (h) the name of each holder of GCO Class B Preferred Shares shall be removed as such from the register of GCO Class B Preferred Shares maintained by or on behalf of GCO;
- (i) the GEMC Distribution Shares transferred to the holders of the GCO Class B Preferred Shares pursuant to paragraph (g) above shall be registered in the names of the former holders of GCO Class B Preferred Shares and the names of such holders of GCO Class B Preferred Shares shall be added to the register of GEMC Shares maintained by or on behalf of GEMC;
- (j) the articles of GCO shall be amended by:
 - (i) cancelling the class of shares designated as “Class A Common Shares”, none of which shall be issued and outstanding at such time in accordance with the Plan of Arrangement;
 - (ii) cancelling the class of shares designated as “Class B Preferred Shares”, none of which shall be issued and outstanding at such time in accordance with the Plan of Arrangement; and
 - (iii) otherwise to the extent necessary to facilitate the Arrangement; and

- (k) the GEMC Founding Share shall be cancelled for no consideration and as a result thereof:
- (i) GCO shall cease to be, and shall be deemed to have ceased to be, the holder of the GEMC Founding Share and to have any rights as a holder of the GEMC Founding Share; and
 - (ii) GCO shall be removed as the holder of the GEMC Founding Share from the register of GEMC Shares maintained by or on behalf of GEMC.

By passing the Arrangement Resolution, the Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause GCO to complete the Arrangement or to abandon the Arrangement without any requirement to seek or obtain any further approval of the Shareholders.

The Arrangement Resolution also provides that the terms of the Plan of Arrangement may be amended by the Board before or after the Meeting without further notice to Shareholders. Although the Board has no current intention to amend the terms of the Plan of Arrangement, it is possible that the Board may determine that appropriate amendments are necessary or desirable.

The effect of the Arrangement, assuming completion of the Debt Conversion, can be shown by the following diagram:



Conditions of the Arrangement

The Arrangement is subject to the fulfillment or waiver of certain conditions, including the following:

1. the Plan of Arrangement must be approved by the Court in the manner referred to in the section of this Circular entitled “*The Arrangement – Court Approval of the Arrangement*”;
2. the Arrangement must be approved by the Shareholders at the Meeting in the manner referred to in the section of this Circular entitled “*The Arrangement – Shareholder Approval of the*

Arrangement”;

3. the TSX-V must have approved the Arrangement and the transactions contemplated thereby and the conditional listing of the GEMC Shares on the TSX-V;
4. the Shareholders must have approved the Debt Conversion;
5. the Arrangement must be effective on or before September 4, 2015; and
6. all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, required, necessary or desirable for the completion of the Arrangement must have been obtained or received, each in a form acceptable to GCO.

If any of the conditions of the Arrangement set out herein are not fulfilled or performed, the Arrangement may be terminated, or, in certain cases, GCO may waive the condition in whole or in part. As soon as practicable after the fulfillment of the conditions of the Arrangement, the Board intends to cause a certified copy of the Final Order and articles of arrangement to be filed with the Registrar under the BCBCA, together with such other material as may be required by the Registrar, in order that the Arrangement will become effective.

Court Approval of the Arrangement

The Arrangement requires the approval of the Court. Prior to the mailing of the Circular, GCO obtained the Interim Order authorizing the calling and holding of the Meeting and providing for certain other procedural matters. The Interim Order is attached as Appendix “G”. The Notice of Hearing of Petition for the Final Order is attached as Appendix ”H”. Assuming approval of the Arrangement Resolution by the Shareholders at the Meeting, the hearing for the Final Order is scheduled to take place at 9:45 a.m. (Vancouver time) on September 1, 2015 at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, or at such other date and time as the Court may direct. At this hearing, any securityholder or creditor of GCO who wishes to participate or to be represented or present evidence or argument may do so, subject to filing an appearance and satisfying certain other requirements.

The GCO New Common Shares and the GEMC Shares to be issued to Shareholders in exchange for their GCO Common Shares, the GCO Replacement Warrants and GEMC Warrants to be issued to GCO Warrantholders in exchange for their GCO Warrants, the GCO Replacement Options to be issued to GCO Optionholders in exchange for their GCO Options, and the GCO IMHL Replacement Warrants to be issued to IMHL in exchange for its GCO Warrants pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and will be issued in reliance upon the Section 3(a)(10) Exemption and exemptions from registration or qualification under any applicable securities laws of any state of the United States. The Section 3(a)(10) Exemption exempts the issuance of securities issued in exchange for one or more *bona fide* outstanding securities where the terms and conditions of such issue and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear and have received adequate and timely notice thereof, by a court or by a governmental entity expressly authorized by law to grant such approval. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court has been advised that if the terms and conditions of the Arrangement are approved by the Court, the Final Order will be relied upon to constitute the basis for the Section 3(a)(10) Exemption. Accordingly, the Final Order of the Court will, if granted, constitute the basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the issuance of the GCO New Common Shares and the GEMC Shares to be issued to Shareholders in exchange for their GCO Common Shares, the GCO Replacement Warrants and GEMC Warrants to be issued to GCO Warrantholders in exchange for their GCO Warrants, the GCO Replacement Options to be issued to GCO Optionholders in exchange for their GCO Options, and the GCO IMHL Replacement Warrants to be issued to IMHL in exchange for its GCO Warrants pursuant to the Arrangement.

The Court has broad discretion under the BCBCA when making orders with respect to the Arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the

Court thinks fit. Depending upon the nature of any required amendments, GCO may determine not to proceed with the Arrangement.

Shareholder Approval of the Arrangement

Subject to any further order of the Court, the Arrangement must be approved by at least 66⅔% of the votes cast by Shareholders present, in person or by proxy, and entitled to vote at the Meeting. Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Shareholders and subject to the terms of the Arrangement Agreement, to amend the Plan of Arrangement or to decide not to proceed with the Arrangement at any time prior to the Effective Time. As at the date hereof, IMHL has agreed to vote all of the GCO Common Shares held by it in favour of the Arrangement Resolution.

In the absence of any instruction to the contrary, the GCO Common Shares represented by proxies appointing the management designees named in the form of proxy will be voted in favour of the Arrangement Resolution.

Effect of the Arrangement on TSX-V Listing and Reporting Issuer Status

GCO is currently a reporting issuer in British Columbia and Alberta. Upon completion of the Arrangement, it is expected that GCO will be, and GEMC will become, a reporting issuer in the same jurisdictions and will be subject to the continuous disclosure and other obligations of such jurisdictions. Both of GCO and GEMC are organized under the BCBCA. Accordingly, the holders of the GCO Common Shares and GEMC Shares will have the same rights and restrictions under the BCBCA.

The GCO Common Shares are currently listed on the TSX-V under the symbol "GCO". GEMC has advised GCO that it expects to make an application to the TSX-V for the initial listing of the GEMC Shares thereon prior to the Effective Time, which TSX-V approval is expected to be subject to the satisfaction of certain conditions, including approval of the Arrangement by Shareholders at the Meeting, the closing of the Arrangement, the filing of all documents required by the GCO and payment of fees required pursuant to the policies of the TSX-V and GEMC meeting the initial listing requirements of the TSX-V. It is a condition precedent to the completion of the Arrangement that the TSX-V will have conditionally accepted the GEMC Shares for listing on the TSX-V. However, it is not certain that GEMC will have obtained TSX-V acceptance for the listing of the GEMC Shares by the completion of the Arrangement or that the GEMC Shares will be listed on the TSX-V (or any other stock exchange or quotation system) upon the completion of the Arrangement. Until listing on the TSX-V (or any other stock exchange or quotation system) is obtained there will be no public market to trade the GEMC Shares. **As of the date hereof, the TSX-V has not provided its approval or consent of the Arrangement or the listing of the GEMC Shares.**

Proposed Timetable for the Arrangement

The anticipated timetable for the completion of the Arrangement and the key dates proposed are as follows:

Annual and special meeting:	August 31, 2015
Final Court approval:	September 1, 2015
Effective Date:	September 2, 2015
Mailing of GEMC Share certificates:	September 15, 2015

Notice of the actual Effective Date will be given to the GCO securityholders through one or more news releases. The Board will determine the Effective Date upon satisfaction or waiver of the conditions to the Arrangement.

GCO Common Shares

Upon completion of the Arrangement, Shareholders will own one GCO New Common Share (which will be represented by existing GCO Common Share certificates). In addition, Shareholders (other than IMHL and its

associates and affiliates) will receive one GEMC Share for each GCO Common Share held immediately prior to the Effective Time. Certificates or electronic registration statements representing the GEMC Shares that each Shareholder is entitled to receive in connection with will be forwarded to each Shareholder.

Treatment of GCO Convertible Securities

The Plan of Arrangement provides that all outstanding GCO Warrants will be cancelled and terminated and cease to represent any right or claim whatsoever and as the sole consideration therefor:

- (a) GCO will grant GCO Replacement Warrants to the former holders of GCO Warrants, other than IMHL and its affiliates and associates;
- (b) GCO will grant GCO IMHL Replacement Warrants to IMHL and its affiliates and associates, who were former holders of GCO Warrants; and
- (c) GEMC will grant GEMC Warrants to the former holders of GCO Warrants, other than IMHL and its affiliates and associates,

such that, for each GCO Common Share that the holder would have been entitled to acquire pursuant to the GCO Warrants, holders, other than IMHL and its affiliates and associates, will instead be entitled to acquire one GCO Common Share pursuant to the corresponding GCO Replacement Warrant and one GEMC Share pursuant to the corresponding GEMC Warrant, which warrants shall have the same terms and conditions as to tenure and method of exercise as the corresponding GCO Warrants; provided that the original exercise price of the GCO Warrants will be allocated to the GCO Replacement Warrants and the GEMC Warrants acquired by the holder pursuant to the warrant exchange, in such proportion as may be determined by GCO and GEMC to reflect the comparative fair market values of GCO and GEMC as at the Effective Date.

All outstanding GCO Options will be cancelled and terminated and cease to represent any right or claim whatsoever and as the sole consideration therefor GCO will grant GCO Replacement Options to the former holders of GCO Options; provided that prior to the Effective Date and if required by the terms of the GCO Stock Option Plan, each holder of outstanding GCO Options will be deemed to have waived any right and entitlement to receive a GEMC Share upon the exercise of the GCO Option. The GCO Replacement Options will have the same terms and conditions as to vesting schedule, tenure and method of exercise as the corresponding GCO Options, with the necessary adjustment to the exercise price thereof to reflect the fair market value of GCO as at the Effective Date. For the avoidance of doubt, upon the due exercise of the GCO Replacement Options no GEMC Shares will be issuable in respect thereof.

Distribution of Certificates

As soon as practicable after the Effective Time, the Depositary shall forward to each Shareholder (other than Dissenting Shareholders and IMHL and its affiliates and associates) a certificate representing the GEMC Shares that such holder is entitled to receive in connection with the Arrangement.

Concurrent with the mailing of this Circular, GCO will also mail the Warrant Letter of Transmittal to registered holders of GCO Warrants, which will be used to exchange their certificates representing GCO Warrants for certificates representing the GCO Replacement Warrants, the GCO IMHL Replacement Warrants and the GEMC Warrants, as applicable. Until exchanged, each certificate representing GCO Warrants will, after the Effective Time, represent only the right to receive, upon surrender, GCO Replacement Warrants, GCO IMHL Replacement Warrants and the GEMC Warrants, as applicable.

Cancellation of Rights after Six Years

Any certificate which immediately prior to the Effective Time represented GCO Warrants, as the case may be, and which has not been surrendered with all other documents required by the Depositary, as applicable, on or prior to the sixth anniversary of the Effective Date, will cease to represent any claim against or interest of any kind or nature in GCO or GEMC. Accordingly, persons who tender certificates for the GCO Warrants after the sixth anniversary of

the Effective Date will not receive GCO Replacement Warrants, GCO IMHL Replacement Warrants or GEMC Warrants, as applicable, will not own any interest in GCO or GEMC and will not be paid any cash or other compensation in lieu thereof.

Risk Factors Relating to the Arrangement

The following risk factors should be considered by Shareholders in evaluating whether to approve the Arrangement. These risk factors should be considered in conjunction with the other information included in this Circular and the risk factors disclosed under the headings “*Information Concerning GCO – Risk Factors*” and “*Information Concerning GEMC – Risk Factors*” below.

In evaluating whether to vote in favour of the Arrangement, Shareholders should carefully consider the following risks and uncertainties in addition to other information in this Circular which apply to GEMC upon completion of the Arrangement.

Termination of the Arrangement

Each of GCO and GEMC has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can GCO provide any assurance, that the Arrangement Agreement will not be terminated before the completion of the Arrangement. In addition, the completion of the Arrangement is subject to a number of conditions, certain of which are outside the control of GCO, including Shareholders approving the Arrangement and required regulatory approvals, including of the Court and TSX-V, being obtained. There is no certainty, nor can GCO provide any assurance, that these conditions will be satisfied. If for any reason the Arrangement is not completed, the market price of GCO Common Shares may be adversely affected.

Income Tax

The Arrangement may give rise to adverse tax consequences to Shareholders and each Shareholder is urged to consult with its own tax advisor. See “*Certain Canadian Federal Income Tax Considerations*” and “*Certain United States Federal Income Tax Considerations*”.

Costs of the Arrangement

There are certain costs related to the Arrangement, such as legal and accounting fees incurred, that must be paid even if the Arrangement is not completed.

Pro-Forma Financial Statements

The pro-forma financial statements attached to this Circular and information derived therefrom contained in this Circular are presented for illustrative purposes only and may not be an indication of GCO’s or GEMC’s financial condition following the Arrangement for several reasons. For example, such pro-forma financial statements have been derived from the historical financial statements of GCO and certain assumptions have been made. The information upon which these assumptions have been made is historical, preliminary and subject to change. Moreover, the pro-forma financial statements do not reflect all costs that are expected to be incurred by GCO and/or GEMC in connection with the Arrangement. In addition, the assumptions used in preparing the pro-forma financial statements may not prove to be accurate.

Exercise of Dissent Rights

Registered Shareholders have the right to exercise Dissent Rights and demand payment equal to the fair value of their GCO Common Shares in cash. If Dissent Rights are exercised in respect of a significant number of GCO Common Shares, a substantial cash payment may be required to be made to such Shareholders, which could have an adverse effect on GCO’s or GEMC’s financial condition and cash resources. IMHL can, in its sole discretion, withhold its consent of the Arrangement if Dissent Rights are exercised by Shareholders holding more than 5% of the GCO Common Shares, in the aggregate.

Conduct of Meeting and Other Approvals

Shareholder and Court Approval of the Arrangement

Shareholders at the Meeting will be asked to consider and, if thought advisable, adopt the Arrangement Resolution. The Arrangement Resolution must be approved by special resolution (being a majority of not less than two-thirds of the votes cast by the Shareholders present, in person or by proxy at the Meeting). The votes cast by Shareholders who are also directors and/or officers of GCO will be excluded from the tabulation of votes cast in respect of the approval of the Arrangement Resolution at the Meeting. As of the date of this Circular, it is expected that 6,251,416 GCO Common Shares will be excluded from voting on the Arrangement Resolution.

Under the BCBCA, GCO is required to obtain the approval of the Court to the calling of the Meeting and to the Arrangement. On July 30, 2015, prior to mailing the material in respect of the Meeting, GCO obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters. A copy of the Interim Order and the Notice of Hearing of Petition for the Final Order are attached as Appendices “G” and “H” respectively, to this Circular. As set out in the Notice of Hearing of Petition, the Court hearing in respect of the Final Order is scheduled to take place at 9:45 a.m., Vancouver time, on September 1, 2015, or as soon thereafter as the Court may direct or counsel for GCO may be heard, at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, subject to the approval of the Arrangement Resolution at the Meeting. **Shareholders who wish to participate in or be represented at the Court hearing should consult with their legal advisors as to the necessary requirements.**

At the Court hearing, Shareholders who wish to participate or to be represented or to present evidence or argument may do so, subject to the rules of the Court. Although the authority of the Court is very broad under the BCBCA, the Court will consider, among other things, the fairness and reasonableness of the terms and conditions of the Arrangement and the rights and interests of every person affected. The Court may approve the Arrangement as proposed or as amended in any manner as the Court may direct. The Court’s approval is required for the Arrangement to become effective. The Court will be informed prior to the hearing that if such approval is obtained, this will constitute the basis for an exemption from the registration requirements of the U.S. Securities Act with respect to, among other things, the issuance of the GEMC Shares, GCO Replacement Warrants, GCO IMHL Replacement Warrants, GEMC Warrants and GCO Replacement Options to be distributed, as described below under “*Securities Laws Considerations – United States Securities Laws Matters*”. In addition, it is a condition of the Arrangement that the Court will have determined, prior to granting the Final Order, that the Arrangement is substantially and procedurally fair and reasonable to the securityholders of GCO.

Under the terms of the Interim Order, each Shareholder will have the right to appear and make representations at the application for the Final Order. Any person desiring to appear at the hearing to be held by the Court to approve the Arrangement pursuant to the Notice of Hearing of Petition for the Final Order is required to file with the Court and serve upon GCO at the address set out below, on or before 10:00 a.m., Vancouver time, on August 27, 2015, a notice of his intention to appear (“**Appearance Notice**”), including his address for service, together with any evidence or materials which are to be presented to the Court. The Appearance Notice and supporting materials must be delivered, within the time specified, to GCO at the following address: Lotz & Company, Suite 415, 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1, fax: 604-699-0112, Attention: Jonathan Lotz.

Regulatory Approvals

If the Arrangement Resolution is approved by the requisite majority of Shareholders, final regulatory approval must be obtained for all the transactions contemplated by the Arrangement before the Arrangement may proceed.

The GCO Common Shares are currently listed for trading on the TSX-V. GCO is a reporting issuer in the provinces of British Columbia and Alberta. Approval from the TSX-V is required for the Arrangement. Upon completion of the Arrangement, GEMC will be a reporting issuer in the provinces of British Columbia and Alberta. It is a condition precedent to the completion of the Arrangement that the TSX-V have conditionally approved the listing of the GEMC Shares on the TSX-V upon the closing of the Arrangement.

Shareholders should be aware that certain of the foregoing approvals have not yet been given by the regulatory

authorities, and there is no assurance that such approvals will be obtained.

Significant Positions and Shareholdings

The following chart discloses the current positions and shareholdings (direct and indirect) of directors and senior officers of GCO and GEMC and the greater than 10% shareholders in GCO, as well as their positions and shareholdings in GEMC, post-Arrangement.

Name	GCO Relationship Shares Stock Options Warrants	GEMC Relationship Shares Stock Options Warrants ⁽¹⁾
Erin Chutter	President, Chief Executive Officer and Director 4,074,107 shares ⁽⁴⁾ 600,000 options 692,000 warrants	President, Chief Executive Officer and Director 4,074,107 shares ⁽⁴⁾ 692,000 warrants
Oleg Shcherbyna	Chief Financial Officer 200,000 options 126,000 warrants	Chief Financial Officer 126,000 warrants
Paul Sarjeant	Vice President Exploration 170,400 shares 250,000 options 85,000 warrants	Vice President Exploration and Director 170,400 shares 85,000 warrants
Gaston Reymenants	Director 425,000 options	Director
Alexander Ordanian	Director 1,100,000 shares 850,000 options 532,000 warrants	No Relationship
Jean-Pierre Colin ⁽²⁾	Director 303,030 shares 450,000 options	No Relationship 303,030 shares
Raymond Castelli	Director 518,000 shares 425,000 options	Director 518,000 shares
Kamen Zahariev	Director	No Relationship
Marc Thomas	Director 20,000 shares	No Relationship
Peter Reynolds	Director 65,879 shares 425,000 options	Director 65,879 shares
IMHL	26,127,640 shares ⁽³⁾ 5,000,000 warrants	No Relationship

Notes:

- (1) Pursuant to the terms of the Arrangement none of IMHL or its affiliates or associates will receive GEMC Shares, GEMC Replacement Warrants or GEMC Replacement Options.
- (2) Jean-Pierre Colin resigned from the Board effective June 14, 2015.
- (3) Does not include approximately 2,560,932 GCO Common Shares to be issued to IMHL as compensation for dilution arising from the issuance of shares by GCO to cover expenses associated with the Arrangement.
- (4) Includes 1,200,000 GCO Common Shares held by Geoff Chutter, Erin Chutter's spouse.

FAIR MARKET VALUE OF GEMC SHARES

The income tax considerations outlined in the preceding disclosure includes reference to the fair market value of the GEMC Shares. The Board must consider the fair market value of the GEMC Shares in connection with determining the size of the reduction of its stated capital caused by the distribution of the GEMC Shares to the Shareholders

under the Arrangement as well as in connection with considering the consequences to its Shareholders of the Arrangement. In addition, the GEMC Board has to consider the value of the Spin-Off Properties in connection with the issue of the GEMC Shares in exchange for such properties. Accordingly, GCO retained the author of the Werner Lake Report, Gerald Harper, Ph.D., P.Geol.(ON.) to provide advice to GCO and GEMC as to the fair market value of the Werner Lake Property. No valuation on the Iron Creek Property was obtained or sought, due to the relatively small value of \$50,000 (being the acquisition cost thereof) assigned by GCO and GEMC to the Iron Creek Property.

Based on such advice, the boards of directors of each of GCO and GEMC has determined that for their purposes the aggregate fair market value of the Spin-Off Properties is \$2,999,087, of which \$2,949,087 is attributable to Werner Lake (being the book value thereof). This valuation amount and methodology is supported by the Werner Lake Valuation. The following is the Conclusion of the author of the Werner Lake Valuation, which is qualified in its entirety by the full text of the Werner Lake Valuation:

“Conclusions

We have undertaken a brief review of the Werner Lake mineral property of Global Cobalt Corporation which property hosts as yet undefined cobalt deposits. None of the Werner Lake cobalt deposits is in production or has formal resources or reserves from which to undertake a financial analysis of their net worth. Therefore two methods of valuation which are typically used are not relevant in this case; namely Comparable Transaction Analysis and Appraisal of Assets. Input costs have therefore been used as the basis for valuation and we have reviewed historic acquisition costs and recent exploration costs carried on the books of Global Cobalt to determine their reasonableness. We have noted that they have not undertaken any write-offs of any part of the relevant exploration and continue to maintain that all of their investment is justified as valid capital costs of the project.

Considering all the various positive and negative aspects we conclude that a range of value for the Werner Lake property is C\$2.9 – 3.0 millions based on the information available regarding its prospects, the company management and geological team and their ability to execute financing, exploration and possible development of the property.”

The Werner Lake Valuation may be inspected at any time up to the Meeting in the same manner as material contracts. See “*Information Concerning GCO – Material Contracts*”.

Assuming GEMC Assumed Debt in the aggregate approximate amount of \$2,771,691, the net aggregate value of the Spin-Off Properties will be \$227,396.

Assuming that GCO receives 78,252,177 GEMC Shares in exchange for the Spin-Off Properties, GEMC expects to deem the value of the GEMC Shares issued to GCO under the Arrangement at \$227,396, or \$0.003 per GEMC Share. Similarly, GCO has determined that it expects to reduce its stated capital in the amount of \$0.003 for each GEMC Share distributed to Shareholders under the Arrangement or by \$0.001 per GCO Common Share (assuming 205,516,469 GCO Common Shares issued and outstanding upon the completion of the Arrangement, after giving effect to the Debt Conversion).

Shareholders of GCO should be aware that the fair market value determined by GCO and GEMC for these purposes is not binding on the CRA or the IRS.

SECURITIES LAW CONSIDERATIONS

The following is a brief summary of the securities law considerations applying to the transactions contemplated herein.

Canadian Securities Law Matters

The foregoing discussion is only a general overview of certain requirements of the Canadian securities laws applicable to the resale of securities to be received upon completion of the Arrangement. **All holders of securities**

received in connection with the Arrangement are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.

The GCO New Common Shares, the GEMC Shares and other securities to be issued under the Arrangement will be issued in reliance on exemptions from the prospectus requirement of applicable Canadian securities laws. The GCO New Common Shares and GEMC Shares may generally be resold in each of the provinces and territories of Canada, without significant restriction, provided the trade is not a “control distribution” under applicable legislation, no unusual effort is made to prepare the market or to create a demand for those securities and no extraordinary commission or consideration is paid in respect of that sale. Upon completion of the Arrangement, it is anticipated that GEMC will be a reporting issuer in British Columbia and Alberta.

United States Securities Law Matters

The following discussion is a general overview of certain requirements of U.S. federal and state securities laws applicable to securityholders. **All securityholders are urged to consult with their own legal advisors to ensure that the resale of the securities issued to them under the Arrangement comply with applicable federal and state securities laws.**

The GCO New Common Shares and the GEMC Shares to be issued to Shareholders in exchange for their GCO Common Shares, the GCO Replacement Warrants and GEMC Warrants to be issued to GCO Warrantholders in exchange for their GCO Warrants, the GCO Replacement Options to be issued to GCO Optionholders in exchange for their GCO Options, and the GCO IMHL Replacement Warrants to be issued to IMHL in exchange for its GCO Warrants pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act, and such securities will be issued in reliance upon the Section 3(a)(10) Exemption. Section 3(a)(10) exempts the issuance of securities issued in exchange for one or more *bona fide* outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement to the Shareholders, the GCO Warrantholders, the GCO Optionholders and IMHL will be considered. The Court granted the Interim Order on July 30, 2015 and, subject to the approval of the Arrangement by the Shareholders, a hearing on the Arrangement will be held on September 1, 2015 by the Court. Accordingly, the Final Order, if granted by the Court, constitutes a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the GCO New Common Shares, the GEMC Shares, the GCO Replacement Warrants, the GEMC Warrants, the GCO Replacement Options, and the GCO IMHL Replacement Warrants, as applicable.

The GCO New Common Shares and the GEMC Shares to be issued to Shareholders in exchange for their GCO Common Shares, the GCO Replacement Warrants and GEMC Warrants to be issued to GCO Warrantholders in exchange for their GCO Warrants, the GCO Replacement Options to be issued to GCO Optionholders in exchange for their GCO Options, and the GCO IMHL Replacement Warrants to be issued to IMHL in exchange for its GCO Warrants pursuant to the Arrangement will be freely transferable under U.S. federal securities laws, except by persons who are affiliates (as such term is defined under U.S. securities laws) of GCO or GEMC, as applicable, after the Effective Date or were affiliates of GCO or GEMC, as applicable, within 90 days prior to the Effective Date. Persons who may be deemed to be “affiliates” of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer.

Any resale of such securities by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell such securities outside the United States without registration under the U.S. Securities Act pursuant to Regulation S under the U.S. Securities Act. If available, such affiliates (and former affiliates) may also resell such securities in compliance with Rule 144 under the U.S. Securities Act, including the availability of current public information regarding GCO or GEMC, as applicable, and compliance with the applicable hold period, the volume and manner of sale limitations, and notice filing requirements of

Rule 144 under the U.S. Securities Act.

The Section 3(a)(10) Exemption does not exempt the issuance of securities outside of the Arrangement. Therefore, the GCO New Common Shares issuable upon the exercise of the GCO Replacement Warrants, the GEMC Shares issuable upon the exercise of the GEMC Warrants, the GCO New Common Shares issuable upon the exercise of the GCO Replacement Options, and the GCO New Common Shares issuable upon the exercise of the GCO IMHL Replacement Warrants following the Effective Date may not be issued in reliance upon the Section 3(a)(10) Exemption and such securities may be exercised only pursuant to an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Prior to the issuance of such securities pursuant to any such exercise, each of GCO and GEMC may require evidence (which may include an opinion of counsel of recognized standing) in form and substance reasonably satisfactory to each of GCO and GEMC, as applicable, to the effect that the issuance of such GCO New Common Shares upon the exercise of the GCO Replacement Warrants and the GCO IMHL Replacement Warrants, the issuance of such GEMC Shares upon the exercise of the GEMC Warrants, and the issuance of such GCO New Common Shares upon the exercise of the GCO Replacement Options, as applicable, does not require registration under the U.S. Securities Act or applicable state securities laws. Any GCO New Common Shares to be issued upon exercise of the GCO Replacement Warrants and the GCO IMHL Replacement Warrants, any GEMC Shares to be issued upon exercise of the GEMC Warrants, and any GCO New Common Shares to be issued upon the exercise of the GCO Replacement Options, as applicable, by a person in the United States or a “U.S. person” (as such term is defined in Regulation S under the U.S. Securities Act) will be “restricted securities” as defined in Rule 144 under the U.S. Securities Act, and will be subject to restrictions on resales imposed by the U.S. Securities Act.

The foregoing discussion is only a general overview of the requirements under the U.S. Securities Act for the resale of the GCO New Common Shares, the GEMC Shares, the GCO Replacement Warrants, the GEMC Warrants, the GCO Replacement Options, and the GCO IMHL Replacement Warrants, and the exercise of the GCO Replacement Warrants, the GEMC Warrants, the GCO Replacement Options, and the GCO IMHL Replacement Warrants following the Effective Date. Holders of GCO securities and GEMC securities are urged to seek legal advice prior to any resale or exercise, as applicable, of such securities to ensure that the resale or exercise, as applicable, is made in compliance with the requirements of applicable securities legislation.

DISSENT RIGHTS

If you are a registered Shareholder, you are entitled to dissent from the Arrangement Resolution in the manner provided in Section 238 of the BCBCA, as modified or supplemented by the Interim Order, the Plan of Arrangement or any other order of the Court.

The following description of the rights of registered Shareholders to dissent from the Arrangement Resolution is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of his GCO Common Shares. A registered Shareholder’s failure to follow exactly the procedures set forth in Sections 237 to 247 of the BCBCA, as modified or supplemented by the Interim Order, Plan of Arrangement or any other order of the Court, will result in the loss of such registered Shareholder’s Dissent Rights. If you are a Shareholder and wish to dissent, you should obtain your own legal advice and carefully read the Arrangement Agreement, the Plan of Arrangement, the Interim Order and the provisions of Sections 237 to 247 of the BCBCA, which are attached to this Circular as Appendices “B”, “C”, “G” and “I”, respectively. In addition to any other restrictions under Section 238 of the BCBCA (as modified or supplemented by the Interim Order, the Plan of Arrangement or any other order of the Court), holders of GCO Warrants and GCO Options are not entitled to exercise Dissent Rights.

A Shareholder may exercise Dissent Rights only in respect of all of the GCO Common Shares that are registered in that Shareholder’s name (the “**Dissenting Shares**”). In many cases, GCO Common Shares beneficially owned by a beneficial shareholder are registered either (i) in the name of an Intermediary, or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (CDS) or similar entities) of which an Intermediary is a participant. Accordingly, a beneficial shareholder will not be entitled to exercise Dissent Rights directly unless the GCO Common Shares are re-registered in the beneficial shareholder’s name.

A beneficial shareholder who wishes to exercise Dissent Rights should contact the Intermediary with whom the beneficial shareholder deals in respect of its GCO Common Shares and either:

- (a) instruct the Intermediary to exercise the Dissent Rights on the beneficial shareholder's behalf (which, if the GCO Common Shares are registered in the name of CDS or other clearing agency, would require that the GCO Common Shares first be re-registered in the name of the intermediary); or
- (b) instruct the Intermediary to re-register the GCO Common Shares in the name of the beneficial shareholder, in which case, further to the registration of the GCO Common Shares in the name of the beneficial shareholder, the new registered Shareholder would be able to exercise the Dissent Rights directly. In this regard, the beneficial shareholder will have to demonstrate that such person beneficially owned on the Record Date established for the Meeting, the GCO Common Shares in respect of which the Dissent Rights are being exercised.

Any Dissenting Shareholder will be entitled, in the event that the Arrangement becomes effective, to be paid the fair value of the Dissenting Shares held by such Dissenting Shareholder, determined as at the close of business on the day immediately preceding the Meeting, and will not be entitled to any other payment or consideration. There can be no assurance that a Dissenting Shareholder will receive consideration for its Dissenting Shares of equal value to the consideration that such Dissenting Shareholder would have otherwise received upon completion of the Arrangement.

A registered Shareholder who wishes to dissent must ensure that a written objection to the Arrangement Resolution (a "**Dissent Notice**") is received by GCO c/o its legal counsel, Lotz & Company at Suite 415 – 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1 (Attention: Jonathan Lotz) not later than 5:00 p.m. (Vancouver time) on the second Business Day immediately preceding the date of the Meeting, any adjournment or postponement of the Meeting. A Dissenting Shareholder must dissent with respect to all GCO Common Shares in which the holder owns a beneficial interest. The written notice must set out the number GCO Common Shares in respect of which the notice of dissent is being sent and:

- (a) if the GCO Common Shares constitute all of the GCO Common Shares of which the Dissenting Shareholder is the registered and beneficial owner, a statement to that effect;
- (b) if the GCO Common Shares constitute all of the GCO Common Shares of which the Dissenting Shareholder is the registered and beneficial owner, but if the Dissenting Shareholder owns additional GCO Common Shares beneficially, a statement to that effect and the names of the registered holders, the number of GCO Common Shares held by the registered holders and a statement that written notices of dissent have or will be sent with respect to such GCO Common Shares; or
- (c) if the Dissent Right is being exercised by a Registered Shareholder who is not the beneficial owner of the GCO Common Shares, a statement to that effect and the name of the beneficial owner and a statement that the registered Shareholder is exercising the Dissent Right with respect to all of the GCO Common Shares of the beneficial owner registered in such registered Shareholder's name.

The filing of a Dissent Notice does not deprive a Shareholder of the right to vote; however, a Shareholder who has submitted a Dissent Notice and who votes in favour of the Arrangement Resolution will no longer be considered a Dissenting Shareholder with respect to GCO Common Shares voted by such Shareholder in favour of the Arrangement Resolution. If such Dissenting Shareholder votes in favour of the Arrangement Resolution in respect of a portion of the GCO Common Shares registered in his name and held by same on behalf of any one beneficial owner, such vote approving the Arrangement Resolution will be deemed to apply to the entirety of GCO Common Shares held by such Dissenting Shareholder in the name of that beneficial owner, given that Section 238(3) of the BCBCA provides there is no right of partial dissent. A vote against the Arrangement Resolution will not constitute a Dissent Notice.

GCO is required promptly after the later of (i) the date on which GCO forms the intention to proceed with the Arrangement; and (ii) the date on which the written notice of dissent was received, to notify each Dissenting Shareholder of its intention to proceed with the Arrangement. GCO expects that it will be in a position to deliver such notification on or before the Effective Date. Upon receipt of the notification, each Dissenting Shareholder is then required, if the Dissenting Shareholder wishes to proceed with exercising the Dissent Right, within one month after the date of the notification to send to GCO, care of GCO's transfer agent, Computershare, at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y7 (Attention: Corporate Action):

- (a) a written statement that the Dissenting Shareholder requires GCO to purchase all of its GCO Common Shares;
- (b) the certificate(s) representing such GCO Common Shares; and
- (c) if the Dissent Right is being exercised by the Dissenting Shareholder on behalf of a beneficial owner who is not the Dissenting Shareholder, a statement signed by the beneficial owner which sets out whether the beneficial owner is the beneficial owner of other GCO Common Shares, and if so (i) the names of the registered holders of those GCO Common Shares; (ii) the number of those GCO Common Shares; and (iii) that the Dissent Right is being exercised in respect of all of those GCO Common Shares.

A Dissenting Shareholder who fails to send GCO, within the required time frame, the written statements described above and the certificate(s) representing the GCO Common Shares in respect of which the Dissenting Shareholder dissents, forfeits the Dissent Right.

GCO will send to each Dissenting Shareholder who has timely delivered the required documentation, a written offer to pay for the GCO Common Shares (an "**Offer to Pay**") with respect to which a Dissent Right is being exercised in an amount considered by the directors of GCO to be fair value thereof, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay will be on the same terms. GCO is required to pay for the GCO Common Shares of a Dissenting Shareholder within ten calendar days after an Offer to Pay has been accepted by a Dissenting Shareholder, but any such Offer to Pay lapses if GCO does not receive an acceptance thereof within 30 calendar days after the Offer to Pay has been made.

If GCO fails to make an Offer to Pay for the GCO Common Shares of a Dissenting Shareholder, or if a Dissenting Shareholder fails to accept an offer that has been made, GCO may, within 50 calendar days after the Effective Date or within such further period as the Court may allow, apply to the Court to fix a fair value for the GCO Common Shares of Dissenting Shareholders. If GCO fails to apply to the Court, a Dissenting Shareholder may apply to the Court for the same purpose within a further period of 20 calendar days or within such further period as the Court may allow. A Dissenting Shareholder is not required to give security for costs in such an application.

Upon an application to the Court, all Dissenting Shareholders whose GCO Common Shares have not been purchased by GCO will be joined as parties and bound by the decision of the Court, and GCO will be required to notify each affected Dissenting Shareholder of the date, place and consequences of the application and of the right of such Dissenting Shareholder to appear and be heard in person or by counsel. Upon any such application to the Court, the Court may determine whether any person is a Dissenting Shareholder who should be joined as a party, and the Court will then fix a fair value for the GCO Common Shares of all Dissenting Shareholders. The final order of the Court will be rendered against GCO in favour of each Dissenting Shareholder and for the amount of the fair value of each Dissenting Shareholder's GCO Common Shares as fixed by the Court. The Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the Effective Date until the date of payment.

Under the BCBCA, GCO will be lawfully unable to pay the Dissenting Shareholders the fair value of their GCO Common Shares if GCO is insolvent or would be rendered insolvent by making the payment to the Dissenting Shareholders.

In such event, the Dissenting Shareholders will have 30 calendar days to elect to either: (i) withdraw their dissent and receive the consideration applicable to Shareholders under the Arrangement; or (ii) retain their status as a

claimant and be paid as soon as GCO is lawfully able to do so, or in a liquidation, be ranked subordinate to its creditors but in priority to the Shareholders.

If the Arrangement is not implemented for any reason, Dissenting Shareholders will not be entitled to be paid the fair value for their GCO Common Shares, and their GCO Common Shares will not be deemed to be transferred to GCO.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by Dissenting Shareholders who seek payment of the fair value of their GCO Common Shares. Sections 237 to 247 of the BCBCA require adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. **Accordingly, each Dissenting Shareholder who is considering exercising Dissent Rights should carefully consider and comply with the provisions of these Sections, the full text of which is set out in Appendix “T” to this Circular, as modified by the Interim Order, and consult their own legal advisor.**

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations relating to the Arrangement applicable to a Shareholder (in this summary, a “**Holder**”) who, at all material times for purposes of the Tax Act: (i) holds all GCO Common Shares, and will hold all GCO New Common Shares and GEMC Shares, solely as capital property; (ii) deals at arm’s length with GCO and GEMC; (iii) is not “affiliated” with GCO and GEMC; (iv) is not a “financial institution” for the purposes of the mark-to-market rules in the Tax Act; and (v) has not acquired GCO Common Shares on the exercise of an employee stock option.

GCO Common Shares, GCO New Common Shares and GEMC Shares generally will be considered to be capital property of the Holder unless the Holder holds the shares in the course of carrying on a business or acquired them in a transaction considered to be an adventure in the nature of trade.

This summary is based on the current provisions of the Tax Act and the regulations thereunder (the “**Regulations**”), as well as the current administrative practices and policies of the CRA. It also takes into account specific proposals to amend the Tax Act and Regulations (the “**Proposed Amendments**”) announced by the Minister of Finance (Canada) prior to the date hereof. It is assumed that all Proposed Amendments will be enacted in their present form, and that there will be no other relevant change to any relevant law or administrative practice, although no assurances can be given in these respects. This summary does not take into account any provincial, territorial or foreign income tax considerations which may differ from the Canadian federal income tax considerations discussed below. An advance income tax ruling will not be sought from the CRA in respect of the Arrangement.

This summary assumes that the GCO Common Shares will be or will remain listed on a designated stock exchange (the current definition of which includes the TSX-V) at the time of the disposition of such shares pursuant to the Arrangement and that the GCO New Common Shares will be listed on such a designated stock exchange when issued and at all relevant times thereafter

This summary is of a general nature only, and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, and should not be construed to be, legal or tax advice to any Shareholder. Accordingly, Shareholders should each consult their own tax and legal advisers for advice as to the income tax consequences of the Arrangement applicable to them in their particular circumstances.

Holders Resident in Canada

The following portion of the summary is applicable only to Holders (each, in this portion of the summary, a “**Resident Holder**”) who are or are deemed to be residents in Canada for the purposes of the Tax Act.

Exchange of GCO Common Shares for GCO New Common Shares and GCO Class B Preferred Shares

A Resident Holder whose GCO Common Shares (redesignated as GCO Class A Shares) are exchanged for GCO New Common Shares and GCO Class B Preferred Shares pursuant to the Arrangement will not realize any capital gain or loss as a result of the exchange. The Resident Holder will be required to allocate the adjusted cost base

(the “ACB”) of the Holder’s GCO Common Shares, determined immediately before the Arrangement, *pro-rata* to the GCO New Common Shares and the GCO Class B Preferred Shares received on the exchange based on the relative fair market values of those GCO New Common Shares and GCO Class B Preferred Shares immediately after the exchange.

Redemption of GCO Class B Preferred Shares

Pursuant to the Arrangement, the paid-up capital of the GCO Common Shares (redesignated as GCO Class A Shares) immediately before their exchange for GCO New Common Shares and GCO Class B Preferred Shares will be allocated to the GCO Class B Preferred Shares to be issued on the exchange to the extent of an amount equal to the fair market value of the GEMC Shares to be issued to Shareholders pursuant to the Arrangement and the balance of such paid-up capital will be allocated to the New GCO Common Shares to be issued on the exchange.

GCO expects that the fair market value of the GEMC Shares to be so issued will be materially less than the paid-up capital of the GCO Common Shares immediately before the exchange, and, for the purposes of this summary, it has been assumed that GCO’s expectation is correct. Accordingly, GCO is not expected to be deemed to have paid, and no Resident Holder is expected to be deemed to have received, a dividend as a result of the distribution of GEMC Shares on the redemption of the GCO Class B Preferred Shares pursuant to the Arrangement.

Each Resident Holder whose GCO Class B Preferred Shares are redeemed for GEMC Shares pursuant to the Arrangement will realize a capital gain (capital loss) equal to the amount, if any, by which the fair market value of the GEMC Shares, less reasonable costs of disposition, exceed (are exceeded by) their ACB immediately before the redemption. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below. See “*Holdings Resident in Canada - Taxation of Capital Gains and Losses*” below.

The cost to a Resident Holder of GEMC Shares acquired on the exchange will be equal to the fair market value of the GEMC Shares at the time of their distribution.

Disposition of GCO New Common Shares and GEMC Shares

A Resident Holder who disposes of a GCO New Common Share or GEMC Share will realize a capital gain (capital loss) equal to the amount by which the proceeds of disposition of the share, less reasonable costs of disposition, exceed (are exceeded by) the ACB of the share to the Resident Holder determined immediately before the disposition. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below. See “*Holdings Resident in Canada - Taxation of Capital Gains and Losses*” below.

Dissenting Resident Holders

A Resident Holder who exercises Dissent Rights and is paid the fair value for the Resident Holder’s GCO Common Shares by GCO will be deemed to receive a dividend equal to the amount by which the amount received (other than in respect of interest awarded by a Court if any) from GCO exceeds the paid-up capital of the Resident Holder’s GCO Common Shares. The tax treatment of dividends is generally the same as discussed under “*Taxation of Dividends*” below.

The Resident Holder will also be considered to have disposed of the Resident Holder’s GCO Common Shares and will realize a capital gain (or loss) equal to the amount, if any, by which the cash received in respect of the fair value of the GCO Common Shares (other than in respect of interest awarded by a Court if any) exceeds (or is less than) the adjusted cost base of the GCO Common Shares to the Resident Holder and any reasonable costs of disposition. The tax treatment of capital gains and capital losses is as discussed below “*Holdings Resident in Canada - Taxation of Capital Gains and Losses*”. Dissenting Resident Holders will also be required to include in computing their income any interest awarded by a Court.

Taxation of Capital Gains and Losses

A Resident Holder who realizes a capital gain (capital loss) in a taxation year must include one half of the capital gain (“**taxable capital gain**”) in income for the year, and may deduct one half of the capital loss (“**allowable capital loss**”) against taxable capital gains realized in the year, and to the extent not so deductible, against taxable capital gains arising in any of the three preceding taxation years or any subsequent taxation year.

The amount of any capital loss arising from a disposition or deemed disposition of a GCO Class B Preferred Share, GCO New Common Share or GEMC Share by a Resident Holder that is a corporation may, to the extent and under circumstances specified in the Tax Act, be reduced by the amount of certain dividends received or deemed to be received by the corporation on the share. Similar rules may apply if the corporation is a member of a partnership or beneficiary of a trust that owns shares, or where a partnership or trust of which the corporation is a member or beneficiary is a member of a partnership or a beneficiary of a trust that owns shares.

A Resident Holder that is a “Canadian-controlled private corporation” for the purposes of the Tax Act may be required to pay an additional 6½% refundable tax in respect of any net taxable capital gain that it realizes on disposition of a GCO Class B Preferred Share, GCO New Common Share or GEMC Share.

Taxation of Dividends

A Resident Holder who is an individual will be required to include in income any dividend that the Resident Holder receives, or is deemed to receive, on GCO New Common Shares or GEMC Shares, and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations.

A Resident Holder that is a corporation will be required to include in income any dividend that it receives or is deemed to be received on GCO New Common Shares or GEMC Shares, and generally will be entitled to deduct an equivalent amount in computing its taxable income. A “private corporation” (as defined in the Tax Act) or any other corporation controlled or deemed to be controlled by or for the benefit of an individual or a related group of individuals may be liable under Part IV of the Tax Act to pay a refundable tax of 33½% on any dividend that it receives or is deemed to be received on GCO New Common Shares or GEMC Shares to the extent that such dividends are deductible in computing the corporation’s taxable income. Any such Part IV tax will be refundable to it at the rate of \$1 for every \$3 of taxable dividends that it pays on its shares.

Alternative Minimum Tax on Individuals

A capital gain realized or deemed to be realized by a Resident Holder who is an individual (including certain trusts and estates) may give rise to liability to alternative minimum tax under the Tax Act.

Eligibility for Investment

GCO New Common Shares and GCO Class B Preferred Shares will, at the time they are acquired under the Arrangement, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan (a “**RRSP**”), registered retirement income fund (a “**RRIF**”), deferred profit sharing plan, registered education savings plan, registered disability savings plan and a tax-free savings account (a “**TFSA**”; collectively, “**Registered Plans**”) provided that, at that time, either the GCO New Common Shares and GCO Class B Preferred Shares are listed on a “designated stock exchange” (currently including the Canadian Securities Exchange, TSX and Tiers 1 and 2 of the TSX-V) or GCO is a “public corporation” as defined for the purposes of the Tax Act..

The GEMC Shares will, at the time they are acquired under the Arrangement, be qualified investments under the Tax Act for Registered Plans; provided that, at that time, the GEMC Shares are listed on a designated stock exchange or GEMC is a public corporation. GEMC has advised GCO that GEMC intends to apply to have the GEMC shares listed on a designated stock exchange before the end of its first taxation year and intends to elect in its return of income for its first taxation year, and on or before its filing due date for its first taxation year (the “**Due Date**”), to be deemed to have been a public corporation from the beginning of the year. Provided the GEMC Shares are listed on a designated stock exchange in Canada on or before the Due Date and GEMC makes this election in its return of income for its first taxation year, GEMC will be a public corporation at the time the GEMC Shares are

acquired under the Arrangement.

Notwithstanding the foregoing, the holder of a TFSA or an annuitant of a RRSP or RRIF which holds GCO New Common Shares, GCO Class B Preferred Shares or GEMC Shares will be subject to a penalty tax under the Tax Act if such security is a “prohibited investment” under the Tax Act. In general terms, GCO New Common Shares, GCO Class B Preferred Shares and GEMC Shares will be a “prohibited investment” for a particular RRSP, RRIF or TFSA if at any time the holder or annuitant (the “**Plan Holder**”) (i) does not deal at arm’s length with GCO or GEMC for purposes of the Tax Act or (ii) has a “significant interest” in GCO or GEMC, as that term is defined in the Tax Act. Generally, a Plan Holder will have a significant interest in a corporation if the Registered Plan, the Plan Holder, and other persons not at arm’s length with the Plan Holder, together, directly or indirectly, own more than 10% of the shares of any class of shares of the corporation. **Holders should consult their own tax advisors to ensure that the GCO New Common Shares, GCO Class B Preferred Shares and GEMC Shares would not be a prohibited investment for a trust governed by a TFSA, RRSP, or RRIF in their particular circumstances.**

Holders Not Resident in Canada

The following portion of this summary is applicable only to Holders (each in this portion of the summary a “**Non-resident Holder**”) who: (i) have not been, are not, and will not be resident or deemed to be resident in Canada for purposes of the Tax Act; (ii) do not and will not, and are not and will not be deemed to, use or hold GCO Common Shares, GCO New Common Shares, GCO Class B Preferred Shares or GEMC Shares in connection with carrying on a business in Canada; and (iii) whose GCO Common Shares, GCO New Common Shares, GCO Class B Preferred Shares and GEMC Shares will not at the Effective Date under the Arrangement, or at any material time thereafter, constitute “taxable Canadian property” for the purposes of the Tax Act.

Taxable Canadian Property

Generally, a GCO Common Share, GCO New Common Share, GCO Class B Preferred Share or GEMC Share, as applicable, owned by a Non-resident Holder will not be taxable Canadian property of the Non-resident Holder at a particular time provided that, at that time, (i) the share is listed on a “designated stock exchange” (currently including the Canadian Securities Exchange, TSX and Tiers 1 and 2 of the TSX-V); (ii) neither the Non-resident Holder nor persons with whom the Non-resident Holder does not deal at arm’s length alone or in any combination has owned 25% or more of the shares of any class or series in the capital of the issuing corporation within the previous five years; and (iii) the share was not acquired in a transaction as a result of which it was deemed to be taxable Canadian property of the Non-resident Holder.

Special rules, which are not discussed in this summary, may apply to a Non-resident Holder that is an insurer carrying on business in Canada.

Capital Gains and Capital Losses on Share Exchanges and Subsequent Dispositions of Shares

A Non-resident Holder who participates in the Arrangement will not be subject to tax under the Tax Act on any capital gain realized on the exchange of GCO Common Shares (redesignated as GCO Class A Common Shares) for GCO New Common Shares and GCO Class B Preferred Shares, nor on the redemption of GCO Class B Preferred Shares in consideration for GEMC Shares.

Similarly, any capital gain realized by a Non-resident Holder on the subsequent disposition or deemed disposition of a GCO New Common Share or GEMC Share acquired pursuant to the Arrangement will not be subject to tax under the Tax Act; provided either that the shares do not constitute taxable Canadian property of the Non-resident Holder at the time of disposition, or an applicable income tax treaty exempts the capital gain from tax under the Tax Act.

Non-resident Holders will be exempt from the reporting and withholding obligations of section 116 of the Tax Act in respect of the disposition of GCO Common Shares and GCO Class B Preferred Shares pursuant to the Arrangement.

Dissenting Non-Resident Holders

A Non-Resident Holder who exercises Dissent Rights and is paid the fair value for the Non-Resident Holder's GCO Common Shares by GCO will be deemed to receive a dividend equal to the amount by which the amount received (other than in respect of interest awarded by a Court if any) from GCO exceeds the paid-up capital of the Non-Resident GCO Holder's Shares. The tax treatment of dividends is generally the same as discussed below under "*Taxation of Dividends*".

The Non-Resident Holder will also be considered to have disposed of the Non-Resident Holder's GCO Common Shares and will realize a capital gain (or loss) equal to the amount, if any, by which the cash received in respect of the fair value of the GCO Common Shares (other than in respect of interest awarded by a Court if any) exceeds (or is less than) the adjusted cost base of the GCO Common Shares to the Resident Holder and any reasonable costs of disposition. A Non-Resident Holder who realizes a capital gain with respect to GCO Common Shares as a result of the distribution of cash, as described above, will not be subject to Canadian income tax under the Tax Act in respect of such gain provided the GCO Common Shares are not "taxable Canadian property" to such Non-Resident Holder. See, generally, "*Taxable Canadian Property*" above. Dissenting Non-Resident Holders will also be required to include in computing their income any interest awarded by a Court.

Deemed Dividends on the Redemption of GCO Class B Preferred Shares

For the reasons set above under "*Holdings Resident in Canada - Redemption of GCO Class B Preferred Shares*", GCO expects that no Non-Resident Holder will be deemed to have received a dividend on the redemption of GCO Class B Preferred Shares for GEMC Shares.

Taxation of Dividends

A Non-resident Holder to whom a dividend on a GCO New Common Share or GEMC Share is or is deemed to be paid, or credited, will be subject to Canadian withholding tax under the Tax Act at the rate of 25% of the gross amount of the dividend, unless reduced by an applicable income tax treaty, if any. For example, if a Non-Resident Holder is a United States resident entitled to benefits under the *Canada – United States Tax Convention (1980)*, dividends on GCO New Common Shares or GEMC Shares will generally be subject to Canadian withholding tax at the rate of 15%.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of the certain material U.S. federal income tax considerations applicable to U.S. Holders (as defined below) arising from and relating to the receipt of GEMC Shares pursuant to the Arrangement as well as the ownership and disposition of GEMC Shares received pursuant to the Arrangement. This summary addresses only Shareholders that are U.S. Holders who participate in the Arrangement. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax consequences that may apply to a U.S. Holder as a result of the Arrangement. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences of the Arrangement to such U.S. Holder. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. In addition, this summary does not address any tax consequences to U.S. persons that hold GCO Warrants, GCO Replacement Warrants, GCO IMHL Replacement Warrants, GEMC Warrants, GCO Options or GCO Replacement Options with respect to such options and warrants. Except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. This summary does not address the U.S. federal estate and gift, U.S. federal alternative minimum tax, U.S. state and local, or non-U.S. tax consequences to U.S. Holders of the Arrangement or the ownership or disposition of GEMC Shares. Each U.S. Holder should consult its own tax advisors regarding the U.S. federal estate and gift, U.S. federal alternative minimum tax, U.S. state and local and non-U.S. tax consequences of the Arrangement and the ownership or disposition of GEMC Shares.

No legal opinion from U.S. legal counsel or ruling from the IRS has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement to U.S. Holders. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in

this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

NOTICE PURSUANT TO U.S. TREASURY DEPARTMENT CIRCULAR 230: ANYTHING CONTAINED IN THIS SUMMARY CONCERNING ANY U.S. FEDERAL TAX ISSUE IS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED BY A U.S. HOLDER, FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES UNDER THE CODE (AS DEFINED BELOW). THIS SUMMARY WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THIS DOCUMENT. EACH U.S. HOLDER SHOULD SEEK U.S. FEDERAL TAX ADVICE, BASED ON SUCH U.S. HOLDER'S PARTICULAR CIRCUMSTANCES, FROM AN INDEPENDENT TAX ADVISOR.

Scope of this Disclosure

Authorities

This summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations, published rulings of the IRS, published administrative positions of the IRS, the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the “Canada U.S. Tax Convention”) and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this Circular. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive basis. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive basis.

U.S. Holders

For purposes of this summary, the term “U.S. Holder” means a beneficial owner of GCO Common Shares (or, after the Arrangement, GCO New Common Shares and GEMC Shares) that is for U.S. federal income tax purposes:

- an individual treated as a citizen or resident of the U.S.;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the U.S., any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (i) is subject to the primary supervision of a court within the U.S. and the control of one or more U.S. persons for all substantial decisions or (ii) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax consequences of the Arrangement to U.S. Holders that are subject to special provisions under the Code, including the following: (i) U.S. Holders that are tax exempt organizations, qualified retirement plans, individual retirement accounts, or other tax deferred accounts; (ii) U.S. Holders that are financial institutions, insurance companies, real estate investment trusts, or regulated investment companies; (iii) U.S. Holders that are dealers in securities or currencies or U.S. Holders that are traders in securities that elect to apply a mark to market accounting method; (iv) U.S. Holders that have a “functional currency” other than the U.S. dollar; (v) U.S. Holders that own GCO Common Shares (or, after the Arrangement, GCO New Common Shares and GEMC Shares) as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (vi) U.S. Holders that hold GCO Common Shares (or, after the Arrangement, GCO New Common Shares and GEMC Shares) other than as a capital asset within the meaning of Section 1221 of the Code; and (vii) U.S. Holders that own (directly, indirectly, or by attribution) 10% or more of the total combined voting power of all classes of shares of GCO (and/or after the Arrangement, GEMC) entitled to vote. This summary also does not address the U.S. federal income tax considerations applicable to U.S.

Holders who are: (i) U.S. expatriates or former long term residents of the U.S.; (ii) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Tax Act; (iii) persons that use or hold, will use or hold, or that are or will be deemed to use or hold GCO Common Shares (or, after the Arrangement, GCO New Common Shares and GEMC Shares) in connection with carrying on a business in Canada; (iv) persons whose GCO Common Shares (or, after the Arrangement, GCO New Common Shares and GEMC Shares) constitute “taxable Canadian property” under the Tax Act; or (v) persons that have a permanent establishment in Canada for the purposes of the Canada U.S. Tax Convention. U.S. Holders that are subject to special provisions under the Code, including U.S. Holders described immediately above, should consult their own tax advisors regarding the U.S. and non-U.S. tax consequences relating to the acquisition, ownership and disposition of GEMC Shares. If an entity that is classified as a partnership for U.S. federal income tax purposes holds GCO Common Shares (or, after the Arrangement, GCO New Common Shares and GEMC Shares), the U.S. federal income tax consequences of the Arrangement and owning and disposing of such shares to such partnership and the partners of such partnership generally will depend on the activities of the partnership and the status of such partners. This summary does not address the tax consequences to any such partner or partnership. Partners of entities that are classified as partnerships for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement and the ownership and disposition of GEMC Shares.

U.S. Federal Income Tax Characterization of the Arrangement

The Arrangement will be effected under applicable provisions of Canadian corporate law, which are technically different from analogous provisions of U.S. corporate law. Therefore, the U.S. federal income tax consequences of certain aspects of the Arrangement are not certain.

Exchanges involving nonqualified preferred stock (“NQPS”) generally do not qualify for non-recognition because NQPS is generally treated as property other than stock for U.S. federal income tax purposes. NQPS is preferred stock that satisfies one of the following conditions:

- (a) the holder has the right to require the issuer or a related person to redeem or purchase the stock;
- (b) the issuer or a related person is required to redeem or purchase the stock;
- (c) the issuer or a related person has the right to redeem or purchase the stock and as of the issue date, it is more likely than not that such right will be exercised; or
- (d) the dividend rate on the stock varies in whole or in part, directly or indirectly, with reference to interest rates, commodity prices or other similar indices.

The GCO Class B Preferred Shares appear to be NQPS and as such the exchange involving such shares generally may result in a taxable event to a U.S. Holder.

This summary assumes that: (i) the re-designation of the GCO Common Shares as “Class A Common Shares”; (ii) the exchange of each GCO Class A Common Share for one GCO New Common Share and one GCO Class B Preferred Share; (iii) the transfer by GCO of the Spin-Off Properties to GEMC in exchange for GEMC Shares; and (iv) the redemption of the GCO Class B Preferred Shares by GCO in consideration for the GEMC Shares received by GCO in consideration of the Spin-Off Properties, will properly be treated, under the step transaction doctrine or otherwise, as (A) a tax deferred exchange by the Shareholders of their GCO Common Shares for GCO New Common Shares, either under Section 1036 or Section 368(a)(1)(E) of the Code and (B) a distribution of the GEMC Shares under Section 301 of the Code.

There can be no assurance that the IRS will not challenge this characterization of the Arrangement or that, if challenged, a U.S. court would not agree with the IRS. No ruling from the IRS or an opinion of counsel regarding any of the tax consequences of the Arrangement has been sought or obtained. Each U.S. Holder should consult its own tax advisor regarding the proper treatment of the Arrangement for U.S. federal income tax purposes.

Passive Foreign Investment Company Rules Applicable to the Arrangement

Status of GCO and GEMC

Special, generally adverse, U.S. federal income tax consequences apply to U.S. taxpayers who hold interests in a

passive foreign investment company (a “**PFIC**”) as defined under Section 1297 of the Code for any tax year during which such U.S. Holder holds or held shares in the PFIC, unless certain elections are available and timely and effectively made. As discussed below, it is believed that GCO has been a PFIC in prior years and is expected to be one at the time of the Arrangement.

A non-U.S. corporation generally will be classified as a PFIC if, for a taxable year, (i) 75% or more of the gross income (as defined for U.S. federal income tax purposes) of the foreign corporation for such taxable year is passive income (the “**income test**”) or (ii) 50% or more of the value of the corporation’s assets either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets (the “**asset test**”). For purposes of the PFIC provisions, “gross income” generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and “passive income” includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. Active business gains arising from the sale of commodities generally are excluded from passive income if substantially all (85% or more) of a foreign corporation’s commodities are stock in trade or inventory, depreciable property used in a trade or business, or supplies regularly used or consumed in the ordinary course of its trade or business, and certain other requirements are satisfied.

For purposes of the PFIC income test and assets test described above, if a foreign corporation owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, it will be treated as if it (i) held a proportionate share of the assets of such other corporation and (ii) received directly a proportionate share of the income of such other corporation. In addition, for purposes of the PFIC income test and asset test, “passive income” does not include certain interest, dividends, rents, or royalties that are received or accrued the foreign corporation from a “related person” (as defined in Section 954(d)(3) of the Code), to the extent such items are properly allocable to the income of such related person that is not passive income and certain other requirements are satisfied.

In addition, under certain attribution rules, if GCO or GEMC is a PFIC, U.S. Holders will be deemed to own their proportionate share of subsidiaries of GCO or GEMC, as applicable, which are PFICs (such subsidiaries referred to as “**Subsidiary PFICs**”), and will be subject to U.S. federal income tax on (i) a distribution on the shares of a Subsidiary PFIC and (ii) a disposition of shares of a Subsidiary PFIC, both as if the holder directly held the shares of such Subsidiary PFIC.

GCO believes that it was a PFIC for prior taxable years and based on current business plans and financial projections, GCO expects to be a PFIC for the taxable year that includes the Arrangement. In addition, based on current business plans and financial projections, GCO expects that GEMC will be a PFIC for the taxable year in which the Arrangement occurs. The determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, generally cannot be determined until the close of the tax year in question. Accordingly, there can be no assurance that the IRS will not challenge any determination made by GCO (or a Subsidiary PFIC) concerning its PFIC status or GEMC’s PFIC status. Each U.S. Holder should consult its own tax advisors regarding the application of the PFIC rules to the Arrangement.

Effect of PFIC Rules on the Exchange of GCO Common Shares for GCO New Common Shares

If GCO has been a PFIC at any time during the period that a U.S. Holder has held GCO Common Shares, such holder could potentially be subject to the special, generally adverse, rules described below with respect to the exchange of GCO Common Shares for GCO New Common Shares pursuant to the Arrangement. However, proposed Treasury Regulations under Section 1291 provide an exception to the application of the PFIC rules in the context of certain non-recognition transactions where shares in a PFIC are exchanged for shares of an entity that also qualifies as a PFIC for the tax year that includes the day after the effective date of the transaction (the “**PFIC for PFIC Exception**”). Assuming the exchange of GCO Common Shares for GCO New Common Shares in connection with the Arrangement qualifies as a tax deferred transaction under U.S. tax rules, such exchange should fit within the PFIC for PFIC Exception since GCO is expected to be a PFIC both immediately before and immediately after such exchange.

These proposed Treasury Regulations state that they are to be effective for transactions occurring on or after April 11, 1992. If the proposed Treasury Regulations are adopted in their current form, U.S. Holders could be expected to avoid application of the PFIC rules with respect to their exchange of GCO Common Shares for GCO New Common Shares pursuant to the Arrangement. However, because the proposed Treasury Regulations have not yet been adopted in final form, they are not currently effective and there is no assurance that they will be adopted in the form and with the effective date proposed. Nevertheless, the IRS has announced that, in the absence of final Treasury Regulations, taxpayers may apply reasonable interpretations of the Code provisions applicable to PFICs and that it considers the rules set forth in the proposed Treasury Regulations to be reasonable interpretations of those Code provisions.

In addition, in the absence of the proposed U.S. Treasury Regulations being finalized in their current form, if such exchange qualifies as a tax deferred exchange under Section 1036 or Section 368(a)(1)(E), such tax-deferred exchange treatment should be respected under the applicable PFIC rules; however, it is unclear whether the IRS would agree with this interpretation. U.S. Holders should consult their own tax advisors regarding whether the proposed U.S. Treasury Regulations under Section 1291 would apply if such exchange qualifies as a tax deferred exchange.

A U.S. Holder should take a basis in the GCO New Common Shares received pursuant to the Arrangement equal to its basis in the GCO Common Shares exchanged therefor and the holding period for the GCO New Common Shares received should include the holding period of the exchanged GCO Common Shares. However, there can be no assurance that the IRS will not challenge the qualification of such exchange under the PFIC for PFIC Exception or that, if challenged, a U.S. court would not agree with the IRS. Each U.S. Holder should consult its own tax advisor regarding the proper treatment of the Arrangement for U.S. federal income tax purposes.

Effect of PFIC Rules on the Distribution of GEMC Shares Pursuant to the Arrangement

If GCO is a PFIC or was a PFIC at any time during a U.S. Holder's holding period for the GCO New Common Shares, the effect of the PFIC rules on such U.S. Holder receiving GEMC Shares in the Arrangement will depend on whether such U.S. Holder has made a timely and effective election to treat GCO as a "qualified electing fund" (a "QEF") under Section 1295 of the Code (a "QEF Election") or has made a mark to market election with respect to its GCO Common Shares under Section 1296 of the Code (a "Mark-to-Market Election"). In this summary, a U.S. Holder that has made a timely and effective QEF Election or a Mark-to-Market Election is referred to as an "Electing Shareholder" and a U.S. Holder that has not made a timely and effective QEF Election or a Mark-to-Market Election is referred to as a "Non-Electing Shareholder". If either of these elections has been successfully made, Electing Shareholders generally would not be subject to the default rules of Section 1291 of the Code discussed below upon the receipt of GEMC Shares pursuant to the Arrangement.

Default Rules

With respect to a Non-Electing Shareholder, if GCO is a PFIC or was a PFIC at any time during a U.S. Holder's holding period for the GCO New Common Shares, the default rules under Section 1291 of the Code will apply to gains recognized on any disposition of GCO New Common Shares and to "excess distributions" from GCO (generally, distributions received in the current taxable year that are in excess of 125% of the average distributions received during the three preceding years (or during the U.S. Holder's holding period for the GCO New Common Shares, if shorter).

Under Section 1291 of the Code, any such gain recognized on the sale or other disposition of GCO New Common Shares and any excess distribution must be ratably allocated to each day in a Non-Electing Shareholder's holding period for the GCO New Common Shares. The amount of any such gain or excess distribution allocated to the tax year of disposition or distribution of the excess distribution and to any period preceding the first year in the holding period when GCO was a PFIC, if any, would be taxed as ordinary income. The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such prior year and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such prior year. Such a Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as "personal interest," which is not deductible.

If the distribution of the GEMC Shares pursuant to the Arrangement constitutes an “excess distribution” with respect to a Non-Electing Shareholder, such Non-Electing Shareholder will be subject to the rules of Section 1291 of the Code discussed above upon the receipt of the GEMC Shares. In addition, the distribution of the GEMC Shares pursuant to the Arrangement may be treated, under proposed Treasury Regulations, as the “indirect disposition” by a Non-Electing Shareholder of such Non-Electing Shareholder’s indirect interest in GEMC, which generally would be subject to the rules of Section 1291 of the Code discussed above.

QEF Election

If a U.S. Holder has made a timely and effective QEF Election with respect to its GCO New Common Shares, the default rules under Section 1291 of the Code discussed above will generally not be applicable to such holder in connection with the distribution of GEMC Shares pursuant to the Arrangement. Such an Electing Shareholder would, instead, be subject to rules described under “*PFIC Rules—QEF Election*” in the “*U.S. Federal Income Tax Rules Applicable to the Ownership and Disposition of GEMC Shares Received in the Arrangement*” section below, which generally require the current inclusion of net capital gain and ordinary earnings of GCO but allow the holder to avoid application of the default rules described above. However, GCO can provide no assurances that it will satisfy the record keeping and information disclosure requirements that apply to a QEF or supply U.S. Holders with the information required under the QEF rules for them to make a QEF Election. Thus, U.S. Holders may not be able to make a QEF Election with respect to their GCO New Common Shares or GCO Common Shares.

A QEF Election will be treated as “timely” only if it is made for the first year in the U.S. Holder’s holding period for the GCO New Common Shares in which GCO is a PFIC. A U.S. Holder’s holding period for the GCO New Common Shares should include such holder’s holding period for its GCO Common Shares which are exchanged for such GCO New Common Shares under the Arrangement. As a result, if a U.S. Holder has not made a timely QEF Election with respect to its GCO Common Shares, in order to make a timely QEF Election with respect to its GCO New Common Shares, a U.S. Holder may be required to make a “deemed sale” election under the Code (a “**Deemed Sale Election**”) and a QEF Election with respect to its GCO New Common Shares which would be treated as timely with respect to the Arrangement. A Deemed Sale Election may also be available with respect to a U.S. Holder’s GCO Common Shares. A U.S. Holder makes the Deemed Sale Election and the QEF Election by filing Form 8621 with its tax return, reporting any gain under the excess distribution rules, and paying any resulting tax on the gain, including the interest as described under the Code. The foregoing is only a brief summary of the rules related to the QEF Election and Deemed Sale Election, and U.S. Holders should consult their own tax advisors regarding the application of these elections to their particular circumstances.

To the extent that the distribution of GEMC Shares generates gain to GCO under general U.S. tax rules applicable to corporations, the net capital gain an Electing Shareholder would be required to take into account under the QEF rules could be increased. To the extent the distribution of GEMC Shares represents “earnings and profits” of GCO that were previously included in income by the Electing Shareholder because of the QEF Election, the distribution of GEMC Shares pursuant to the Arrangement will not be taxable to such holder. In addition, subject to the foregoing sentence, a U.S. Holder who has made a timely and effective QEF Election would be subject to the tax consequences described above under “*Tax Consequences of the Distribution*”.

Even if a U.S. Holder has made a timely and effective QEF Election with respect to GCO, in order to avoid application of the default rules described above to an indirect disposition of an interest in GEMC deemed to occur under proposed Treasury Regulations as a result of the Arrangement, a U.S. Holder must make a separate timely and effective QEF Election with respect to GEMC.

Mark-to-Market Election

If a Mark-to-Market Election, discussed under “*PFIC Rules—Mark-to-Market Election*” in the “*U.S. Federal Income Tax Rules Applicable to the Ownership and Disposition of GEMC Shares Received in the Arrangement*” section below, has been made by a U.S. Holder with respect to its GCO New Common Shares in a year prior to the distribution of GEMC Shares, such U.S. Holder generally will not be subject to the PFIC rules discussed above upon the receipt of such GCO New Common Shares. However, if a U.S. Holder makes a Mark-to-Market Election after the beginning of such U.S. Holder’s holding period for the GCO New Common Shares (which is deemed to include

the holding period of the GCO New Common Shares) and in the same year as the GEMC Shares are distributed pursuant to the Arrangement, the PFIC rules would apply to the distribution of GEMC Shares.

A U.S. Holder that has made a Mark-to-Market Election in a year prior to the year in which GEMC Shares are distributed pursuant to the Arrangement should avoid the potential interest charge of Section 1291 of the Code on the distribution of GEMC Shares and on any “indirect disposition” of such U.S. Holder’s indirect interest in GEMC deemed to occur, as described above. Instead, such U.S. Holder will include in ordinary income for the taxation year in which the distribution of GEMC Shares occurs an amount equal to the excess, if any, of (i) the fair market value of the GCO New Common Shares as of the close of such taxable year over (ii) such U.S. Holder’s tax basis in such GCO New Common Shares. Such U.S. Holder will be allowed a deduction in an amount equal to the lesser of (i) the excess, if any, of (A) such U.S. Holder’s adjusted tax basis in the Shares over (B) the fair market value of such GCO New Common Shares as of the close of such taxable year or (ii) the excess, if any, of (A) the amount included in ordinary income because of such Mark-to-Market Election for prior taxable years over (B) the amount allowed as a deduction because of such Mark-to-Market Election for prior taxable years.

A U.S. Holder who has made a timely and effective Mark-to-Market Election would also be subject to the tax consequences described above under “*Tax Consequences of the Distribution*”. In addition, a U.S. Holder that has made a Mark-to-Market Election generally will adjust its tax basis in the GCO New Common Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. Inclusion and deductions because of the Mark-to-Market Election are taken into account when calculating gain or loss on a future sale of GCO New Common Shares.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisors regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the Arrangement. In particular, each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a QEF Election or a Mark-to-Market Election.

Tax Consequences of the Distribution

Subject to the PFIC rules discussed above, a U.S. Holder would be required to include the fair market value of the GEMC Shares received pursuant to the Arrangement (without reduction for any Canadian income tax withheld) in gross income as a dividend to the extent of the current or accumulated “earnings and profits” of GCO. To the extent the fair market value of the GEMC Shares distributed pursuant to the Arrangement exceeds GCO’s adjusted tax basis in such shares (as calculated for U.S. federal income tax purposes), the Arrangement can be expected to generate additional earnings and profits for GCO. To the extent that the fair market value of the GEMC Shares exceeds the current and accumulated “earnings and profits” of GCO, the distribution of the GEMC Shares pursuant to the Arrangement will be treated: (i) first, as a tax free return of capital to the extent of a U.S. Holder’s tax basis in the GCO New Common Shares and (ii) thereafter, as gain from the sale or exchange of such GCO New Common Shares. However, GCO may not maintain the calculations of its earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder may have to assume that any distribution by GCO with respect to the GCO New Common Shares will constitute ordinary dividend income. Dividends received on GCO New Common Shares by corporate U.S. Holders generally will not be eligible for the “dividends received deduction”. Subject to the PFIC rules, preferential tax rates apply to long term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long term capital gains of a U.S. Holder that is a corporation. GCO does not anticipate that its distribution of GEMC Shares will constitute qualified dividend income eligible for the preferential tax rates applicable to long-term capital gains. The distribution rules are complex, and each U.S. Holder should consult its own tax advisors regarding the application of such rules.

Passive Foreign Investment Company Rules Applicable to the Ownership and Disposition of GEMC Shares Received in the Arrangement

As noted in the discussion above, based on current business plans and financial projections, it is expected that GEMC will be a PFIC for its tax year that includes the date after the Effective Date of the Arrangement and may be a PFIC in subsequent tax years. If GEMC is a PFIC, the U.S. federal income tax consequences to a U.S. Holder of the acquisition, ownership, and disposition of GEMC Shares will depend on whether such U.S. Holder makes a timely QEF Election or a Mark-to-Market Election (both as defined above) with respect to GEMC, or the GEMC

Shares, as applicable. A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a “*Non-Electing U.S. Holder*”.

Default Rules

A Non-Electing U.S. Holder will be subject to the PFIC rules described above with respect to (i) any gain recognized on the sale or other taxable disposition of GEMC Shares and (ii) any excess distribution received on the GEMC Shares. As previously discussed, these rules require that any such gain or excess distribution be allocated over the Non-Electing U.S. Holder’s holding period for the GEMC Shares and taxed at the highest tax rates applicable to ordinary income for such year with an interest charge assessed on the resulting liability as if such amount were due in such prior year and not paid. A Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as “personal interest,” which is not deductible. If GEMC is a PFIC for any tax year during which a Non-Electing U.S. Holder holds GEMC Shares, GEMC will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether GEMC ceases to be a PFIC in one or more subsequent tax years. If GEMC ceases to be a PFIC, a Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the PFIC rules discussed above) as if such GEMC Shares were sold on the last day of the last tax year for which GEMC was a PFIC.

QEF Election

A U.S. Holder that makes a QEF Election for the first tax year in which its holding period of its GEMC Shares begins generally will not be subject to the default PFIC rules discussed above with respect to its GEMC Shares. However, a U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such U.S. Holder’s *pro rata* share of (i) the net capital gain of GEMC, which will be long term capital gain to such U.S. Holder and (ii) and the ordinary earnings of GEMC, which will be taxed as ordinary income to such U.S. Holder. Generally, “net capital gain” is the excess of (i) net long term capital gain over (ii) net short term capital loss. “Ordinary earnings” are generally the excess of (i) “earnings and profits” over (ii) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which GEMC is a PFIC, regardless of whether such amounts are actually distributed to such U.S. Holder by GEMC. However, for any tax year in which GEMC is a PFIC and has no net income or gain, U.S. Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a U.S. Holder that made a QEF Election has an income inclusion, such a U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as “personal interest,” which is not deductible.

A U.S. Holder that makes a QEF Election generally (i) may receive a tax free distribution from GEMC to the extent that such distribution represents “earnings and profits” of GEMC that were previously included in income by the U.S. Holder because of such QEF Election and (ii) will adjust such U.S. Holder’s tax basis in the GEMC Shares to reflect the amount included in income or allowed as a tax free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of GEMC Shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as “timely” if such QEF Election is made for the first year in the U.S. Holder’s holding period for the GEMC Shares in which GEMC was a PFIC. A U.S. Holder may make a timely QEF Election by filing the appropriate QEF Election documents at the time such U.S. Holder files a U.S. federal income tax return for such year.

A QEF Election will apply to the tax year for which such QEF Election is made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent tax year, GEMC ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which GEMC is not a PFIC. Accordingly, if GEMC becomes a PFIC in another subsequent tax year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any subsequent tax year in which GEMC qualifies as a PFIC.

U.S. Holders should be aware that there can be no assurances that GEMC will satisfy the record keeping requirements that apply to a QEF, or that GEMC will supply U.S. Holders with information that such U.S. Holders require to report under the QEF rules, in the event that GEMC is a PFIC and a U.S. Holder wishes to make a QEF Election. Thus, U.S. Holders may not be able to make a QEF Election with respect to their GEMC Shares. Each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a QEF Election.

Mark-to-Market Election

A U.S. Holder may make a Mark-to-Market Election only if the GEMC Shares are marketable stock. The GEMC Shares generally will be “marketable stock” if the GEMC Shares are regularly traded, **which they are not currently**, on (i) a national securities exchange that is registered with the Securities and Exchange Commission; (ii) the national market system established pursuant to Section 11A of the U.S. Exchange Act; or (iii) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (A) such foreign exchange has trading volume, listing, financial disclosure, and other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced and (B) the rules of such foreign exchange ensure active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be “regularly traded” for any calendar year during which such stock is traded, other than in *de minimis* quantities, on at least 15 days during each calendar quarter.

A U.S. Holder that makes a Mark-to-Market Election with respect to its GEMC Shares generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to the GEMC Shares. However, if a U.S. Holder does not make a Mark-to-Market Election beginning in the first tax year of such U.S. Holder’s holding period for the GEMC Shares or such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the Code discussed above will apply to certain dispositions of, and distributions on, the GEMC Shares.

A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which GEMC is a PFIC, an amount equal to the excess, if any, of (i) the fair market value of the GEMC Shares, as of the close of such tax year over (ii) such U.S. Holder’s tax basis in such GEMC Shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the excess, if any, of (i) such U.S. Holder’s adjusted tax basis in the GEMC Shares, over (ii) the fair market value of such GEMC Shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years).

A U.S. Holder that makes a Mark-to-Market Election generally also will adjust such U.S. Holder’s tax basis in the GEMC Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of GEMC Shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of (i) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years over (ii) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years).

A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless the GEMC Shares cease to be “marketable stock” or the IRS consents to revocation of such election. Each U.S. Holder should consult its own tax advisors regarding the availability of, and procedure for making, a Mark-to-Market Election.

Although a U.S. Holder may be eligible to make a Mark-to-Market Election with respect to the GEMC Shares, no such election may be made with respect to the stock of any Subsidiary PFIC that a U.S. Holder is treated as owning because such stock is not marketable. Hence, the Mark-to-Market Election will not be effective to eliminate the interest charge described above with respect to deemed dispositions of Subsidiary PFIC stock or distributions from a Subsidiary PFIC.

Other PFIC Rules

Under Section 1291(f) of the Code, the IRS has issued proposed Treasury Regulations that, subject to certain

exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of GEMC Shares that would otherwise be tax deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which GEMC Shares are transferred.

Certain additional adverse rules will apply with respect to a U.S. Holder if GEMC is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example, under Section 1298(b)(6) of the Code, a U.S. Holder that uses GEMC Shares as security for a loan will, except as may be provided in Treasury Regulations, be treated as having made a taxable disposition of such GEMC Shares.

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to such specific rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and a U.S. Holder should consult with their own tax advisors regarding the availability of the foreign tax credit with respect to distributions by a PFIC.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisors regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the acquisition, ownership, and disposition of GEMC Shares.

General U.S. Federal Income Tax Rules Applicable to the Ownership and Disposition of GEMC Shares

A U.S. Holder's initial tax basis in the GEMC Shares received pursuant to the Arrangement will be equal to the fair market value of such GEMC Shares on the date of distribution. A U.S. Holder's holding period for the GEMC Shares received pursuant to the Arrangement will begin on the day after the date of distribution.

The following discussion is subject to the rules described above under the heading "*Passive Foreign Investment Company Rules Applicable to the Ownership and Disposition of GEMC Shares Received in the Arrangement*".

Distributions on GEMC Shares

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to a GEMC Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of GEMC, as computed for U.S. federal income tax purposes. To the extent that a distribution exceeds the current and accumulated "earnings and profits" of GEMC, such distribution will be treated first as a tax free return of capital to the extent of a U.S. Holder's tax basis in the GEMC Shares and thereafter as gain from the sale or exchange of such GEMC Shares (see "*Sale or Other Taxable Disposition of GEMC Shares*"). However, GEMC may not maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should therefore assume that any distribution by GEMC with respect to the GEMC Shares will constitute ordinary dividend income. Dividends received on the GEMC Shares generally will not be eligible for the "dividends received deduction". Subject to applicable limitations, dividends paid by GEMC to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that GEMC not be classified as a PFIC in the tax year of distribution or in the preceding tax year. The dividend rules are complex, and each U.S. Holder should consult its own tax advisors regarding the application of such rules.

Sale or Other Taxable Disposition of GEMC Shares

Upon the sale or other taxable disposition of GEMC Shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the amount of cash plus the fair market value of any property received and such U.S. Holder's tax basis in the shares sold or otherwise disposed of. Gain or loss recognized on such sale or other disposition generally will be long term capital gain or loss if, at the time of the sale or other disposition, the shares have been held for more than one year. Preferential rates apply to long term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under

the Code.

Medicare Tax

Certain U.S. Holders who are individuals, estates or trusts are required to pay up to an additional 3.8% tax on, among other things, dividends and capital gains. U.S. Holders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of GCO Common Shares and GEMC shares.

Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency, or on the sale, exchange or other taxable disposition of GEMC Shares, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). If the foreign currency received is not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who receives payment in foreign currency and engages in a subsequent conversion or other disposition of the foreign currency may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Each U.S. Holder should consult its own U.S. tax advisors regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

Foreign Tax Credit

A U.S. Holder who pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on GCO Common Shares and GEMC Shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar for dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year by year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source". In addition, this limitation is calculated separately with respect to specific categories of income. Dividends paid by GCO and GEMC generally will constitute "foreign source" income. Gain or loss recognized by a U.S. Holder on the sale or other taxable disposition of GEMC Shares generally will be treated as "U.S. source" for purposes of applying the U.S. foreign tax credit rules unless the gain is subject to tax in Canada and is resourced as "foreign source" under the Canada U.S. Tax Convention and such U.S. Holder elects to treat such gain or loss as "foreign source". The foreign tax credit rules are complex, and each U.S. Holder should consult its own tax advisors regarding the foreign tax credit rules.

Information Reporting; Backup Withholding Tax

Under U.S. federal income tax law and Treasury Regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on U.S. Holders that hold certain specified foreign financial assets. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their GEMC Shares are held in an account at a domestic financial institution. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns under these rules, including the requirement to file an IRS Form 8938.

The distribution within the U.S. or by a U.S. payor or U.S. middleman, of the GEMC Shares pursuant to the Arrangement as well as payments made within the U.S., or by a U.S. payor or U.S. middleman, of dividends on, or proceeds arising from the sale or other taxable disposition of GEMC Shares, generally will be subject to information reporting and backup withholding tax (currently at the rate of 28%), if a U.S. Holder (i) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on Form W 9); (ii) furnishes an incorrect U.S. taxpayer identification number; (iii) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax; or (iv) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, U.S. Holders that are corporations generally are excluded from these information reporting and backup withholding tax rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner.

The discussion of reporting requirements set forth above is not intended to constitute a complete description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisors regarding the information reporting and backup withholding rules.

INFORMATION CONCERNING GCO

The following information is provided by GCO is reflective of the current business, financial and share capital position of GCO and includes certain information reflecting the status of GCO following the completion of the Arrangement. Unless otherwise indicated, all currency amounts are stated in Canadian dollars.

Name, Address and Exchange Listing

GCO was incorporated under the BCBCA on March 9, 2007 under the name "Puget Ventures Inc.". On June 4, 2013, GCO changed its name to "Global Cobalt Corporation".

GCO is a reporting issuer in British Columbia and Alberta and is expected to remain so following the completion of the Arrangement. GCO began trading on the TSX-V as a capital pool corporation on October 31, 2007 and completed its qualifying transaction on May 15, 2008. Currently GCO trades under the symbol "GCO".

Following completion of the Arrangement, GCO will continue to exist under the BCBCA. The head and registered office of GCO is expected to be Suite 2600 - 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1.

Intercorporate Relations

GCO has one subsidiary: GEMC, which was incorporated under the BCBCA as a wholly-owned subsidiary of GCO for the purpose of the Arrangement.

General Development of the Business – Three Year History

GCO is a junior mining company focused on the acquisition, exploration and development of cobalt and other strategic metals properties. To date, GCO has concentrated its operations on the exploration and development of the Karakul cobalt project located in the Altai Republic, Russia and the Werner Lake mineral belt property in Ontario. In North America, GCO'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. In Canada it has acquired the Werner Lake Property, an advanced primary cobalt property, and in Idaho, it has acquired an interest in the Iron Creek Property, a prospective cobalt property with a significant past work and development history by major mining companies. Highlights of GCO's activities for the period subsequent to April 30, 2015 are:

- On May 5, 2015, GCO issued 400,000 GCO Common Shares in full and final settlement of amounts owing to creditors of GCO.

- On May 11, 2015, GCO issued a total 2,990,000 units at a price of \$0.05 per unit for gross proceeds of \$149,500. Each unit consisted of one GCO Common Share and one GCO Warrant.
- On July 31, 2015, GCO issued 5,550,932 GCO Common Shares in full and final settlement of amounts owing to creditors of GCO.

The highlights of GCO's activities for the financial period ended April 30, 2015 were:

- Effective June 6, 2014, GCO entered into a loan agreement with Erin Chutter, GCO's Chief Executive Officer, in the principal amount of \$1,065,603.65 and bearing interest at the rate of 10.5% per annum.
- On October 2, 2014, GCO entered into a mining lease agreement with Chester Mining Company pursuant to which GCO was granted an initial 20 year lease in seven patented mining claims comprising the Iron Creek Property, in consideration for GCO incurring \$500,000 in work on the property during the first three years of the term of the lease, issuing 1,000,000 GCO Common Shares to the property lessor, and paying \$1,250 per month per year as an advance on royalties due under the lease agreement.
- On November 3, 2014, GCO and IMHL entered into a standstill agreement, whereby each party agreed to forebear until January 31, 2015 (which date has subsequently been extended) from exercising its rights under the IMHL Loan Agreement and the Karakul Property Option Agreement.
- On February 6, 2015 GCO announced that it had entered into agreements to issue shares for debt settlements with various creditors pursuant to which GCO issued 3,265,000 GCO Common Shares at a price of \$0.05 per GCO Common Share.
- On March 16, 2015, GCO announced that it was commencing a strategic review of its business and options in order to protect shareholder value.
- On March 26, 2015 GCO announced that it had entered into a debt settlement agreement with a creditor of GCO pursuant to which GCO agreed to issue an aggregate of 564,997 GCO Common Shares at a price of \$0.05 per GCO Common Share to settle certain obligations.

The highlights of GCO's activities for the financial period ended April 30, 2014 were:

- On May 27, 2013, GCO entered into the Karakul Property Option Agreement with IMHL, whereby IMHL granted GCO the option to acquire a 100% interest in the Karakul cobalt property and the four neighbouring Altai Sister cobalt-tungsten and silver properties, subject to a 1.5% net smelter returns royalty reserved for IMHL.
- On July 26, 2013, GCO completed a private placement by issuing 1,613,637 units at a price of \$0.11 per unit for gross proceeds of \$177,500. Each unit consisted of one GCO Common Share and one GCO Warrant.
- On July 8, 2013, GCO entered into the IMHL Loan Agreement, whereby IMHL agreed to loan GCO up to US\$4,670,000 for the repayment of certain debts and the funding of exploration activities on the Karakul Property.
- On November 6, 2013, GCO completed a private placement by issuing 4,021,000 units at a price of \$0.20 per unit for gross proceeds of \$804,200. Each unit consisted of one GCO Common Share and one GCO Warrant.
- On January 27, 2014, GCO a private placement by issuing 11,296,999 units at a price of \$0.20 per unit for gross proceeds of \$2,259,400. Each unit consisted of one GCO Common Share and one GCO Warrant.

The highlights of GCO's activities for the financial period ended April 30, 2013 were:

- On May 22, 2012, GCO entered into a strategic partnership with Beijing AXHA Investment Co. whose parent company is CITIC Anhua Group (Holding by CITIC Group).
- On May 22, 2012, GCO accepted the recommendation of Beijing AXHA Investment Co. to sign a memorandum of understanding with China Aluminum International Engineering Corporation Limited as engineering procurement construction contractor to develop the Karakul Property.
- On June 4, 2012, GCO entered into an equity financing agreement with New York based Haverstock Fund, LLC in the amount of \$15,000,000.
- On February 13, 2013, GCO filed and received a receipt for a final short form prospectus relating to the offering of a minimum of 10,312,500 subscription receipts and a maximum of 26,668,250 subscription

receipts at a price of \$0.60 per subscription receipt, for minimum total gross proceeds of \$6,187,500 and maximum total gross proceeds of \$16,000,950. The prospectus subsequently terminated in May 2013.

Strategic review of Operations

On March 16, 2015, GCO announced that it was commencing a strategic review of its business and options in order to protect shareholder value. The strategic review is intended to be an evaluation of the company's existing properties and projects, business plan, development strategy and capital structure and will consider various alternatives for GCO.

The Board established a special committee consisting of Raymond Castelli (Chairman), Gaston Reymenants and Peter Reynolds to oversee the strategic review and recommend options to the Board.

The strategic and financial alternatives considered by the Board (and special committee) consisted of:

1. a negotiated settlement between GCO and IMHL as to the respective rights and liabilities of each party under the Karakul Property Option Agreement and the IMHL Loan Agreement;
2. legal action against IMHL based on the potential invalidity of shares issued pursuant to the Karakul Property Option Agreement and the IMHL Loan Agreement as a result of irregularities in the disclosure of the receivership process between IMHL and RuMetall; and
3. a separation of certain assets of GCO into two distinct publicly traded companies:
 - (a) maintaining GCO including the Karakul Property; and
 - (b) spinning-out a new, independent cobalt and other energy related metals focused company with assets including the Werner Lake Property and the Iron Creek Property.

After due consideration, the Board determined that alternative (3) above was the best alternative, which alternative has given rise to the proposed Arrangement.

Stated Business Objectives

GCO's primary objectives are to complete the Arrangement, to continue the exploration and development of the Karakul Property and to evaluate new properties and opportunities.

Trends

Management is not aware of any trend, commitment, event or uncertainty that is both presently known to management and reasonably expected to have a material effect on GCO's business, financial condition or results of operations as at the date of this Circular, except as otherwise disclosed herein or except in the ordinary course of business.

Material Properties

GCO considers its material property to be the Karakul Property. Disclosure respecting the Werner Lake Property and the Iron Creek Property is set forth under "*Information Concerning GEMC – Properties*".

Karakul Property

The Karakul Property consists of the Karakul cobalt property and the three neighbouring Altai Sister cobalt-tungsten and silver properties. The Karakul Property is located in the far south-eastern part of the Altai Republic Gorny Altai in the Russian Federation. The property is located 5km from the border of Mongolia, on the western slope of the Chikhachev Range, within the upper reaches of the Barbugay River.



On September 20, 2010, GCO announced its intentions to acquire the Russian and Mongolian assets of IMHL through an all-stock transaction with IMHL. The transaction was structured as a reverse takeover of GCO by IMHL, with GCO issuing to IMHL 40 million GCO Common Shares and 80 million special warrants. The special warrants are exercisable for a period of six years without additional consideration if, within five years of the closing date, the Karakul Project met certain specified criteria. On December 6, 2010, GCO entered into a definitive agreement with IMHL for this transaction.

On May 27, 2013, GCO executed an option agreement with IMHL whereby GCO was granted the option to earn a 100% interest in the Karakul Property subject to a 1.5% net smelter returns royalty reserved for IMHL, which replaced the December 6, 2010 agreement. Pursuant to the terms of the Karakul Property Option Agreement, GCO agreed to issue to IMHL 8,630,000 Common Shares and incur cumulative exploration and development expenditures on the Karakul Property of up to \$15 million as follows:

- (a) Upon completion of exploration and development expenditures of US\$7 million on the Karakul Property by October 30, 2014, GCO would earn a 51% interest in the Properties.
- (b) Upon completion of a further US\$8 million of expenditures on the Karakul Property by December 31, 2015, GCO would earn an additional 23.9% interest in the Karakul Property, for an aggregate total 74.9% interest in the Property.

Following the completion of the exploration and development work described above, the Karakul Property Option Agreement provides that GCO can then elect to increase its interest from 74.9% to a 100% interest in the Properties,

at its sole discretion, by exercising one of the following Option Triggers:

- (a) *Option Trigger #1:* Upon completion of a NI 43-101 compliant technical report outlining a 30 million tonnes resource in the measured and indicated category or better with respect to the Karakul Property, IMHL will then grant GCO the remaining 25.1% interest in the Karakul Property, for an aggregate 100% interest, in consideration of an “Option 1 Trigger Amount” to be negotiated and paid by GCO.
- (b) *Option Trigger #2:* Upon completion of a bankable feasibility study by the GCO showing in excess of a 30 million tonnes resource based on the valuation of the Karakul Property, IMHL will grant GCO the remaining 25.1% interest in the Properties, for an aggregate 100% interest, in consideration of an “Option 2 Trigger Amount” to be negotiated and paid by GCO.

RuMetall Insolvency

Pursuant to the terms of the Karakul Property Option Agreement, GCO was required to have incurred exploration and development expenditures of US\$7 million on the Karakul Property by October 30, 2014 to earn a 51% interest in the Karakul Property. A further US\$8 million of expenditures is required to be incurred by December 31, 2015 to earn an additional 23.9% interest in the Karakul Property. Events (details of which are set out below) beyond GCO’s control have meant that as at April 30, 2015 GCO had only incurred approximately US\$3,492,610 in exploration expenditures on the Karakul Property.

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 in January 2013 and (ii) RuMetall was indebted to Invest Project for an estimated 353,801,630 Russian rubles (equal to approximately CDN\$8,300,186 as at April 30, 2015) (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 the Karakul cobalt project. The terms of the subsoil 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 GCO will not be able to earn-in any interest in the Karakul project under the Karakul Property Option Agreement. GCO’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. IMHL is in advanced-stage communications with Invest Project for a negotiated settlement to the 2013 Insolvency Proceedings. GCO is informed by IMHL that IMHL is negotiating with a separate third party private corporation that has submitted an application to the Altai Court to purchase the Indebtedness. There is no assurance that IMHL will be successful in achieving any settlement with Invest Project or with the separate third party private corporation. **Accordingly, there is a risk that GCO will not earn any title, directly or indirectly, in the Karakul Property.**

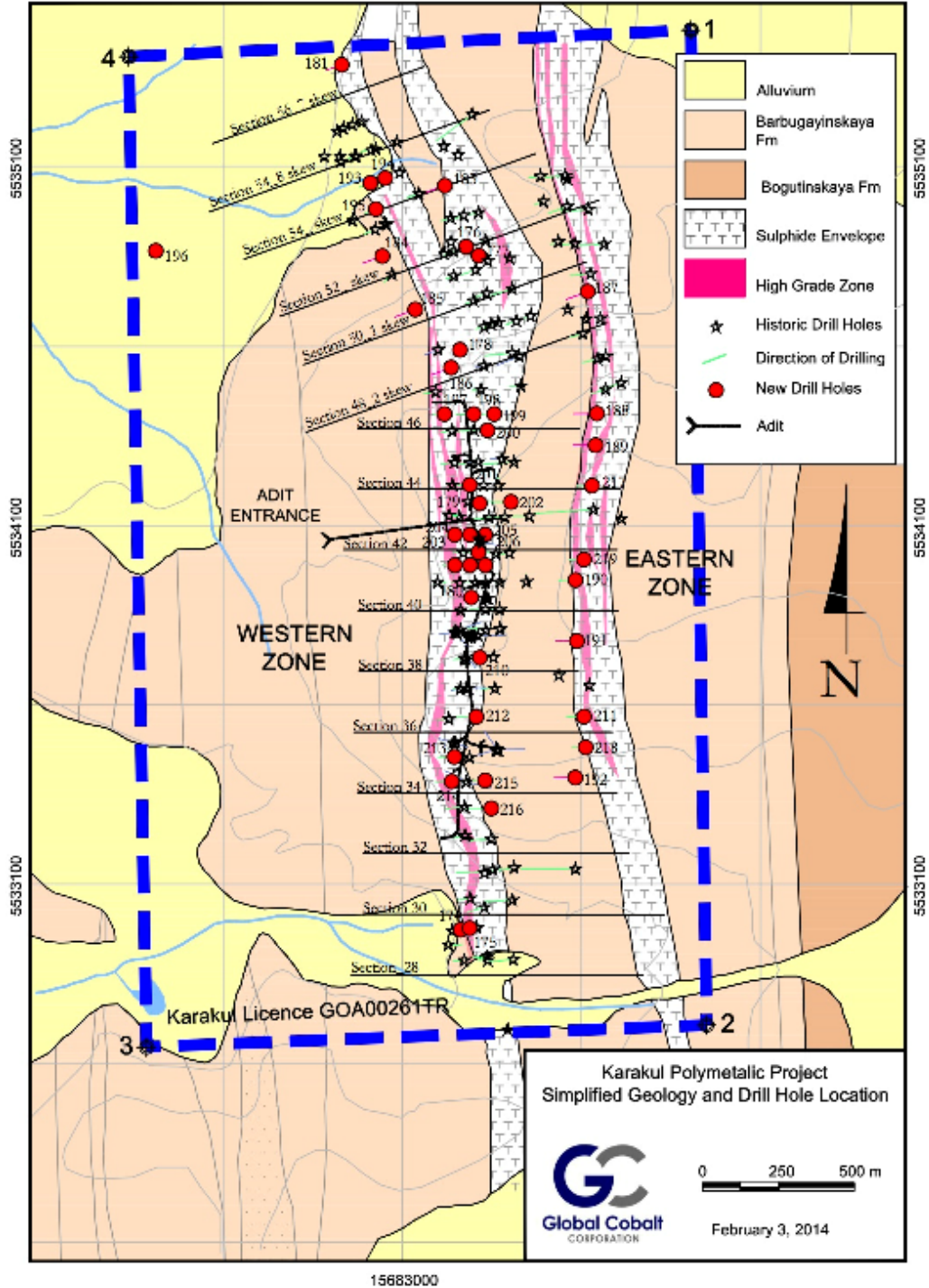
On November 3, 2014, GCO into a standstill agreement (the “**Standstill Agreement**”), whereby each party agreed to forebear until January 31, 2015 (which date has subsequently been extended) from exercising its rights under the IMHL Loan Agreement and the Karakul Property Option Agreement to allow IMHL to resolve issues with respect

to the title to the Karakul Property and to allow IMHL and GCO to enter into amendments to the Karakul Property Option Agreement.

Property Activities

Past drilling by previous operators at the Karakul cobalt property intersected multiple zones of cobalt mineralization. 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 m of diamond drilling and over 3,000 m of underground workings that extends for over 2.5 km at surface. Limited drilling had been completed on the Eastern Zone that lies approximately 300 m 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 km.

The Kuruozeck property is located just 500 m north of the Karakul property boundary. Mineralisation similar to the Western Zone has been identified at the north end of Kuruozeck 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 the Karakul cobalt property. A gap of approximately 5 km between Kuruozeck mineralisation and the Western Zone has not been explored and would be considered highly prospective for additional mineralization.



Karakul 2013 Drill Program

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

2014 WAI Mineral Resource Estimate

On July 2, 2014, GCO received a NI 43-101 technical report setting out mineral resource estimates for the Karakul Property. The Report is an independent report prepared by WAI and is available under GCO’s profile on SEDAR and GCO’s website at www.globalcobaltcorp.com. Table 14.10 from the Report sets out mineral resource estimates for the Western and Eastern Zones of the property:

Table 14.10: Summary of Karakul Mineral Resource Statement – By Mineralised Zone, Cut-off Grade of 0.05% Cobalt Equivalent															
WAI (June 30, 2014)															
Western Zone															
Resource Classification	Rock Type	Tonnes (Kt)	Density	Co (%)	Bi (%)	Cu (%)	WO ₃ (%)	Ag (g/t)	CoEq (%)	Contained Metal					CoEq (t)
										Co (t)	Bi (t)	Cu (t)	WO ₃ (t)	Ag (t)	
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 (US\$/Oz)	US\$/tonne	CoEq factor
Co	13,608	30,000	1
Cu	3,266	7,200	0.2400
Bi	9,888	21,800	0.7267
WO ₃	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		

Chinese Technical-Economic Study Contract

In October 2013, GCO 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 “Chinese Technical and Economic Study”) on the Karakul Property. BGRIMM will work closely with GCO to complete the Chinese Technical and Economic Study, which will define the technical and economic parameters of the Karakul project assist with assessing a potential production and funding decision.

Preliminary Sales Offtake Agreement

In October 2013, GCO entered into a preliminary agreement (the “Offtake Agreement”) with Beijing Easpring Material Technology Co., Ltd. (“Easpring”) that gives GCO the right to sell to Easpring up to 100% of the total crude cobalt hydroxide, cobalt concentrate or cobalt carbonate production from the Karakul Property 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 among its major shareholders. 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.

Available Funds

GCO had working capital deficit of approximately \$6,328,000 as of April 30, 2015.

Pro-Forma Available Funds and Purposes

GCO does not expect to have any significant changes to its working capital prior to the completion of the Arrangement save that it and GEMC, its subsidiary, will incur expenses in connection with the Arrangement.

Selected Financial Information

The following discussion should be read in conjunction with the financial statements and related notes thereto of GCO which are incorporated by reference to this Circular.

The following table sets forth selected financial information of GCO:

	Year Ended April 30, 2013 (audited) \$	Year Ended April 30, 2014 (audited) \$	Nine Months Ended January 31, 2014 (unaudited) \$	Nine Months Ended January 31, 2015 (unaudited) \$
Total Revenues	--	--	--	--
Total Expenses	1,297,013	3,893,765	4,517,140	1,737,866
Loss for the period	3,359,625	4,008,633	4,338,927	1,934,379
Total Comprehensive Loss for the period	3,293,967	4,008,633	4,338,927	1,934,379
Total Assets	4,492,204	7,641,553	8,296,353	7,732,517
Total Liabilities	3,545,565	4,658,745	5,073,208	6,150,125
Total Shareholders' Equity	946,639	2,982,808	3,223,145	1,582,392
Basic and Diluted Loss per Common Share	0.09	0.07	0.08	0.02
Amounts Deferred in Connection with the Arrangement	--	--	--	--

Results of Operations

The following table sets forth selected (unaudited) quarterly financial information for the eight most recent quarters:

	July 31, 2014 \$	October 31, 2014 \$	January 31, 2015 \$	April 30, 2015 \$
Revenues	--	--	--	--
Loss	513,862	751,306	669,211	209,772
Loss per common share	0.01	0.01	0.01	0.01

	July 31, 2013 \$	October 31, 2013 \$	January 31, 2014 \$	April 30, 2014 \$
Revenues	--	--	--	--
Loss	606,931	663,154	3,068,842	(330,294)
Loss per common share	0.02	0.02	0.05	0.01

Management Discussion and Analysis

Management discussion and analysis for GCO for the years ended April 30, 2014 and for the year ended April 30, 2013, and the management discussion and analysis for the nine month period ended January 31, 2015, as amended, are incorporated by reference herein and are available under GCO's profile on the SEDAR website at

www.sedar.com.

Authorized and Issued Share Capital

The authorized capital of GCO consists of an unlimited number of common shares without par value, of which 105,499,817 common shares are issued and outstanding as of the date of this Circular.

Holders of common shares are entitled to one vote per share at all meetings of Shareholders, to receive dividends as and when declared by the directors and to receive a *pro rata* share of the assets of GCO available for distribution to holders of common shares in the event of liquidation, dissolution or winding-up of GCO. All rank *pari passu*, each with the other, as to all benefits which might accrue to the holders of common shares.

Consolidated Capitalization (Current and Post-Arrangement)

The following table and the notes thereto set forth GCO's consolidated capitalization as at the dates specified therein. The following table should be read in conjunction with, and is qualified by reference to, GCO's pro-forma unaudited consolidated financial statements as at and for the nine months ended January 31, 2015 and for the year ended April 30, 2014 attached as Appendix "D" to this Circular

	As at January 31, 2015 (unaudited)	As at January 31, 2015 after giving Effect to the Arrangement and Debt Conversion (unaudited)
Common Share Capital	\$14,363,001	\$19,989,945
Common Shares	92,977,588	205,516,469
Accumulated Deficit	\$(14,858,238)	\$(16,892,109)
Total Shareholders' Equity	1,582,392	4,339,230
Total liabilities and equity	\$7,732,517	4,348,395

As at January 31, 2015, GCO had \$3,418,595 (\$4,872,786 as of July 29, 2015) of debt outstanding and payable to IMHL. In connection with the Debt Conversion, it is expected that the entire amount of this debt will be converted into GCO Common Shares and capitalized, such that the amount of capital would increase by that amount.

There have been no material changes in the share and loan capital of GCO since January 31, 2015, except that since that date GCO has issued the following shares:

- 2,990,000 GCO Common Shares and 2,990,000 GCO Warrants pursuant to the Bridge Financing;
- 5,550,932 GCO Common Shares pursuant to a debt settlement agreement with a creditor;
- 3,416,300 GCO Common Shares pursuant to debt settlement agreements with various creditors; and
- 564,997 GCO Common Shares pursuant to a debt settlement agreement with a creditor.

Options and Other Rights to Purchase Shares (Current and Post-Arrangement)

Options

The following table sets out all the outstanding options in GCO which are held as of the date of this Circular by all of the current executive officers and former executive officers as a group, all of the current directors (who are not also executive officers) and former directors as a group, all of the current employees and former employees as a group, and all of the current consultants and former consultants as a group:

Optionees	Number of GCO Common Shares Subject to Options	Exercise Price \$⁽¹⁾	Expiry Date	Market Value of the Securities on the Date of Grant	Number in the Group
Consultants	500,000	0.10	December 9, 2018	0.23	3
Directors	2,605,000	0.10	December 9, 2018	0.23	6
Executive Officers	1,050,000	0.10	December 9, 2018	0.23	3

Note:

(1) In December 2014 the then issued and outstanding options were repriced to \$0.10.

Warrants

The following table sets out all the outstanding warrants in GCO:

Number of GCO Common Shares Subject to Warrants	Exercise Price \$	Expiry Date
1,737,000	\$0.073	19-Sep-15
75,060	\$0.07	19-Sep-15
4,021,000	\$0.07	6-Nov-15
160,000	\$0.07	6-Nov-15
1,805,000	\$0.065	25-Nov-16
229,200	\$0.065	25-Nov-16
5,948,499	\$0.35	27-Jan-17
168,900	\$0.35	27-Jan-17
2,990,000	\$0.07	10-May-17
TOTAL 17,134,659		

In conjunction with completing the Arrangement, the outstanding options and warrants of GCO will be dealt with in the manner described under the heading “*The Arrangement – Treatment of GCO Convertible Securities*”.

Prior Sales

The only securities issued by GCO during the 12 months preceding the date of this Circular were:

Date of Issue	No. of Securities Issued⁽¹⁾	Price (\$)	Reason for Issue
June 11, 2014	1,370,000	0.08	shares for debt
July 8, 2014	600,000	0.20	private placement
Jul 11, 2014	3,021,000	0.07	warrant exercise
October 31, 2014	1,000,000	0.05	option to purchase mineral claim
November 25, 2014	2,245,000	0.05	private placement
December 19, 2014	365,000	0.05	private placement
January 26, 2015	746,000	0.05	shares for debt
February 19, 2015	781,300	0.05	shares for debt
March 23, 2015	2,235,000	0.05	shares for debt
April 1, 2015	564,997	0.05	shares for debt
May 5, 2015	400,000	0.05	shares for debt
May 11, 2015	2,990,000	0.05	private placement

Date of Issue	No. of Securities Issued ⁽¹⁾	Price (\$)	Reason for Issue
July 31, 2015	5,550,932	0.05	shares for debt

Market for Securities

The GCO Common Shares are listed for trading on the TSX-V under the symbol “GCO”. The following table sets forth the high, low, closing prices and volumes of the GCO traded on the TSX-V for the periods indicated:

Period	High (\$)	Low (\$)	Close (as at period end) (\$)	Volume (GCO Common Shares)
August 2014	0.085	0.065	0.065	1,752,385
September 2014	0.085	0.045	0.05	2,436,276
October 2014	0.07	0.045	0.05	1,572,233
November 2014	0.055	0.04	0.04	5,174,625
December 2014	0.04	0.03	0.035	1,705,400
January 2015	0.05	0.035	0.04	1,123,711
February 2015	0.045	0.03	0.045	1,558,269
March 2015	0.05	0.03	0.035	1,298,017
April 2015	0.075	0.03	0.05	6,860,341
May 2015	0.055	0.03	0.04	2,936,854
June 2015	0.04	0.025	0.035	1,970,900
July 2015	0.035	0.03	0.035	1,500,076
August 1 – 4, 2015	0.035	0.035	0.035	30,000

Escrowed Securities

No GCO Common Shares are currently held in escrow.

Resale Restrictions

See “*Securities Laws Considerations*” in this Circular.

Principal Holders of Voting Securities (Current and Post-Arrangement)

To the knowledge of the directors and senior officers of GCO, no person, upon completion of the Arrangement, will beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of voting rights attached to each class of the then outstanding voting securities of GCO, other than IMHL, which currently holds 26,127,640, or approximately 25% of the issued and outstanding GCO Common Shares.

In connection with the Arrangement, IMHL and its affiliates and associates will not receive any GEMC Shares, but will receive GCO IMHL Replacement Warrants and GCO Replacement Options, as applicable. Details of which are provided above under the heading “*The Arrangement – Details of the Arrangement*”.

Directors and Officers (Current and Post-Arrangement)

The following table sets forth the name, municipality of residence, principal occupation of the current and proposed directors and officers of GCO.

Name and Municipality of Residence	Current Position with GCO	Proposed Position with GCO	Principal Occupation during Past Five Years ⁽¹⁾	Period as a Director and/or Officer of GCO
Erin Chutter Vancouver, British Columbia	President, Chief Executive Officer and Director	--	Mining Executive; President of GCO since July 2007 and CEO of GCO since	March 9, 2007 – Present

Name and Municipality of Residence	Current Position with GCO	Proposed Position with GCO	Principal Occupation during Past Five Years ⁽¹⁾	Period as a Director and/or Officer of GCO
			<p>July 2011; President of Cadence Communications Inc. since June 2001; Independent Director of Khot Infrastructure Holdings Ltd. since May 2015; President, Chief Executive Officer and director of Sceptre Ventures Inc. since March 2007; director of Niocorp Developments Ltd. from March 2010 to July 2014.</p>	
<p>Oleg Shcherbyna Vancouver, British Columbia</p>	<p>Chief Financial Officer</p>	<p>--</p>	<p>Financial Manager; Chief Financial Officer of GCO since May 2014, Corporate Controller of GCO since May 2011; Chief Financial Officer of Sceptre Ventures Inc. since February 2012; Chief Financial Officer of Westminister Resources Ltd. Since February 2008; Chief Financial Officer of Jaxon Minerals Inc. since November 2008.</p>	<p>May 16, 2014 - Present</p>
<p>Paul Sarjeant Burlington, Ontario</p>	<p>Vice President Exploration</p>	<p>--</p>	<p>Geologist; Vice President Exploration of GCO since June 2013; President, Chief Executive Officer, Corporate Secretary and director of Grandview Gold Inc. from November 2006 to July 2015; Director of Golden Harp Resources Inc. since July 2009; director of Firesteel Resources since July 2011; director of Northern Iron Corp. since October 2011;</p>	<p>June 6, 2013 – Present</p>

Name and Municipality of Residence	Current Position with GCO	Proposed Position with GCO	Principal Occupation during Past Five Years ⁽¹⁾	Period as a Director and/or Officer of GCO
			director of G4G Resources Ltd. since February 2011; Founder and Managing Director of Doublewood Consulting Inc. since August 2006	
Gaston Reymenants Dublin, Ireland	Director	--	Mining Executive; President and director of Orego Sarl since August 2005; Non-executive director of InCoR Technologies Ltd. since November 2013; director of Blue Waters Engineering bvba since November 2012.	July 19, 2013 – Present
Alexander Ordanian Monaco, Principality of Monaco	Director	Proposed Director	Corporate finance, capital markets and private business professional; director of Simplefy since July 2002; director of IMHL from November 2011 to August 2014 and from July 2015 to present.	August 26, 2013 – Present
Raymond Castelli West Vancouver, British Columbia	Director	--	Business Executive; Chief Executive Officer of Weatherhaven since February 2008 and director since October 2006; director of Avcorp Industries since July 2010; director of Prince Rupert Port Authority from April 2009 to December 2012; Chairman of the Canadian Commercial Corporation since December 2012; director of Sceptre Ventures Inc. from April 2009 to June 2011.	March 18, 2007 – Present

Name and Municipality of Residence	Current Position with GCO	Proposed Position with GCO	Principal Occupation during Past Five Years⁽¹⁾	Period as a Director and/or Officer of GCO
Peter Reynolds Encounter Bay, Australia	Director	--	Mining Executive; director of Imperial Mining Holding Limited from 2009 to 2012; Principal Consultant and Director of PJR Management Pty Ltd. since January 2011.	July 19, 2013 – Present
Kamen Zahariev London, England	Director	--	International debt and equity finance and investment professional; Director of Corporate Recovery at The European Bank for Reconstruction and Development since October 2008; director of Monbat plc since May 2012.	August 26, 2013 – Present
Marc Thomas Moscow, Russia	Director	--	Business Executive; General director of IST – Industrial Solutions and Technologies from August 2007 to present; Chairman of the Board of Directors of VERES from January 2010 to January 2012.	March 17, 2014 – Present
Julian Lowenfeld ⁽²⁾ New York, New York	--	Proposed Director	Attorney-at-Law; self-employed since December 1991.	--
Andrey Melnikov ⁽²⁾ Moscow, Russia	--	Proposed Director	Mining Executive; Director of Engineering, Uranium One Holding N.V. since January 2015; director of Infoprof Mining Consulting from September 2013 until January 2015; Chairman SRK Consulting (Russia) Ltd. from November 2010 until September 2013; director of SRK Consulting from November 2008 until September 2013.	--

Name and Municipality of Residence	Current Position with GCO	Proposed Position with GCO	Principal Occupation during Past Five Years⁽¹⁾	Period as a Director and/or Officer of GCO
Maximilano Barrientos Philadelphia, Pennsylvania	--	Proposed Chief Financial Officer and Director	Finance professional; Corporate Financial Planning and Analysis at Tyco Electronics (TE) Connectivity from June 2009 to April 2012; Finance Lead of 2 sub-business units at TE Connectivity since May 2012.	--
Bagrat Safarian Encino, California	--	Proposed Chief Executive Officer and President	Investment Banking and Private Equity Professional; Managing Director of RnB Capital Inc. from November 2008 to December 2013; director at Tempo France SAS since August 2014; director at E-Ventures Inc. (UK) since March 2014; CEO of Emerging Ventures Inc. (USA) since January 2014.	
Stanley Swartz ⁽²⁾ Proposed Director Ontario, Canada	--	Proposed Director	Partner at Sloan Partners LLP, Chartered Professional Accountants, from January 1990 to January 2015.	

Notes:

- (1) The information as to principal occupation not being within the knowledge of GCO, has been furnished by the respective current and proposed directors and officers themselves.
 (2) Proposed member of the audit committee after the Meeting.

Backgrounds of Management and Directors of GCO

The following is a description of the background and experience of each proposed member of management and each proposed director of GCO following completion of the Arrangement.

Bagrat Safarian – President and Chief Executive Officer, age 45

Bagrat Safarian is an Investment Banking and Private Equity Professional. Mr. Safarian is the CEO of Emerging Ventures Inc. (USA), a director at Tempo France SAS and at E-Ventures Inc. (UK) and the former Managing Director of RnB Capital Inc.

Maximilano Barrientos – *Chief Financial Officer and Director, age 35*

Maximilano Barrientos, MBA, will work part-time as Chief Financial Officer of GCO. Mr. Barrientos is a finance professional with a MBA with a major in finance from the Wharton School, University of Pennsylvania. He was a Financial Advisor, Financial Planning & Analysis at Tyco Electronics (TE) Connectivity, a global technology group that designs and manufactures highly engineered connectors, sensors and electronic components, from June 2009 to April 2012 and is currently the Finance Lead of two sub-business units at TE Connectivity since May 2012, a company which is not an affiliate of GCO. Mr. Barrientos will not be an employee or independent contractor of GCO and he has not entered into a non-competition or non-disclosure agreement with GCO.

Julian Lowenfeld – *Director, age 52*

Julian Lowenfeld is a solo practitioner specializing in copyright and commercial litigation, often related to Russia and the C.I.S. or Western Europe. Mr. Lowenfeld attended New York University School of Law from 1987-1990 and Columbia University School of Law, USSR Law Program from 1989-1990. He graduated magna cum laude in Government and Soviet Studies, 1981-1985 from Harvard University. He has studied and traveled extensively throughout Russia & C.I.S, UK, Western and Eastern Europe as well as Central and South America. He is fluent in English, Russian German, Spanish and French. Mr. Lowenfeld will not be an employee or independent contractor of GCO and he has not entered into a non-competition or non-disclosure agreement with GCO.

Andrey Melnikov – *Director, age 42*

Andrey Melnikov is a proposed director of GCO and will work part-time fulfilling the duties normally required of a director of a publically traded junior mining company listed on the TSX-V as well as the duties required as a member of the Audit Committee. Mr. Melnikov is a Mining Executive with a background in mining engineering. Mr. Melnikov has extensive experience in the mining industry as the current Director of Engineering of Uranium One Holding N.V, a past a director of Infoprof Mining Consulting, a company still carrying on business not an affiliate of GCO, and a director and chairman of SRK Consulting a company still carrying on business not an affiliate of GCO. Mr. Melnikov will not be an employee or independent contractor of GCO and he has not entered into a non-competition or non-disclosure agreement with GCO.

Alexander Ordanian – *Director, age 60*

Alexander Ordanian has over 20 years' experience in the mineral, construction development and investment industry, specializing in corporate finance, capital markets and private business, and has worked on key merger and acquisition transactions with a number of major international companies including Mobil, British Petroleum and Shell. Mr. Ordanian has extensive experience with emerging markets particularly in the Russian Federation and CIS countries as well as in Central and Eastern Europe. Mr. Ordanian has operated and been associated with various board and senior management teams, and successfully managed the chief executive function for a holding group of companies with multiple business streams. Currently, Mr. Ordanian is a member of the board of directors of IMHL and one of the directors of a North American merchant services company.

Stanley Swartz – *Director, age 65*

Stanley Swartz, CPA, CMA, CFP, CMC, has owned and operated a manufacturing business as well as holding senior financial positions with both public and private companies. Mr. Swartz previously headed up the Sloan Group's consulting practice through Infologix Inc., which specializes in R&D tax credits and in personal, business and insurance planning matters. He is a Certified Financial Planner, Certified Management Consultant as well as being a Chartered Professional Accountant and Certified Management Accountant.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed herein, no proposed director or officer of GCO is, as of the date of this Circular or was within ten years before the date thereof, a director, Chief Executive Officer or Chief Financial Officer of any company (including GCO) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or Chief Executive Officer or Chief Financial Officer was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer.

No proposed director or officer of GCO:

- (a) is, as of the date of this Circular or was within ten years before the date hereof, a director, Chief Executive Officer or Chief Financial Officer of any company (including GCO) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within ten years before the date as of the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

No proposed director or officer of GCO has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Personal Bankruptcies

To the best of management's knowledge, no proposed director or officer of GCO or a securityholder anticipated to hold a sufficient number of securities of GCO to affect materially the control of GCO has, within the ten years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

The foregoing, not being within the knowledge of GCO, has been furnished by the respective proposed directors themselves.

Conflicts Of Interest

The directors of GCO are required by law to act honestly and in good faith with a view to the best interest of GCO and to disclose any interests which they may have in any project or opportunity of GCO. Such directors or officers in accordance with the BCBCA will disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. If a conflict of interest arises,

any director in a conflict must disclose their interest and abstain from voting on the matter at a meeting of the board of directors.

To GCO's knowledge and except as otherwise disclosed herein, there are no known existing or potential conflicts of interest among GCO, its promoters, directors, officers or other members of management of GCO as a result of their outside business interests, except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies and are expected to be directors and officers of GEMC, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies. See "*Information Concerning GCO – Executive Compensation*" and "*Information Concerning GCO - Interest of Management and Others in Material Transactions*".

Indebtedness of Directors and Executive Officers

None of the current or former directors, executive officers, employees of GCO, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to GCO or its subsidiaries since the beginning of the last completed financial year of GCO.

Executive Compensation Disclosure

General

The following disclosure of executive compensation is made in accordance with the requirements of National Instrument 51-102 - *Continuous Disclosure Obligations*. For the purposes of this Circular, a "**Named Executive Officer**" or "**NEO**" means each of the following individuals:

- (a) a Chief Executive Officer ("**CEO**") of GCO;
- (b) a Chief Financial Officer ("**CFO**") of GCO;
- (c) each of GCO's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for the financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer, nor acting in a similar capacity at the end of the most recently completed financial year.

During the most recently completed financial year, GCO had five Named Executive Officers, namely, Erin Chutter President and Chief Executive Officer, Chris Couzelis – Chief Financial Officer (resigned), Oleg Shcherbyna – Chief Financial Officer (formerly Controller), Dr. Michael Hitch – Chief Operating Officer (resigned), and Paul Sarjeant – Vice President Exploration.

Compensation Discussion and Analysis

GCO does not have a formal compensation program and relies primarily on board discussions, the experience of its directors and recommendations of the compensation committee, without any formal objectives, criteria and analysis, in determining compensation. GCO reviews compensation paid to directors and executive officers of companies of similar size and stage of development in the mineral exploration industry, and does not assess its compensation through formal benchmarks at this time.

The principal objective of GCO's compensation policy is to attract and retain key executive officers that are considered critical to the growth and success of GCO. GCO compensates its executive officers based on their skill and experience levels and the existing stage of development of GCO. Executive officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, GCO's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

Elements of Compensation

Under GCO's compensation structure, compensation for executive officers may consist of:

Base Salary. Executive officers may be paid a monthly consulting fee or salary. Base salary is currently the foundation of GCO's compensation policy and is intended to compensate competitively based on the past experience of the executive, while taking into consideration GCO's current level of development. The desire is for base salary to be high enough to secure exceptional executives that can further the annual and long-term objectives of GCO, while at the same time not being excessive with a view to GCO's available cash resources. The Board reviews salary levels annually and may recommend adjustments, if warranted, as a result of competitive positioning, the stage of development of GCO or an increase in responsibilities assumed by an executive. Presently, GCO compensates Erin Chutter President and Chief Executive Officer, Oleg Shcherbyna – Chief Financial Officer and Paul Sarjeant – Vice President Exploration on an accrual basis in order to conserve cash.

Stock Options. The Board may award executive officers long term incentives in the form of stock options. The primary objective of making grants of stock options is to encourage executive officers to acquire an ownership interest in GCO over a period of time, thus better aligning the interests of executive officers with the interests of Shareholders, and thereby discouraging excessive risk taking. Additionally, stock options may be granted to help enhance the overall competitiveness of an executive's compensation package, where necessary, while helping maintain GCO's available cash resources.

The GCO Stock Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his impact or contribution to the longer-term operating performance of GCO. In determining the number of options to be granted to the executive officers, the Board takes into account the number of stock options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX-V, and closely align the interests of the executive officers with the interests of Shareholders.

Bonuses. In special circumstances, the Board, in its discretion, may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value.

GCO does not currently provide medical, dental, pension or other benefits to the executive officers and has not done so since December 2014.

Risk Management

The compensation committee of the Board considered the implications of the risks associated with GCO's compensation policies and practices and concluded that, given the nature of GCO's business and the role of the compensation committee in overseeing GCO's executive compensation practices, the compensation policies and practices do not serve to encourage any Named Executive Officer or individual at a principle business unit or division to take inappropriate or excessive risks, and no risks were identified arising from GCO's compensation policies and practices that are reasonably likely to have a material adverse effect on GCO.

Hedging

Under GCO's compensation policies and practices, executive officers and directors are not prevented from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

Compensation Governance

The members of GCO's compensation committee appointed after the last annual general and special meeting of Shareholders on July 19, 2013 are Jean-Pierre Colin (Chairman), Erin Chutter, Alexander Ordanian, Gaston Reymenents and Kamen Zahariev. Messrs. Colin, Ordanian, Reymenents and Zahariev are independent, while Erin Chutter, the President and Chief Executive Officer of GCO is not independent. Mr. Colin resigned from the Board

and all committees effective June 14, 2015.

The education and experience of each compensation committee member that is relevant to the performance of his responsibilities as a compensation committee member is as follows:

Jean-Pierre Colin – Mr. Colin is a mining executive who provides corporate strategy consulting services to boards and shareholders of high profile international mining companies and was an investment banker, leading corporate finance and M&A departments of several securities brokerage houses in Canada. Mr. Colin is a Director of Xmet Inc., a TSX-V listed mining issuer, and is special advisor to the Executive Chairman and Board of BlackRock Metals Inc. Mr. Colin is also the founder of Caratax Management Ltd., a manager of public flow-through share limited partnerships, and a former director of Premier Gold Mines, Wolfden Resources Inc., Pelangio Mines Inc., Virginia Gold Mines Inc., and NIM Management, the manager of over \$730 million of flow-through funds. Mr. Colin's experience allows him to analyze and evaluate GCO's financial statements.

Erin Chutter – Ms. Chutter has extensive experience as a director of Sceptre Ventures Inc., a TSX-V/NEX listed capital pool company, a director of Khot Infrastructure Holdings Ltd., a CSE listed infrastructure company, and a former director of NioCorp Development Inc., a TSX listed mining company. In addition, Ms. Chutter is the former Manager of Communications and Strategic Planning for three TSX listed exploration companies.

Alexander Ordanian – Mr. Ordanian has over 20 years' experience in the mineral, construction development and investment industry, specializing in corporate finance, capital markets and private business, and has worked on key merger and acquisition transactions with a number of major international companies including Mobil, British Petroleum and Shell. Mr. Ordanian has extensive experience with emerging markets particularly in the Russian Federation and CIS countries as well as in Central and Eastern Europe. Mr. Ordanian has operated and been associated with various board and senior management teams, and successfully managed the chief executive function for a holding group of companies with multiple business streams. Currently, Mr. Ordanian is a member of the board of directors of IMHL and one of the directors of a North American merchant services company.

Gaston Reymenants. Mr. Reymenants has had a distinguished career in mining, smelting, refining and metal trading spanning over 40 years, during which, he was also responsible for the financing of several off-take projects in Australia, China and the Americas. Mr. Reymenants worked for over 20 years with Falconbridge International in various managerial positions and was part of the joint venture with Norilsk Kombinat. Mr. Reymenants was the Managing Director of Kola International Murmansk, and held director and/or senior managerial positions with several companies with cobalt assets, including Baja Mining, Polymet Mining and KCM.

Kamen Zahariev. Mr. Zahariev is a highly respected and experienced international debt and equity finance and investment professional with particular emphasis on emerging markets and Central and Eastern Europe. Currently, Mr. Zahariev is a member of the investment committee at the CEE Special Situation Fund (EBRD) and is a Director overseeing the team responsible for the European Bank for Reconstruction and Development (EBRD)'s significant portfolio of restructuring projects throughout Central and Eastern Europe. Mr. Zahariev has extensive experience as non-executive member of the board of investment companies and senior advisor of investment funds in the region. During the past 15 years Kamen Zahariev has participated in over 50 significant transactions including project finance, M&A, private equity and workouts. Mr. Zahariev is member on the supervisory board at Prista Oil B.V. Group, is a member of the British Institute of Directors and is also associated with several business organizations with interests in Eastern Europe.

The compensation committee has responsibility for determining compensation for the directors and senior management. To determine compensation payable, the compensation committee reviews compensation paid for directors and executive officers of companies of similar size and stage of development in the mineral exploration industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and executive officers, while taking into account the financial and other resources of GCO. In setting the compensation, the compensation committee annually reviews the performance of GCO's Chief Executive Officer in light of GCO's objectives and considers other factors that may have impacted the success of GCO in achieving its objectives.

Summary Compensation Table

Set out below is a summary of compensation paid or accrued to the NEOs for each of GCO’s three most recently completed financial years. GCO does not grant share-based awards.

During the most recently completed financial year, GCO had five Named Executive Officers, namely, Erin Chutter President and Chief Executive Officer, Chris Couzelis – Chief Financial Officer (resigned), Oleg Shcherbyna – Chief Financial Officer (formerly Controller), Dr. Michael Hitch – Chief Operating Officer (resigned), and Paul Sarjeant – Vice President Exploration.

Name and principal position	Year	Salary (\$)	Option - based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value ⁽²⁾ (\$)	All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans			
Erin Chutter President & Chief Executive Officer	2015	144,000 ⁽³⁾	--	N/A	N/A	N/A	--	144,000
	2014	224,000 ⁽³⁾	60,000	N/A	N/A	N/A	--	284,000
	2013	144,000 ⁽³⁾	--	N/A	N/A	N/A	--	144,000
Chris Couzelis ⁽⁴⁾ Chief Financial Officer	2015	--	--	N/A	N/A	N/A	--	--
	2014	34,800 ⁽⁵⁾	10,000	N/A	N/A	N/A	--	44,800
	2013	37,700 ⁽⁵⁾	--	N/A	N/A	N/A	--	37,700
Oleg Shcherbyna ⁽⁶⁾ Chief Financial Officer	2015	144,000 ⁽⁷⁾	--	N/A	N/A	N/A	--	144,000
	2014	140,000 ⁽⁷⁾	20,000	N/A	N/A	N/A	--	160,000
	2013	--	--	N/A	N/A	N/A	--	--
Michael Hitch ⁽⁸⁾ Chief Operating Officer	2015	--	--	N/A	N/A	N/A	--	--
	2014	204,000 ⁽⁹⁾	--	N/A	N/A	N/A	--	204,000
	2013	218,400 ⁽⁹⁾	--	N/A	N/A	N/A	--	218,400
Paul Sarjeant Vice President Exploration	2015	165,000 ⁽¹⁰⁾	--	N/A	N/A	N/A	--	165,000
	2014	165,000 ⁽¹⁰⁾	25,000	N/A	N/A	N/A	--	190,000
	2013	4,500 ⁽¹⁰⁾	--	N/A	N/A	N/A	--	4,500

Notes:

- (1) The determination of the value of option awards is based upon the Black-Scholes Option-pricing model, details and assumptions of which are set out in Note 8 to GCO’s financial statements for the financial year ended April 30, 2014.
- (2) GCO does not maintain any defined benefit or defined contribution plan.
- (3) Payment of Erin Chutter’s salary for the financial years ended April 30, 2013, 2014 and 2015 is accruing.
- (4) Chris Couzelis resigned as Chief Financial Officer of GCO effective May 16, 2014.
- (5) Chris Couzelis’ salary for the financial years ended April 30, 2013 and 2014 was accrued and settled subsequent to his resignation with shares for debt.
- (6) Oleg Shcherbyna was appointed Chief Financial Officer of GCO effective May 16, 2014, prior to that he was the Controller of GCO.
- (7) Oleg Shcherbyna’s salary for the financial years ended April 30, 2014 and 2015 is accruing.
- (8) Michael Hitch resigned as Chief Operating Officer of GCO effective May 16, 2014.
- (9) Michael Hitch’s salary for the financial years ended April 30, 2013 and 2014 was accrued and settled subsequent to his resignation with shares for debt.
- (10) Paul Sarjeant’s salary for the financial years ended April 30, 2013, 2014 and 2015 is accruing.

Incentive Plan Awards – Named Executive Officers

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of GCO at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Named Executive Officers. An “incentive plan” is a plan providing compensation that

depends on achieving certain performance goals or similar conditions within a specified period. GCO does not grant share-based awards. All options granted have vested.

Name	Option-based awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$) ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (\$)
Erin Chutter President and Chief Executive Officer	600,000	0.10	December 9, 2018	Nil
Chris Couzelis ⁽³⁾ Chief Financial Officer	100,000	0.10	May 16, 2014 (Resigned)	Nil
Oleg Shcherbyna ⁽⁴⁾ Chief Financial Officer	200,000	0.10	December 9, 2018	Nil
Michael Hitch ⁽⁵⁾ Chief Operating Officer	300,000	0.10	May 16, 2014 (Resigned)	Nil
Paul Sarjeant Vice President Exploration	250,000	0.10	December 9, 2018	Nil

Notes:

- (1) In December 2014 the then issued and outstanding options were repriced to \$0.10.
- (2) Value is calculated by multiplying the number of GCO Common Shares which may be acquired on exercise of the option by the difference, if any, between the exercise price of the options and the market value of the GCO Common Shares underlying the options as at the closing price on April 29, 2015, being the last trading day for the most recently completed financial year, of \$0.05 per GCO Common Share.
- (3) Chris Couzelis resigned as Chief Financial Officer of GCO effective May 16, 2014.
- (4) Oleg Shcherbyna was appointed Chief Financial Officer of GCO effective May 16, 2014, prior to that he was the Controller of GCO.
- (5) Michael Hitch resigned as Chief Operating Officer of GCO effective May 16, 2014.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned during the most recently completed financial year of incentive plan awards granted to each Named Executive Officer. GCO does not grant share-based awards.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plans compensation – Value earned during the year (\$)
Erin Chutter President and Chief Executive Officer	Nil	N/A
Chris Couzelis ⁽²⁾ Chief Financial Officer	Nil	N/A
Oleg Shcherbyna ⁽³⁾ Chief Financial Officer	Nil	N/A
Michael Hitch ⁽⁴⁾ Chief Operating Officer	Nil	N/A
Paul Sarjeant Vice President Exploration	Nil	N/A

Notes:

- (1) The “value vested during the year” is calculated using the closing price of the GCO Common Shares on the TSX-V on the vesting date less the respective exercise prices of the options. All options granted have vested and were not in the money as of April 30, 2015.
- (2) Chris Couzelis resigned as Chief Financial Officer of GCO effective May 16, 2014.
- (3) Oleg Shcherbyna was appointed Chief Financial Officer of GCO effective May 16, 2014, prior to that he was the Controller of GCO.
- (4) Michael Hitch resigned as Chief Operating Officer of GCO effective May 16, 2014.

There was a re-pricing of stock options under the GCO Stock Option Plan in December 2014, pursuant to which options were repriced to \$0.10. Details of the GCO Stock Option Plan can be found under the headings “*Compensation Discussion and Analysis*” above and “*Approval of GCO Stock Option Plan*” below.

Pension Plan Benefits

GCO does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Termination of Employment, Change in Responsibilities and Employment Contracts

GCO has no compensatory plan, contract or arrangement to compensate a Named Executive Officer in the event of resignation, retirement or other termination of the NEO’s employment with GCO, a change of control of GCO, or a change in responsibilities of the NEO following a change of control.

Director Compensation

Other than compensation paid to the Named Executive Officers, and except as set out below, no compensation was paid to directors in their capacity as directors of GCO or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during GCO’s most recently completed financial year. The directors are reimbursed for reasonable expenses incurred on behalf of GCO. From time to time, directors may be retained to provide specific services to GCO and its subsidiaries and will be compensated on a normal commercial basis for such services. GCO does not grant share-based awards.

During the most recently completed financial year, GCO had seven directors who were not also Named Executive Officers, namely Gaston Reymenants, Jean-Pierre Colin, Alexander Ordanian, Peter Reynolds, Raymond Castelli, Kamen Zahariev and Marc Thomas. The following table sets forth the details of compensation provided to the aforesaid directors during GCO’s most recently completed financial year. GCO does not grant share-based awards.

Name of Director	Fees Earned (\$)	Option-based awards⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value⁽²⁾ (\$)	All other compensation (\$)	Total compensation (\$)
Gaston Reymenants	--	42,500	--	--	--	42,500
Jean-Pierre Colin ⁽³⁾	--	45,000	--	--	--	45,000
Alexander Ordanian	--	85,000	--	--	--	85,000
Peter Reynolds	--	42,500	--	--	--	42,500
Raymond Castelli	--	42,500	--	--	--	42,500

Name of Director	Fees Earned (\$)	Option-based awards⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value⁽²⁾ (\$)	All other compensation (\$)	Total compensation (\$)
Kamen Zahariev	--	--	--	--	--	--
Marc Thomas	--	--	--	--	--	--

Notes:

- (1) The determination of the value of option awards is based upon the Black-Scholes Option-pricing model, details and assumptions of which are set out in Note 8 to GCO's financial statements for the financial year ended April 30, 2014.
- (2) GCO does not maintain any defined benefit or defined contribution plan.
- (3) Jean-Pierre Colin resigned from the Board effective June 14, 2015.

Incentive Plan Awards – Directors

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of GCO at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each director who is not a Named Executive Officer. GCO does not grant share-based awards. All options granted have vested.

Name	Option-based awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)⁽¹⁾	Option expiration date	Value of unexercised in-the-money options⁽²⁾ (\$)
Gaston Reymenants	425,000	0.10	December 9, 2018	Nil
Jean-Pierre Colin ⁽³⁾	450,000	0.10	December 9, 2018	Nil
Alexander Ordanian	850,000	0.10	December 9, 2018	Nil
Peter Reynolds	425,000	0.10	December 9, 2018	Nil
Raymond Castelli	425,000	0.10	December 9, 2018	Nil
Kamen Zahariev	--	--	--	Nil
Marc Thomas	--	--	--	Nil

Notes:

- (1) In December 2014 the then issued and outstanding options were repriced to \$0.10.
- (2) Value is calculated by multiplying the number of GCO Common Shares which may be acquired on exercise of the option by the difference, if any, between the exercise price of the options and the market value of the GCO Common Shares underlying the options as at the closing price on April 29, 2015, being the last trading day for the most recently completed financial year, of \$0.05 per GCO Common Share.
- (3) Jean-Pierre Colin resigned from the Board effective June 14, 2015.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned during the most recently completed financial year of incentive plan awards granted to each director who is not a Named Executive Officer. GCO does not grant share-based awards.

Name	Option-based awards – Value vested during the year⁽¹⁾ (\$)	Non-equity incentive plans compensation – Value earned during the year (\$)
Gaston Reymenants	--	N/A
Jean-Pierre Colin ⁽²⁾	--	N/A
Alexander Ordanian	--	N/A
Peter Reynolds	--	N/A
Raymond Castelli	--	N/A
Kamen Zahariev	--	N/A
Marc Thomas	--	N/A

Notes:

- (1) The “value vested during the year” is calculated using the closing price of the GCO Common Shares on the TSX-V on the vesting date less the respective exercise prices of the options. All options granted have vested and were not in the money as of April 30, 2015.
- (2) Jean-Pierre Colin resigned from the Board effective June 14, 2015.

Securities Authorized for Issuance under Equity Compensation Plans

Equity Compensation Plan Information

The following table sets forth details of GCO’s equity compensation plans as of April 30, 2015, being the end of GCO’s most recently completed financial year. GCO’s equity compensation plan consists of its 2007 Stock Option Plan, as amended June 14, 2013 and approved by Shareholders on July 19, 2013.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans, excluding securities reflected in column (a) (c)
Equity compensation plans approved by security holders	21,289,659 ⁽¹⁾	\$0.17	5,839,888
Equity compensation plans not approved by security holders	N/A	--	N/A
TOTAL	21,289,659	\$0.17	5,839,888

Note:

- (1) As at April 30, 2015, being GCO’s last completed financial year, there were 96,558,885 GCO Common Shares issued and outstanding.

Corporate Governance Disclosure

Corporate Governance

National Instrument 58-201 - *Corporate Governance Guidelines* (“**NI 58-201**”) establishes corporate governance guidelines (the “**Guidelines**”) for all reporting issuers, other than investment funds, and requires these companies provide certain annual disclosure of their corporate governance practices. The Guidelines are not prescriptive, but GCO has reviewed its own corporate governance practices in light of these Guidelines. In certain cases, GCO’s practices comply with the Guidelines, however, the Board considers that some of the Guidelines are not suitable for GCO at its current stage of development and therefore these Guidelines have not been adopted. GCO’s approach to corporate governance is set out below.

Independence of Members of Board

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he has no direct or indirect “material relationship” with the issuer. A “material relationship” is a relationship which could, in the view of the Board be reasonably expected to interfere with the exercise of the director’s independent judgment. The Board currently consists of seven members, Raymond Castelli, Erin Chutter, Alexander Ordanian, Peter Reynolds, Gaston Reymenants, Kamen Zahariev and Marc Thomas. Of the current directors, Messrs. Ordanian, Zahariev and Thomas are nominees of IMHL (a control person of GCO), but are otherwise independent. Erin Chutter is the President and Chief Executive of GCO and therefore not independent. It is proposed that four of the seven current directors, Raymond Castelli, Erin Chutter, Peter Reynolds and Gaston Reymenants, will be nominated for election as directors at the Meeting. It is noted that each of the aforesaid directors are expected to resign in connection with the completion of the Arrangement.

The Board facilitates its exercise of independent judgment in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board requires management to provide complete and accurate information with respect to GCO’s activities and to provide relevant information concerning the industry in which GCO operates in order to identify and manage risks. The Board is responsible for monitoring GCO’s officers, who in turn are responsible for the maintenance of internal controls and management information systems.

Other Directorships

The following table sets forth the directors of GCO who are currently directors of other reporting issuers:

Name of Director	Names of other Reporting Issuer
Raymond Castelli	Avcorp Industries Inc. (TSX)
Erin Chutter	Khot Infrastructure Holdings Ltd. (CSE) Sceptre Ventures Inc. (TSX-V/NEX)

Attendance at Meetings

The Board held 4 meetings in the financial year ended April 30, 2015. The attendance record of each director for the board meetings held is as follows:

Name of Director	Number of Board Meetings Attended
Raymond Castelli	4
Erin Chutter	4
Jean-Pierre Colin ⁽¹⁾	4
Alexander Ordanian	4
Peter Reynolds	4
Gaston Reymenants	4
Kamen Zahariev	4
Marc Thomas	4

Note:

(1) Jean-Pierre Colin resigned from the Board effective June 14, 2015.

Management Supervision by Board

The size of GCO is such that all GCO’s operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the directors on an informal basis as the directors are actively and regularly involved in reviewing and supervising the operations of GCO and have regular and full access to management. The independent directors are however able to meet at any time without any members of management including the non-independent directors being present. Further supervision is performed through the audit committee who can meet with GCO’s auditors without management

being in attendance. The independent directors exercise their responsibilities for independent oversight of management through their representation on the Board.

Orientation and Continuing Education

While GCO does not have formal orientation and training programs, new Board members are provided with:

1. Information respecting the functioning of the Board, committees and copies of GCO's corporate governance policies;
2. Access to recent and historical, publicly filed documents of GCO, management reports and GCO's internal financial information; and
3. Access to management, technical experts and consultants.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars and visit GCO's operations. Board members have full access to GCO's records.

Ethical Business Conduct

The Board has not adopted a formal code of business conduct and ethics. The Board is of the view that the fiduciary duties placed on individual directors by GCO's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of GCO.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual general meeting. The Board takes in to account the number of directors required to carry out the Board's duties effectively and to provide the required skills, independence and experience.

The Board has not established a nominating committee and this function is currently performed by the Board as a whole.

Assessments

The Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors and receives reports from each committee respecting its own effectiveness. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

Board Committees

The Board has no other committees other than the audit committee and the compensation committee.

Expectations of Management

The Board expects management to operate the business of GCO in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute GCO's business plan and to meet performance goals and objectives.

Audit Committee Disclosure

GCO is a “venture issuer” as that term is defined under NI 52-110, NI 52-110 requires GCO, as a venture issuer, to disclose annually in its shareholder meeting circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor.

In accordance with the policies of the TSX-V, GCO is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of GCO or an affiliate of GCO.

The primary function of the audit committee is to assist the Board in fulfilling its financial oversight responsibilities by (i) reviewing the financial reports and other financial information provided by GCO to regulatory authorities and shareholders; (ii) reviewing the systems for internal corporate controls which have been established by the Board and management; and (iii) overseeing GCO’s financial reporting processes generally. In meeting these responsibilities, the audit committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Board. The audit committee is also mandated to review and approve all material related party transactions.

Composition of the Audit Committee

The members of GCO’s audit committee appointed after the last annual general meeting of Shareholders on July 19, 2013 are Jean-Pierre Colin (former Chairman), Raymond Castelli, Erin Chutter, Peter Reynolds (interim Chairman) and Gaston Reymenants. Each member of the committee is considered to be “financially literate” as defined by NI 52-110 in that he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by GCO’s financial statements. Messrs. Colin, Castelli, Reynolds Reymenants are independent, while Erin Chutter, the President and Chief Executive Officer of GCO is not independent. Mr. Colin resigned from the Board and all committees effective June 14, 2015. Peter Reynolds was appointed interim Chairman on July 14, 2015.

The members of the audit committee are elected by the Board at its first meeting following the annual shareholders’ meeting. GCO is proposing that following the Meeting, the audit committee would consist of Stanley Swartz (Chairman), Julian Lowenfeld and Andrey Melnikov.

Relevant Education and Experience

The education and experience of each audit committee member that is relevant to the performance of his responsibilities as an audit committee member is as follows:

Jean-Pierre Colin – Mr. Colin is a mining executive who provides corporate strategy consulting services to boards and shareholders of high profile international mining companies and was an investment banker, leading corporate finance and M&A departments of several securities brokerage houses in Canada. Mr. Colin is a Director of Xmet Inc., a TSX-V listed mining issuer, and is special advisor to the Executive Chairman and Board of BlackRock Metals Inc. Mr. Colin is also the founder of Caratax Management Ltd., a manager of public flow-through share limited partnerships, and a former director of Premier Gold Mines, Wolfden Resources Inc., Pelangio Mines Inc., Virginia Gold Mines Inc., and NIM Management, the manager of over \$730 million of flow-through funds. Mr. Colin’s experience allows him to analyze and evaluate GCO’s financial statements.

Raymond Castelli – Mr. Castelli has extensive experience as Chief Executive Officer of Weatherhaven Global Resources Ltd., a manufacturer of redeployable camps and shelter systems, as former President of NaiKun Wind Development Inc., former Senior Vice President of Quadrem International Inc., a global supply chain and e-procurement company, former director of acquisitions for Alcan Inc., former Chief of Staff to the Prime Minister of Canada, and as a former director for the Prince Rupert Port Authority and the Working Opportunity Fund Ltd. (Growthworks EVCC). Mr. Castelli is a board member of the BC Business Council. Mr. Castelli’s experience allows him to analyze and evaluate GCO’s financial statements.

Erin Chutter – Ms. Chutter has extensive experience as a director of Sceptre Ventures Inc., a TSX-V/NEX listed capital pool company, a director of Khot Infrastructure Holdings Ltd., a CSE listed infrastructure company, and a former director of NioCorp Development Inc., a TSX listed mining company. In addition, Ms. Chutter is the former Manager of Communications and Strategic Planning for three TSX listed exploration companies. Ms. Chutter’s experience allows her to analyze and evaluate GCO’s financial statements.

Peter Reynolds – Mr. Reynolds is engaged by the European Bank for Reconstruction and Development (EBRD) to carry out reviews of EBRD’s investments for several projects in Mongolia and Russia. Mr. Reynolds has over 40 years in the minerals industry, with high-level experience at various mines including being former Manager of Operations Planning & Mine Projects/Manager Mine Business Improvement at Olympic Dam and was former Managing Director of Marlborough Resources Ltd. and Independent Director of Outback Metals Ltd. as well as a mining engineer at Normandy Mining Ltd. Mr. Reynold’s experience allows him to analyze and evaluate GCO’s financial statements.

Gaston Reymenants – Mr. Reymenants has had a distinguished career in mining, smelting, refining and metal trading spanning over 40 years, during which, he was also responsible for the financing of several off-take projects in Australia, China and the Americas. Mr. Reymenants worked for over 20 years with Falconbridge International in various managerial positions and was part of the joint venture with Norilsk Kombinat. Mr. Reymenants was the Managing Director of Kola International Murmansk, and held director and/or senior managerial positions with several companies with cobalt assets, including Baja Mining, Polymet Mining and KCM. Mr. Reymenants’ experience allows him to analyze and evaluate GCO’s financial statements.

Audit Committee Charter

GCO has adopted an audit committee charter, which sets out the responsibilities and duties, qualifications for membership, procedures for committee member appointment and reporting to the Board. A copy of the audit committee charter is attached hereto as Appendix “J”.

Audit Committee Oversight

Since the commencement of GCO’s most recently completed financial year, the Board has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of GCO’s most recently completed financial year, GCO has not relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable the audit committee, on a case-by-case basis.

External Auditor Service Fees

The following table sets forth the fees billed to GCO by Smythe Ratcliffe LLP for services rendered in the last two financial years.

Financial Year Ended April 30	Audit Fees (\$) ⁽¹⁾	Audit Related Fees (\$) ⁽²⁾	Tax Fees (\$) ⁽³⁾	All Other Fees (\$) ⁽⁴⁾
2014	54,000	Nil	Nil	Nil
2015	38,000	Nil	Nil	Nil

Notes:

- (1) "Audit fees" include fees necessary to perform the annual audit and quarterly reviews of GCO's consolidated financial statements; fees for review of tax provisions; accounting consultations on matters reflected in the financial statements; and, audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit related fees" include services that are traditionally performed by the auditor such as due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" includes fees for all tax services other than those included in "Audit fees" and "Audit related fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All other fees" include all other non-audit services.

Exemption in Section 6.1

GCO is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in Section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

Management Contracts

The management functions of GCO and its subsidiaries are primarily performed by the directors and executive officers of GCO, and not to any substantial degree by any other person with whom GCO has contracted.

Interest of Informed Persons In Material Transactions

Other than as disclosed herein, since the commencement of GCO's last completed financial year, no "informed person" of GCO has any material interest, direct or indirect in any transaction or any proposed transaction which has materially affected or would materially affect GCO or any of its subsidiaries. See "*Interest of Certain Persons in Matters to be Acted Upon*". "Informed Person" means: (i) a director or executive officer of GCO; (ii) a director or officer of a person or company that is itself an informed person or subsidiary of GCO; or (iii) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of GCO carrying more than 10% of the voting rights attached to all outstanding voting securities of GCO.

Risk Factors

In addition to the other information contained in this Circular, the risks and uncertainties set out under the headings "*Risk and Uncertainties*" and "*Financial Instruments and Other Instruments*" in GCO's management discussion and analysis for the year ended April 30, 2014 incorporated by reference herein and filed under GCO's profile on the SEDAR website at www.sedar.com should be considered carefully when considering risk related to GCO's business. Furthermore, if the Arrangement does complete, Shareholders will be shareholders of GCO and GEMC and will be subject to the GEMC risk factors. See "*Information Concerning GEMC – Risk Factors*".

GCO is in the business of acquiring, exploring and developing mineral exploration properties, and is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subjected to variations in commodity prices, market sentiment, exchange rates for currency, inflations and other risks. GCO currently has no other source of revenue other than interest on cash balances. GCO relies mainly on equity financing to fund exploration activities on its mineral properties.

Legal Proceedings

Other than as disclosed in this Circular, there are no legal proceedings material to GCO to which GCO or any of its subsidiaries is a party or in respect of which any of GCO's assets or properties are subject, nor are there any such proceedings known to be contemplated.

On January 3, 2014, Richards Buell Sutton LLP brought an action against GCO for the amount of \$360,913 for outstanding legal fees. On January 21, 2014, this action was settled by the parties in consideration for GCO paying \$250,000 to Richards Buell Sutton LLP.

On October 7, 2014, Seatrend Strategy Group brought an action against GCO for the amount of \$11,340 for outstanding consulting and advisory services fees. A default judgement was awarded against GCO in this action and the amount of the order was satisfied by a garnishing order serviced by the plaintiff on GCO's bank.

On December 5, 2015, Bentall Kennedy (Canada) Limited Partnership., West Pender I LP, and 1050 WP Properties Ltd. have brought an action against GCO for the amount of \$103,112 arising from outstanding lease obligations. Negotiations are ongoing between the parties and the management of GCO believes that it will be able to settle this action. If GCO is successful in negotiating a settlement to this action, the action is not expected to have a material adverse impact on GCO.

On December 15, 2014, Treswell Renewable Energy Inc. and Michael Hitch brought an action against GCO for \$137,438 arising from a consulting agreement for services provided by Dr. Hitch. On June 10, 2015, this action was agreed to be settled by the parties in consideration for GCO issuing 2,748,760 GCO Common Shares (issued on July 31, 2015) to Treswell Renewable Energy Inc. and paying \$4,000 to Dr. Hitch in connection with his legal fees.

Auditor

The auditor of GCO is Smythe Ratcliffe LLP at its offices at Suite 700 – 355 Burrard Street, Vancouver, British Columbia, Canada V6C 2G8. Smythe Ratcliffe was first appointed as auditor of GCO effective April 2007.

Registrar and Transfer Agent

The Registrar and Transfer Agent for GCO is Computershare Investor Services Inc., at its offices at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada, V6C 3B9.

Material Contracts

GCO is party to the following material contracts entered into within the two years prior to this Circular, excluding contracts entered into in the ordinary course of business:

- (a) the Arrangement Agreement, as more particularly described under the heading entitled "*The Arrangement*";
- (b) the Karakul Property Option Agreement, as more particularly described under the heading entitled "*Information Concerning GCO – Material Properties – Karakul Property*";
- (c) the IMHL Loan Agreement, as more particularly described under the heading entitled "*Information Concerning GCO – General Development of the Business – Three Year History*";
- (d) a loan agreement dated for reference June 6, 2014, made between Erin Chutter and GCO; and
- (e) a standstill agreement made as of October 30, 2014 between GCO and IMHL, as amended.

Copies of each of the above-referenced material contracts may be inspected at any time up to the commencement of the Meeting during normal business hours at Suite 1501, 128 West Pender Street, Vancouver, British Columbia, during regular business hours.

INFORMATION CONCERNING GEMC

The following information is provided by GEMC is reflective of the current business, financial and share capital position of GEMC and includes certain information reflecting the status of GEMC following the completion of the Arrangement. Unless otherwise indicated, all currency amounts are stated in Canadian dollars.

Name, Address and Exchange Listing

GEMC was incorporated under the BCBCA on April 27, 2015 as “Global Energy Metals Corporation” for the purposes of the Arrangement. GEMC’s head office is located at Suite 1501 - 128 West Pender Street, Vancouver, British Columbia, Canada, V6B 1R8. GEMC’s registered and records office is located at Suite 415 - 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1.

Upon the completion the Arrangement, it is expected that GEMC will be a reporting issuer in British Columbia and Alberta. The GEMC Shares are not currently traded or quoted on a Canadian marketplace. GEMC has advised GCO that it expects to make an application to the TSX-V for the initial listing of the GEMC Shares thereon prior to the Effective Time. It is a condition precedent to the completion of the Arrangement that the TSX-V will have conditionally accepted the GEMC Shares for listing on the TSX-V. However, it is not certain that GEMC Shares will be listed on the TSX-V (or any other stock exchange or quotation system) upon the completion of the Arrangement. Until a listing on the TSX-V (or any other stock exchange or quotation system) is obtained, there will be no public market to trade the GEMC Shares.

Intercorporate Relations

GEMC is a wholly owned subsidiary of GCO. GEMC has no subsidiaries and is not expected to have any as of the Effective Time.

General Development of the Business – Three Year History

GEMC was incorporated on April 27, 2015, solely for the purpose of this Arrangement and has not yet commenced business. It will acquire the Spin-Off Properties as part of the Arrangement, and commence operations as a mineral exploration and development company.

Significant Acquisitions and Dispositions

GEMC has not yet completed a financial year. There are no significant acquisitions or dispositions, completed or probable, for which financial statements would be required under applicable Canadian securities legislation, save pursuant to this Arrangement as described herein. Details of the Arrangement are provided under “*The Arrangement*”. The Arrangement if successfully completed will result in GEMC holding the Spin-Off Properties. The future operating results and financial position of GEMC cannot be predicted. Shareholders may review GEMC’s pro-forma unaudited financial statements as at and for the year ended June 30, 2015 attached as Appendix “E” hereto.

Trends

Management is not aware of any trend, commitment, event or uncertainty that is both presently known to management and reasonably expected to have a material effect on GEMC’s business, financial condition or results of operations as at the date of this Circular, except as otherwise disclosed herein or except in the ordinary course of business.

Stated Business Objectives

On completion of this Arrangement, GEMC intends to conduct its business as an exploration and development company with an initial portfolio consisting of the Werner Lake Property and the Iron Creek Property. See “*Properties – Werner Lake Property*” below for information on GEMC’s proposed exploration program and

“Available Funds”.

Properties

Following the completion of the Arrangement, GEMC’s material property for the purpose of NI 43-101 will be the Werner Lake Property in Ontario, for which disclosure is provided below.

Werner Lake Property

The Werner Lake Property was acquired by GCO in 2009, when GCO acquired the mineral interests and claims comprising the property for consideration consisting of \$1,095,131 cash. GCO’s interests in the Werner Lake Property will be assigned and transferred to GEMC in connection with the completion of the Arrangement.

The following description of the Werner Lake Property is extracted from the Werner Lake Report. The author of the Werner Lake Report, Gerald Harper Ph.D., P.Geo.(ON)., is a “qualified person” within the meaning of NI 43-101. The entire Werner Lake Report may be obtained on the SEDAR website at www.sedar.com and is hereby specifically incorporated by reference and forms an integral part of this Circular.

Property Description and Location

The Werner Lake Property aggregates approximately 1,700 – 2,000 hectares in the Kenora Mining District in the extreme western part of the Province of Ontario, centred on longitude 94°58’30”W, latitude 50°28’06”N (Figure 1). The national topographic system map reference to the sheet covering the centre of the area is NTS area 52-L-07. A larger basic property package was assembled by Canmine Resources Corporation (“**Canmine**”) in the mid-1990s and exploration undertaken, primarily focused on the cobalt potential. Canmine sought protection under the *Companies Creditors Arrangement Act* (Canada) in 2002 and the properties were purchased out of that receivership by Commerce Capital (“**Commerce**”), a private company. Under the terms of the Court Order authorising the purchase agreement out of receivership the leases and claims were sold free of encumbrances including royalties. GCO acquired the property from Commerce.

Figure 1 – Location of Werner Lake area, Ontario

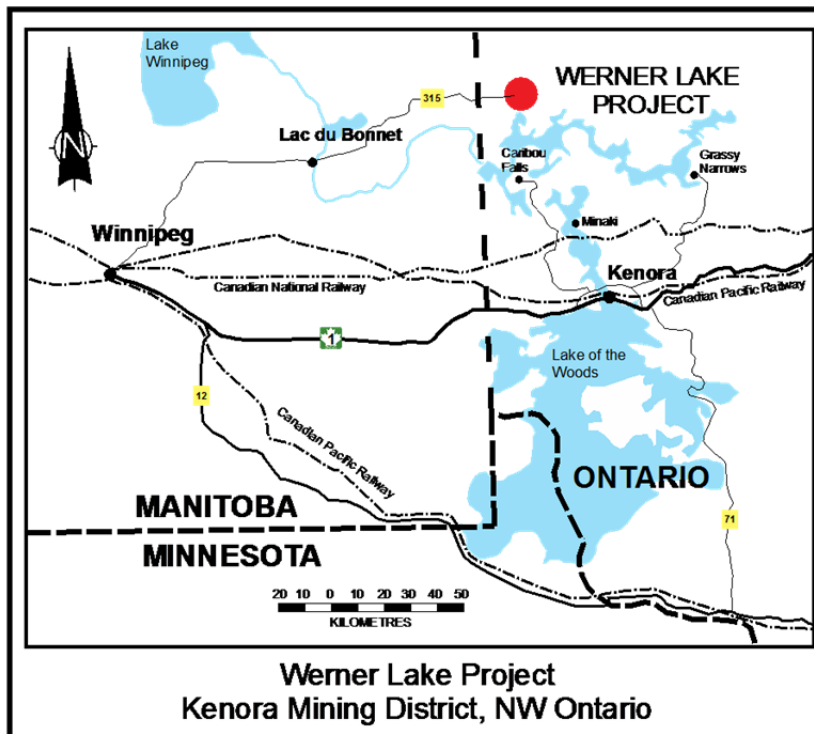
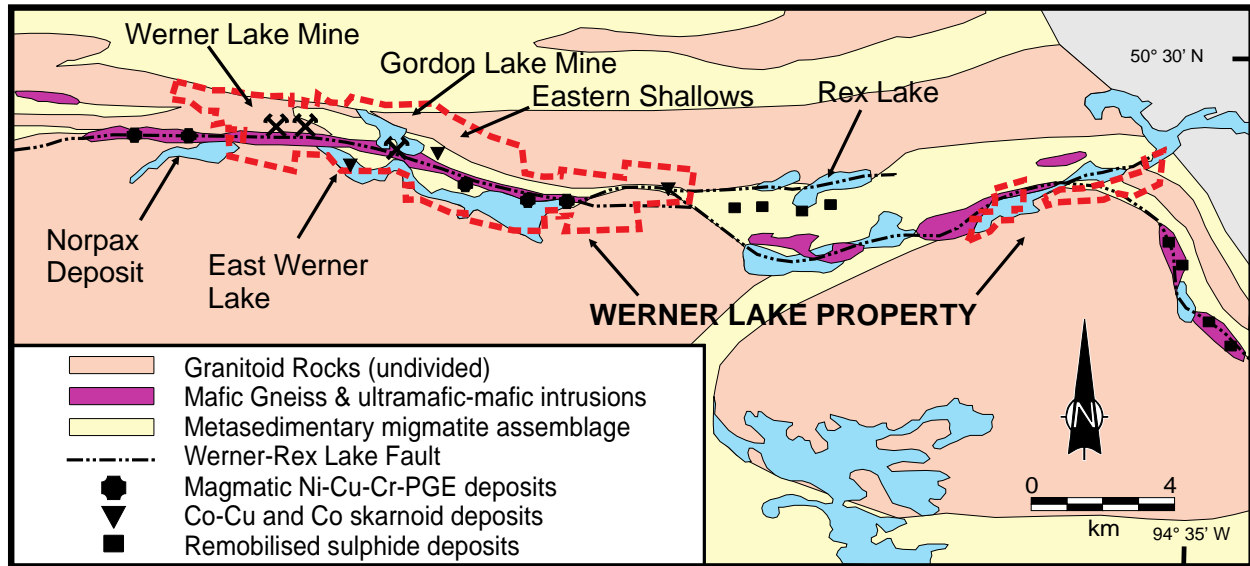


Figure 3: Location of Mineral Deposits in the Werner Lake Belt



In connection with the Arrangement, 100% of GCO's right, title and interest in the Werner Lake Property would be transferred to GEMC, which would have no property payment due and would be solely responsible for annual rental taxes as incurred through the Minister of Finance. There are no royalty payments or other underlying interests outstanding against the Werner Lake Property.

The author of the Werner Lake Report did not undertake due diligence of the property title but has been advised by GEMC that all the claims and agreements are in good standing. The author also checked the on-line web site of the Ontario Ministry of Northern Development, Mines and Forests to verify the claims status to the extent possible using their on-line records access. The author also attempted to tally an exact area but has not been able to confirm areas of some Licenses of Occupation and therefore the range of areas is given to cover from the minimum summing of listed claim areas to the gross area of contiguous blocks estimated by Paul Sarjeant, GCO's Vice President Exploration.

To the extent known, there are no environmental liabilities to which the property is subject and there are no permits that must be required in connection with the work proposed for the property. At the time of the report there are no known restrictions to surface access or mining rights related to the property.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Werner Lake Property has to be accessed from Manitoba, by a secondary gravel road that continues from Manitoba Provincial Road 315 at the Manitoba – Ontario border east to the past-producing Gordon Lake Nickel-Copper Mine.

The property is approximately 125 km by road from the town of Lac du Bonnet, Manitoba (Figure 1). Access is by truck or automobile although the present state of repair of the Ontario section of road is very poor; narrow with mud holes, washed out culverts and blind curves. The road was in considerably better repair in the mid-1970s when Falconbridge Limited ("Falconbridge"), through subsidiary Maskwa Nickel Chrome Mines, was using it to truck ore from their Maskwa Nickel Mine in Manitoba to Werner Lake for milling. Falconbridge then hauled concentrate back out again to the CP rail line south east of Lac du Bonnet. Some 35 - 45% of the property is an interconnected chain of lakes which provide ready boat access to almost all of the rest of the property, particularly the east end, but limit the ability to map or sample surface projections of anomalies.

The topography of the area is more or less typical of the Canadian Precambrian Shield terrain: a peneplained surface with elevation ranging from 300 to 400 metres above sea level with a maximum local relief change in the order of

45 metres. The topography consists of low rock outcrop ridges separated by narrow linear gullies containing muskeg swamps. In some places, streams and small lakes occupy these gullies. Vegetation on the ridges consists mainly of jackpine and blueberry bushes with minor white spruce and poplar trees. In the gullies, muskeg, willows, tamarack and black spruce are the most common vegetation.

The climate at the Werner Lake property is comparable to that of Winnipeg, Manitoba and Kenora, Ontario with an interior continental climate. Maximum summer temperatures are in the mid 20's Celsius and winter lows can be as cold as -50° Celsius. Precipitation is in the range of 50mm per year with less than half of that occurring as snow. Operations and access may be carried out year-round subject presently to snow plowing the Ontario portion of the access road as necessary in winter.

Werner Lake has no facilities other than a private lodge. Ontario Hydro does not supply power to the area any longer and transmission lines have been removed. The facilities associated with the old mining operations have all been abandoned or dismantled or have collapsed and are of no value for any new development. Canmine erected a large steel building west of the area of the West Cobalt Deposit decline portal. This building was acquired by a third party in the receivership proceedings but subsequently acquired by GCO and is now used as its core facility.

The nearest Ontario Government offices or authorities responsible for administration, policing and maintenance are located in Kenora which is only 130 km by air but several hundred km by road. Historically road maintenance has been undertaken by local Manitoba based contractors. Mining personnel are available from Lac du Bonnet, Manitoba and Bissett, Manitoba, and from the Kenora and Red Lake areas of Ontario. The Tanco Mine at Bernic Lake Manitoba, which currently employs over 100 people, is situated only two miles from the Maskwa Property. Lac du Bonnet offers little in the way of technical services other than those associated with a small agricultural economy based community. However Winnipeg is only 1½ - 2 hours driving distance with a comprehensive range of services and supplies. The Canadian Pacific Railway mainline passes east – west through Molson and White Mouth, 45 km south of Lac du Bonnet and can be used for dispatching concentrate and other heavy freight as has been done in the past by both Falconbridge and Canmine.

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, who earned a 100% interest in them.

Not until 1942 were the first claims staked over the Gordon Lake deposit (not part of the property being described herein but included within it). This property was worked on by several companies including Noranda (1942 – 1945) and INCO (1945 – 1952). Consolidated Canadian Faraday Ltd eventually took control of a large consolidated block; which company in turn came under the control of Conwest Exploration Limited. Canmine bought a large number of claims from Conwest in 1995.

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 focussed on the area around the Norpax property. The work included surface sampling and diamond drilling.

Canmine explored much of the area from 1995 until their bankruptcy in 2001. They contracted a 1,923 line-kilometre helicopter-borne survey to Aerodat Inc. of Mississauga, Ontario in 1995. The results of the survey show magnetic trends corresponding to rock lithologies that can be traced magnetically across the property. The electromagnetic and VLF-EM surveys show numerous conductive zones that are associated with a variety of magnetic responses.

One of the airborne survey anomalies, the Big Zone, was covered with a cut line 9.3 kilometre grid and a ground magnetic survey. Thereafter ten diamond drill holes totalling 1,114.4 metres were drilled. Canmine Resources Corporation staff supervised the diamond drilling program and carried out drill core logging and sampling. The program led to the discovery of the Big Zone Deposit.

A second deposit was also discovered as a result of this program. The Eastern Shallows Deposit had a 4.5 kilometre grid cut and a ground magnetic survey was executed. Thirty-one diamond drill holes totalling 3,859 metres were subsequently drilled to outline this deposit.

In the Rex Lake area on unpatented mineral claims, 29.6 kilometres of line cutting, 25.9 kilometres of magnetometer survey and 25.9 kilometres of Max-Min I electromagnetic survey were completed. Eleven diamond drill holes totalling 1,670.6 metres were drilled. This work was mainly anomaly drilling and most of the holes did not intersect significant mineralization. On one claim, grades in excess of 1% copper were intersected over several metres but no deposit has been delineated.

Diamond drilling programs at prospect areas with previously identified resources also resulted in the improved delineation of Lenses 1 & 2 of the Werner Lake Minesite Deposit, the discovery of the West Cobalt Deposit, and the discovery of Lens 3 of the Werner Lake Minesite Deposit. An underground exploration program advanced 258 metres of ramp, drifts and raises into the West Cobalt Deposit in 1997.

A TEM 3-D borehole survey was undertaken by contractor Quantec Consulting Inc. in 1998. They tested two drill holes and located three deep conductors, the sources of which are not known.

Ten diamond drill holes totalling 1,114.4 metres were drilled in June and July, 1995 on the Big Zone deposit. Between December 1995 and March 1996, Canmine drilled a total of 31 diamond drill holes totalling 3,859 metres on the Eastern Shallows Deposit. Between August 1995 and October 1997, they drilled a total of 217 diamond drill holes totalling 27,895 metres on the West Cobalt and Werner Lake Minesite Deposits.

Canmine assayed more than 2,000 drill core rock samples for cobalt, copper, gold and arsenic from the West Cobalt and Werner Lake Minesite Deposits. A total of 646 drill core samples were assayed for cobalt, copper, gold and arsenic from the Eastern Shallows Deposit drill program. Standard procedures for handling core in the field were used by the diamond drill contractors and the field geologists. Drill core recovery was typically high, with virtually 100% recovery. Intervals of lost core were noted in the drill logs.

TSL Laboratories of Saskatoon, Saskatchewan conducted all sample preparation; sample splits and pulps were retained in storage at TSL's facilities in Saskatoon. Canmine did not carry out a formal re-assaying or check-assaying program on core from the Werner Lake cobalt project. However, results from metallurgical testing by Lakefield Research Ltd. accord with assays carried out by TSL Laboratories. Individual re-assays or check assays were done on an as-needed basis to verify results between visual estimates made during drill core logging and assay results from sample splits. Samples obtained from the underground exploration program have also confirmed the reliability of the drill core assays. GCO has many of the records of this historic work and will be able to assess the quality and reliability of such work for integration with its current exploration program.

Canmine undertook a series of engineering and metallurgical studies intended to further the information need for establishment of an operational plan with the merit to be investigated at the feasibility level. The basic concept involved mining cobalt-rich ore at Werner Lake, trucking it to Maskwa for milling and then shipment of concentrate to Cobalt, Ontario for refining. Such study was not completed but the following work was undertaken:

- Metallurgical test work. Lakefield Research Limited of Lakefield, Ontario was contracted by Canmine to conduct metallurgical, bench test milling and chemical analysis tests on the Werner Lake material. Drill core from both higher grade and lower grade sections were submitted to Lakefield Research Limited for analysis. A 25-tonne bulk sample was excavated from the Werner Lake Cobalt Minesite area and shipping to Lakefield Research Limited for analysis and for preparation of two concentrate samples for hydrometallurgical test work. Hydrometallurgical tests on the Werner Lake concentrates were done by Lakefield Research Limited and by Western Minerals Technology Pty Ltd of West Perth, Australia and reviewed by AMEC (formerly AGRA Simons Limited) of Vancouver, British Columbia. Initial bench-scale tests indicated that products containing up to 34.8% cobalt could be produced from a concentrate grading 7.21% cobalt. With a high-temperature pressure leach, Lakefield Research Limited extracted greater than 99% of the cobalt into a liquor, which was treated to precipitate cobalt carbonate assaying 35% cobalt with little (0.03%) arsenic and non-hazardous process solid residues.

- Pre-feasibility study. Stoner Engineering Consultants Ltd. was contracted to review a pre-feasibility study of the Werner Lake Cobalt Project that was in progress by Canmine staff. The 1999 study concluded that full feasibility work on the Werner Lake Cobalt Project was warranted. Feasibility work on the deposit was being carried out by Canmine staff until such time as finance was no longer available.

Shortly after acquiring the properties, during the winter of 1995-96, Canmine orchestrated site rehabilitation from mining done by previous operators. Some, at least of this rehabilitation work was undertaken as a condition of acquisition of mineral rights from third parties. This work included rock bolting and screening a rock face, sealing off underground access points, picking up of old metal and wood scrap, and revegetation. While the rehabilitation was ongoing, Canmine excavated 3,382 tonnes of cobalt-bearing rock from the former Werner Lake Cobalt Mine site on the Werner Lake property. This rock was shipped by truck and rail to Falconbridge Limited's facility in Sudbury, Ontario for processing. Canmine and Falconbridge were both involved in the rehabilitation work. The site rehabilitation program was carried out by contractors Canadian Mineforce and NAR Environmental Consultants.

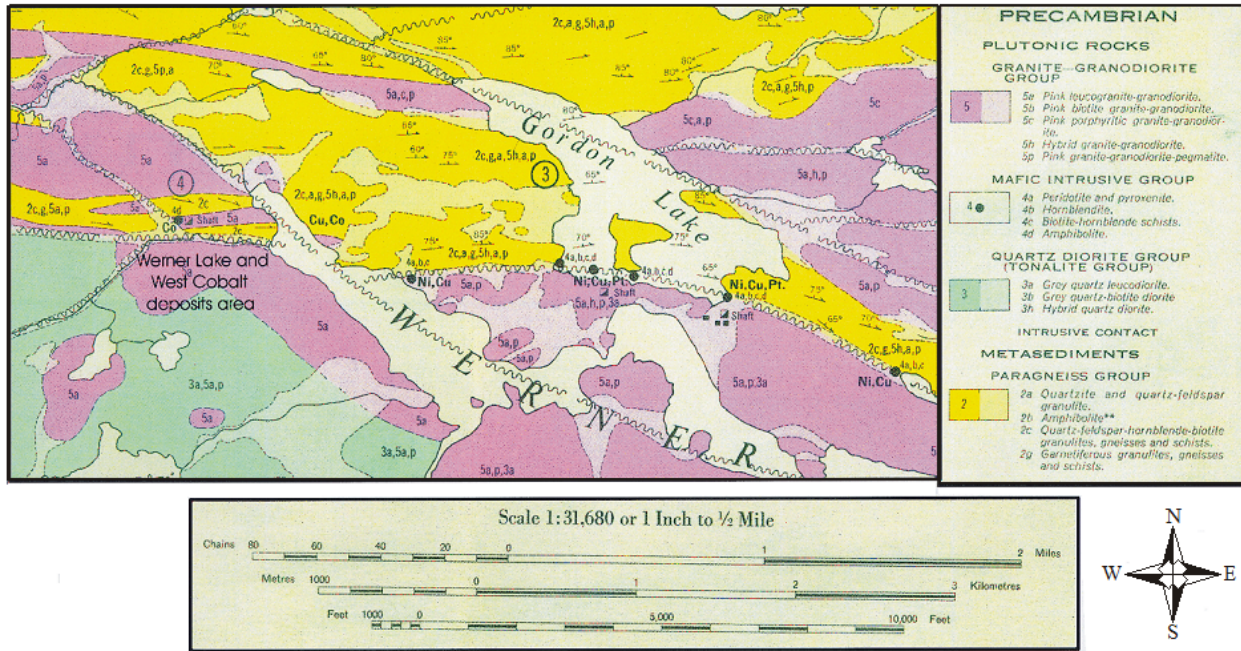
Geological Setting and Mineralization

(a) Regional 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). Figure 4 shows the general geology and distribution of sulphide occurrences, alteration and faults. 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 vertically. The entire area of the fault has been termed the "Cu-Ni-PGE zone" by J.R. Parker of the Ontario Geological Survey (Parker, J.R., 1995a,b,c,d and e.). 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.

The area has undergone complex, multiple phases of deformation. Major east-trending faults and crosscutting block faults are the dominant structural features, and appear to have the greatest control on mineralization. Block faults strike northwest and northeast with steep dips. Based on crosscutting relationships, some of these faults predate and some postdate the major east-trending fault, indicating a prolonged period of structural deformation and fluid flow. The block faults manifest at surface by major topographic lineaments, and in drill core by extensive fault gouge and fault breccia. These fault zones are at least 30 metres across, and are traceable for tens of km.

Figure 4 – Werner Lake area geology

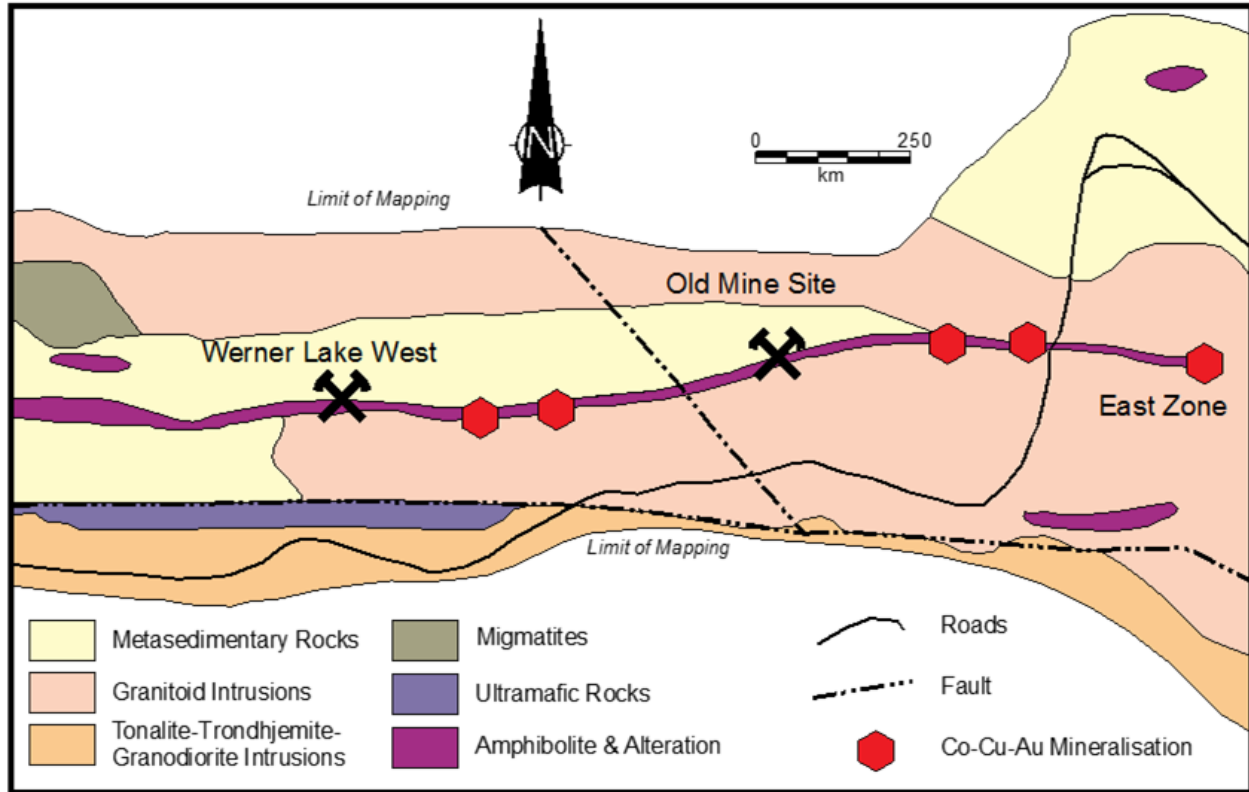


(b) Property Area Geology

Ultramafic intrusions occur as small discontinuous pods along the Cu-Ni-PGE Zone fault. These intrusions are up to 100 metres in strike length and are narrow, i.e., no more than a few tens of metres wide. They rarely outcrop and are only observed smeared on fault walls (Figure 5). The intrusions consist of black, fine-grained, talcose serpentinite with 0-10%, disseminated, fine-grained chalcopyrite, pyrrhotite, nickeliferous pentlandite and pyrrhotite, and usually some magnetite.

An amphibolite layer that hosts the West Cobalt, Werner Lake Minesite Copper, and Eastern Shallows Cobalt-Copper deposits is part of the gneissic stratigraphy on the north side of the deep-seated fault. The amphibolite averages 10 metres wide and extends for tens of km. Typically the amphibolite is soft and weathers deeply and therefore outcrops are rare and small. In contrast the areas of granite and paragneiss are more resistant and outcrop over large areas. The amphibolite comprises hornblende and calcic plagioclase and an assemblage of alteration minerals that give it a very distinctive appearance. The alteration assemblage comprises 25% red garnets up to 3 cm; 20-25%, very-coarse-grained, overlapping plates of biotite up to 3 cm; 10%, fine-grained, disseminated magnetite; 5%, fine-grained epidote; 5%, fine- to medium-grained amphibole (probably hornblende); 20%, fine- to medium-grained pyroxene; 10% feldspar; and up to 10% muscovite. Disseminated chalcopyrite (up to 10%), pyrrhotite (up to 10%), pyrite (up to 5%), and cobaltite (1%) occur within the altered assemblage. Well-developed alteration assemblages extend as a halo approximately 25 metres around the cobalt deposits. The alteration assemblage has been recognized over a strike length of about 5 km in the course of the mapping by the Ontario Geological Survey. J.R. Parker (1995) of the Ontario Geological Survey initially termed the altered amphibolite the “Cu-Co Zone”. Subsequently Parker (1998) interpreted the garnet-amphibole-pyroxene-magnetite assemblage as a skarnoid, formed by an “invading metasomatic hydrothermal fluid that replaced a serpentinitized and deformed ultramafic protolith”. Pan and Therens (2000) ascribe a syngenetic exhalative or diagenetic origin to the Werner Lake mineralization.

Figure 5 – Werner Lake Project, simplified geology, mine sites and showings



(c) Mineralization

There are three mineralized zones on the property defined by drilling and some underground excavations. These are the West Cobalt deposit, the Werner Lake Minesite Cobalt deposit and the Eastern Shallows Cobalt deposit. The West Cobalt deposit is located 14 km east of the Manitoba border, approximately 100 metres north of the access road, between Almo and Werner Lakes. The Werner Lake minesite cobalt deposit is located approximately 500 metres east of the West Cobalt deposit. The Eastern Shallows Cobalt-Copper deposit is located about 4.2 km east of the Werner Lake Minesite Cobalt Deposit near the eastern shore of Gordon Lake between 50°27'45"N and 50°27'51"N latitude and 94°54'18"W and 94°54'58"W longitude on patented mining claims KRL 33208 and KRL 33206.

The Eastern Shallows deposit has a nickel – platinum group elements association and low cobalt in contrast with the Werner Lake Minesite, West Cobalt and Big Zone deposits. The deposit fits into the general classification of a high Ni, low Cu, high PGE, low, Co low As, assemblage. If that characterisation is correct it has a similar assemblage to the original Gordon Lake Mine and also the Maskwa deposit in Manitoba. No longitudinal sections of the deposit were found during the course of researching for this report so no comment can be made on structural or other control or potential for additional mineralisation.

On the Werner Lake property, high-grade cobalt mineralisation occurs in stacked lenses that occupy tensional areas intruded by gabbroic pegmatites to produce skarnoid assemblages. These tensional areas occur as sigmoidal folds in larger drag folds and in tensional fractures on the east side of major block faults. They occur in rare swarms over a distance of approximately 10 km, extending from the Eastern Shallows Cobalt deposit on the east side of Gordon Lake to the West Cobalt deposit 500 metres west of the Werner Lake Minesite deposit. Individual pegmatite dykelets are tens of centimetres wide and unusually up to five metres wide. They are discontinuous, rootless, pinch-and-swell features, with individual boudins approximately 25 metres in length. Chalcopyrite, pyrite, pyrrhotite and cobaltite are hosted by biotite-amphibole-garnet gneiss.

The West Cobalt deposit has a drill-indicated strike length of 379 metres. The deposit dips near vertically. The rake is nearly flat in the western section of the deposit; it rakes about 35° to the east in the vicinity of the high-grade section of the deposit. The horizontal thickness of the deposit ranges from 1.0 to 9.58 metres. The deposit is open down-dip to the east. Chalcopyrite, pyrrhotite, pyrite and cobaltite occur in gabbroic pegmatite and garnet-biotite-amphibole-magnetite gneiss in the West Cobalt deposit.

The Eastern Shallows Cobalt-Copper deposit occurs within the biotite-amphibole-garnet gneiss and epidotized gabbro dykes as well as along the contact zone between the granitic intrusions and the biotite-amphibole-garnet gneiss. The deposit is a series of lensoidal pods with an easterly strike. The deposit has a minimum strike length of 400 metres and is 1 to 2 metres thick. The deposit dips 70° to 85° north and rakes 7° to 9° south. The deposit is open to the east. Two separate zones, the main zone and the south zone, were discovered and delineated by diamond drilling. The deposit consists of <1-2% cobaltite, <1-3% chalcopyrite, <1-3% cobaltiferous pyrite, <1-10% pyrrhotite, pyrite, and trace molybdenite. The cobaltite is medium grained and occurs as disseminations or in <10 centimetre to 1.8 metre wide layers parallel to the foliation of the wall rock. Pyrrhotite is medium- to coarse-grained, disseminated or semi-massive and coexists with cobaltite, chalcopyrite, pyrite and magnetite.

Deposit Types

The copper, nickel, cobalt, platinum-group element (PGE) mineralization is located within or adjacent to rock masses ranging in composition from ultramafic to mafic units and their metamorphosed equivalents, primarily as disseminated bodies but locally with sulphide concentrations reaching massive. The deposits tend to be elongated in the down plunge direction which varies between a 30° plunge and near vertical in attitude as if the original sulphide accumulations were remobilised and concentrated during tectonic deformation.

Canmine's geologic staff developed a model and theory of metallogenesis which suggested that two parallel zones of mineralized rocks are present with one being richer in cobalt + copper and the other in nickel with associated platinum group elements (Ferreira 2002, Ferreira et al., 1998, 1997). GCO's exploration program has concentrated on the cobalt rich band of deposits.

The Werner Lake Archean volcanic – ultramafic belt extends west into Manitoba where it widens, has more distinctly mappable stratigraphic units and a lower level of metamorphism. There the mafic and ultramafic rocks occur as layers in a differentiated sill complex which extends for tens of km with two limbs in a folded structure known as the Bird River sill. Several nickel, copper, PGE, cobalt deposits are known in the Bird River sill and one, the Maskwa deposit, has been mined in the 1970s. The Werner Lake belt can be interpreted as a more deeply eroded section of the same belt as hosts the Bird River sill and that the Werner Lake deposits are deeper root zones to a mineralized differentiated sill.

Exploration

When GCO acquired the property they also acquired all the reports of work by former owners and therefore had access to all their results. They were able to develop a work program which started with diamond drilling to complete definition of the Werner Lake Minesite deposit and the West Cobalt deposit. The Werner Lake Minesite and West Cobalt deposits information is now compiled to allow a resource estimate to be undertaken.

Results of a 2010 prospecting program completed by GCO (Hughes 2010 (a)) recommended additional drilling around the Werner West Zone and the Old Mine Site area as well as magnetic surveys between these two drilled areas and further eastwards towards the old Gordon Lake deposit. Additional magnetic surveying was recommended at the Eastern Shallows zone and to the east to trace possible mineralisation extensions. Since the time of that program, no further work has been carried out on the Werner Lake Property.

Drilling

From December, 2009 to May 2010, GCO completed a 33 diamond drill hole programme targeting the Werner Lake and West Werner Lake cobalt-nickel-copper deposits. Totalling 7,565.3 metres of coring, the primary goal of the programme was to increase known mineralisation obtained from previous drilling and aid in the estimation of a

resource for the Werner Lake and West Werner Lake cobalt-nickel-copper deposits.

The drilling programmes undertaken by GCO (Hughes, 2009 and 2010) comprised NQ diameter holes surveyed at 50 metre intervals down the holes and with collars subsequently located by reference to the former grid and historic drill holes. Casing was left in holes and holes were capped. The drilling contractor was Layne Christensen and drilling took place between 25-10-2009 and 11-05-2010. Core was logged by company personnel at the Mustang Minerals core facility west of the property and the core was sawn prior to dispatch of half core samples for assay. Images of all core were taken. Core is stored at the GCO warehouse on the Werner Lake deposit site. Hole collar positions are either based on surveys using GPS, UTM coordinates based on NAD 27 Zone 15 or in the case of the Werner Lake deposit, drill holes are surveyed relative to a local mine grid. Drilling was undertaken in accordance with industry standards and without any adverse aspects which could have impacted materially the accuracy and reliability of the results.

A summary of the Werner Lake drilling is shown in Table 1 (after Hughes, 2010 (b)). Figure 6 shows a typical cross section of the drilling at the Werner Lake zone. The mineralised zones at Werner Lake dip steeply but variably and therefore holes drilled into them with collar dip angles of 45 – 55° are all giving apparent thicknesses of mineralization, which have not been corrected to true thicknesses.

At Werner Lake 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 recognized 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 (Table 1) 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. GCO has retained AGP Mining Consultants Inc. to prepare a resource estimate but completion of that estimate is on hold. Table 2 lists only the intercepts which contain high values for copper, cobalt or gold. High values were determined generally as being one or more of >0.5% Cu, >0.2% Co or >1g/t combined Pt, Pd and Au.

Based on drill intercepts from the most recent drill program there appears to be potential for extensions at depth that would suggest further drilling might delineate additional mineralisation. There are also areas outside of the “historical resource” area (not NI 43-101 compliant) that may potentially host mineralisation that was not previously drilled (Figure 7).

This drilling was completed to provide additional geological information and verification of historical drill intercepts in order to provide sufficient data to complete a NI 43-101 compliant resource estimate for the Werner Lake Property. AGP Mining Consultants were contracted to oversee this program to ensure the drilling met the standards for resource verification. Due to various circumstances, the resource estimate and subsequent report was never completed. It is the understanding of the author that AGP Mining Consultants have been approached to continue this work.

Table 1 – Summary of Werner Lake Drilling by GCO (after Hughes (2010))

Prelim DDH No.	DDH	NORTHING	EASTING	ELEVATION	Dip	Azimuth	TD	Comments	SURVEYED			
									EASTING	NORTHING	ELEVATION	DDH
MM	WL-09-001	9775	1007	363	47	360	89	Old hole located as reference Spotted within 1 m	9778.42	10010.18	353.27	WL-09-001
GG	WL-09-002	9900	10010	360	45	360	102	Old hole located as reference Spotted within 1 m	9892.65	10001.22	352.29	WL-09-002
FF	WL-10-003	9925	10025	360	58	360	97	Old hole located as reference Spotted within 1 m	9915.66	10012.29	354.83	WL-10-003
CC	WL-10-004	10000	10032	360	45	360	74	Old hole located as reference Spotted within 1 m	10003.20	10030.28	357.84	WL-10-004
newhole 'CC-B'	WL-10-005	9910	10028	358	45	360	99	Chained off from CC & FF	9898.73	10009.72	354.57	WL-10-005
DD	WL-10-006	9975	10126	365	52	180	137	Located by KLM from s2 Bolt	9970.97	10124.12	364.25	WL-10-006
Y	WL-10-007	10100	10120	365	50	180	135	Chained off from S2 Bolt	10102.94	10107.78	361.15	WL-10-007
X	WL-10-008	10125	10072	365	45	180	76	Chained off from S2 Bolt	10124.22	10070.97	362.15	WL-10-008
V2	WL-10-009	10175	10000	360	45	360	148	Chained off from S6 Bolt	10174.93	9991.59	354.17	WL-10-009
S2	WL-10-010	10225	10008	340	45	360	164	Chained off from S6 Bolt	10222.38	10002.02	353.21	WL-10-010
S1	WL-10-011	10225	10057	360	58	360	95	Chained off from S6 Bolt	10221.72	10055.37	357.44	WL-10-011
V1	WL-10-012	10175	10100	362	50	180	69	Chained off from S2 Bolt Cave or fracture at bottom . Bit left + core barrel	10177.97	10104.83	359.54	WL-10-012
K	WL-10-013	10325	10160	330	51	180	92	Chained off from S11 Nail	10316.95	10160.59	329.26	WL-10-013
OO	WL-10-014	10600	10090	365	45	360	69	Chained off from S12 Nail Collar moved at set-up Casing broke & left down hole. Hole abandoned, short of target	10599.90	10098.79	332.06	WL-10-014
C1	WL-10-015	10525	10200	367	58	180	131	Chained off from 601 Bolt	10528.63	10188.85	367.42	WL-10-015
B1	WL-10-016	10550	10220	360	50	180	140	Chained off from 601 Bolt	10557.93	10214.26	360.48	WL-10-016
G	WL-10-017	10425	10175	347	45	180	122	Chained off from 601 Bolt	10421.31	10194.79	360.75	WL-10-017
10E	WL-10-018	9950	10050	357	56	355	323		10050.85	9934.13	340.74	WL-10-018
10G	WL-10-019	9943.22	10049.60	341.33	51	357	256		10049.60	9943.32	341.33	WL-10-019
10D	WL-10-020	9935.97	10104.10	340.02	48	353	244		10104.10	9935.97	340.02	WL-10-020
10H	WL-10-021	9935.97	10104.10	340.02	56	357	374		10104.10	9935.97	340.02	WL-10-021
10L	WL-10-022	9944.00	10300.30	333.46	42.70	358.00	281.00		10300.30	9944.00	333.46	WL-10-022
10F	WL-10-023	9950.00	10000.00	342.12	48.00	358.00	263.30		10000.00	9950.00	342.12	WL-10-023
10M	WL-10-024	9944.00	10300.00	333.46	48.40	354.00	296.00		NOT SURVEYED			WL-10-024
10S	WL-10-025	9940	10150	340	64	356	465		NOT SURVEYED			WL-10-025
10N	WL-10-026	9944	10300	333.46	62	358	400		NOT SURVEYED			WL-10-026
10P	WL-10-027	9933	10250	335	64	357	439		NOT SURVEYED			WL-10-027
10J	WL-10-028	9947	10200	340	54.1	358	276		NOT SURVEYED			WL-10-028
10A	WL-10-029	10011	10600	327	66.1	358	499		NOT SURVEYED			WL-10-029
10R	WL-10-030	9947	10200	340	61.4	358	366		NOT SURVEYED			WL-10-030
10B	WL-10-031	9989	10650	327	65.4	358	37	Rig slipped & went off line	NOT SURVEYED			WL-10-031
10B	WL-10-031B	9990	10650	326	65.4	358	524		NOT SURVEYED			WL-10-031B
10K	WL-10-032	9949	10350	330	61.5	358	358		NOT SURVEYED			WL-10-032
10C	WL-10-033	9985	10700	325.9		358	325	Hole terminated due to flooding	NOT SURVEYED			WL-10-033
							Total (m)	7565.3				

Table 2 – Results of Drilling in 2009 and 2010 on Werner Lake Deposits

Site	Hole#	From (m)	To (m)	Intercept Length (m)	Cu %	Ni %	Co %	Pt ppm	Pd ppm	Au ppm	
Werner	WL09001	25.5	26.2	0.7	0.20	0.01	0.004	ND	ND	0.087	
		67.0	70.3	3.3	0.51	0.02	0.028	ND	ND	0.063	
		Includes	68.9	69.7	0.8	0.43	0.02	0.018	ND	ND	0.108
		69.7	70.3	0.6	2.02	0.04	0.044	ND	ND	0.170	
		72.3	73.0	0.7	0.15	0.01	0.009	ND	ND	0.011	
		76.7	77.7	1.0	0.13	0.01	0.012	ND	ND	0.016	
Werner	WL10002	83.8	84.8	1.0	0.29	0.21	0.008	ND	ND	0.020	
		54.0	55.5	1.5	0.20	0.02	0.060			0.020	
	75.0	76.4	1.4	0.56	0.02	0.120			0.020		
	WL10003	45.0	45.5	0.5	0.17	0.02	0.010			0.020	
		65.7	66.5	0.8	0.46	0.01	0.050			0.090	
	WL10004	25.4	37.7	12.3	0.22	0.02	1.21			0.300	
		Includes	30.2	31.1	0.9	0.19	0.15	12.48			0.520
	41.4	45.5	4.1	0.59	0.02	0.030			0.120		
	47.6	49.2	1.6	0.16	0.02	0.020			0.090		
	WL10005	62.3	65.4	3.1	0.38	0.01	0.140			0.290	
68.0		71.8	3.8	0.71	0.01	0.030			0.320		
70.3		71.8	1.5	1.80	0.01	0.010			0.380		

Site	Hole#	From (m)	To (m)	Intercept Length (m)	Cu %	Ni %	Co %	Pt ppm	Pd ppm	Au ppm
	WL10008	1.0	2.9	1.9	0.20	0.01	0.040			0.200
	WL10009	116.1	117.0	0.9	0.47	0.02	0.120			0.390
	WL10010	131.8	136.1	4.3	0.37	0.02	0.100			0.110
		133.5	135.1	1.6	0.65	0.02	0.077			
	WL10011	67.4	68.4	1.0	0.02	0.01	0.010			1.310
		71.8	72.2	0.4	0.02	0.00	0.000			0.68
	WL10014	59.0	60.6	1.6	0.14	0.04	0.377			
		62.0	63.5	1.5	0.08	0.02	0.232			
	WL10022	219.95	221	1.05	0.62	0.09	0.021			
	WL10023	185.9	186.6	0.7	0.24	0.06	0.826			
	WL10028	233.11	233.8	0.69	0.05	0.04	0.853			

ND = analysed for but result below detection limit for that element.

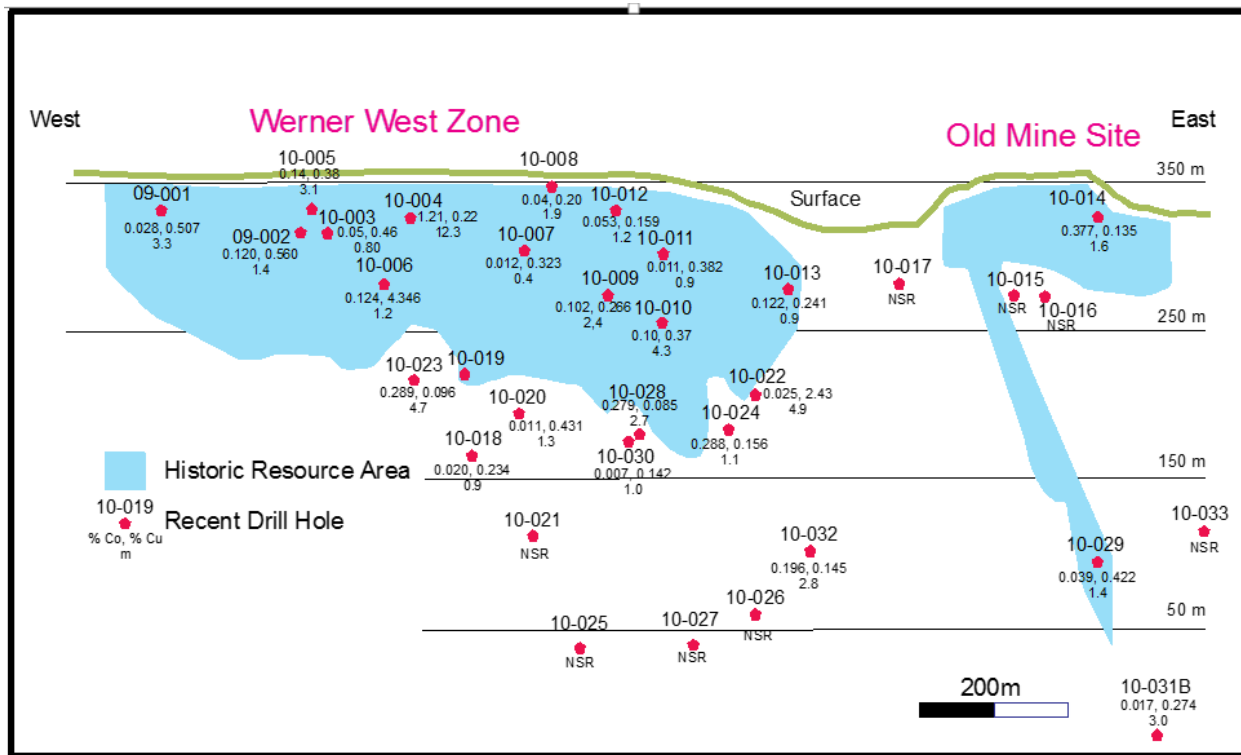
Blank space indicates element not analysed for.

Table 3 – Analytical Results on Samples Collected by the Author on December 13-14, 2010

Sample No.		A09536	A09538	A09539	A09540
Description	Analytical method and detection limit	Drill core WL10-32, 391.1-392.1 dup of Puget spl 900225	Drill core WL09-02, 76-77m.	Drill core WL10-04, 31.1-32.0m.	Drill core WL10-023, 186.6-187.6m, dup of Puget spl 834825.
Au	FA-ICP 2ppb	10	528	685	82
Pd	FA-ICP 5ppb	<5	<5	<5	<5
Pt	FA-ICP 5ppb	<5	<5	<5	<5
Cd	TD-ICP 0.5ppm	0.7	0.7	<0.5	1.2
Cu	TD-ICP 1ppm	824	5320	1400	914
Ni	TD-ICP 1ppm	226	364	1780	300
Zn	TD-ICP 1ppm	70	54	45	96
S	TD-ICP 0.001%	1.50	2.20	8.00	1.92
Ag	TD-ICP 0.3ppm	0.4	2.6	<0.3	0.4
Pb	TD-ICP 5ppm	7	7	11	7
SiO ₂	FUS-ICP 0.01%	51.21	47.6	23.03	46.8
Al ₂ O ₃	FUS-ICP 0.01%	13.98	13.39	10.41	14.09
Fe ₂ O ₃ (T)	FUS-ICP 0.01%	16.83	17.85	15.33	21.09
MnO	FUS-ICP 0.001%	0.137	.349	0.263	0.345
MgO	FUS-ICP 0.01%	6.02	5.67	4.19	5.99
CaO	FUS-ICP 0.01%	3.31	8.46	2.83	5.02
Na ₂ O	FUS-ICP 0.01%	1.24	0.96	0.52	1.08
K ₂ O	FUS-ICP 0.01%	2.76	0.9	1.66	2.27
TiO ₂	FUS-ICP 0.001%	0.98	0.79	0.775	1.165
P ₂ O ₅	FUS-ICP 0.01%	0.07	0.07	0.14	0.13
LOI	FUS-ICP %	1.96	2.23	-0.46	1.51
Total	FUS-ICP 0.01%	98.49	98.28	58.69	99.49
Ba	FUS-ICP 2ppm	167	60	51	75
Sr	FUS-ICP 2ppm	65	61	21	36
Y	FUS-ICP 1ppm	13	30	6	24
Sc	FUS-ICP 1ppm	30	36	21	35
Zr	FUS-ICP 2ppm	77	92	40	86
Be	FUS-ICP 1ppm	<1	<1	<1	<1
V	FUS-ICP 5ppm	250	229	237	306

Notes: Samples were analysed by Activation Laboratories of Ancaster, Ontario using their procedures RX1, IC-OES and WRA-ICP4B1, analytical report A10-9788. Drill hole prefixes WL refer to the Werner Lake deposit drilling. Sample A09539 was quarter core for the whole length of the sample run taken by Puget personnel previously. All other samples were chips off the remaining half core in the boxes so are not considered accurate duplicate samples.

Figure 7 – Idealised Longitudinal Section (looking north) at the Werner Lake Mine area



Notes: NSR = no significant results. 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. GCO 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.

Sample Preparation, Analysis and Security

GCO sampled their core on the basis of visually identified geological boundaries rather than specific distances. The core was sawn in half and then sampled at the logging site under the supervision of Toby Hughes. The drill core samples were bagged in plastic bags with security seals. The GCO drill core samples were then combined with a series of blanks and duplicates and sent to Accurassay Laboratories in Thunder Bay for the assaying of all the samples from the Werner Lake drilling. Samples are dried and then jaw crushed to 85% <10 mesh and a 250 to 500 gram sub-sample is taken for analysis. All core samples were analysed (including blanks and duplicates) for thirty element ICP spectroscopy including Au, Cu-Ni-Cu-Co and Platinum group elements. The ICP instrument is calibrated for each element using the appropriate ISO 9002 certified standard. All core sawing, sampling and shipments were supervised by Project Geologist Toby Hughes.

Accurassay Laboratories also inserted their own standards and results for those standards were also supplied to GCO. Prior to the 2009 – 2010 drilling another assay laboratory had been used for earlier sampling but had failed to provide results with satisfactory quality assurance, resulting in the switch to Accurassay. Accurassay Laboratories are independent of GCO and are accredited under ISO/IEC Guideline 17025 with the Standards Council of Canada for analyses of copper, nickel and platinum group metals.

GCO also determined that the first batch of standards that they had used as control samples with submissions resulted in considerable variance in results and they therefore switched their standards source with subsequently more acceptable results.

A comprehensive QA QC analysis and data verification is being undertaken as part of the resource estimation study

underway. In the opinion of the author of the Werner Lake Report the GCO project geologist exercised a high degree of professionalism in preparing, handling and shipping of samples and subsequent verification of performance of the independent analytical companies thus providing reliable results. It is the opinion of the author of the Werner Lake Report that the sample preparation, security and analysis meet or exceed industry standards.

The author of the Werner Lake Report collected four samples during his most recent visit to the property in December 2010. These are listed in Table 3 with the assay results. Samples were collected by the author of the Werner Lake Report and maintained in his custody from the field to ActLabs in Ancaster where they were analysed as shown in the table. As there were only four samples, it was not possible to examine statistical reliability of the results. Actlabs is an ISO accredited laboratory and is independent of the author of the Werner Lake Report.

Data Verification

To the extent known, information about prior worker's data verification has been described in the section above entitled "History". Table 4 compares some of the results of the sampling by the author of the Werner Lake Report with that of GCO (formerly Puget). There is fair to good correlation between the two sets of results, (noting that the selected core samples by the author of the Werner Lake Report were not exactly equivalent intervals of core in most instances). Therefore the variations in absolute values of Cu and Ni are not surprising, but the general elevated relationship is apparent.

It is the author of the Werner Lake Report's opinion that GCO has conducted its exploration, drilling and sampling activities on the Werner Lake Property to a standard that meets or exceeds industry norms. Historic data from the Canmine era should be used as a guide, but that work has not been verified by a Qualified Person.

Table 4 - Comparison of Assay Results of GCO and the Author for selected core intervals

	WERNER LAKE SAMPLES							
	Writer A09536	Puget Result	Writer A09538	Puget Result	Writer A09539	Puget Result	Writer A09540	Puget Result
Descrip tion	Drill core WL10-32, 391.1-392.1 dup of Puget spl 900225		Drill core WL09-02, 76-77m.	Split btwn spls 851306 and 851307	Drill core WL10-04, 31.1-32.0m.	Spl 851363	Drill core WL10-023, 186.6-187.6m, dup of Puget spl 834825.	
Au	10	28	528	202/84	685	725	82	110
Pd	<5	<10	<5	<10/<10	<5	<10	<5	18
Pt	<5	<15	<5	<15/<15	<5	<15	<5	<15
Cd	0.7	5	0.7	12/7	<0.5	13	1.2	6
Cu	824	859	5320	5580/ 1884	1400	527	914	873
Ni	226	224	364	229/77	1780	280	300	153
Zn	70	73	54	75/58	45	24	96	82

Adjacent Properties

There are numerous mineral properties adjacent to the Werner Lake Property. The most important are the properties containing the former Gordon Lake Mine and the Maskwa and Dumbarton nickel copper deposits. The Gordon Lake Mine is surrounded by the Werner Lake Property. The Maskwa and Dumbarton deposits are some 15 kilometres to the east along the Werner Lake Belt in Manitoba. The Maskwa and Dumbarton deposits property is separated from the Werner Lake Property by 15 kilometres. The author of the Werner Lake Report has been unable to verify the information and these properties may not necessarily be indicative of mineralisation on the subject property.

The Gordon Lake deposit was acquired from Eastern Mining and Smelting Corp by Quebec Nickel Corp Ltd in 1954. They proceeded to sink a 360 ft shaft on the previously drilled deposit targeting the "G" and "B" zones.

Eastern Mining and Smelting re-acquired the property in 1957 and completed development including sinking a second shaft and deepening the first to 1,200 feet depth. A year later Nickel Mining and Smelting Corp took over development and continued until 1962 when the company was renamed Metal Mines Ltd and initiated production. A mill was built at the site and between 1962 and 1973 processed 1,587,146 tons yielding in concentrate: 14 million pounds of copper and 26.7 million pounds of nickel. Unknown quantities of platinum and palladium were recovered as by-products. The site was reactivated in the 1970s when the mill was used by Falconbridge subsidiary Maskwa Nickel Chrome Mines to mill nickel and copper ore from their Dumbarton and Maskwa deposits further west in the same belt on the Manitoba side of the border.

The Maskwa deposit in Manitoba, now owned by Mustang Minerals Corporation was previously mined as a small open pit by Falconbridge in the 1970s. Subsequently Mustang has determined that the deposit is much larger and has defined a large open pit deposit. Details are available from that company's website and state that the resource estimate made in 2009 by Micon International Limited comprises 10,275,000 tonnes at 0.55% Ni, 0.11% Cu, 0.01% Co, 0.10 g/t Pt and 0.35g/t Pd in the Indicated category and 1,669,000 tonnes at 0.25% Ni, 0.07% Cu, 0.01% Co, 0.05 g/t Pt and 0.15 g/t Pd in the Inferred category. This deposit is located in serpentinised ultramafic rocks near their footwall contact with mafic volcanics. The serpentinite grades upwards into gabbro in this vertically dipping limb of a differentiated sill.

The Norpax deposit, which is immediately west of the west end of the Werner Lake Property, was discovered about the same time as the Gordon Lake deposit when Norpax Nickel Mines Ltd acquired claims west of Gordon Lake and after surface drilling sank a 3 compartment shaft to 402 ft in 1958. Norpax never reached production but in the course of underground development two levels were established at 250 and 375 ft depths and a small deposit delineated. This prospect was examined and drilled by GCO and subsequently returned to its owners. The prospect is located under Alma Lake at the west end of the Werner Lake claims area.

Interpretation and Conclusion

The Werner Lake area in northwestern Ontario hosts deposits of copper, nickel, cobalt and associated metals (platinum group elements, arsenic and gold). The area has been mined previously with production from the Gordon Lake and Werner Lake Minesite deposits. The enveloping rocks and structure are of Archean age.

A westerly trending structure has been intruded by mafic to ultramafic rocks which are exposed as deeply eroded vertically oriented pipelike root zones at Werner Lake. Subsequent granitic intrusions have created locally skarn conditions which altered the ultramafic rocks and concentrated the exotic mineral assemblages identified at some of the deposits in the Werner Lake area.

The Werner Lake occurrences were originally discovered in the early 1920's and have seen intermittent exploration, development and very limited production since that time by a number of different operators over the subsequent years.

In the mid-1990s Canmine 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 ones in the vicinity of prior workings. Overall the Werner Lake area is characterized by 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. GCO acquired the property after the bankruptcy of Canmine and has since undertaken confirmatory drill programs on the cobalt-rich Werner Lake deposits. Werner Lake has several small lens of mineralisation. However each lens varies somewhat from the next in mineralogical and metallurgical characteristics and insufficient work had been done to determine if economic production is feasible. GCO has undertaken confirmatory core drilling and initiated resource estimations for two of these deposits to provide the basis for analysis of their economic potential. The GCO drilling program in 2009 - 2010 indicated that mineralisation was open at depth and potentially along strike to the east of the main drilled area.

It is the conclusion of the author of the Werner Lake Report that the Werner Lake Property has excellent potential to host one or more cobalt-copper deposits and that the work completed by Canmine in the late 1990's is a strong indication of the economic potential of the property. More recent work by GCO has furthered the geological assessment of the property and the latest drill results would indicate mineralisation at the Werner Lake Minesite remains open to depth and along strike to the east.

GCO's Werner Lake Property is still at the exploration stage and therefore subject to all the risks and uncertainties that pertain to such exploration properties. Important among such risks are property title which in this case the author of the Werner Lake Report considers very low due to the form of mineral rights holding, being patented claims which do not require annual assessment work but only payment of annual taxes.

Technical risks include the lack of fresh diamond drill core available for testing in connection with estimation of resources and subsequent metallurgical testwork. The author of the Werner Lake Report considers this risk low as much work has already been undertaken and a fresh program of renewed sampling could be undertaken.

Exploration of the deposits has not fully defined all the cobalt mineralized zones, which are open along strike and to depth and therefore the risk of inadequate resource is considered low.

There is a risk that GCO could be required to rehabilitate their earlier exploration work, such as the adit, in the event that they do not demonstrate continuing exploration work on the property. Assuming that GCO is successful in undertaking the recommended work program the author of the Werner Lake Report considers this risk low.

Uncertainties include the price of cobalt, the market interest in cobalt and the ability to fund and continue needed exploration which is required before a resource estimate and scoping study can be made to determine the economic viability of the deposits. The author of the Werner Lake Report is not qualified to express opinions on such uncertainties.

Recommendations

The Werner Lake Property hosts several deposits with nickel, copper, cobalt and platinum group metals contents which have been partially explored with surface drilling and some underground openings.

It is recommended that a Phase I program include additional ground work focusing primarily on detailed ground magnetic surveying as defined in the Hughes 2010 prospecting report (Hughes 2010 (a)) at Werner Lake West and the Old Mine Site, areas to the east and the Eastern Shallows zone. A detailed ground IP survey should also be attempted over the main mineralised zones at Werner Lake West and the Old Mine Site areas to test the effectiveness of this type of geophysics. If successful in delineating mineralisation, a larger program should be considered to cover areas to the east of Werner Lake and along favourable stratigraphy to the eastern extents of the property.

Some of the deposits have had historic resources estimated which demonstrated that additional drilling for verification sampling is necessary to verify and estimate 43-101 compliant resources. GCO completed that drilling on the Werner Lake and West Werner deposits and has retained a consultant, AGP Mining Consultants, to undertake a 43-101 independent resource estimate. If results of the resource estimate warrant, a preliminary scoping study should be undertaken utilising that resource estimate to determine the potential for economic development.

The cost of these work programs are summarized as to:

Phase 1	Werner Lake Resource Estimate (as per AGP work underway):	\$90,000
	Geology/Geochemistry	\$80,000
	Geophysics	\$150,000
	Project Management	\$35,000
	Contingency (8%)	\$28,400
	Subtotal	\$383,400
Phase 2	Werner Lake Scoping Study	\$1,500,000
Total		\$1,883,400

Iron Creek Property

On October 2, 2014, GCO entered into a mining lease agreement with an option to acquire (the “**Iron Creek Agreement**”) with Chester Mining Company (the “**Lessor**”) in respect of the Iron Creek Property, Idaho, pursuant to which GCO has an initial 20 year lease with an option to extend the lease for up to two successive terms of 20 years each in the Iron Creek Property. GCO’s interests in the Iron Creek Property will be assigned and transferred to GEMC in connection with the completion of the Arrangement.

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. 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.

In order to maintain the Iron Creek Agreement, GCO 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 GCO Common Shares 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 Iron Creek Property. At any time following completion of the agreement, GCO may purchase one-half the royalty in the form of cash or stock or combination consideration of \$2,500,000. GCO has an option to acquire the Iron Creek Property at any time for a onetime payment in the form of cash or shares or combination and with prior approval of the TSX-V.

Available Funds

Upon the closing of the Arrangement, GEMC will have a working capital deficiency of approximately \$2,771,691. Subsequent to the closing of the Arrangement, GEMC expects to raise sufficient funds to meet TSX-V initial listing requirements for a Tier 2 mining issuer. The applicable TSX-V policies currently require, among other things, that an issuer have adequate working capital and financial resources (defined to mean the ability of the issuer to pay from its cash flow, all general and administrative expenses and costs reasonably required pursuant to its business plan to carry out a stated worked program (on the issuer’s listing mineral property) or execute the issuer’s business plan and \$100,000 in unallocated funds.

There can be no assurance that GEMC will be able to raise adequate funds to meet initial TSX-V listing requirements, including to carry on its stated work program on the Werner Lake Property and execute its business plan, or to continue as a going-concern. Failure to obtain such financing could result in delay or indefinite postponement of any exploration program, the possible loss of the Spin-Off Properties, the inability of GEMC to list the GEMC Shares on the TSX-V or any other exchange or quotation service and the insolvency of GEMC.

Principal Purposes

GEMC anticipates that it will need to have available funds in the amount of \$1 million, which is intends to use as follows:

Use of Funds	Estimated Amount (\$)
Payment of debts ⁽¹⁾	150,000
Transaction costs (TSX-V fees, legal expenses, accounting, etc.)	75,000
Funding for exploration expenditures under the Werner Lake Agreement ⁽²⁾	383,400

Use of Funds	Estimated Amount (\$)
Funding for exploration expenditures under the Iron Creek Lease ⁽³⁾	15,000
General and administrative expenses for the next 12 months	250,000
Unallocated working capital to fund ongoing operations	125,000
TOTAL	998,400

Notes:

- (1) the debt amount consists of:
 - \$30,500 in office expenses owing;
 - \$50,000 in professional fees owing; and
 - \$69,500 in consulting fees owing.
- (2) Phase 1 work program. See “*Werner Lake – Recommendations*” above.
- (3) Consisting of lease payment of CAD\$1,250 per month.

GEMC intends to spend the funds it expects to raise to carry out its proposed exploration and development program set out under “*Properties – Werner Lake Property*”. There may be circumstances where, for sound business reasons, a re-allocation of funds may be necessary.

Selected Financial Information

Audited Financial Information

GEMC has not completed a financial year since its incorporation. The following discussion should be read in conjunction with the audited financial statement of GEMC for the period April 27, 2015 to June 30, 2015 and related notes thereto financial statements and related notes thereto of GEMC attached as Appendix “F” to this Circular.

The following table sets forth selected financial information of GEMC:

	Period April 27, 2015 to June 30, 2015 (audited) \$
Total Revenues	--
Total Expenses	--
Loss for the period	--
Total Comprehensive Loss for the period	--
Total Assets	1.00
Total Liabilities	--
Total Shareholders’ Equity	1.00
Basic and Diluted Loss per Common Share	Nil
Amounts Deferred in Connection with the Arrangement	--

Pro-Forma Financial Information

The following table sets out selected financial information on a pro-forma basis assuming completion of the Arrangement and should be read in conjunction with, and is qualified by reference to, GEMC’s pro-forma unaudited financial statements as at and for the year ended June 30, 2015 attached as Appendix “E” to this Circular, which has been prepared based on the assumption that, among other things, the Arrangement occurred on June 30, 2015.

	Selected Pro-Forma Financial Information of GEMC as at June 30, 2015 (unaudited)
Cash and other current assets.....	\$19,821
Non-current assets	\$3,513,802
Total assets	\$3,533,623

**Selected Pro-Forma
Financial Information of
GEMC
as at June 30, 2015**

Current liabilities	\$2,496,249
Total liabilities	\$2,496,249
Shareholders' equity	\$1,037,374
Net loss	\$1,764,205
Number of shares issued and outstanding.....	78,252,177

Management Discussion and Analysis

Management discussion and analysis for GEMC for the period April 27, 2015 to June 30, 2015 is attached as Appendix "F" to this Circular and is incorporated by reference herein.

Dividend Policy

GEMC has not paid dividends since its incorporation. GEMC currently intends to retain all available funds, if any, for use in its business and does not anticipate paying any dividends for the foreseeable future.

Authorized and Issued Share Capital

The authorized capital of GEMC consists of an unlimited number of common shares, of which one common share are issued and outstanding as of the date of this Circular. See "*The Arrangement – Effect of the Arrangement*" for a description of the GEMC Shares to be issued and issuable on completion of the Arrangement.

Holders of GEMC Shares are entitled to one vote per share at all meetings of shareholders, to receive dividends as and when declared by the directors and to receive a *pro rata* share of the assets of GEMC available for distribution to holders of GEMC Shares in the event of liquidation, dissolution or winding-up of GEMC. All rank *pari passu*, each with the other, as to all benefits which might accrue to the holders of common shares. GEMC can subdivide or consolidate all or any of its unissued, or fully paid issued, GEMC Shares by resolution of the directors or ordinary resolution of the shareholders of GEMC, at the election of the GEMC Board.

Pro-Forma Consolidated Capitalization

The following table sets forth the capitalization of GEMC as at June 30, 2015, assuming the capital of GCO does not change prior to the completion of the Arrangement. The following table should be read in conjunction with, and is qualified by reference to, GEMC's pro-forma financial statements attached as Appendix "E" to this Circular.

Designation of Security	Authorized	Amount Outstanding as of June 30, 2015	Amount Outstanding as of June 30, 2015 after giving effect to the Arrangement ⁽¹⁾
Common shares	unlimited	1	78,252,177 ⁽²⁾
Warrants	--	--	12,386,160 ⁽³⁾
Options	--	--	-- ⁽⁴⁾

Notes:

- (1) All figures are unaudited.
- (2) In connection with the Arrangement, approximately 78,252,177 GEMC Shares are expected to be issued to Shareholders, other than IMHL and its affiliates and associates.
- (3) In connection with the Arrangement, approximately 12,386,160 GEMC Warrants are expected to be issued to GCO Warrant holders, other than IMHL and its affiliates and associates.
- (4) Upon the conclusion of the Arrangement, GEMC expects to grant stock options under the GEMC Stock Option Plan in the normal course of business, but as of the date hereof no option grants have been approved by the GEMC Board. See

“Options and other Rights to Purchase Shares – Options” below.

Options and Other Rights to Purchase Shares

Options

The GEMC Board has adopted the GEMC Stock Option Plan, to be approved by the Shareholders at the Meeting. The number of common shares which may be issued pursuant to the GEMC Stock Option Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. Under TSX-V policies, all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis. The purpose of the GEMC Stock Option Plan is to allow GEMC to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of GEMC. The granting of such options is intended to align the interests of such persons with that of the shareholders.

For a description of the material terms of the GEMC Stock Option Plan see the section entitled “Particulars of Other Matters to be Acted Upon - Approval of GEMC Stock Option Plan”.

Warrants

Pursuant to the terms of the Plan of Arrangement, all outstanding GCO Warrants will be cancelled and terminated and cease to represent any right or claim whatsoever and as the sole consideration therefor: (i) GCO will grant GCO Replacement Warrants to the former holders of GCO Warrants, other than IMHL and its affiliates and associates; (ii) GCO will grant GCO IMHL Replacement Warrants to IMHL and its affiliates and associates, who were former holders of GCO Warrants; and GEMC will grant GEMC Warrants to the former holders of GCO Warrants, other than IMHL and its affiliates and associates, which warrants shall have the same terms and conditions as to tenure and method of exercise as the corresponding GCO Warrants; provided that the original exercise price of the GCO Warrants will be allocated to the GCO Replacement Warrants and the GEMC Warrants acquired by the holder pursuant to the warrant exchange, in such proportion as may be determined by GCO and GEMC to reflect the comparative fair market values of GCO and GEMC as at the Effective Date. See “The Arrangement – Treatment of GCO Convertible Securities”.

The following table sets out all the outstanding warrants in GEMC (after giving effect to the Arrangement):

Number of GEMC Shares Subject to Warrants	Exercise Price (\$)	Expiry Date
1,737,000	\$0.073	19-Sep-15
75,060	\$0.07	19-Sep-15
4,021,000	\$0.07	6-Nov-15
160,000	\$0.07	6-Nov-15
1,805,000	\$0.065	25-Nov-16
229,200	\$0.065	25-Nov-16
1,200,000	\$0.35	27-Jan-17
168,900	\$0.35	27-Jan-17
2,990,000	\$0.07	10-May-17
TOTAL 12,386,160		

Prior Sales

GEMC has not issued any shares other than one GEMC Share that is held by GCO.

Escrowed Securities

No GEMC Shares are currently held in escrow.

Resale Restrictions

See “*Securities Laws Considerations*” in this Circular.

Principal Holders of Voting Securities

To the knowledge of the directors and senior officers of GEMC, no person, upon completion of the Arrangement, will beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of voting rights attached to each class of the then outstanding voting securities of GEMC.

Directors and Officers

The following table sets forth the name and province or state of residence, proposed position with GEMC, principal occupation within the five preceding years and the number and percentage of GEMC Shares to be held by the proposed directors and officers of GEMC following completion of the Arrangement. These persons will become directors and/or officers of GEMC as of the Effective Date. Each of the directors and officers of GEMC currently holds a similar position with GCO.

Name, province or state and country of residence and positions, current and former, if any, held in the Company	Principal Occupation during past Five Years⁽¹⁾	Number and Percentage of GEMC Shares held or controlled upon completion of the Arrangement⁽¹⁾⁽²⁾
Erin Chutter ⁽³⁾ British Columbia, Canada President, Chief Executive Officer	Mining Executive; President of Cadence Communications Inc. since June 2001; Independent Director of Khot Infrastructure Holdings Ltd. since May 2015; President, Chief Executive Officer and director of Sceptre Ventures Inc. since March 2007; director of Niocorp Developments Ltd. from March 2010 to July 2014.	4,074,107 ⁽⁴⁾ (5.2%)
Oleg Shcherbyna British Columbia, Canada Chief Financial Officer	Financial Manager; Chief Financial Officer of GCO since May 2014, Corporate Controller of GCO since May 2011; Chief Financial Officer of Sceptre Ventures Inc. since February 2012; Chief Financial Officer of Westminister Resources Ltd. Since February 2008; Chief Financial Officer of Jaxon Minerals Inc. since November 2008.	--
Paul Sarjeant Ontario, Canada Vice President Exploration and Director	Geologist; Vice President Exploration of GCO since June 2013; President, Chief Executive Officer, Corporate Secretary and director of Grandview Gold Inc. from November 2006 to July 2015; director of Golden Harp Resources Inc. since July 2009; director of Firesteel Resources since July 2011; director of Northern Iron Corp. since October 2011; director of G4G Resources Ltd. since February 2011; Founder and Managing Director of Doublewood Consulting Inc. since August 2006	170,400 (0.2%)

Name, province or state and country of residence and positions, current and former, if any, held in the Company	Principal Occupation during past Five Years ⁽¹⁾	Number and Percentage of GEMC Shares held or controlled upon completion of the Arrangement ⁽¹⁾⁽²⁾
Raymond Castelli ⁽³⁾ British Columbia, Canada Director	Business Executive; Chief Executive Officer of Weatherhaven since February 2008 and director since October 2006; director of Avcorp Industries since July 2010; director of Prince Rupert Port Authority from April 2009 to December 2012; Chairman of the Canadian Commercial Corporation since December 2012; director of Sceptre Ventures Inc. from April 2009 to June 2011.	518,000 (0.7%)
Peter Reynolds ⁽³⁾ Encounter Bay, Australia Director	Mining Executive; director of Imperial Mining Holding Limited from 2009 to 2012; Principal Consultant and Director of PJR Management Pty Ltd. since January 2011.	65,879 (0.08%)
Gaston Reymenants Dublin, Ireland Director	Mining Executive; President and director of Orego Sarl since August 2005; Non-executive director of InCoR Technologies Ltd. since November 2013; director of Blue Waters Engineering bvba since November 2012.	--

Notes:

- (1) The information as to principal occupation and number of Common Shares beneficially owned or controlled, not being within the knowledge of the Company, has been furnished by the respective proposed directors themselves. Unless otherwise indicated, such shares are held directly.
- (2) Assumes that 78,252,177 GEMC Shares issued and outstanding upon the completion of the Arrangement.
- (3) Proposed member of the audit committee.
- (4) Includes 1,200,000 GCO Common Shares held by Geoff Chutter, Erin Chutter's spouse.

Upon the completion of the Arrangement, it is expected the directors and officers of GEMC as a group, will beneficially own, control or direct, directly or indirectly, an aggregate of approximately 4,828,386 GEMC Shares representing approximately 6% of the issued and outstanding GEMC Shares, assuming 78,252,177 GEMC Shares are issued to Shareholders pursuant to the Arrangement.

Backgrounds of Management and Directors of GEMC

The following is a description of the background and experience of each proposed member of management and each proposed director of GEMC.

Erin Chutter – *President, Chief Executive Officer, age 41*

Ms. Chutter will work part-time (50%) as the President and Chief Executive Officer of GEMC. In this role she will be responsible for all activities of GEMC, including: overseeing the operations and financial affairs of the company; the development and achievement of corporate goals and business objectives; and management and other strategic hires. Ms. Chutter has extensive experience as a director of Sceptre Ventures Inc., a TSX-V/NEX listed capital pool company, a director of Khot Infrastructure Holdings Ltd., a CSE listed infrastructure company, and a former director of NioCorp Development Inc., a TSX listed mining company. In addition, Ms. Chutter is the former Manager of Communications and Strategic Planning for three TSX listed exploration companies. Ms. Chutter will not be an employee or independent contractor of GEMC and she has not entered into a non-competition or non-disclosure agreement with GCO nor does she propose to enter into such an agreement with GEMC.

Oleg Shcherbyna – *Chief Financial Officer, age 40*

Oleg Shcherbyna, CPA, CGMA, will work part-time (30%) as Chief Financial Officer of GEMC. Mr. Shcherbyna

has direct experience within the mining, construction and oil/gas sectors and has been involved with numerous mining companies, including Uranium One, Eureka Mining Plc and Bema Gold Corporation. Mr. Shcherbyna is responsible for the development of the accounting system for GCO, as well as for day-to-day financial operations of the company, including contract review, payroll, budgeting and financial control development and will hold similar responsibilities as the Chief Financial Officer of GEMC. Mr. Shcherbyna is fluent in English, Russian and Ukrainian and as such played an important role in the coordination and execution of all finance-related activities of the Bema Gold and Eureka Mining operations in Russia, while also managing administrative and human resources functions. Mr. Shcherbyna will not be an employee or independent contractor of GEMC and he has not entered into a non-competition or non-disclosure agreement with GCO nor does he propose to enter into such an agreement with GEMC.

Paul Sarjeant – *Vice President Exploration and Director, age 55*

Paul Sarjeant, P.Geo., will work part-time (50%) as Vice President Exploration of GEMC. Mr. Sarjeant holds a B.Sc. (Hons) Geological Sciences from Queen's University. Mr. Sarjeant has extensive exploration, project evaluation and acquisition experience both in Canada and internationally and has developed a solid background in company management through various executive management positions with several publicly traded junior resource companies. Mr. Sarjeant began his career with Echo Bay Mines Ltd. as a project geologist working on projects in the NWT, Archean greenstone belts, Lupin Mine peripheral project, and skarn properties in BC and Ecuador. He was appointed Senior Geologist, International Exploration Group, responsible for project evaluation outside of North America, including precious and base metals projects in South America, East Africa, South East Asia, Russia, Mongolia, Australia, New Zealand and Europe. Currently, Mr. Sarjeant is a director of Golden Harp Resources Inc., Firesteel Resources; Northern Iron Corp. and G4G Resources Ltd. Mr. Sarjeant is a former President, Chief Executive Officer, Corporate Secretary and director of Grandview Gold Inc. Mr. Sarjeant will not be an employee or independent contractor of GEMC and he has not entered into a non-competition or non-disclosure agreement with GCO nor does he propose to enter into such an agreement with GEMC.

Raymond Castelli – *Director, age 56*

Mr. Castelli is a current director of GCO and a proposed director of GEMC. Mr. Castelli will work part-time (15%) fulfilling the duties normally required of a director of a publically traded junior mining company listed on the TSX-V. Mr. Castelli holds a Degree in business administration from Simon Fraser University and completed the international executive program at the European Institute of Business Administration. Mr. Castelli has extensive experience as Chief Executive Officer of Weatherhaven Global Resources Ltd., a manufacturer of redeployable camps and shelter systems, as former President of NaiKun Wind Development Inc., former Senior Vice President of Quadrem International Inc., a global supply chain and e-procurement company, former director of acquisitions for Alcan Inc., former Chief of Staff to the Prime Minister of Canada, and as a former director for the Prince Rupert Port Authority and the Working Opportunity Fund Ltd. (Growthworks EVCC). Currently, Mr. Castelli is a director of Avcorp Industries, the Chairman of the Canadian Commercial Corporation and a board member of the BC Business Council. Mr. Castelli will not be an employee or independent contractor of GEMC and he has not entered into a non-competition or non-disclosure agreement with GCO nor does he propose to enter into such an agreement with GEMC.

Peter Reynolds – *Director, age 66*

Mr. Reynolds is a current director of GCO and a proposed director of GEMC. Mr. Reynolds will work part-time (15%) fulfilling the duties normally required of a director of a publically traded junior mining company listed on the TSX-V. Mr. Reynolds holds professional designations with the Australasian Institute of Mining and Metallurgy, Canadian Institute of Mining and the Australian Institute of Company Directors. Mr. Reynolds has a Bachelor of Business, Accounting degree from Mitchell College of Advanced Education, a B App Sc, Mining Engineering from the University of Adelaide and a Master Engineering Practice degree from the University of Technology, Sydney. Mr. Reynolds has over 40 years in the minerals industry, with high-level experience at various mines including being former Manager of Operations Planning & Mine Projects/Manager Mine Business Improvement at Olympic Dam for BHP Billiton and was former Managing Director of Marlborough Resources Ltd. and Independent Director of Outback Metals Ltd. as well as a mining engineer at Normandy Mining Ltd. Currently, Mr. Reynolds is engaged by the European Bank for Reconstruction and Development (EBRD) to carry out reviews of EBRD's investments

for projects in Mongolia and Russia and is a Principal Consultant and Director of PJR Management Pty Ltd. Mr. Reynolds will not be an employee or independent contractor of GEMC and he has not entered into a non-competition or non-disclosure agreement with GCO nor does he propose to enter into such an agreement with GEMC.

Gaston Reymenants –Director, age 66

Mr. Reymenants is a current director of GCO and a proposed director of GEMC. Mr. Reymenants will work part-time (15%) fulfilling the duties normally required of a director of a publically traded junior mining company listed on the TSX-V. Mr. Reymenants graduated from the Universities of Brussels, Leuven and Antwerp in Economics, Industrial Marketing, International Law, and Foreign Languages. Mr. Reymenants has had a distinguished career in mining, smelting, refining and metal trading spanning over 40 years, during which, he was also responsible for the financing of several off-take projects in Australia, China and the Americas. Mr. Reymenants worked for over 20 years with Falconbridge International in various managerial positions and was part of the joint venture with Norilsk Kombinat. Mr. Reymenants was the Managing Director of Kola International Murmansk, and held director and/or senior managerial positions with several companies with cobalt assets, including Baja Mining, Polymet Mining and KCM. Currently, Mr. Reymenants is the President and director of Orego Sarl, a non-executive director of InCoR Technologies Ltd., and a director of Blue Waters Engineering bvba and B W E S.A. Mr. Reymenants will not be an employee or independent contractor of GEMC and he has not entered into a non-competition or non-disclosure agreement with GCO nor does he propose to enter into such an agreement with GEMC.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed herein, no proposed director or officer of GEMC is, as of the date of this Circular or was within ten years before the date thereof, a director, Chief Executive Officer or Chief Financial Officer of any company (including GCO and GEMC) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or Chief Executive Officer or Chief Financial Officer was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer.

No proposed director or officer of GEMC:

- (a) is, as of the date of this Circular or was within ten years before the date hereof, a director, Chief Executive Officer or Chief Financial Officer of any company (including GCO and GEMC) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within ten years before the date as of the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

No proposed director or officer of GEMC has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Personal Bankruptcies

To the best of management’s knowledge, no proposed director or officer of GEMC or a securityholder anticipated to hold a sufficient number of securities of GEMC to affect materially the control of GEMC has, within the ten years before the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

The foregoing, not being within the knowledge of GCO, has been furnished by the respective proposed directors themselves.

Conflicts of Interest

See “*Risk Factors – Possible conflicts of interest of directors and officers of GEMC*”.

Other Reporting Issuer Experience

The following table sets forth the proposed directors and officers of GEMC that are, or have been within the last five years, directors or officers of other reporting issuers:

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	Term (From – To)
Raymond Castelli	Avcorp Industries Inc. (Canada)	TSX	Director	July 2010 to present
Erin Chutter	Khot Infrastructure Holdings Ltd. (British Virgin Islands)	CSE	Independent Director	May 2015 to present
	Sceptre Ventures Inc. (British Columbia)	TSX-V/NEX	President, Chief Executive Officer and Director	March 2007 to present
	Niocorp Development Inc. (British Columbia)	TSX	Director	March 2010 to July 2014
Paul Sarjeant	Northern Iron Corp (Ontario)	TSX-V	Director	Oct. 2011 to present
	Golden Harp Resources Inc. (British Columbia)	TSX-V	Director	July 2009 to present
	Firesteel Resources Inc. (Alberta)	TSX-V	Director	July 2011 to present
	Grandview Gold Inc. (Ontario)	TSX-V OTCBB	President, Chief Executive Officer, Corporate Secretary and Director	Nov. 2006 to July 2015
	G4G Resources Inc. (British Columbia)	TSX-V	Director	Feb. 2011 to present

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	Term (From – To)
Oleg Shcherbyna	Sceptre Ventures Inc. (British Columbia)	TSX-V/NEX	Chief Financial Officer	Feb. 2012 to present
	Westminister Resources Ltd. (British Columbia)	TSX-V	Chief Financial Officer	Feb. 2008 to present
	Jaxon Minerals Inc. (British Columbia)	TSX-V	Chief Financial Officer	Nov. 2008 to present
Peter Reynolds	Outback Metals Ltd.	ASX	Director	July 2011 to Nov. 2014

Indebtedness of Directors, Executive Officers and Senior Officers

There is and has been no indebtedness of any director, executive officer or senior officer or associate of any of them, to or guaranteed or supported by GEMC during the period from incorporation.

Executive Compensation Disclosure

Compensation Discussion and Analysis

Following the completion of the Arrangement, GEMC expects to pay the following officers the following monthly compensation:

Position	Salary / Consulting Fee per Month (\$)
Erin Chutter President and Chief Executive Officer	12,000
Oleg Shcherbyna Chief Financial Officer	12,000
Paul Sarjeant Vice President Exploration	13,750

GEMC expects to design its compensation program to be competitive with similar junior mining exploration companies and to recognize and reward executive performance. In designing its compensation program, GEMC intends to informally consider compensation paid to directors and officers of other companies with similar stage exploration properties, similar management structures and listed on the same stock exchange in establishing compensation to be paid to its directors and officers. Compensation to be awarded to the directors and officers will also reflect the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of GEMC.

Incentive Plan Awards

See “*Options and Other Rights to Purchase Shares - Options*” above for a description of the GEMC Stock Option Plan.

GEMC has not granted any stock options under its stock option plan, but may grant stock options under its stock option plan prior to, in connection with or subsequent to the completion of the Arrangement.

Aggregate Options Exercised and Option Values

No stock options have been exercised by the Named Executive Officers since incorporation.

Defined Benefit or Actuarial Plan Disclosure

GEMC has no defined benefit or actuarial plans.

Termination of Employment, Changes in Responsibility and Employment Contracts

GEMC does not have any employment agreements with any directors or officers of GEMC. GEMC does not have any contract, agreement, plan or arrangement that provides for payments to a director or officer following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of GEMC, or a change in responsibilities of the director or officer following a change in control.

Compensation of Directors

GEMC has no arrangements, standard or otherwise, pursuant to which directors are compensated by GEMC for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Circular save for the granting of stock options. Directors of GEMC will be entitled to reimbursement of reasonable out-of-pocket expenses incurred while acting in their capacity as a director of GEMC.

Audit Committee Disclosure

Composition of the Audit Committee

As at the Effective Time, it is expected that GEMC's audit committee will be comprised of Peter Reynolds (Chairman), Raymond Castelli and Erin Chutter. Each proposed member of GEMC audit committee is considered to be "financially literate" as defined by NI 52-110 in that he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by GEMC's financial statements. Two of the three members of the audit committee, Peter Reynolds and Raymond Castelli will be independent, while Erin Chutter, the proposed President and Chief Executive Officer of GEMC, will not be independent. Details of the relevant education and experience of the proposed members' of GEMC's audit committee can be found above in the section entitled "*Information Concerning GCO - Audit Committee Disclosure – Relevant Education and Experience*".

Corporate Governance Disclosure

Independence of Members of Board

The GEMC Board is expected to consist of five directors, three of whom GEMC considers to be independent based upon the tests for independence set forth in NI 52-110. GEMC considers that Raymond Castelli, Peter Reynolds and Gaston Reymenants will be independent upon the completion of the Arrangement. Erin Chutter, the proposed President and Chief Executive Officer of GEMC, and Paul Sarjeant, the proposed Vice President of Exploration will not be independent.

Management Supervision by Board

The size of GEMC will be such that all of GEMC's operations are expected to be conducted by a small management team which is also represented on the GEMC Board. Management is expected to be effectively supervised by the independent directors on an informal basis as the independent directors are expected to be actively and regularly involved in reviewing and supervising the operations of GEMC and have regular and full access to management. Further supervision will be performed through the audit committee which is composed of independent directors who will meet with GEMC's auditors without management being in attendance.

Orientation and Continuing Education

GEMC does not expect to have formal orientation and training programs, but expects to provide new board members with (i) access to recent, publicly filed documents of GEMC, technical reports in respect of GEMC's mineral properties and GEMC's internal financial information; (ii) access to management and technical experts and consultants; and (iii) a summary of significant corporate and securities responsibilities.

Board members will be encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit GEMC's operations. GEMC Board members have full access to GEMC's records.

Compensation

GEMC expects that Raymond Castelli, Peter Reynolds and Gaston Reymenants will be independent directors of GEMC. These directors will have the responsibility for determining compensation for the directors and senior management.

To determine compensation payable, the independent directors are expected to review compensation paid for directors and chief executive officers of companies of similar size and stage of development in the mineral exploration industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of GEMC. In setting the compensation, the independent directors are expected to annually review the performance of the Chief Executive Officer in light of GEMC's objectives and consider other factors that may have impacted the success of GEMC in achieving its objectives. See also "*Information Concerning GEMC - Executive Compensation Disclosure – Compensation Discussion and Analysis*" above.

Board Committees

As the directors will be actively involved in the operations of GEMC and the size of GEMC's operations will not warrant a larger board of directors, the GEMC Board has expects that any committees in addition to the audit committee will not be necessary at the initial stage of GEMC's development.

Assessments

The GEMC Board does not expect that formal assessments would be useful at the initial stage of GEMC's development. The GEMC Board intends to conduct informal annual assessments of the board's effectiveness, the individual directors and the audit committee.

Risk Factors

An investment in GEMC should be considered speculative because of the nature of GEMC's proposed business plan. The following risk factors, as well as risks not currently known to GCO, could materially adversely affect GEMC's future business, operations and financial condition and could cause them to differ materially from estimates described in forward-looking statements relating to GEMC. Shareholders should carefully consider the risk factors set out below.

GEMC will require significant additional capital to continue as a going-concern, list on the TSX-V and conduct exploration activities

Following completion of the Arrangement, GEMC will have a significant working capital deficiency and additional funding will be required to (i) meet debt services obligation in respect of the GEMC Assumed Debt; (ii) fulfill obligations under applicable agreements in order to maintain its interests in the Spin-Off Properties; (iii) to undertake and fund exploration programs on the Spin-Off Properties; and (iv) meeting general and administrative expenses associated with being a public company; and (v) meet TSX-V initial listing requirements. There can be no assurance that GEMC will be able to obtain adequate financing or that the terms of such financing or that the terms of such financing will be favourable. Failure to obtain such financing could result in delay or indefinite postponement of any exploration program, the possible loss of the Spin-Off Assets, the inability of GEMC to list the GEMC Shares on the TSX-V or any other exchange or quotation service and the insolvency of GEMC.

GEMC has no history of earnings, and, due to the nature of its business, there can be no assurance that GEMC will

be profitable. GEMC does not anticipate paying any dividends on the GEMC Shares in the foreseeable future. The only present source of funds available to GEMC is through the sale of its equity shares. Even if the results of exploration are encouraging, GEMC may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially minable deposit exists on the Spin-Off Properties or any other mineral property it acquires. While GEMC may generate additional working capital through further equity offerings, there is no assurance that any such funds will be available on terms acceptable to GEMC, or at all. If available, future equity financing may result in substantial dilution to shareholders. At present, it is impossible to determine what amounts of additional funds, if any, may be required

No market exists or may exist for the GEMC Shares

There is currently no public market through which the GEMC may be sold, and there can be no assurance that an active trading market will develop or be sustained for the GEMC Shares. Shareholders may not be able to resell the GEMC Shares received pursuant to the Arrangement, which may affect the pricing of the GEMC Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the GEMC Shares. If an active or liquid market for the GEMC Shares fails to develop or be sustained, the price at which the GEMC Shares trade may be adversely affected.

GCO expects GEMC to make an application to the TSX-V for the initial listing of the GEMC Shares thereon prior to the Effective Time and although it is a condition precedent to the completion of the Arrangement that the TSX-V will have conditionally accepted the GEMC Shares for listing on the TSX-V, such listing is subject to GEMC fulfilling all of the listing requirements of the TSX-V. There is no guarantee such listing will be obtained as contemplated or at all. In order for the GEMC Shares to be listed on the TSX-V, GEMC will have to meet the initial listing criteria of the TSX-V applicable to companies seeking an initial listing on the exchange, which include working capital adequacy requirements. If GEMC cannot raise additional capital upon the completion of the Arrangement, then GEMC will not be able to meet the TSX-V's initial listing requirements. If the TSX-V does not approve the initial listing of the GEMC Shares there may be no market through which the GEMC Shares may be sold, and holders of GEMC Shares may not be able to resell their shares. Even if GEMC receives final approval for listing the GEMC Shares on the TSX-V, there is no assurance that it will maintain such listing on the TSX-V or any other exchange or quotation service.

Loss of interest in properties

The Iron Creek Property is subject to an agreement which will require GEMC to make cash payments to the holder of the property in order to maintain its interest therein. GEMC's ability to maintain an interest in the Spin-Off Properties will be dependent on its ability to raise additional funds by equity financing. Failure to obtain additional financing will result in GEMC being unable to make the payments required for the maintenance of the Spin-Off Properties and could result in a delay or postponement of any exploration and the partial or total loss of GEMC's interests in the properties.

Changes in commodity prices and global demand for cobalt may have a material adverse impact on GEMC's business

The price of the GEMC Shares, GEMC's financial results and exploration, development and mining activities may in the future be, significantly adversely affected by declines in the price of cobalt and other metals. Cobalt prices fluctuate widely and are affected by numerous factors beyond GEMC's control such as the increased manufacture and sale of portable electronic devices sale and electric vehicles requiring cobalt-based batteries and wind power generation, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the Canadian dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing countries throughout the world. The fluctuation in the price of cobalt in recent years and future serious price declines could cause development of and commercial production from GEMC's properties to be impractical. Depending on the price of cobalt, cash flow from future mining operations may not be sufficient and GEMC could be forced to discontinue production, may lose its interest in, or may be forced to sell, some of its properties. Future production from the Spin-Off Properties is dependent on cobalt prices that are adequate to make these properties economic.

Exploration and development involves a high degree of risk

Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that GEMC's continuing mineral exploration and development activities will result in any discoveries of bodies of commercial ore. The long-term profitability of GEMC's operations will be in part directly related to the cost and success of its exploration and development programs, which may be adversely affected by a number of factors.

There are no known commercial quantities of mineral reserves on either the Werner Lake Property or the Iron Creek Property. Substantial expenditures are required to establish mineral reserves through drilling, to evaluate metallurgical processes to extract metal from ore 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 the funds required for development can be obtained on a timely basis.

The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond GEMC's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection. There is no assurance GEMC will be successful in achieving a return on shareholder's investment and the likelihood of success must be considered in light of its early stage operations.

GEMC is exposed to currency fluctuations that could have a material adverse impact on results

Exchange rate fluctuations may affect the costs that GEMC incurs in its operations. GEMC's costs are incurred principally in Canadian dollars and United States dollars. The appreciation of the Canadian or United States dollar can increase the cost of exploration and capital expenditures. If there is an appreciation in the value of the U.S. currency against the Canadian dollar or prolonged periods of exchange rate volatility, these changes may have a material adverse impact on the GEMC's results of operations.

GEMC's business and growth prospects may be negatively impacted by reductions in its capital expenditure program

GEMC will require substantial capital to invest in mineral projects and to maintain and prolong the life and capacity of properties in which it has an interest. GEMC may reduce its capital expenditure in light of various considerations such as expected global demand for products, the level of commodity pricing and GEMC's resources, which may negatively impact the timing of GEMC's growth and future prospects. If commodity markets improve, GEMC's ability to take advantage of that improvement may be constrained by earlier capital expenditure restrictions and the long term value of its business could be adversely impacted. GEMC's position in relation to its competitors may also deteriorate. Competitors may have sufficient funds or access to capital and be better positioned to respond quickly to changes in commodity prices or market conditions generally. GEMC may also need to address commercial and political issues in relation to its reductions in capital expenditure in certain of the jurisdictions in which it operates. Any of the foregoing could have a material adverse effect on GEMC's business, results of operations, financial condition and prospects.

Title to mineral properties can be uncertain, and GEMC may risk loss of ownership of its property

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. Although GEMC expects to take or believes it has taken reasonable measures to ensure proper title to its interests in the Spin-Off Properties, there is no guarantee that title to any such properties will not be challenged or impaired. Third parties may have valid claims underlying portions of GEMC's interests, including prior unregistered liens, agreements, transfers or claims, including aboriginal land claims, and title may be affected by, among other things, undetected defects. In addition, GEMC may be unable to operate on such properties as permitted or to enforce its rights with respect to such properties.

Aboriginal claims

Canadian court decisions have recognized the existence of aboriginal title and rights, which may include title or rights of use to lands historically used or occupied by aboriginals. Although treaties cover a significant portion of Ontario, this does not preclude aboriginal groups from bringing a claim for title and/or rights over the Werner Lake Property. Courts have held that the Crown has an obligation to consult with Aboriginal groups when the Crown has knowledge of either existing rights or the potential existence of aboriginal title or rights and is contemplating actions that may potentially impact such title or rights. Failure of the government of Ontario to adequately discharge its obligations to aboriginal groups may affect the validity of its actions in dealing with public rights, including the granting of Crown mineral tenures.

In 2014, the Supreme Court of Canada (the “SCC”) for the first time recognized the existence of aboriginal title over land in Canada. The SCC also found that provincial laws of general application may apply to land subject to aboriginal title, provided that certain conditions are met, including that the laws are not unreasonable, impose no undue hardship and do not deny the holders of such aboriginal title of certain rights. As a result, future court decisions may be required to determine whether and to what extent provincial laws, including law related to mining and mineral tenures granted by the Provincial Crown thereunder, apply on lands subject to Aboriginal title. There can be no assurance that Aboriginal title will not in the future be recognized over all or any portion of the area of GEMC or any future mineral projects acquired by GEMC. There can be no assurance that aboriginal claims will not in the future have a material adverse effect on GEMC’s mineral projects or its ability to secure other mineral projects.

GEMC’s operations are resource intensive and changes in the cost or interruptions in the supply of key inputs could adversely affect their economic viability

GEMC’s operations are resource intensive and, as a result, its costs may be adversely affected by the availability or cost of energy, water, fuel or other key inputs. If carbon trading schemes or carbon taxes begin to apply to GEMC’s operations or if GEMC experiences interruptions in, or constraints on, its supply of energy, water, fuel or other key inputs, GEMC’s costs could increase and its results could be materially adversely affected.

GEMC is dependent on the continued services of key personnel

GEMC’s ability to maintain its competitive position and to implement its business strategy is dependent on the services of its personnel, including key managerial, financial and commercial personnel and the maintenance of good labour relations. The loss or diminution in the services of such key personnel, an inability to attract and retain additional staff, or the lack of a competitive remuneration structure, could have a material adverse effect on GEMC business, financial condition, results of operations and prospects.

GEMC’s mining operations are vulnerable to natural disasters

GEMC’s business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena, such as inclement weather conditions, floods, hurricanes and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to GEMC’s properties or the properties of others, delays in mining, monetary losses and possible legal liability. Although GEMC maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with GEMC’s operations. GEMC may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as loss of title to mineral property, environmental pollution, or other hazards as a result of exploration and production is not generally available to GEMC or to other companies in the mining industry on acceptable terms. GEMC might also become subject to liability for pollution or other hazards which may not be insured against or which GEMC may elect not to insure against because of premium costs or other reasons. Losses from these events may cause GEMC to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Health, safety, environmental and other regulations, standards and expectations evolve over time and unforeseen changes could have an adverse effect on GEMC's earnings and cash flows

GEMC operates in an industry that is subject to numerous health, safety and environmental laws, regulations and standards as well as community and stakeholder expectations. GEMC is subject to extensive governmental regulations. Operations are subject to general and specific regulations governing mineral exploration, mining, land tenure and use, environmental requirements (including site specific environmental licences, permits and statutory authorisations) and workplace health and safety. Regulatory standards and expectations can result in increased litigation or increased costs, all of which can have a material and adverse effect on earnings and cash flows.

Permitting of exploration and development

The future operations of GEMC may require permits from various governmental authorities and will be governed by laws and regulations governing prospecting, 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 GEMC will be able to obtain all necessary licences, permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Spin-Off Properties or on any other properties it may acquire.

Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment. Although GEMC expects that its exploration activities will be carried out in accordance with all of the applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail the production or development of GEMC's properties. Amendments to current laws and regulations governing the operations and activities of GEMC or a more stringent implementation thereof could have a material adverse effect on GEMC's business, financial condition and results of operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, the installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may be subject to civil or criminal fines or penalties for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or a more stringent implementation thereof, could have a material adverse impact on GEMC and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Competition from other mining companies may harm GEMC's business

GEMC competes with other mining companies to attract and retain key executives, skilled labour, contractors and other employees. It also competes for the services of skilled personnel and contractors and for specialized equipment, components and supplies, such as drill equipment, necessary for exploration and development and for rights to mine properties containing cobalt and other metals. Many of these companies have greater financial resources, operational experience and technical capabilities than GEMC. As a result of this competition, GEMC may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, GEMC's revenues, operations and financial condition could be materially adversely affected. GEMC may be unable to continue to attract and retain skilled and experienced employees, to obtain the services of skilled personnel and contractors or specialized equipment or supplies, or to acquire additional rights to mine properties.

GEMC will require significant additional capital to continue exploration activities, and, if warranted, to develop mining operations

Following completion of the Arrangement, GEMC will have only minimal working capital and additional funding will be required to fulfill any obligations under applicable agreements in order to maintain any interest it acquires in

the Spin-Off Properties and to undertake any exploration program thereon. There can be no assurance that GEMC will be able to obtain adequate financing or that the terms of such financing will be favourable. Failure to obtain such financing could result in delay or indefinite postponement of any exploration program, the possible loss of the Spin-Off Properties and the insolvency of GEMC.

GEMC has no history of earnings, and, due to the nature of its business, there can be no assurance that GEMC will be profitable. GEMC does not anticipate paying any dividends on the GEMC Shares in the foreseeable future. The only present source of funds available to GEMC is through the sale of its equity shares. Even if the results of exploration are encouraging, GEMC may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially minable deposit exists on the Spin-Off Properties or any other mineral property it acquires. While GEMC may generate additional working capital through further equity offerings, there is no assurance that any such funds will be available on terms acceptable to GEMC, or at all. If available, future equity financing may result in substantial dilution to shareholders. At present, it is impossible to determine what amounts of additional funds, if any, may be required

Inadequate infrastructure may affect GEMC's operations

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect GEMC's operations, financial condition and results of operations.

Foreign operations pose additional risks of operation

Some of GEMC's operations are expected to be conducted in the United States, and as such GEMC's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism; expropriation; fluctuations in currency exchange rates; inflation; renegotiation or nullification of existing concessions, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, the United States. Changes, if any, in mining or investment policies or shifts in political attitude in the United States may adversely affect GEMC's operations. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on GEMC's operations.

The feasibility of mining its property has not been established and GEMC has not completed exploration or other work necessary to determine if it is commercially feasible to develop its properties

GEMC is currently an exploration stage company. It has no proven or probable mineral reserves on its properties. There are no assurances that we will be able to establish any mineral reserves on its property. The mineralized material identified on the Spin-off Properties does not and may not have demonstrated economic viability. Substantial expenditures are required to establish mineral reserves through drilling and there is no assurance that mineral reserves will be established. The feasibility of mining on the Spin-Off Properties has not been, and may never be, established. Whether a mineral deposit can be commercially viable depends upon a number of factors, including the particular attributes of the deposit, including size, grade and proximity to infrastructure; metal prices, which can be highly variable; and government regulations, including environmental and reclamation obligations. If GEMC is unable to establish some or all of its mineralized material as proven or probable mineral reserves in sufficient quantities to justify commercial operations, it may not be able to raise sufficient capital to develop a mine, even if one is warranted. If GEMC is unable to establish such mineral reserves, the market value of its securities

may decline.

No history of earnings and may never be profitable

Since GCO's inception, it has not been profitable. GEMC has not yet commenced operations and therefore has not history of earnings or return on investment, and there is no assurance that the Spin-Off Properties it will acquire pursuant to the Arrangement or otherwise will generate earnings, operate profitably or provide a return on investment in the future.

Possible conflicts of interest of directors and officers of GEMC

Certain of the directors and officers of GEMC may also serve as directors and/or officers of other companies involved in natural resource exploration and development, and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. GEMC expects that any decision made by any of such directors and officers involving GEMC will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of GEMC and its shareholders, but there can be no assurance in this regard. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest or which are governed by the procedures set forth in the BCBCA and any other applicable law.

Promoter

GCO took the initiative in GEMC's organization and, accordingly, may be considered to be the promoter of GEMC within the meaning of applicable securities legislation.

Legal Proceedings

Other than as disclosed in this Circular, there are no legal proceedings material to GEMC or to which GEMC is a party or in respect of which any of its assets or properties are subject, nor are there any such proceedings known to be contemplated.

Interest of Management and Others in Material Transactions

Except as described herein, GEMC is not aware of any material interest, direct or indirect, of any directors or executive officers of GEMC, any person or company which beneficially owns or controls or directs, directly or indirectly, more than 10% of any class or series of GEMC's outstanding voting securities, or any known associate or affiliate of such persons, in any transaction within the three years before the date of this Circular (other than through their interests as securityholders of GCO) that has materially affected or is reasonably expected to materially affect GEMC since incorporation.

Auditor

The auditor of GEMC is Smythe Ratcliffe LLP at its offices at Suite 700 – 355 Burrard Street, Vancouver, British Columbia, Canada V6C 2G8.

Registrar and Transfer Agent

The Registrar and Transfer Agent for GEMC is Computershare Investor Services Inc., at its offices at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada, V6C 3B9.

Material Contracts

Except for contracts entered into by GEMC in the ordinary course of business, the only material contract entered into by GEMC since the beginning of the most recently completed financial year or that are still in effect, is the Arrangement Agreement, as more particularly described under the heading entitled "*The Arrangement*". A copy of the Arrangement Agreement is available on the SEDAR website at www.sedar.com under GEMC's profile or which

may be inspected at any time up to the commencement of the Meeting during normal business hours at Suite 1501, 128 West Pender Street, Vancouver, British Columbia, during regular business hours, and have been publicly filed on SEDAR at www.sedar.com under GEMC's profile.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Financial Statements

The audited financial statements of GCO for the financial year ended April 30, 2014 and the auditor's reports thereon and the management discussion and analysis (MD&A) for the financial year ended April 30, 2014 are available on the SEDAR website at www.sedar.com. The financial statements will be placed before the Meeting for consideration by Shareholders.

Appointment and Remuneration of Auditor

Shareholders will be asked at the Meeting to approve the appointment of Smythe Ratcliffe LLP of Suite 700 – 355 Burrard Street, Vancouver, British Columbia, as auditor of GCO to hold office until the next annual general meeting of Shareholders at a remuneration to be fixed by the directors. Smythe Ratcliffe was first appointed as GCO's auditor in April 2007. In the absence of instructions to the contrary, a properly executed and returned proxy will be voted FOR the appointment of Smythe Ratcliffe LLP as auditor of GCO until the next annual general meeting of the Shareholders and to authorize the directors to fix the auditor's remuneration.

Number of Directors

At the Meeting, provided that the Arrangement Resolution is approved, Shareholders will be asked to approve an ordinary resolution to set the number of directors of GCO at 10 for the ensuing year. The Board recommends a vote FOR the approval of the resolution setting the number of directors at 10. In the absence of instructions to the contrary, a properly executed and returned proxy will be voted FOR the approval of the resolution setting the number of directors at 10.

Election of Directors

The directors of GCO are elected at each annual general meeting of Shareholders and each holds office until the next annual general meeting or until his successor is elected or appointed or unless he becomes disqualified under the BCBCA to act as a director.

At the Meeting, provided that the Arrangement Resolution is approved, Shareholders will be asked to approve, by ordinary resolution, the election as a director of GCO each of the persons named in the following table. The Board recommends a vote FOR each of the nominees listed below. In the absence of instructions to the contrary, a properly executed and returned proxy will be voted FOR the proposed directors set out below. Management does not contemplate that any of the proposed directors will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of GCO or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the articles of GCO or the provisions of the BCBCA.

The following table sets forth the name of each proposed director, the province or state and country in which he is ordinarily resident, all offices of GCO now held by him, his principal occupation, the period of time for which he has been a director of GCO, and the number of GCO Common Shares beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as of the date of this Circular:

Name, province or state and country of residence and positions, current and former, if any, held in GCO	Principal Occupation during past Five Years ⁽¹⁾	Date became a Director	Number of Common Shares beneficially owned or controlled or directed, directly or indirectly ⁽¹⁾
Erin Chutter ⁽²⁾⁽³⁾⁽⁴⁾ President, Chief Executive Officer and Director British Columbia, Canada	Mining Executive; President of Cadence Communications Inc. since June 2001; Independent Director of Khot Infrastructure Holdings Ltd. since May 2015; President, Chief Executive Officer and director of Sceptre Ventures Inc. since March 2007; director of Niocorp Developments Ltd. from March 2010 to July 2014.	March 9, 2007	4,074,107 ⁽⁵⁾
Raymond Castelli ⁽²⁾⁽⁴⁾ Director British Columbia, Canada	Business Executive; Chief Executive Officer of Weatherhaven since February 2008 and director since October 2006; director of Avcorp Industries since July 2010; director of Prince Rupert Port Authority from April 2009 to December 2012; Chairman of the Canadian Commercial Corporation since December 2012; director of Sceptre Ventures Inc. from April 2009 to June 2011.	March 18, 2007	518,000
Paul Sarjeant ⁽⁴⁾ Vice President Exploration Ontario, Canada	Geologist; Vice President Exploration of GCO since June 2013; President, Chief Executive Officer, Corporate Secretary and director of Grandview Gold Inc. from November 2006 to July 2015; director of Golden Harp Resources Inc. since July 2009; director of Firesteel Resources since July 2011; director of Northern Iron Corp. since October 2011; director of G4G Resources Ltd. since February 2011; Founder and Managing Director of Doublewood Consulting Inc. since August 2006.	--	170,400
Peter Reynolds ⁽²⁾⁽⁴⁾ Director Encounter Bay, Australia	Mining Executive; director of Imperial Mining Holding Limited from 2009 to 2012; Principal Consultant and Director of PJR Management Pty Ltd. since January 2011.	July 19, 2013	65,879
Gaston Reymanants ⁽³⁾⁽⁴⁾ Director Dublin, Ireland	Mining Executive; President and director of Orego Sarl since August 2005; Non-executive director of InCoR Technologies Ltd. since November 2013; director of Blue Waters Engineering bvba since November 2012.	July 19, 2013	--
Alexander Ordanian ⁽³⁾ Monaco, Principality of Monaco	Corporate finance, capital markets and private business professional; director of Simplefy since July 2002; director of IMHL from November 2011 to August 2014 and from July 2015 to present.	August 26, 2013	1,100,000
Julian Lowenfeld Proposed Director New York, USA	Attorney-at-Law; self-employed since December 1991.	--	--

Name, province or state and country of residence and positions, current and former, if any, held in GCO	Principal Occupation during past Five Years ⁽¹⁾	Date became a Director	Number of Common Shares beneficially owned or controlled or directed, directly or indirectly ⁽¹⁾
Andrey Melnikov Proposed Director Moscow, Russia	Mining Executive; Director of Engineering, Uranium One Holding N.V. since January 2015; director of Infoprof Mining Consulting from September 2013 until January 2015; Chairman SRK Consulting (Russia) Ltd. from November 2010 until September 2013; director of SRK Consulting from November 2008 until September 2013.	--	--
Maximilano Barrientos Proposed Director Philadelphia, United States	Finance professional; Corporate Financial Planning and Analysis at Tyco Electronics (TE) Connectivity from June 2009 to April 2012; Finance Lead of 2 sub-business units at TE Connectivity since May 2012.	--	--
Stanley Swartz Proposed Director Ontario, Canada	Partner at Sloan Partners LLP, Chartered Professional Accountants, from January 1990 to January 2015.	--	--

Notes:

- (1) The information as to principal occupation and number of GCO Common Shares beneficially owned or controlled, not being within the knowledge of GCO, has been furnished by the respective proposed directors themselves. Unless otherwise indicated, such shares are held directly.
- (2) Denotes a current member of the audit committee.
- (3) Denotes a current member of the compensation committee.
- (4) Expected to resign in connection with the closing of the Arrangement.
- (5) Includes 1,200,000 GCO Common Shares held by Geoff Chutter, Erin Chutter's spouse.

Approval of GCO Stock Option Plan

At the Meeting, Shareholders will be asked, if thought advisable, to approve the continuation of the GCO Stock Option Plan. Under the GCO Stock Option Plan, a maximum of 10% of the issued and outstanding Common Shares are proposed to be reserved at any time for issuance on the exercise of stock options. As the number of shares reserved for issuance under the GCO Stock Option Plan increases with the issue of additional Common Shares by GCO, the GCO Stock Option Plan is considered to be a "rolling" stock option plan under applicable TSX-V policies. The Board recommends a vote FOR the continuation of the GCO Stock Option Plan. In the absence of instructions to the contrary, a properly executed and returned proxy will be voted FOR the continuation of the GCO Stock Option Plan.

The purpose of the GCO Stock Option Plan is to provide certain directors, officers and key employees of, and certain other persons who provide services to GCO and any subsidiaries with an opportunity to purchase GCO Common Shares and benefit from any appreciation in the value of shares. This is intended to provide an increased incentive for these persons to contribute to the future success and prosperity of GCO, thus enhancing the value of GCO Common Shares for the benefit of all the Shareholders and increasing the ability of GCO and its subsidiaries to attract and retain skilled and motivated individuals in the service of GCO.

The material terms of the GCO Stock Option Plan are as follows:

1. The term of any options granted under the GCO Stock Option Plan will be fixed by the Board at the time such options are granted, provided that options will not be permitted to exceed a term of ten years;
2. The exercise price of any options granted under the GCO Stock Option Plan will be determined by the Board, in its sole discretion, but shall not be less than the closing price of the GCO Common

Shares on the day immediately preceding the date on which the directors grant such options, less any allowable discount permitted by the TSX-V or TSX, as applicable.

3. Subject to any vesting restrictions imposed by the TSX-V, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
4. All options will be non-assignable and non-transferable.
5. No more than (i) 5% of the issued GCO Common Shares may be granted to any one person in any 12 month period; and (ii) 2% of the issued GCO Common Shares may be granted to a consultant, or an employee performing investor relations activities, in any 12 month period.
6. If the option holder ceases to be a director of GCO or ceases to be employed by GCO (other than by reason of death or disability), as the case may be, then the options held by such person shall expire on no later than the 90th day following the date that the option holder ceases to be a director or ceases to be employed by GCO, subject to the terms and conditions set out in the GCO Stock Option Plan. Provided however that if the option holder is engaged in investor relations activities, the options will expire within 30 days after the option holder ceases to be employed by GCO to provide investor relations activities, in accordance with the policies of the TSX-V, as applicable.
7. In the event of the death of an option holder, the options previously granted to him shall be exercisable only within the one year after his death and then only by the person or persons to whom the participant's rights under the option shall pass by the participant's will or the laws of descent and distribution; and if, and to the extent that, he was entitled to exercise the option at the date of his death.
8. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the GCO Common Shares.

The aforesaid information is intended as a brief description of the GCO Stock Option Plan and is qualified in its entirety by the full text of the plan, which will be available for review at the Meeting and at GEMC's records office located at Suite 415 - 1040 West Georgia Street, Vancouver, British Columbia for ten business days prior to the Meeting, during business hours.

Approval of GEMC Stock Option Plan

At the Meeting, provided that the Arrangement Resolution is approved, Shareholders will be asked to consider and, if deemed advisable, approve the adoption by GEMC of the GEMC Stock Option Plan, which will authorize the GEMC Board to issue stock options to directors, officers, employees and other eligible service providers (or corporations controlled by such persons) of GEMC, subject to the rules and regulations of applicable regulatory authorities and any stock exchange upon which the GEMC Shares may be listed or may trade from time to time. A copy of the GEMC Stock Option Plan is set out in Appendix "K" to this Circular. Approval of the GEMC Stock Option Plan is not a condition to the Arrangement becoming effective. The Board recommends a vote FOR the approval of the adoption of the GEMC Stock Option Plan. In the absence of instructions to the contrary, a properly executed and returned proxy will be voted FOR the approval of the adoption of the GEMC Stock Option Plan.

If approved, the GEMC Stock Option Plan will be implemented if and when GEMC lists the GEMC Shares on a stock exchange. As of the date of this Circular, no stock options have been granted nor have any other rights or securities to purchase GEMC Shares been issued. The GEMC Board does not intend to grant any stock options until such time following the listing of the GEMC Shares on a stock exchange such that a fair market value exercise price for options can be determined.

The purpose of the GEMC Stock Option Plan is to provide GEMC with a share related mechanism to enable GEMC to attract, retain and motivate qualified directors, officers, employees and other service providers, to reward those

parties for advancing the interests of GEMC and to enable and encourage such individuals to acquire shares in GEMC as long term investments.

The material terms of the GEMC Stock Option Plan, which is a “rolling stock option plan”, are as follows:

1. The maximum number of shares that may be issued upon the exercise of stock options granted under the GEMC Stock Option Plan shall not exceed 10% of the issued and outstanding GEMC Shares at the time of grant, the exercise price of which, as determined by the GEMC Board in its sole discretion, shall be at least \$0.05 and shall not be less than the closing price of GEMC’s Shares traded through the facilities of the TSX-V on the date prior to the date of grant, less allowable discounts, in accordance with the policies of the TSX-V or, if the shares are no longer listed for trading on the TSX-V, then such other exchange or quotation system on which the shares are listed or quoted for trading.
2. Options may be granted to an “eligible charitable organization” or a director, officer, employee or consultant of GEMC.
3. The GEMC Board shall not grant options to any one person in any 12 month period which will exceed 5% of the issued and outstanding GEMC Shares, calculated at the date the options are granted, unless GEMC has obtained the requisite disinterested shareholder approval to the grant, or to any one consultant or to those persons employed by GEMC who perform investor relations services which will exceed 2% of the issued and outstanding GEMC Shares, calculated at the date the options are granted or to eligible charitable organizations which will exceed 1% of the issued and outstanding GEMC Shares, calculated at the date the options are granted.
4. Options granted to directors, senior officers, employees or consultants will vest when granted unless determined by the GEMC Board, or by a committee appointed by the GEMC Board, on a case by case basis, other than options granted to consultants performing investor relations activities, which will vest in stages over 12 months with no more than one quarter of the options vesting in any three month period.
5. If any option expires or otherwise terminates for any reason without having been exercised in full, the number of GEMC Shares in respect of which stock option expired or terminated shall again be available for the purposes of the GEMC Stock Option Plan. All options granted under the GEMC Stock Option Plan may not have an expiry date exceeding ten years from the date on which the GEMC Board grant and announce the granting of the option, as such term may be extended if the expiry date occurs during a blackout period.
6. If the option holder holds his stock options as a director, officer, employee or consultant of GEMC and such option holder ceases to be a director, officer, employee or consultant of GEMC other than by reason of death, disability or termination for just cause, then the option granted shall expire on the 30th day (or such other reasonable time period approved in writing by the GEMC Board not to exceed 12 months) following the date the option holder ceases to be a director, officer, employee or consultant of GEMC.

The GEMC Stock Option Plan provides that other terms and conditions may be attached to a particular stock option at the discretion of the GEMC Board.

GEMC will adopt the GEMC Stock Option Plan subject to its ratification and confirmation by the Shareholders at the Meeting. Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution to approve the adoption of the GEMC Stock Option Plan:

“RESOLVED as an ordinary resolution:

1. Subject to completion of the Arrangement, the stock option plan in substantially the form as appended as Appendix “K” to the Circular, be and is hereby approved and adopted as the stock option plan of Global Energy Metals Corporation (the “Company”) with such

modifications, if any, as may be required by any stock exchange upon which the shares of GEMC may be listed or may trade from time to time.

2. Any officer or director of GEMC is hereby authorized to do all such acts and execute and file all instruments and documents necessary or desirable to carry out this resolution, including making appropriate filings with regulatory authorities including any applicable stock exchange.”

The GEMC Stock Option Plan requires approval by a majority of the votes cast by Shareholders present in person or by proxy at the Meeting.

The aforesaid information is intended as a brief description of the GEMC Stock Option Plan and is qualified in its entirety by the full text of the plan, which will be available for review at the Meeting and at GCO’s records office located at Suite 415 - 1040 West Georgia Street, Vancouver, British Columbia for ten business days prior to the Meeting, during business hours. The Board recommends a vote FOR the approval of the GEMC Stock Option Plan. In the absence of instructions to the contrary, a properly executed and returned proxy will be voted FOR the approval of the GEMC Stock Option Plan.

Debt Conversion

At the Meeting, provided that the Arrangement Resolution is approved, Shareholders will be asked to consider and, if deemed advisable, approve the Debt Conversion. Currently, IMHL holds 26,127,640 GCO Common Shares, representing approximately 25% of the issued and outstanding GCO Common Shares. Under the Debt Conversion, IMHL would be entitled to convert the aggregate outstanding principal and interest thereon under the IMHL Loan Agreement, which as of July 29, 2015 was approximately \$4,872,786, into GCO Common Shares. Assuming that the Debt Conversion occurred at \$0.05 (the last closing price of the GCO Common Shares on the TSX-V before the Arrangement was announced on April 20, 2015), this would have the effect of increasing IMHL’s holdings in GCO to approximately 61%.

“RESOLVED as an ordinary resolution:

1. Subject to completion of the Arrangement and regulatory acceptances, including of the TSX-V, the Debt Conversion be and is hereby authorized and approved.
2. Any officer or director of GCO is hereby authorized to do all such acts and execute and file all instruments and documents necessary or desirable to carry out this resolution, including making appropriate filings with regulatory authorities including any applicable stock exchange.”

The Debt Conversion requires approval by a majority of the votes cast by disinterested Shareholders present in person or by proxy at the Meeting. IMHL is not considered a disinterested Shareholder for the purposes of the Debt Conversion and, accordingly, votes cast by IMHL and its affiliates and associated will be excluded from the tabulation of votes cast in respect of the approval of the Debt Conversion at the Meeting.

In light of IMHL’s past and continuing support of GCO and the fact that IMHL will not receive any GEMC Shares in connection with the Arrangement (and will in effect be foregoing approximately a 25% interest in GEMC), the parties submit that an offsetting 36% increase in IMHL’s ownership interest in GCO is fair and reasonable.

OTHER MATTERS

Management of GCO is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the shares represented thereby in accordance with their best judgment on such matter, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

EXPERTS

Smythe Ratcliffe LLP is the auditor of GCO and GEMC and is independent of GCO and GEMC within the meaning

of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia. The partners and managers of Smythe Ratcliffe LLP collectively beneficially own, directly or indirectly, less than 1% of the outstanding securities of GCO and GEMC or any associate or affiliate of GCO and GEMC.

Gerald Harper Ph.D., P.Geo.(ON) the author of the Werner Lake Valuation is independent of GCO and GEMC and does not beneficially own, directly or indirectly, any securities of GCO or GEMC or any associate or affiliate of GCO or GEMC.

Information of a scientific or technical nature regarding the Werner Lake Property is included in this Circular based upon the Werner Lake Report. The Werner Lake Report provides an independent technical review of the Werner Lake Property. The Werner Lake Report was prepared for GCO by Gerald Harper Ph.D., P.Geo.(ON), a “qualified person” within the meaning of NI 43-101. Mr. Harper is independent of GCO and GEMC within the meaning of NI 43-101.

Information of a scientific or technical nature regarding the Karakul Property is included in this Circular based upon the Karakul Report. The Karakul Report provides an independent technical review of the Karakul Property. The Karakul Report was prepared for GCO by Alison Allen BSc, MSc, CEnv, MIEMA, MIEEM; Andrey Tsoy; Barrie O’Connell PhD, BEng (MCSM); Nick Szebor BSc, MSc (MCSM), CGeol, EurGeol, FGS; and Phill Newall BSc (ARSM), PhD (ACSM), CEng, FIMAMM (collectively, the “Karakul Report Authors” for Wardell Armstrong International. Each of the Karakul Report Authors is a “qualified person” within the meaning of NI 43-101 and independent of GCO and GEMC within the meaning of NI 43-101 and does not beneficially own, directly or indirectly, any securities of GCO or GEMC or any associate or affiliate of GCO or GEMC.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of GEMC or of any associate or affiliate of GEMC.

ADDITIONAL INFORMATION

Additional information regarding GCO and its business activities is available on SEDAR at www.sedar.com. GCO’s financial information is provided in GCO’s comparative financial statements and related management discussion and analysis for its most recently completed financial year may be viewed on the SEDAR website at the location noted above. Shareholders may request copies of GCO’s financial statements and related management discussion and analysis for the financial year ended April 30, 2014 by contacting GCO by mail at Suite 1501 - 128 West Pender Street, Vancouver, British Columbia, Canada, V6B 1R8 or by telephone: 604-688-4215.

BOARD APPROVAL

The Board has approved the contents and the delivery of this Circular to the Shareholders.

DATED at Vancouver, British Columbia, this 5th day of August, 2015.

ON BEHALF OF THE BOARD OF DIRECTORS
GLOBAL COBALT CORPORATION

Per: “Erin Chutter”
President, Chief Executive Officer and Director

Appendix “A”

Arrangement Resolution

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (the “Arrangement”) under Section 288 of the *Business Corporations Act* (British Columbia) (the “BCBCA”) substantially as set forth in the Plan of Arrangement attached as Appendix “C” to the management information circular of Global Cobalt Corporation (the “Corporation”) dated August 5, 2015 (the “Information Circular”), all as more particularly described and set forth in the Information Circular, and all transactions contemplated thereby, including without limitation the assignment of the GEMC Assumed Debt (as defined in the Plan of Arrangement) to Global Energy Metals Corporation (“GEMC”), any amendments to the notice of articles and articles of the Corporation required to effect the Arrangement and any filings with the British Columbia corporate registrar required to effect such amendments, be and are hereby authorized and approved.
2. The Arrangement Agreement (the “Arrangement Agreement”) dated July 27, 2015 among the Corporation, GEMC and Imperial Mining Holding Limited described in the Information Circular, as amended by a first amendment dated August 4, 2015, together with such amendments and variations thereto made in accordance with the terms of the Arrangement Agreement as may be approved by the persons referred to in paragraph 4 hereof, such approval to be evidenced conclusively by their execution and delivery of any such amendments or variations, is hereby confirmed, ratified and approved.
3. Notwithstanding that this resolution has been duly passed and/or has received the approval of the Supreme Court of British Columbia, the directors of the Corporation are hereby authorized and empowered without further notice to or approval of the holders of common shares of the Corporation: (i) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement, as amended; and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
4. Any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute, under the seal of the Corporation or otherwise, and to deliver such documents as are necessary or desirable to the Registrar of Corporations under the BCBCA in accordance with the Arrangement Agreement for filing and to take all such other steps or actions as may be necessary or desirable in connection with the Arrangement and the transactions described in the Information Circular and to execute under the seal of the Corporation or otherwise, all such other certificates, instruments, agreements, documents and notices, and to take such further actions in such officer’s or director’s opinion as may be necessary or desirable to carry out the purposes and intent of the foregoing resolutions.”

Appendix “B”

Arrangement Agreement and First Amendment

(See attached)

ARRANGEMENT AGREEMENT

THIS AGREEMENT made as of the 27th day of July, 2015,

AMONG:

GLOBAL COBALT CORPORATION, a corporation existing under the laws of the Province of British Columbia, having an office at Suite 1501 - 128 West Pender Street, Vancouver, British Columbia, V6B 1R8

(hereinafter referred to as “**GCO**”)

OF THE FIRST PART

AND:

GLOBAL ENERGY METALS CORPORATION, a corporation existing under the laws of the Province of British Columbia, having an office at Suite 415 – 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1

(hereinafter referred to as “**GEMC**”)

OF THE SECOND PART

AND:

IMPERIAL MINING HOLDING LIMITED (No. 003345V), a company incorporated under the laws of the Isle of Man, having its registered office at 33-37 Athol Street, Douglas, IM1 1LB, Isle of Man

(hereinafter referred to as “**IMHL**”)

OF THE THIRD PART

WHEREAS:

- A. GEMC is a wholly-owned subsidiary of GCO;
- B. IMHL holds approximately 26,127,640 GCO common shares, which as of June 22, 2015 represented 26.14% of GCO’s issued and outstanding common shares; and
- C. The Parties wish to complete a reorganization pursuant to a Plan of Arrangement whereby, *inter alia*:
 - (i) the Spin-Off Properties and the GEMC Assumed Debt will be transferred from GCO to GEMC in exchange for common shares of GEMC; and
 - (ii) GCO will distribute the common shares of GEMC that it receives in exchange for

the Spin-Off Properties to the shareholders of GCO, other than IMHL and its affiliates and associates, by way of a reduction of capital of GCO (all as defined herein); and

- D. GCO proposes to have the shareholders of GCO consider the Arrangement at a meeting of the shareholders to be held on or about August 31, 2015.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, the covenants herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto), the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, the words and terms used herein and defined in the Plan of Arrangement shall have the meaning ascribed to them in the Plan of Arrangement, and the following words and terms shall have the meaning ascribed to them below:

- (a) “**affiliate**” has the meaning ascribed to such term in Section 2 of the BCBCA;
- (b) “**Agreement**” means this arrangement agreement, as the same may be supplemented or amended from time to time;
- (c) “**Arrangement**” means the proposed arrangement pursuant to Section 288 of the BCBCA as set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with this Agreement, the Plan of Arrangement or at the direction of the Court, in accordance with the terms hereof;
- (d) “**Arrangement Resolution**” means the Special Resolution of GCO Shareholders to be considered at the Meeting authorizing and approving the Plan of Arrangement;
- (e) “**associate**” has the meaning ascribed to such term in Section 1 of the Securities Act;
- (f) “**Audit**” means the audit of the financial statements of GCO for the year ended April 30, 2015;
- (g) “**Authority**” means any: (i) national, international, multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, arbitral body, commission, board bureau, ministry or agency, domestic or foreign; (ii) any subdivision, agent, commission, board or authority of any of the foregoing; (iii) any quasi-governmental or self-regulatory organization exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the above; or (iv) the TSX-V;

- (h) “**BCBCA**” means the *Business Corporations Act*, S.B.C 2004, c. 57, as amended or replaced from time to time, together with all rules and regulations promulgated thereunder or with respect thereto;
- (i) “**Business Day**” means a day which is not a Saturday, Sunday or a statutory holiday in the City of Vancouver, British Columbia;
- (j) “**Claims**” means actions, causes of action, suits, proceedings, debts, dues, profits, expenses, contracts, damages, claims, demands and liabilities whatsoever, in law or equity, known or unknown, including in connection with Taxes, arising in connection with the Arrangement and the transactions contemplated thereby or otherwise;
- (k) “**Closing**” means the completion of the transactions contemplated by this Agreement;
- (l) “**Court**” means the Supreme Court of British Columbia;
- (m) “**Dissent Rights**” means the rights of dissent granted in favour of registered GCO Shareholders in respect of the Arrangement to be described in the Plan of Arrangement and the Interim Order;
- (n) “**Drop Dead Date**” means September 4, 2015;
- (o) “**Effective Date**” has the meaning ascribed to such term in the Plan of Arrangement;
- (p) “**Effective Time**” has the meaning ascribed to such term in the Plan of Arrangement;
- (q) “**Encumbrances**” means any mortgage, charge, pledge, lien, hypothec, prior claim, assignment for security interest, guarantee, right of third parties or other charge, encumbrance, or any collateral securing the payment obligation of any person, as well as any other agreement or arrangement with any similar effect whatsoever;
- (r) “**Final Order**” means the final order of the Court under Section 291(4) of the BCBCA approving the Arrangement;
- (s) “**GCO**” means Global Cobalt Corporation, a company existing under the BCBCA;
- (t) “**GCO Options**” means stock options granted pursuant to the GCO Stock Option Plan outstanding immediately prior to the Effective Time entitling the holder thereof to acquire GCO Shares;
- (u) “**GCO Releasers**” has the meaning ascribed to such term in Section 7.1(a) of this Agreement;
- (v) “**GCO Replacement Property**” has the meaning ascribed to that term in

Section 5.2(a) of this Agreement;

- (w) “**GCO Securityholders**” means, collectively, the GCO Shareholders and the holders of the GCO Warrants and the GCO Options;
- (x) “**GCO Shareholders**” means all of the holders of GCO Shares as at the Effective Time;
- (y) “**GCO Shares**” means the common shares without par value in the capital of GCO;
- (z) “**GCO Stock Option Plan**” means the 2007 Stock Option Plan of GCO, as amended June 14, 2013 and approved by GCO Shareholders on July 19, 2013;
- (aa) “**GCO Transaction Expenses**” means all expenses incurred by GCO in connection with the Arrangement and the transactions contemplated thereby, including, but not limited to, legal and audit costs, costs associated with the acquisition of the GCO Replacement Property and the acquisition of a National Instrument 43-101 technical report in respect of the GCO Replacement Property, filing fees, printing and mailing costs, meeting expenses;
- (bb) “**GCO Warrants**” means common share purchase warrants of GCO outstanding immediately prior to the Effective Time entitling the holder thereof to acquire GCO Shares;
- (cc) “**GEMC**” means Global Energy Metals Corporation, a company existing under the BCBCA;
- (dd) “**GEMC Assumed Debt**” has the meaning ascribed to such term in the Plan of Arrangement;
- (ee) “**GEMC Releasers**” has the meaning ascribed to such term in Section 7.1(c) of this Agreement;
- (ff) “**GEMC Shares**” means the common shares without par value in the capital of GEMC;
- (gg) “**GEMC Stock Option Plan**” means the stock option plan of GEMC to be adopted by GEMC no later than the Effective Date, which plan shall be similar to the GCO Stock Option Plan;
- (hh) “**IMHL**” means Imperial Mining Holding Limited, a company existing under the laws of the Isle of Man and its affiliates and associates, including the IMHL Directors and the IMHL Nominees;
- (ii) “**IMHL Debt Conversion**” means the conversion into GCO Shares of all outstanding principal and accrued interest thereon owing by GCO to IMHL pursuant to the IMHL Loan Agreement, which will be, as at July 29, 2015, approximately \$4,872,786, at the lowest price per GCO share allowed by the TSX-V in accordance with TSX-V Policy 4.3 *Shares for Debt*, provided that such

price shall be at least equal to \$0.05 per share;

- (jj) “**IMHL Directors**” means Alexander Ordanian, Kamen Zahariev and Marc Thomas, being the IMHL representatives on the GCO board of directors;
- (kk) “**IMHL Loan Agreement**” means a loan agreement dated July 8, 2013 made between IMHL and GCO;
- (ll) “**IMHL Nominees**” means Alexander Ordanian, Julian Lowenfeld, Andrey Melnikov, Bagrat Safarian, Maximilano Barrientos, Alexei Musteatsa and Stanley Swartz, five of whom shall be the IMHL nominees standing for election to the GCO board of directors at the Meeting;
- (mm) “**IMHL Property Option Agreement**” means a property option agreement dated May 27, 2013 made between IMHL and GCO concerning the Karakul and Altai Sister properties, located in Altai Republic, Russia;
- (nn) “**IMHL Releasers**” has the meaning ascribed to such term in Section 7.1(b) of this Agreement;
- (oo) “**Information Circular**” means the information circular to be prepared and sent to the GCO Shareholders in connection with the Meeting, and any amendment or supplement thereto;
- (pp) “**Interim Order**” means the interim order of the Court under Section 291(2) of the BCBCA providing for, among other things, the calling and holding of the Meeting and the requisite majority for the approval of the Arrangement by the GCO Shareholders;
- (qq) “**Meeting**” means the annual and special meeting of GCO Shareholders to be held on or about August 31, 2015, and any adjournment or postponement thereof, held in order to, among other things, consider and, if thought fit, approve the Arrangement;
- (rr) “**Party**” means any of GCO, GEMC and IMHL and “**Parties**” means all of GCO, GEMC and IMHL;
- (ss) “**Person**” means any individual, corporation, firm, partnership (including, without limitation, a limited partnership), sole proprietorship, syndicate, joint venture, trustee, trust, any unincorporated organization or association, any government or instrumentality thereof and any tribunal;
- (tt) “**Plan of Arrangement**” means the plan of arrangement attached to this Agreement as Schedule “A”, as may be amended or varied in accordance with the terms thereof;
- (uu) “**Registrar**” means the Registrar of Companies for the Province of British Columbia, duly appointed pursuant to Section 400 of the BCBCA;
- (vv) “**Representative**” means any current and former director, officer, employee,

agent, advisor or consultant of a Party;

- (ww) “**Securities Act**” means the *Securities Act*, R.S.B.C 1996, c. 418, as amended or replaced from time to time, together with all rules and regulations promulgated thereunder or with respect thereto;
- (xx) “**Securities Legislation**” means the Securities Act and the equivalent law in the other provinces of Canada, and the published policies, instruments, rules, judgments, orders and decisions of any Authority administering those statutes, as well as the rules, regulations, by-laws and policies of the TSX-V;
- (yy) “**Special Resolution**” means a resolution passed by a majority of not less than two-thirds of the votes cast by GCO Shareholders in respect of such resolution at the Meeting;
- (zz) “**Spin-Off Properties**” means, collectively:
 - (i) the Werner Lake Mineral Belt Properties, which consist of various leases, patented claims and unpatented claims covering an aggregate area estimated to be between 1,700 to 2,000 hectares in the Kenora Mining Division, northwestern Ontario, and
 - (ii) the Iron Creek Property, which consists of a mining lease and option to purchase seven patented claims totalling approximately 118 acres in central Idaho;
- (aaa) “**Taxes**” means all federal, provincial or state income, value, sales, added and other taxes, governmental fees and other like assessments and charges of any kind whatsoever, together with all interest, penalties, additions to tax and additional amounts with respect thereto;
- (bbb) “**Third Party Expenses**” means all legal, accounting, financial advisory, investment banking, consulting and all other fees and expenses of third parties incurred by a party in connection with the negotiation and effectuation of the terms and conditions of this Agreement and the transactions contemplated hereby;
- (ccc) “**TSX-V**” means the TSX Venture Exchange; and
- (ddd) “**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder.

1.2 Construction

In this Agreement, unless otherwise expressly stated or the context otherwise requires:

- (a) the division of this Agreement into articles, sections and subsections, and the insertion of headings, are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof” and “hereunder” and similar expressions refer to this Agreement and not to any particular article or section hereof and include any agreement or instrument

supplemental therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement;

- (b) words importing the singular shall include the plural and vice versa, words importing gender shall include the masculine, feminine and neuter genders, and references to a “person” or “persons” shall include individuals, corporations, partnerships, associations, bodies politic and other entities, all as may be applicable in the context;
- (c) the word “including”, when following any general term or statement, is not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (d) a reference to a statute or code includes every regulation made pursuant thereto, all amendments to the statute or code or to any such regulation in force from time to time, and any statute, code or regulation which supplements or supersedes such statute, code or regulation;
- (e) if the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day; and
- (f) all dollar amounts referred to in this Agreement are expressed in Canadian currency.

1.3 Schedules

Attached hereto and deemed to be incorporated into and forming part of this Agreement are the following Schedules:

- Schedule “A” - Plan of Arrangement
- Schedule “B” - List of holders of GCO Warrants, the number of GCO Warrants held by each such holder and the terms of exercise of the GCO Warrants
- Schedule “C” - List of holders of GCO Options, the number of GCO Options held by each such holder and the terms of exercise of the GCO Options

ARTICLE 2 ARRANGEMENT

2.1 Arrangement

As soon as reasonably practicable, GCO shall apply to the Court pursuant to Section 291(1) of the BCBCA for an order approving the Arrangement and in connection with such application shall:

- (a) subject to:

- (i) obtaining all necessary approvals of the GCO Shareholders as contemplated in the Interim Order and as may be directed by the Court in the Interim Order; and
- (ii) satisfying, or agreeing with IMHL to the waiver of, the condition precedents described in Section 5.2 hereof;

take all steps necessary or desirable to submit the Arrangement to the Court and apply for the Final Order;

- (b) inform the Court that upon approval from the Court and consummation of the Arrangement, the Parties intend to rely on Section 3(a)(10) under the U.S. Securities Act to issue the GEMC Shares to GCO Shareholders in the United States without registration under the U.S. Securities Act. In order to ensure the availability of such exemption, the Parties agree that the Arrangement shall be carried out on the following basis:

- (i) the Arrangement shall be subject to the approval of the Court;
- (ii) the Court shall be required to satisfy itself as to the fairness of the Arrangement to the GCO Shareholders subject to the Arrangement;
- (iii) the Final Order shall expressly state that the Arrangement is approved by the Court as being fair to the GCO Shareholders to whom securities shall be issued;
- (iv) GCO shall ensure that each GCO Shareholders shall be given adequate and timely notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right;
- (v) the GCO Shareholders shall be advised that the securities issued in the Arrangement have not been registered under the U.S. Securities Act and shall be issued by GCO and GEMC in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act and may be subject to restrictions on resale under the securities laws of the United States, including, as applicable, Rule 144 under the U.S. Securities Act with respect to affiliates of GCO and GEMC after the Effective Time or within 90 days prior to the Effective Time;
- (vi) the Interim Order shall specify that each GCO Shareholder shall have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement so long as such GCO Shareholder files and delivers an appearance within a reasonable time; and
- (vii) the Final Order shall include a statement substantially to the following effect:

“This Order shall serve as a basis of a claim to an exemption, pursuant to

Section 3(a)(10) of the United States *Securities Act of 1933*, as amended, from the registration requirements otherwise imposed by that act, regarding the distribution of securities of Global Cobalt Corporation and Global Energy Metals Corporation, pursuant to or in connection with the Plan of Arrangement.”

2.2 Effective Date and Effective Time

The Arrangement shall become effective on the Effective Date and the steps to be carried out pursuant to the Plan of Arrangement shall become effective commencing as at the Effective Time and in the order set out therein or as otherwise specified in the Plan of Arrangement.

2.3 GCO Approval

GCO represents and warrants to and in favour of GEMC and IMHL that:

- (a) its board of directors has determined unanimously that (i) the Arrangement is in the best interests of GCO and GEMC; and (ii) GCO shall recommend that the GCO Shareholders vote in favour of the Arrangement Resolution; and
- (b) each of its directors has advised GCO that he intends to vote all of the GCO Shares beneficially owned, directly or indirectly, or over which direction or control is exercised, by him in favour of the Arrangement Resolution, and shall, accordingly, so represent in the Information Circular.

2.4 IMHL Approval

IMHL represents and warrants to and in favour of GCO and GEMC that:

- (a) it is the registered and beneficial owner of 26,127,640 GCO Shares, which shares it holds free of all mortgages, charges, pledges, liens, security interests, encumbrances, claims or voting restrictions;
- (b) its board of directors has determined unanimously that the Arrangement is in the best interests of IMHL; and
- (c) IMHL and each of its affiliates and associates shall vote all of the GCO Shares beneficially owned, directly or indirectly, or over which direction or control is exercised, by it in favour of the Arrangement Resolution.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Mutual Representations and Warranties of GCO, GEMC and IMHL

Each of GCO, GEMC and IMHL represents and warrants to the other Parties as follows and acknowledges that the other Parties are relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) the Party is a corporation duly incorporated and validly existing under the laws of

the jurisdiction set out above, is duly qualified to carry on its business in each jurisdiction where the conduct of its business is currently conducted and is presently proposed to be conducted, or the ownership, leasing or operation of its property and assets requires such qualification, and has all requisite corporate power and authority to carry on its business and to enter into and perform its obligations under this Agreement;

- (b) the execution and delivery of this Agreement by it and the completion by it of the transactions contemplated herein and in the Plan of Arrangement do not and shall not:
 - (i) result in the breach of, or violate any term or provision of, its articles or by-laws;
 - (ii) conflict with, result in the breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, instrument, licence or permit to which it is a party or by which it is bound and which is material to it, or to which any material property of such Party is subject, or result in the creation of any Encumbrance upon any of its material assets under any such agreement, instrument, licence or permit or give to others any material interest or right, including rights of purchase, termination, cancellation or acceleration, under any such agreement, instrument, licence or permit; or
 - (iii) violate any provision of law or administrative regulation or any judicial or administrative award, judgment, order or decree applicable and known to it, the breach of which would have a material adverse effect on it;
- (c) there are no actions, suits, proceedings or investigations commenced, contemplated or threatened against or affecting it, at law or in equity, before or by any Authority nor are there any existing facts or conditions which may reasonably be expected to form a proper basis for any actions, suits, proceedings or investigations, which, in any case, would prevent or hinder the consummation of the transactions contemplated by this Agreement;
- (d) it is not aware of any undisclosed event or occurrence which would have, or which would be reasonably likely to result in, a material adverse change to its affairs;
- (e) except as otherwise previously disclosed in writing, no dissolution, winding up, bankruptcy, liquidation or similar proceeding has been commenced or is pending or proposed in respect of it; and
- (f) the execution and delivery of this Agreement, and the completion of the transactions contemplated herein and in the Plan of Arrangement have been duly approved by its board of directors and this Agreement constitutes a valid and binding obligation of such Party enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and to general principles of equity and limitations

upon the enforcement of indemnification for fines or penalties imposed by law.

3.2 Representations and Warranties of GCO

GCO represents and warrants to and in favour of GEMC and IMHL as follows, and acknowledges that each of GEMC and IMHL is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) the authorized capital of GCO consists of an unlimited number of GCO Shares, of which 99,948,885 GCO Shares are issued and outstanding as of the date hereof as fully-paid and non-assessable shares;
- (b) at the date hereof, no Person holds any securities convertible into GCO Shares or has any agreement, warrant, option or other right capable of becoming an agreement, warrant or option for the purchase or other acquisition of any issued or unissued GCO Shares, other than the holders of GCO Warrants to acquire in aggregate 17,134,659 GCO Shares and the holders of GCO Options to acquire in the aggregate 4,155,000 GCO Shares, and the holders of such GCO Warrants and GCO Options, the number of GCO Warrants and GCO Options held by such holder and the terms of exercise of such GCO Warrants and GCO Options are set out in Schedule "B" and Schedule "C", respectively, hereto;
- (c) GCO holds either mining leases, mining claims or other conventional property, proprietary or contractual interests or rights, recognized in the jurisdiction in which a particular property is located, in respect of the ore bodies and minerals located in the Spin-Off Properties under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments sufficient to permit GCO to explore the minerals relating thereto. The Spin-Off Properties have been validly located and recorded in accordance with all applicable laws and are valid and subsisting, GCO has all necessary surface rights, access rights and other necessary rights and interests relating to the Spin-Off Properties granting GCO the right and ability to explore for minerals, ore and metals for development purposes as are appropriate in view of the rights and interest therein of GCO, with only such exceptions as do not materially interfere with the use made by GCO of the rights or interests so held and each of the proprietary interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above is currently in good standing in the name of GCO;
- (d) except as disclosed in writing to GEMC, the Spin-Off Properties are free and clear of any title defect, royalty or Encumbrance, that would prevent GCO from exploring, developing, extracting or processing ore from its mineral projects and there are no conflicting mining claims that could constitute a material defect in GCO's right, interest or title to any of the Spin-Off Properties. There are no pending or threatened claims, actions, suits, judgments, litigation, proceedings or investigations of any nature affecting the Spin-Off Properties. There are no material restrictions on the use, transfer or ability to otherwise exploit any such mining rights, except as required by applicable laws or the terms of the Spin-Off Properties. GCO has not received notice from any Authority of any proposal or

intention to withdraw, revoke, amend or terminate the Spin-Off Properties or has any reason to believe that any such withdrawal, revocation, amendment or termination is pending or threatened or shall occur in the future and all material obligations in respect of the Spin-Off Properties have been complied with at all times and no action, claim, demand, dispute or liability in respect of the same is outstanding or, to the knowledge of GCO, threatened;

- (e) in relation to the Spin-Off Properties, GCO is not in material breach or default under any material agreement and is not aware of any condition that, with the passage of time or the giving of notice or both, would result in such a material breach or default. GCO does not know of and has not received written notice of, any material breach or default under (nor does there exist any condition which with the passage of time or the giving of notice or both would result in such a breach or default under) any material agreement by any other party thereto in relation to the Spin-Off Properties. Prior to the date of this Agreement, GCO has made available to GEMC or its Representatives true and complete copies of all material agreements relating to the Spin-Off Properties;
- (f) the GEMC Assumed Debt represents, and will represent on the Effective Date, 100% of the indebtedness of GCO other than those accounts payable and accrued liabilities that relate to the Karakul and Altai Sister properties, located in Altai Republic, Russia and which were incurred during the period from August 1, 2013 to March 31, 2014 (the “**Excluded Debt**”) such that on the Effective Date, following the assumption of the GEMC Assumed Debt by GEMC, GCO will not have any indebtedness to any third party, consultant, contractor, lender, employee, director or officers, other than the Excluded Debt. Notwithstanding any other provision of this Agreement or the Plan of Arrangement, the GEMC Assumed Debt does not include, and GEMC does not assume or accept, and does not agree to assume or accept, any responsibility or liability for any and or all manner of actions, causes of action, suits, proceedings, debts, dues, profits, expenses, contracts, damages, claims, demands and liabilities whatsoever, in law or equity, known or unknown, arising directly or indirectly from (i) the exercise by the GCO Shareholders of the Dissent Rights in connection with the Arrangement Resolution or the Arrangement, generally; and (ii) the indemnification by GCO of the GCO Indemnitees pursuant to Section 7.2 hereof.
- (g) GCO is a reporting issuer in British Columbia and Alberta and is not in default in any material respect of any of its filing obligations under applicable Securities Legislation and the GCO Shares are listed and posted for trading on the TSX-V. No order ceasing, halting or suspending trading in the securities of GCO or prohibiting the distribution of such securities has been issued to and is outstanding against GCO and no investigations or proceedings for such purposes are, to the knowledge of GCO, pending or threatened.

3.3 Representations and Warranties of GEMC

GEMC represents and warrants to and in favour of GCO as follows, and acknowledges that GCO is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) GEMC is authorized to issue an unlimited number of GEMC Shares of which one GEMC Share is issued and outstanding as of the date hereof;
- (b) as at the date hereof, no Person holds any securities convertible into GEMC Shares or any other securities of GEMC or has any agreement, warrant, option or any other right capable of becoming an agreement, warrant or option for the purchase or other acquisition of any unissued GEMC Shares; and
- (c) GEMC has been incorporated solely to participate in the Arrangement and to perform its obligations contemplated in this Agreement, the Arrangement and all matters related thereto, and except as aforesaid, GEMC has not conducted or carried on any business, acquired any assets, assumed or incurred any liabilities or allowed any Encumbrances to be created against it.

3.4 Survival of Representations and Warranties

The representations and warranties of each of the Parties contained herein shall survive the execution and delivery of this Agreement and shall terminate on the earlier of the termination of this Agreement in accordance with its terms and the Effective Time.

ARTICLE 4 COVENANTS

4.1 Mutual Covenants of GCO, GEMC and IMHL

Each of GCO, GEMC and IMHL covenants and agrees with the other Parties that it shall:

- (a) use commercially reasonable efforts and do all things reasonably required of it to cause the Plan of Arrangement to become effective on or before September 2, 2015, including cooperate in connection with GCO's application for the Interim Order, the preparation of the Information Circular and GCO's application for the Final Order;
- (b) not perform any act or enter into any transaction which interferes or is inconsistent with the completion of the Plan of Arrangement, including taking any action that would, or would reasonably be expected to, render any representation or warranty made by it in this Agreement untrue or incorrect in any material respect on the Effective Date as if then made;
- (c) do and perform all such acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments as may reasonably be required, both prior to and after the Effective Date, to facilitate the carrying out of the intent and purposes of this Agreement; and
- (d) use commercially reasonable efforts to cause each of the conditions precedent set forth in Article 5, which are within its control, to be satisfied on or prior to September 2, 2015.

4.2 Covenants of GCO

GCO covenants and agrees with each of GEMC and IMHL that:

- (a) it shall apply to the Court for the Interim Order;
- (b) it shall solicit proxies to be voted at the Meeting in favour of the Arrangement Resolution and prepare, as soon as practicable, the Information Circular and proxy solicitation materials and any amendments or supplements thereto as required by, and in compliance with, the Interim Order, and applicable laws, and, subject to receipt of the Interim Order, convene the Meeting as ordered by the Interim Order and conduct the Meeting in accordance with the Interim Order and as otherwise required by applicable laws;
- (c) it shall in a timely and expeditious manner, file the Information Circular in all jurisdictions where the same is required to be filed by it and mail the same to the GCO Shareholders in accordance with the Interim Order and applicable laws;
- (d) it shall ensure that the information set forth in the Information Circular relating to GCO and its business and properties and the effect of the Plan of Arrangement thereon shall be true, correct and complete in all material respects and shall not contain any untrue statement of any material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading in light of the circumstances in which they are made;
- (e) without limiting the generality of any of the foregoing covenants, during the term of this Agreement and until the Effective Date, except as required to effect the Plan of Arrangement or with the consent of GEMC and IMHL, GCO shall not:
 - (i) issue any additional GCO Shares, GCO Warrants, GCO Options or other securities of GCO, in connection with any conversion of its indebtedness existing at the date of this Agreement or otherwise, other than in connection with the Plan of Arrangement or transactions required in order to effect the Plan of Arrangement (which, for certainty, shall not include issuances required to finance, or cover costs associated with, the Plan of Arrangement) and except pursuant to the exercise or vesting of outstanding GCO Warrants and GCO Options issued or granted prior to the date hereof. Notwithstanding any other provision hereof, the Parties acknowledge and agree that (A) the 2,990,000 units of GCO issued on May 11, 2015, comprised of 2,990,000 GCO Shares and 2,990,000 GCO Warrants exercisable for an additional 2,990,000 GCO Shares (with all of the up to 5,980,000 GCO Shares referred to above being the “**Transaction Shares**”) have been issued to cover the GCO Transaction Expenses; and (B) if any additional securities of GCO are issued by GCO, any GCO Shares issued or issuable in connection with such securities will be offset by the issuance of compensation GCO Shares to IMHL on a 1:1 basis so that IMHL’s ownership interest in GCO (on a non-diluted basis) at the completion of the Arrangement will be equal to 26.14% (less the 5,980,000 Transaction Shares) but before giving effect to the Debt

Conversion;

- (ii) issue or enter into any agreement or agreements to issue or grant GCO Warrants, GCO Options or rights to purchase any GCO Shares or other securities of GCO; or
 - (iii) alter or amend its constating documents as the same exist at the date of this Agreement except as specifically provided for hereunder;
- (f) it shall, and does hereby, indemnify and save harmless each of GEMC and IMHL and their Representatives from and against any and all Claims to which GEMC or IMHL or any of their Representatives may be subject or may suffer, in any way caused by, or arising, directly or indirectly, from or in consequence of:
- (i) any misrepresentation or alleged misrepresentation in any information included in the Information Circular that is provided by GCO for the purpose of inclusion in the Information Circular;
 - (ii) any order made, or any inquiry, investigation or proceeding pursuant to any applicable Securities Legislation, or by any Authority, based on any misrepresentation or any alleged misrepresentation in any information provided by GCO for the purpose of inclusion in the Information Circular; and
 - (iii) GCO not complying with any requirements of applicable laws in connection with the transaction contemplated in this Agreement;
- (g) it shall prior to the Effective Date, make application to the applicable regulatory authorities for such orders under applicable securities and/or corporate laws as may be necessary or desirable in connection with the Plan of Arrangement;
- (h) it shall prior to the Effective Date, make an application to the TSX-V for the listing thereon of the GEMC Shares;
- (i) it shall perform the obligations required to be performed by it under the Plan of Arrangement and do all such other acts and things as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Plan of Arrangement, including using commercially reasonable efforts to obtain:
- (i) the approval of GCO Shareholders required for the implementation of the Plan of Arrangement;
 - (ii) the approval of the GCO Shareholders for the implementation of the GEMC Stock Option Plan;
 - (iii) the Interim Order and, subject to (A) the obtaining of all required consents, orders, rulings and approvals (including, without limitation, required approvals of GCO Shareholders); and (B) satisfying, or agreeing with IMHL to the waiver of, the condition precedents described in

Section 5.2 hereof, the Final Order;

- (iv) such other consents, orders, rulings or approvals and assurances as are necessary or desirable for the implementation of the Plan of Arrangement, including those referred to in Section 5.1 hereof;
- (v) satisfaction of the conditions precedent referred to in Sections 5.1 and 5.2 hereof; and
- (j) it shall upon issuance of the Final Order and subject to the conditions precedent in Article 5, forthwith proceed to file all necessary documents with the Registrar.

4.3 Covenants of GEMC

GEMC covenants and agrees with GCO that:

- (a) without limiting the generality of any of the foregoing covenants, until the Effective Date and except as required to give effect to the Plan of Arrangement or with the consent of GCO, it shall not:
 - (i) issue any additional GEMC Shares or other securities of GEMC other than in connection with the Plan of Arrangement or transactions required in order to effect the Plan of Arrangement;
 - (ii) issue or enter into any agreement to issue or grant options, warrants or rights to purchase any GEMC Shares or other securities of GEMC; or
 - (iii) alter or amend its constating documents as the same exist at the date of this Agreement except as specifically provided for hereunder; and
- (b) it shall perform the obligations required to be performed by it under the Plan of Arrangement and do all such other acts and things as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Plan of Arrangement, including using commercially reasonable efforts to obtain:
 - (i) such consents, orders, rulings or approvals and assurances as are necessary or desirable for the implementation of the Plan of Arrangement, including those referred to in Section 5.1 hereof; and
 - (ii) satisfaction of the conditions precedent referred to in Sections 5.1 and 5.2 hereof.

4.4 Covenants of IMHL

IMHL covenants and agrees with GCO and GEMC that:

- (a) without limiting the generality of any of the foregoing covenants, until the Effective Date and except as required to give effect to the Plan of Arrangement or with the consent of GCO, neither it nor any of its affiliates or associates shall sell,

transfer or assign any legal or beneficial right, title or interest in any GCO Shares, GCO Warrants or GCO Options held by such person; provided that with prior written notice to GCO, IMHL may transfer GCO Shares held by it to shareholders of IMHL if such transferees agree in writing to GCO prior to such transfer to vote in favour of the Arrangement Resolution; and further provided that IMHL may sell or otherwise dispose of GCO Shares having an aggregate market value of up to \$100,000 (the “**Transferred GCO Shares**”) at a price per GCO Share that is not less than the “**Market Price**” (as that term is defined in the TSX-V Corporate Finance Manual) but without reference to the \$0.05 limit; provided that holders of the Transferred GCO Shares on the Effective Date, if not affiliates or associates of IMHL at the Effective Time, shall be entitled to receive GEMC Distribution Shares, as that term is defined in the Plan of Arrangement, in the manner contemplated by Section 3.1(c) of the Plan of Arrangement;

- (b) IMHL and each of its affiliates and associates shall vote all of the GCO Shares beneficially owned, directly or indirectly, or over which direction or control is exercised, by such person, in favour of the Arrangement Resolution;
- (c) IMHL and each of its affiliates and associates shall perform the obligations required to be performed by such person under the Plan of Arrangement and do all such other acts and things as may be necessary or desirable and are within such person’s power and control in order to carry out and give effect to the Plan of Arrangement, including using commercially reasonable efforts to:
 - (i) provide to GCO in a timely manner all information concerning the IMHL Nominees and GCO’s business post-Closing that is required to be disclosed in the Information Circular required for the Meeting;
 - (ii) obtain such consents, orders, rulings or approvals and assurances as are necessary or desirable for the implementation of the Plan of Arrangement, including those referred to in Section 5.1 hereof; and
 - (iii) satisfy or waive the conditions precedent referred to in Sections 5.1 and 5.2 hereof; and
- (d) it shall, and does hereby, indemnify and save harmless each of GCO and GEMC and their Representatives from and against any and all Claims to which GCO or GEMC or any of their Representatives may be subject or may suffer, in any way caused by, or arising, directly or indirectly, from or in consequence of:
 - (i) any misrepresentation or alleged misrepresentation in any information included in the Information Circular that is provided by IMHL for the purpose of inclusion in the Information Circular;
 - (ii) any order made, or any inquiry, investigation or proceeding pursuant to any applicable Securities Legislation, or by any Authority, based on any misrepresentation or any alleged misrepresentation in any information provided by IMHL for the purpose of inclusion in the Information Circular; and

- (iii) IMHL not complying with any requirements of applicable laws in connection with the transaction contemplated in this Agreement.

4.5 Interim Order

As soon as practicable after the date hereof, GCO shall apply to the Court pursuant to Section 291 of the BCBCA for the Interim Order providing for, among other things, the calling and holding of the Meeting.

4.6 Final Order

If the Interim Order and all GCO Shareholder approvals as required in respect of the Plan of Arrangement are obtained, and provided that GCO has satisfied, or agreed with IMHL in respect of the waiver of, the condition precedents described in Section 5.2 hereof, GCO shall promptly thereafter take the necessary steps to submit the Plan of Arrangement to the Court and apply for the Final Order in such fashion as the Court may direct, and as soon as practicable following receipt of the Final Order, and subject to the satisfaction or waiver of the other conditions provided for in Article 5 hereof, GCO shall make any filings required to give effect to the Plan of Arrangement pursuant to the Final Order.

ARTICLE 5 CONDITIONS

5.1 Mutual Conditions Precedent

The respective obligations of the Parties to complete the transactions contemplated by this Agreement and otherwise to give effect to the Plan of Arrangement shall be subject to the satisfaction of the following conditions:

- (a) the Interim Order shall have been granted in form and substance satisfactory to the Parties, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to the Parties, each acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution shall have been approved by the required number of votes cast by GCO Shareholders at the Meeting;
- (c) the Court shall have determined that the terms and conditions of the issuance of the GEMC Shares pursuant to the Plan of Arrangement are procedurally and substantively fair to GCO Shareholders, and the Final Order shall have been obtained in form and substance satisfactory to all Parties, each acting reasonably, not later than September 2, 2015, or such later date as the Parties may agree;
- (d) all material consents, orders, rulings, approvals and assurances, including regulatory and judicial approvals and orders, required for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the Authorities, including applicable orders, rulings, no action letters and registrations pursuant to the Securities Act and the comparable securities legislation of the other applicable provinces and territories of Canada to permit the GEMC Shares to be distributed pursuant to the Plan of

Arrangement;

- (e) no action shall have been instituted and be continuing on the Effective Date for an injunction to restrain, a declaratory judgment in respect of, or damages on account of, or relating to, the Plan of Arrangement and there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and no cease trading or similar order with respect to any securities of any of the Parties shall have been issued and remain outstanding;
- (f) none of the consents, orders, rulings, approvals or assurances required for the implementation of the Plan of Arrangement shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of the Parties, acting reasonably;
- (g) no law, regulation or policy shall have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Plan of Arrangement, including, without limitation, any material change to the income tax laws of Canada, which would have a material adverse effect upon GCO Shareholders if the Plan of Arrangement is completed;
- (h) the TSX-V shall have conditionally approved:
 - (i) the transfer of the Spin-Off Properties to GEMC;
 - (ii) the listing of the GEMC Shares on the TSX-V; and
 - (iii) the IMHL Debt Conversion;
- (i) the Effective Date will have occurred on or before the Drop Dead Date; and
- (j) this Agreement shall not have been terminated under Article 6 hereof.

5.2 Conditions Precedent of GCO in Favour of IMHL

GCO agrees with IMHL that it will not make application to the Court for the Final Order before the following conditions precedent have been satisfied or waived by IMHL:

- (a) GCO shall have acquired a significant interest (as that term is described in the applicable policies of the TSX-V) in a mining property (the “**GCO Replacement Property**”), if required as a condition of TSX-V acceptance of the Arrangement and, in particular, TSX-V requirements for the continued listing of GCO as a Tier II mining issuer following the completion of the Arrangement;
- (b) GCO shall have obtained a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* compliant technical report in respect of the GCO Replacement Property, if required pursuant to paragraph (a) above;
- (c) the TSX-V shall have conditionally confirmed that the GCO Shares will continue to be eligible for listing on the TSX-V upon the Closing;

- (d) all directors, officers, employees, management and consultants of GCO, other than the IMHL Directors, shall have resigned their office or position with GCO, effective as of the Effective Time, and shall have agreed to the transfer to GEMC, and GEMC shall have agreed to the transfer, of any liabilities for unpaid salaries, wages, fees, bonuses, severance obligations or any amount otherwise owing by GCO to such resigning directors, officers, employees, management and consultants;
- (e) GCO and the directors, officers, employees, management and consultants of GCO shall have exchanged standard form releases in respect of any and all obligations that any of them may have against the other;
- (f) five of the IMHL Nominees, three of whom shall each have delivered to Lotz & Company, legal counsel to GCO, in advance of the Meeting, a written resignation to be effective only if the Effective Date does not occur before the Drop Dead Date, shall have been elected to the GCO board of directors at the Meeting; provided that at the Meeting five nominees of GCO, three of whom shall each have delivered to McCullough O'Connor Irwin LLP, legal counsel to IMHL, in advance of the Meeting, a written resignation to be effective only as of the Effective Time, shall also have been elected to the GCO board of directors in addition to the five IMHL Nominees. Notwithstanding any other provision hereof, GCO and IMHL agree that if the Effective Date does not occur before the Drop Dead Date, then IMHL shall be entitled to appoint the Chief Financial Officer of GCO immediately after the Drop Dead Date;
- (g) the Audit shall have been completed;
- (h) management of IMHL and of GCO shall have agreed on procedures for the transfer of management of GCO, which shall include, at a minimum, disclosure within twenty (20) days of the Effective Date of the status of, and all relevant background information relating to any ongoing property or contract negotiations, especially with entities based or located in China;
- (i) the IMHL Debt Conversion shall have been approved by the GCO Shareholders at the Meeting; and
- (j) GCO Shareholders holding not more than 5% of the GCO Shares, in the aggregate, shall have exercised their Dissent Rights

5.3 Additional Conditions to Obligations of Each Party

The obligation of each Party to complete the transactions contemplated by this Agreement is further subject to the condition, which may be waived by such Party without prejudice to its right to rely on any other condition in its favour, that the covenants of each other Party to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by it and that the representations and warranties of each other Party shall be true and correct in all material respects as at the Effective Date, with the same effect as if such representations and warranties had been made at, and as of, such time and each such Party shall receive a certificate, dated the Effective Date, of a senior officer of each other Party confirming

the same.

5.4 Merger of Conditions

The conditions set out in Sections 5.1 and 5.2 hereof shall be conclusively deemed to have been satisfied, waived or released on the Arrangement becoming effective.

ARTICLE 6 AMENDMENT AND TERMINATION

6.1 Amendment and Waiver

This Agreement may, at any time and from time to time before and after the holding of the Meeting, but not later than the Effective Date, be amended by the written agreement of the Parties without, subject to applicable laws, further notice to or authorization on the part of the GCO Securityholders. Without limiting the generality of the foregoing, any such amendment may:

- (a) waive compliance with or modify any of the covenants contained herein or waive or modify performance of any of the obligations of the Parties or satisfaction of any of the conditions precedent set forth in Article 5 of this Agreement;
- (b) waive any inaccuracies or modify any representation contained herein or in any document to be delivered pursuant hereto;
- (c) change the time for performance of any of the obligations, covenants or other acts of the Parties; or
- (d) amend the terms of the Plan of Arrangement and the sequence of transactions described in the Plan of Arrangement, subject to any required approval of the GCO Shareholders, given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

6.2 Termination

This Agreement:

- (a) may at any time prior to the Plan of Arrangement becoming effective under the provisions of the BCBCA, be terminated by the mutual written agreement of the Parties, at any time without approval of the GCO Shareholders; or
- (b) may be terminated by any Party if the Meeting has not occurred by the Drop Dead Date; provided that any termination by a Party in accordance with this paragraph (b) shall be made by the terminating Party delivering written notice thereof to the other Parties prior to the Effective Date.

ARTICLE 7
RELEASE AND INDEMNITY

7.1 Release

Provided that the Arrangement contemplated hereby shall have become effective prior to the Drop Dead Date and for good and valuable consideration, the receipt of which is hereby acknowledged:

- (a) each of GCO and all of its current and former shareholders, directors, officers, employees, consultants, agents, representatives, consultants and each of their respective heirs, executors, administrators, legal representatives, successors and assigns (in this Section 7.1(a), collectively, the “**GCO Releasers**”) does hereby unconditionally and irrevocably remise, release, and forever discharge each of the IMHL Releasers (as defined below) and each of the GEMC Releasers (as defined below) from any and all manner of actions, causes of action, suits, proceedings, debts, dues, profits, expenses, contracts, damages, claims, demands and liabilities whatsoever, in law or equity, known or unknown, which as against the IMHL Releasers and the GEMC Releasers, or any of them, the GCO Releasers has or hereafter can, will, or may have, directly or indirectly, for or by reason of or arising out of or in connection with any cause, matter, or thing whatsoever occurring or existing up to and including the Effective Date, including, without limitation, this Arrangement Agreement, the Plan of Arrangement, the IMHL Debt Conversion, the GEMC Assumed Debt, the IMHL Loan Agreement and the IMHL Property Option Agreement;
- (b) each of IMHL and all of its current and former shareholders, directors, officers, employees, consultants, agents, representatives, consultants and each of their respective heirs, executors, administrators, legal representatives, successors and assigns (in this Section 7.1(b), collectively, the “**IMHL Releasers**”) does hereby unconditionally and irrevocably remise, release, and forever discharge each of the GCO Releasers and each of the GEMC Releasers (as defined below) from any and all manner of actions, causes of action, suits, proceedings, debts, dues, profits, expenses, contracts, damages, claims, demands and liabilities whatsoever, in law or equity, known or unknown, which as against the GCO Releasers and the GEMC Releasers, or any of them, the IMHL Releasers has or hereafter can, will, or may have, directly or indirectly, for or by reason of or arising out of or in connection with any cause, matter, or thing whatsoever occurring or existing up to and including the Effective Date, including, without limitation, this Arrangement Agreement, the Plan of Arrangement, the IMHL Debt Conversion, the GEMC Assumed Debt, the IMHL Loan Agreement and the IMHL Property Option Agreement; and
- (c) each of GEMC and all of its current and former shareholders, directors, officers, employees, consultants, agents, representatives, consultants and each of their respective heirs, executors, administrators, legal representatives, successors and assigns (collectively, the “**GEMC Releasers**”) does hereby unconditionally and irrevocably remise, release, and forever discharge each of the IMHL Releasers (as defined below) and each of the GCO Releasers from any and all manner of

actions, causes of action, suits, proceedings, debts, dues, profits, expenses, contracts, damages, claims, demands and liabilities whatsoever, in law or equity, known or unknown, which as against the IMHL Releasers and the GCO Releasers, or any of them, the GEMC Releasers has or hereafter can, will, or may have, directly or indirectly, for or by reason of or arising out of or in connection with any cause, matter, or thing whatsoever occurring or existing up to and including the Effective Date, including, without limitation, this Arrangement Agreement, the Plan of Arrangement, the IMHL Debt Conversion, the GEMC Assumed Debt, the IMHL Loan Agreement and the IMHL Property Option Agreement.

7.2 Indemnity

To the full extent allowed by law and for good and valuable consideration, the receipt of which is hereby acknowledged, GCO does hereby agree to indemnify and save harmless all of its current and former directors, officers, employees, consultants, agents and representatives and each of their respective heirs, executors, administrators, legal representatives, successors and assigns (in this Section 7.2, each a “**GCO Indemnitee**”), from and against any and all actions, causes of action, liabilities, costs, charges and expenses (including, but not limited to, an amount paid to settle any action or to satisfy any judgment, legal fees on a solicitor and own client basis, other professional fees, out-of-pocket expenses for attending proceedings, including discoveries, trials, hearings and meetings), and any amount for which the GCO Indemnitee is liable by reason of any statutory provision whether civil, criminal or otherwise (in this Section 7.2, the “**Proceedings and/or Liabilities**”), suffered or incurred by any GCO Indemnitee directly or indirectly: (i) for or by reason of or arising out of or in connection with any and all acts and decisions made by the GCO Indemnitee in connection with the discharge and performance of duties as a director, officer, employee, consultant, agent or representative, as applicable, of GCO; (ii) as a result of or by reason of the GCO Indemnitee being, or having been, a director, officer, employee, consultant, agent or representative of GCO or an associated corporation; (iii) any action taken by the GCO Indemnitee in his capacity as a director, officer, employee, consultant, agent or representative of GCO or an associated corporation; or (iv) by reason of the GCO Indemnitee acting or having acted as a member of a committee of the board of directors of GCO or an associated corporation; provided that (i) this indemnity shall only apply in respect of Proceedings and/or Liabilities arising from matters, events or actions (A) known by IMHL, or disclosed to IMHL by GCO, on or before the date of this Agreement or (B) disclosed by GCO in its public disclosure record on or before the date of this Agreement; and (ii) in the event, and to the extent that, a court of competent jurisdiction, in a final judgment from which no appeal can be made, or a regulatory authority, in a final ruling from which no appeal can be made, shall determine that any such Proceedings and/or Liabilities resulted solely from the gross negligence, fraud or illegal conduct of any GCO Indemnitee claiming indemnity, this indemnity shall not apply.

ARTICLE 8 GENERAL

8.1 Notices

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery, courier, registered mail or facsimile

addressed to the recipient as follows:

If to GCO, to:

Global Cobalt Corporation
Suite 1501 - 128 West Pender Street
Vancouver, British Columbia, V6B 1R8

Attention: Erin Chutter
Facsimile: 604-688-4215

If to GEMC, to:

Global Energy Metals Corporation
Suite 1501 - 128 West Pender Street
Vancouver, British Columbia, V6B 1R8

Attention: Luis Hadic
Facsimile: 604-688-4215

For each of GCO and GEMC above, with a copy (which shall not constitute notice) to:

Lotz & Company
Suite 415 - 1040 West Georgia Street
Vancouver, British Columbia, V6E 4H1

Attention: Jonathan Lotz
Facsimile: 604-699-0112

If to IMHL, to:

Imperial Mining Holding Limited (No. 003345V)
Fort Anne, Douglas
IM1 5PD, Isle of Man

Attention: Alexei Musteatsa, Director
Email: a.musteatsa@imhl.ru

With a copy (which shall not constitute notice) to:

McCullough O'Connor Irwin LLP
Suite 2600 - 1066 West Hastings Street
Vancouver, British Columbia, V6E 3X1

Attention: Kevin Hisko
Email: khisko@moisolicitors.com

and any such notice delivered on a Business Day in accordance with the foregoing shall be deemed to have been received on the date of delivery.

8.2 Severability

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule, law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any Party. Upon any determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated by this Agreement are fulfilled to the fullest extent possible.

8.3 Enurement

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns from time to time.

8.4 Assignment

This Agreement may not be assigned by any Party without the prior written consent of each of the other Parties.

8.5 Third Party Expenses

All out-of-pocket expenses of the Parties relating to the Arrangement and the transactions contemplated hereby, including all Third Party Expenses, shall be paid by the Party incurring such expenses.

8.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each Party agrees that any action or proceeding arising out of or relating to this Agreement may be instituted in the courts of British Columbia, waives any objection which it may have now or later to the venue of that action or proceeding, irrevocably submits to the exclusive jurisdiction of those courts in that action or proceeding and agrees to be bound by any judgment of those courts.

8.7 Time of Essence

Time is of the essence in respect of this Agreement.

8.8 Entire Agreement

Except as otherwise set out in a confidentiality and non-disclosure agreement made as of July 27, 2015 between GCO and IMHL, this Agreement, the Plan of Arrangement and the other agreements contemplated hereby and thereby constitute the entire agreement between the Parties pertaining to the subject matter hereof. There are no warranties, conditions, or representations (including any that may be implied by statute) and there are no agreements in connection with such subject matter, except as specifically set forth or referred to in this Agreement or as otherwise set out in writing and delivered at Closing. No reliance is placed on any warranty,

representation, opinion, advice or assertion of fact made by any Party or its directors, officers, employees or agents, to any other Party or its directors, officers, employees or agents, except to the extent that the same has been reduced to writing and included as a term of this Agreement. Accordingly, there shall be no liability, either in tort or in contract, assessed in relation to any such warranty, representation, opinion, advice or assertion of fact, except to the extent aforesaid.

8.9 Further Assurances

Each of the Parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as each other Party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use reasonable efforts and take all such steps as may reasonably be within its power to implement to their full extent the provisions of this Agreement.

8.10 Counterparts

This Agreement may be executed and delivered in several parts in the same form and by electronic transmission, and such parts when so executed and delivered shall together constitute one original document, and such parts, if more than one, shall be read together and construed as if all the signing parties had executed one copy of this Agreement.

[Remainder of page intentionally left blank; signature page to follow]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the year and day set out on first page hereof.

GLOBAL COBALT CORPORATION

Per:

“Erin Chutter”

Name: Erin Chutter

Title: President & CEO, Director

GLOBAL ENERGY METALS CORPORATION

Per:

“Luis Hadic”

Name: Luis Hadic

Title: President

IMPERIAL MINING HOLDING LIMITED

Per:

“Alexei Musteatsa”

Name: Alexei Musteatsa

Title: Director

FIRST AMENDMENT TO ARRANGEMENT AGREEMENT

THIS FIRST AMENDMENT TO ARRANGEMENT AGREEMENT is dated as of the 4th day of August, 2015.

AMONG:

GLOBAL COBALT CORPORATION, a corporation existing under the laws of the Province of British Columbia, having an office at Suite 1501 - 128 West Pender Street, Vancouver, British Columbia, V6B 1R8

(hereinafter referred to as “**GCO**”)

AND:

GLOBAL ENERGY METALS CORPORATION, a corporation existing under the laws of the Province of British Columbia, having an office at Suite 415 – 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1

(hereinafter referred to as “**GEMC**”)

AND:

IMPERIAL MINING HOLDING LIMITED (No. 003345V), a company incorporated under the laws of the Isle of Man, having its registered office at 33-37 Athol Street, Douglas, IM1 1LB, Isle of Man

(hereinafter referred to as “**IMHL**”)

WHEREAS:

- A. GCO, GEMC and IMHL are parties to an arrangement agreement made as of July 27, 2015 (the “**Arrangement Agreement**”), pursuant to which the parties agreed to the reorganization of GCO and transfer of certain assets and liabilities to GEMC by way of a plan of arrangement; and
- B. GCO, GEMC and IMHL desire to amend the Arrangement Agreement to replace the plan of arrangement attached to the Arrangement Agreement as Schedule “A” thereto, upon the terms and subject to the conditions set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, the covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties agree as follows:

1. All capitalized terms in this Agreement shall have the meanings ascribed thereto in the Arrangement Agreement, unless otherwise defined herein.
2. The plan of arrangement attached to the Arrangement Agreement as Schedule "A" is replaced in its entirety with the plan of arrangement attached as Schedule "A" hereto.
3. Each of the parties represents and warrants that this Agreement has been duly authorized, executed and delivered by the party and constitutes a legal, valid and binding obligation of the party, enforceable in accordance with its terms.
4. This Agreement is supplemental to the Arrangement Agreement and forms part of, and has the same effect as though incorporated in, the Arrangement Agreement. Except as amended hereby, the Arrangement Agreement, remains in full force and effect and is hereby ratified and confirmed in all respects.
5. To the extent there is any conflict or inconsistency between the provisions of this Agreement and any provision of the Arrangement Agreement, the provisions of this Agreement shall govern and prevail to the extent of such conflict or inconsistency.
6. The parties shall do all such further acts and things and execute all such further documents as shall be reasonably required in order to properly perform and carry out the terms of this Agreement.
7. Time shall be of the essence of this Agreement.
8. Each party shall pay its own legal and other costs and expenses incurred in connection with this Agreement.
9. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
10. This Agreement may be executed and delivered in several parts in the same form and by electronic transmission, and such parts when so executed and delivered shall together constitute one original document, and such parts, if more than one, shall be read together and construed as if all the signing parties had executed one copy of this Agreement.

[Remainder of page intentionally left blank; signature page to follow]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed by their authorized signatories as of the date first above written.

GLOBAL COBALT CORPORATION

Per:

“Erin Chutter”

Name: Erin Chutter

Title: President & CEO

GLOBAL ENERGY METALS CORPORATION

Per:

“Luis Hadic”

Name: Luis Hadic

Title: President

IMPERIAL MINING HOLDING LIMITED

Per:

“Alexei Musteatsa”

Name: Alexei Musteatsa

Title: Director

Appendix “C”

Plan of Agreement

(See attached)

PLAN OF ARRANGEMENT

UNDER SECTION 288 OF THE *BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)*

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless the context otherwise requires, the following words and terms shall have the meaning ascribed to them below:

- (a) “**affiliate**” has the meaning ascribed to such term in Section 2 of the BCBCA;
- (b) “**arm’s length**” has the meaning attributed to such term in Section 251(1) of the Tax Act;
- (c) “**Arrangement**” means the arrangement under the provisions of Section 288 of the BCBCA on the terms and conditions set forth in this Plan of Arrangement, subject to any amendments or variations hereto made in accordance with the Arrangement Agreement and the provisions hereof or made at the direction of the Court in the Final Order with consent of GCO;
- (d) “**Arrangement Agreement**” means the Arrangement Agreement dated July 27, 2015 between GCO, GEMC and IMHL to which this Plan of Arrangement is attached as Schedule “A”;
- (e) “**Arrangement Resolution**” means the Special Resolution of GCO Shareholders to be considered at the Meeting authorizing and approving the Plan of Arrangement;
- (f) “**associate**” has the meaning ascribed to such term in Section 1 of the Securities Act;
- (g) “**BCBCA**” means the *Business Corporations Act*, S.B.C 2004, c. 57, as amended or replaced from time to time, together with all rules and regulations promulgated thereunder or with respect thereto;
- (h) “**Business Day**” means a day which is not a Saturday, Sunday or a statutory holiday in the City of Vancouver, British Columbia;
- (i) “**Closing**” means the completion of the transactions contemplated by this Plan of Arrangement;
- (j) “**Court**” means the Supreme Court of British Columbia;
- (k) “**Depository**” means: (i) in respect of the GCO New Common Shares, Computershare Investor Services Inc., or such other depository as GCO may determine; (ii) in respect of the GEMC Shares and the GEMC Warrants, Computershare Investor Services Inc., or such other depository as GEMC may

determine; and (iii) in respect of the GCO Replacement Warrants and the GCO IMHL Replacement Warrants, GCO or its duly appointed agent;

- (l) “**Dissent Procedures**” means the procedures set forth in Sections 237 to 247 of the BCBCA and the Interim Order required to be taken by a GCO Shareholder to exercise its Dissent Rights in respect of GCO Common Shares in connection with the Arrangement;
- (m) “**Dissent Rights**” means the rights of dissent of GCO Shareholders in respect of the Arrangement Resolution and the Arrangement, generally, as set out in Article 6 hereof;
- (n) “**Dissenting Shareholder**” means a registered holder of GCO Common Shares that has validity exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such Dissent Rights;
- (o) “**Effective Date**” means the effective date set forth on the final notice of alteration of GCO that is filed with the Registrar in connection with the amendment to the authorized share structure of GCO under Section 3.1(j) hereof;
- (p) “**Effective Time**” means 12:01 a.m., Vancouver time, on the Effective Date;
- (q) “**Eligible Dividend**” has the meaning attributed to that term in Section 89(1) of the Tax Act;
- (r) “**Encumbrances**” means any mortgage, charge, pledge, lien, hypothec, prior claim, assignment for security interest, guarantee, right of third parties or other charge, encumbrance, or any collateral securing the payment obligation of any person, as well as any other agreement or arrangement with any similar effect whatsoever;
- (s) “**fair market value**” means the highest price available in an open and unrestricted market between informed prudent parties acting at arm’s length and under no compulsion to act and contracting for a taxable purchase and sale, expressed in terms of cash;
- (t) “**Final Order**” means the final order of the Court approving the Arrangement pursuant to Section 291(4) of the BCBCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction (with the consent of the Parties) at any time prior to the Effective Time or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;
- (u) “**GCO**” means Global Cobalt Corporation, a company existing under the BCBCA;
- (v) “**GCO Class A Common Shares**” means the renamed and redesignated GCO Common Shares described in Section 3.1(b)(i) hereof and having the rights, privileges, restrictions and conditions set out in Exhibit I hereto;
- (w) “**GCO Class B Preferred Shares**” means the Class B preferred shares without

par value in the capital of GCO to be created pursuant to the amendment to the articles of GCO under Section 3.1(b)(iii) hereof and having the rights, privileges, restrictions and conditions set out in Exhibit I hereto;

- (x) “**GCO Common Shares**” means the common shares without par value in the capital of GCO, as constituted immediately prior to the Effective Time, which are to be renamed and reclassified as “Class A Common Shares” in the capital of GCO pursuant to the amendment to the articles of GCO pursuant to 3.1(b)(i) hereof;
- (y) “**GCO IMHL Replacement Warrants**” means common share purchase warrants to acquire GCO New Common Shares granted to IMHL and its affiliates and associates in accordance with Section 3.1(d)(ii) hereof;
- (z) “**GCO New Common Shares**” means the common shares without par value in the capital of GCO to be created pursuant to the amendment to the articles of GCO pursuant to Section 3.1(b)(ii) hereof and having the rights, privileges, restrictions and conditions set out in Exhibit I hereto;
- (aa) “**GCO Options**” means stock options granted pursuant to the GCO Stock Option Plan outstanding immediately prior to the Effective Time entitling the holder thereof to acquire GCO Common Shares;
- (bb) “**GCO Replacement Options**” means stock options granted pursuant to the GCO Stock Option Plan in accordance with Section 3.1(e) hereof;
- (cc) “**GCO Replacement Warrants**” means common share purchase warrants to acquire GCO New Common Shares granted in accordance with Section 3.1(d)(i) hereof;
- (dd) “**GCO Shareholder**” means a Person who is a registered holder of GCO Common Shares as shown on the share register of GCO and for the purposes of the Meeting, is a registered holder of GCO Common Shares as of the record date therefor, and for the purposes of the Arrangement, is a registered holder of GCO Common Shares immediately prior to the Effective Time;
- (ee) “**GCO Stock Option Plan**” means the 2007 Stock Option Plan of GCO, as amended June 14, 2013 and approved by GCO Shareholders on July 19, 2013;
- (ff) “**GCO Warrants**” means the common share purchase warrants of GCO outstanding immediately prior to the Effective Time entitling the holder thereof to acquire GCO Common Shares;
- (gg) “**GCO Warrantholder**” means a holder of GCO Warrants immediately prior to the Effective Time;
- (hh) “**GEMC**” means Global Energy Metals Corporation, a company existing under the BCBCA;
- (ii) “**GEMC Assumed Debt**” means the debt to be transferred to GEMC by GCO in

connection with the Arrangement, including:

- (i) all indebtedness of GCO immediately prior to the Effective Time arising from all rights and obligations owed to officers, directors and other management of GCO, including unpaid salaries, wages, fees, bonuses or other compensation, any contractual severance or termination payments that may otherwise become payable at Closing or their subsequent termination; and
- (ii) all accounts payable and accrued liabilities, including consultant and contractor fees, existing as at Closing, including the loan in the current principal amount of \$1,209,145.68 advanced to GCO by Erin Chutter and accrued interest, but not including those accounts payable and accrued liabilities that relate to the Karakul and Altai Sister properties, located in Altai Republic, Russia and which were incurred during the period from August 1, 2013 to March 31, 2014,

the detailed calculations and terms for which are provided in Exhibit II hereto;

- (jj) “**GEMC Distribution Shares**” has the meaning ascribed in Section 3.1(f) of this Plan of Arrangement;
- (kk) “**GEMC Founding Share**” means the one GEMC Share held by GCO that was issued on the incorporation of GEMC;
- (ll) “**GEMC Shares**” means the common shares without par value in the capital of GEMC;
- (mm) “**GEMC Warrants**” means common share purchase warrants to acquire GEMC Shares granted in accordance with Section 3.1(d)(iii) hereof;
- (nn) “**IMHL**” means Imperial Mining Holding Limited, a company existing under the laws of the Isle of Man and its affiliates and associates, including the IMHL Directors and the IMHL Nominees;
- (oo) “**IMHL Directors**” means Alexander Ordanian, Kamen Zahariev and Marc Thomas, being the IMHL representatives on the GCO board of directors;
- (pp) “**IMHL Nominees**” means Alexander Ordanian, Julian Lowenfeld, Andrey Melnikov, Bagrat Safarian, Maximilano Barrientos, Alexei Musteatsa and Stanley Swartz, five of whom shall be the IMHL nominees standing for election to the GCO board of directors at the Meeting;
- (qq) “**Information Circular**” means the information circular to be prepared and sent to the GCO Shareholders in connection with the Meeting, and any amendment or supplement thereto;
- (rr) “**Interim Order**” means the interim order of the Court under Section 291(2) of the BCBCA providing for, among other things, the calling and holding of the Meeting and the requisite majority for the approval of the Arrangement by the

GCO Shareholders, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

- (ss) “**Meeting**” means the annual and special meeting of GCO Shareholders, and any adjournment or postponement thereof, held in order to, among other things, consider and, if thought fit, approve the Arrangement;
- (tt) “**Party**” means any of GCO, GEMC and IMHL and “**Parties**” means all of GCO, GEMC and IMHL;
- (uu) “**Person**” means any individual, corporation, firm, partnership (including, without limitation, a limited partnership), sole proprietorship, syndicate, joint venture, trustee, trust, any unincorporated organization or association, any government or instrumentality thereof and any tribunal;
- (vv) “**Plan of Arrangement**” means this plan of arrangement, as the same may be amended from time to time;
- (ww) “**PUC**” means paid-up capital, and has the meaning attributed to such term in Section 89(1) of the Tax Act;
- (xx) “**Special Resolution**” means a resolution passed by a majority of not less than two-thirds of the votes cast by GCO Shareholders in respect of such resolution at the Meeting;
- (yy) “**Spin-Off Properties**” means, collectively:
 - (i) the Werner Lake Mineral Belt Properties, which consist of various leases, patented claims and unpatented claims covering an aggregate area estimated to be between 1,700 to 2,000 hectares in the Kenora Mining Division, northwestern Ontario, and
 - (ii) the Iron Creek Property, which consists of a mining lease and option to purchase seven patented claims totalling approximately 118 acres in central Idaho;
- (zz) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder as amended from time to time; and
- (aaa) “**Warrantholder Letter of Transmittal**” means the letter of transmittal to be forwarded by GCO to GCO Warrantholders together with the Information Circular.

1.2 Construction

In this Plan of Arrangement, unless otherwise expressly stated or the context otherwise requires:

- (a) the division of this Plan of Arrangement into articles, sections and subsections, and the insertion of headings, are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms

“this Plan of Arrangement”, “hereof” and “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular article or section hereof and include any agreement or instrument supplemental therewith, references herein to Articles and Sections are to Articles and Sections of this Plan of Arrangement;

- (b) words importing the singular shall include the plural and vice versa, words importing gender shall include the masculine, feminine and neuter genders, and references to a “person” or “persons” shall include individuals, corporations, partnerships, associations, bodies politic and other entities, all as may be applicable in the context;
- (c) the word “including”, when following any general term or statement, is not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (d) a reference to a statute or code includes every regulation made pursuant thereto, all amendments to the statute or code or to any such regulation in force from time to time, and any statute, code or regulation which supplements or supersedes such statute, code or regulation;
- (e) if the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day;
- (f) if any provision of this Plan of Arrangement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each provision is hereby declared to be separate, severable and distinct; and
- (g) all dollar amounts referred to in this Plan of Arrangement are expressed in Canadian currency.

1.3 Schedules

The following Schedules are attached hereto and deemed to be incorporated into and forming part of this Plan of Arrangement:

- Exhibit I Special Rights or Restrictions Attaching to GCO Class A Common Shares, GCO New Common Shares and GCO Class B Preferred Shares
- Exhibit II - Calculation of the GEMC Assumed Debt

ARTICLE 2 ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant and subject to the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order set forth herein and on the terms and conditions set forth herein.

2.2 Binding Effect

At the Effective Time, this Plan of Arrangement shall be binding on GCO, GEMC, IMHL, all registered and beneficial GCO Shareholders, including Dissenting Shareholders, all registered and beneficial holders of GCO Warrants and all holders of GCO Options.

ARTICLE 3 THE ARRANGEMENT

3.1 The Arrangement

At the Effective Time, the following shall occur and shall be deemed to occur in the following order without any further act or formality, with each event or transaction occurring and being deemed to occur immediately after the occurrence of the preceding event or transaction:

- (a) subject to Article 6 hereof, each GCO Common Share held by Dissenting Shareholders shall be, and shall be deemed to be, transferred to GCO free and clear of any Encumbrances for cancellation without any further act or formality and;
 - (i) such Dissenting Shareholders shall cease to be the holders of such GCO Common Shares, and to have any rights as holders of such GCO Common Shares, other than the right to be paid fair value for such GCO Common Shares as set out in Article 6 hereof; and
 - (ii) such Dissenting Shareholders' names shall be removed as the holders of such GCO Common Shares from the register of GCO Common Shares maintained by or on behalf of GCO;
- (b) the articles of GCO shall be amended by:
 - (i) changing the designation of the existing "Common Shares" to "Class A Common Shares" and to increase the voting rights of the GCO Common Shares from one vote to two votes per GCO Common Share and to change the rights, privileges, restrictions and conditions attached thereto, whether issued or unissued, so that the rights, privileges, restrictions and conditions attached thereto shall be as set out in Exhibit I attached hereto;
 - (ii) creating a new class of shares designated as "Common Shares", in an unlimited number, having the rights, privileges, restrictions and conditions set out in Exhibit I attached hereto;
 - (iii) creating a new class of shares designated as "Class B Preferred Shares", in an unlimited number, having the rights, privileges, restrictions and

conditions set out in Exhibit I attached hereto; and

- (v) otherwise to the extent necessary to facilitate the Arrangement,

so that upon completion of the amendments of the articles of GCO set forth above, the authorized share capital of GCO shall be as set out in Exhibit I attached hereto;

- (c)
 - (i) all outstanding GCO Common Shares (redesignated as GCO Class A Common Shares), other than those held by Dissenting Shareholders and IMHL and its affiliates and associates, shall be and shall be deemed to be changed into and exchanged for GCO New Common Shares and GCO Class B Preferred Shares on the basis of one GCO New Common Share and one GCO Class B Preferred Share for each outstanding GCO Class A Common Share held; and
 - (ii) all outstanding GCO Common Shares (redesignated as GCO Class A Common Shares) held by IMHL and its affiliates and associates shall be and shall be deemed to be changed into and exchanged for GCO New Common Shares on the basis of one GCO New Common Share for each outstanding GCO Class A Common Share;

and as a result thereof:

- (iii) the GCO Shareholders whose GCO Common Shares have been so exchanged shall cease to be, and shall be deemed to cease to be, holders of such GCO Common Shares and to have any rights as holders of such GCO Common Shares other than the right to receive one GCO New Common Share and one GCO Class B Preferred Share pursuant to this Section 3.1(c); provided that IMHL and its affiliates and associates shall only be entitled to one GCO New Common Share for each GCO Common Share held at the Effective Time; and
- (iv) such GCO Shareholders' names shall be removed as the holders of such GCO Common Shares from the register of GCO maintained by or on behalf of GCO and shall be added to the registers of the GCO New Common Shares and GCO Class B Preferred Shares maintained by or on behalf of GCO, respectively,

and in connection therewith, the amount of the stated capital account maintained by GCO for the GCO Common Shares shall be deducted from such account and a portion thereof shall be added to the stated capital account maintained by GCO for each of the GCO New Common Shares and the GCO Class B Preferred Shares as follows:

- (v) the amount thereof that is added to the stated capital account for the GCO Class B Preferred Shares being equal to the fair market value of the GCO Class B Preferred Shares, which fair market value is equal to the aggregate fair market value of the Spin-Off Properties net of the GEMC Assumed

Debt; and

- (vi) the amount thereof that is added to the stated capital account of the GCO New Common Shares being equal to the amount deducted from the stated capital account of the GCO Common Shares so exchanged less the aggregate of the amount added to the stated capital account of the GCO Class B Preferred Share;
- (d) concurrently with the exchange in Section 3.1(c) above, all outstanding GCO Warrants shall be cancelled and terminated and cease to represent any right or claim whatsoever and as the sole consideration therefor:
- (i) GCO shall grant GCO Replacement Warrants to the former holders of GCO Warrants, other than IMHL and its affiliates and associates;
 - (ii) GCO shall grant GCO IMHL Replacement Warrants to IMHL and its affiliates and associates, who were former holders of GCO Warrants; and
 - (iii) GEMC shall grant GEMC Warrants to the former holders of GCO Warrants, other than IMHL and its affiliates and associates,

(in this Section 3.1(d), the “**Warrant Exchange**”), such that, for each GCO Common Share that the holder would have been entitled to acquire pursuant to the GCO Warrants, holders, other than IMHL and its affiliates and associates, shall instead be entitled to acquire one GCO New Common Share pursuant to the corresponding GCO Replacement Warrant and one GEMC Share pursuant to the corresponding GEMC Warrant, which warrants shall have the same terms and conditions as to tenure and method of exercise as the corresponding GCO Warrants; provided that the original exercise price of the GCO Warrants shall be allocated to the GCO Replacement Warrants and the GEMC Warrants acquired by the holder pursuant to the Warrant Exchange, in such proportion as may be determined by GCO and GEMC to reflect the comparative fair market values of GCO and GEMC as at the Effective Date. For the avoidance of doubt, each GCO IMHL Replacement Warrant held by IMHL and its affiliates and associates shall have the same terms and conditions as to tenure and method of exercise as the corresponding GCO Warrant, with the necessary adjustment to the exercise price thereof to reflect the fair market value of GCO as at the Effective Date;

- (e) concurrently with the exchange in Section 3.1(c) above, all outstanding GCO Options shall be cancelled and terminated and cease to represent any right or claim whatsoever and as the sole consideration therefor GCO shall grant GCO Replacement Options to the former holders of GCO Options; provided that prior to the Effective Date and if required by the terms of the GCO Stock Option Plan, each holder of outstanding GCO Options shall be deemed to have waived any right and entitlement to receive a GEMC Share upon the exercise of the GCO Option. The GCO Replacement Options shall have the same terms and conditions as to vesting schedule, tenure and method of exercise as the corresponding GCO Options, with the necessary adjustment to the exercise price thereof to reflect the fair market value of GCO as at the Effective Date. For the avoidance of doubt,

upon the due exercise of the GCO Replacement Options no GEMC Shares shall be issuable in respect thereof;

- (f) GCO will transfer the Spin-Off Properties to GEMC, together with the GEMC Assumed Debt, and GEMC will assume liability for the GEMC Assumed Debt, in consideration for that number of GEMC Shares (the “**GEMC Distribution Shares**”) as is equal to the number of GCO Common Shares issued and outstanding immediately prior to the Effective Time less the number of GCO Common Shares transferred to GCO pursuant to Section 3.1(a) above and the number of GCO Common Shares held by IMHL and its affiliates and associates immediately prior to the Effective Time, and GCO shall be added to the register of GEMC Shares maintained by or on behalf of GEMC, and in connection therewith, in accordance with the BCBCA, GEMC shall add to the stated capital account maintained by GEMC for the GEMC Shares issued to GCO, an amount that shall not exceed the aggregate PUC of the GCO Common Shares;
- (g) GCO shall redeem the issued GCO Class B Preferred Shares for consideration consisting solely of the GEMC Distribution Shares, such that each holder of GCO Class B Preferred Shares shall receive that number of GEMC Distribution Shares that is equal to the number of GCO Class B Preferred Shares held by such holder;
- (h) the name of each holder of GCO Class B Preferred Shares shall be removed as such from the register of GCO Class B Preferred Shares maintained by or on behalf of GCO;
- (i) the GEMC Distribution Shares transferred to the holders of the GCO Class B Preferred Shares pursuant to Section 3.1(g) above shall be registered in the names of the former holders of GCO Class B Preferred Shares and the names of such holders of GCO Class B Preferred Shares shall be added to the register of GEMC Shares maintained by or on behalf of GEMC;
- (j) the articles of GCO shall be amended by:
 - (i) cancelling the class of shares designated as “Class A Common Shares”, none of which shall be issued and outstanding at such time in accordance with the Plan of Arrangement;
 - (ii) cancelling the class of shares designated as “Class B Preferred Shares”, none of which shall be issued and outstanding at such time in accordance with the Plan of Arrangement; and
 - (iii) otherwise to the extent necessary to facilitate the Arrangement; and
- (k) the GEMC Founding Share shall be cancelled for no consideration and as a result thereof:
 - (i) GCO shall cease to be, and shall be deemed to have ceased to be, the holder of the GEMC Founding Share and to have any rights as a holder of the GEMC Founding Share; and

- (ii) GCO shall be removed as the holder of the GEMC Founding Share from the register of GEMC Shares maintained by or on behalf of GEMC.

3.2 Fractional Shares

No GCO Shareholder or holder of GEMC Shares shall receive fractional GEMC Shares and no cash shall be paid in lieu thereof. Any fractions resulting shall be rounded to the nearest whole number, with fractions of one-half or less being rounded to the next lower whole number and fractions of greater than one-half being rounded to the next higher whole number.

ARTICLE 4 CERTIFICATES

4.1 GCO Class A Common Shares

Recognizing that the GCO Common Shares shall be renamed and redesignated the “Class A Common Shares” pursuant to Section 3.1(b)(i) hereof and shall be cancelled upon exchange of the GCO Common Shares for the GCO New Common Shares and the GCO Class B Preferred Shares under this Plan of Arrangement pursuant to Section 3.1(j)(i) hereof, no replacement share certificates shall be issued with respect of the GCO Class A Common Shares.

4.2 GCO Class B Preferred Shares

Recognizing that all of the GCO Class B Preferred Shares issued to the GCO Shareholders pursuant to Section 3.1(c) hereof shall be redeemed by GCO as consideration for the distribution and transfer of the GEMC Distribution Shares pursuant to Section 3.1(g) hereof, GCO shall issue one share certificate representing all of the GCO Class B Preferred Shares issued pursuant to Section 3.1(c) hereof in the name of the Depositary, to be held by the Depositary for the benefit of the GCO Shareholders until such the GCO Class B Preferred Shares are redeemed, and such certificate shall then be cancelled.

4.3 GCO New Common Shares

From and after the Effective Time, certificates representing the GCO Common Shares not deemed to be cancelled pursuant to Section 3.1(a) of this Plan of Arrangement, shall for all purposes be deemed to be certificates representing GCO New Common Shares and no new certificates shall be issued with respect to the GCO New Common Shares issued in connection with the Arrangement.

4.3 GEMC Shares

Recognizing that the GEMC Distribution Shares shall be transferred to the GCO Shareholders as consideration for the redemption of the GCO Class B Preferred Shares pursuant to Section 3.1(g) hereof, GCO shall provide GEMC and its registrar and transfer agent notice to make the appropriate entries in the register of GEMC Shares maintained by or on behalf of GEMC. As soon as practicable after the Effective Date, GEMC shall deliver or shall cause to be delivered to the Depositary certificates (or electronic registration statements) representing the GEMC Distribution Shares required to be issued to registered holders of GCO Common Shares as at the Effective Time in accordance with the provisions of Section 3.1(i) hereof, which certificates (or electronic registration statements) shall be held by the Depositary as agent and nominee for such

holders for distribution thereto in accordance with the provisions of Section 5.1 hereof.

4.4 GCO Replacement Warrants and GCO IMHL Replacement Warrants

As soon as practicable after the Effective Date, GCO (or its duly appointed agent) shall prepare certificates representing the GCO Replacement Warrants and GCO IMHL Replacement Warrants required to be issued to registered holders of GCO Warrants as at the Effective Time in accordance with the provisions of Section 3.1(d) hereof, which certificates shall be held by GCO (or its duly appointed agent) as agent and nominee for such holders for distribution thereto in accordance with the provisions of Section 5.2 hereof.

4.5 GEMC Warrants

As soon as practicable after the Effective Date, GEMC (or its duly appointed agent) shall prepare and deliver to GCO certificates representing the GEMC Warrants required to be issued to registered holders of GCO Warrants as at the Effective Time in accordance with the provisions of Section 3.1(d) hereof, which certificates shall be held by GCO (or its duly appointed agent) as agent and nominee for such holders for distribution thereto in accordance with the provisions of Section 5.2 hereof.

ARTICLE 5

DELIVERY OF SHARES, WARRANTS AND WITHHOLDING RIGHTS

5.1 Delivery of GEMC Shares

As soon as practicable after the Effective Time, the Depository shall deliver to each GCO Shareholder, other than Dissenting Shareholders and IMHL and its associates and affiliates, a certificate (or electronic registration statements) representing the GEMC Distribution Shares that such holder is entitled to receive in accordance with Section 3.1(g) hereof.

5.2 Delivery of Warrants

- (a) Upon surrender to the Depository for cancellation of a certificate that immediately before the Effective Time represented one or more outstanding GCO Warrants, together with a duly completed and executed Warrantholder Letter of Transmittal and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder following the Effective Time, a certificate representing the GCO Replacement Warrants, the GCO IMHL Replacement Warrants and the GEMC Warrants that such holder is entitled to receive in accordance with Section 3.1(d) hereof.
- (b) After the Effective Time and until surrendered for cancellation as contemplated by Section 5.2(a) hereof, each certificate that immediately prior to the Effective Time represented one or more GCO Warrants shall be deemed at all times to represent only the right to receive in exchange therefor a certificate representing the GCO Replacement Warrants, the GCO IMHL Replacement Warrants and the GEMC Warrants (in this Article 5 collectively, the “**Replacement Warrants**”) that such holder is entitled to receive in accordance with Section 3.1(d) hereof.

5.3 Lost Certificates

If any certificate that immediately prior to the Effective Time represented one or more outstanding GCO Warrants that were exchanged for the Replacement Warrants in accordance with Section 3.1(d) hereof, shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depository shall deliver in exchange for such lost, stolen or destroyed certificate the Replacement Warrants that such holder is entitled to receive in accordance with Section 3.1(d) hereof. When authorizing such delivery of the Replacement Warrants that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom such securities are to be delivered shall, as a condition precedent to the delivery of such Replacement Warrants give a bond satisfactory to GCO, GEMC and the Depository in such amount as GCO, GEMC and the Depository may direct, or otherwise indemnify GCO, GEMC and the Depository in a manner satisfactory to GCO, GEMC and the Depository, against any claim that may be made against GCO, GEMC or the Depository with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the articles and by-laws of GCO.

5.4 Limitation and Proscription

To the extent that a former GCO Warrantholder shall not have complied with the provisions of Sections 5.2 and 5.3 hereof, as applicable, on or before the date that is six years after the Effective Date (in this Section 5.4, the “**Final Proscription Date**”), then the Replacement Warrants that such former GCO Warrantholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and the Replacement Warrants to which such GCO Warrantholder was entitled, shall be delivered to GCO (in the case of the GCO Replacement Warrants or the GCO IMHL Replacement Warrants) or GEMC (in the case of the GEMC Warrants) by the Depository and certificates representing such Replacement Warrants shall be cancelled by GCO and GEMC, as applicable, and the interest of the former GCO Warrantholder in such Replacement Warrants to which it was entitled shall be terminated as of such Final Proscription Date.

5.5 Withholding Rights

GCO and GEMC shall be entitled to deduct and withhold from any consideration otherwise payable to any GCO Shareholder under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 6.2 hereof), such amounts as GCO or GEMC determines, acting reasonably, are required or reasonably believes to be required to be deducted and withheld from such consideration in accordance with the Tax Act, the United States *Internal Revenue Code of 1986* or any provision of any other applicable law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such deducted and withheld amounts are remitted to the appropriate taxing authority.

5.6 No Encumbrances

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Encumbrances.

5.7 Paramountcy

From and after the Effective Time (i) this Plan of Arrangement shall take precedence and priority over any and all GCO Common Shares, GCO Warrants and GCO Options issued prior to the Effective Time; (ii) the rights and obligations of the registered holders of GCO Common Shares, GCO Warrants and GCO Options and GCO, GEMC, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement; and (iii) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any GCO Common Shares, GCO Warrants or GCO Options shall be deemed to have been settled, compromised, released and determined without liability to GCO or GEMC except as set forth herein.

ARTICLE 6 RIGHTS OF DISSENT

6.1 Rights of Dissent

Registered GCO Shareholders shall be entitled to exercise dissent rights with respect to the GCO Common Shares pursuant to and in the manner set forth in Section 238 of the BCBCA as modified by the Interim Order and this Article 6, but provided that notwithstanding Section 242(1)(a) of the BCBCA, such Dissenting Shareholder delivers to GCO written objection to the Arrangement by 5:00 p.m. (Vancouver time) on the second Business Day immediately prior to the date of the Meeting and otherwise complies with Sections 237 to 247 of the BCBCA.

6.2 Dissent Procedures

If the Arrangement is concluded, a GCO Shareholder who exercises Dissent Rights in strict compliance with the Dissent Procedures shall be entitled to be paid by GCO the fair value of the GCO Common Shares held by such Dissenting Shareholder, determined as provided for in the BCBCA, as modified by the Interim Order and this Article 6, provided that any such Dissenting Shareholder who exercises such right to dissent and who:

- (a) is ultimately entitled to be paid fair value for its GCO Common Shares shall be deemed to have transferred its GCO Common Shares to GCO in consideration for a debt claim against GCO to be paid fair value of such GCO Common Shares pursuant to the Dissent Procedures, and shall not be entitled to any other payment or consideration, including any payment under the Arrangement had such holders not exercised their Dissent Rights; or
- (b) is for any reason ultimately not entitled to be paid fair value for its GCO Common Shares, shall be deemed to have participated in the Arrangement as of the Effective Time at the same terms and at the same time as a non-dissenting GCO Shareholder and shall be issued only the same consideration which a GCO Shareholder is entitled to receive under the Arrangement as if such Dissenting Shareholder would not have exercised Dissent Rights.

6.3 Deduction against Stated Capital Account

The aggregate of all amounts paid to GCO Shareholders by GCO in respect of the GCO Common Shares for which Dissent Rights are exercised in accordance with Section 6.2 hereof shall be deducted from the stated capital account maintained by GCO for the GCO Common Shares.

6.4 Recognition of Dissenting Shareholders

None of the Parties or any other person shall be required to recognize a Dissenting Shareholder as a registered or beneficial owner of GCO Common Shares on or after the Effective Date, and on the Effective Date the names of such Dissenting Shareholders shall be deleted from the register of holders of GCO Common Shares maintained by or on behalf of GCO.

6.5 Designation as Deemed Dividend

The amount of any deemed dividend resulting from the application of Section 84(3) of the Tax Act to the repurchase of the GCO Common Shares held by Dissenting Shareholders is hereby designated by GCO as an Eligible Dividend.

6.6 Dissent Right Availability

For greater certainty, in addition to any other restrictions in Section 246 of the BCBCA (i) no Person who has voted in favour of this Plan of Arrangement shall be entitled to dissent with respect to this Plan of Arrangement; and (ii) holders of GCO Warrants shall not be entitled to exercise Dissent Rights, as GCO Warrant holders only.

ARTICLE 7 AMENDMENT AND TERMINATION

7.1 General

GCO reserves the right to amend, modify and supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that any amendment, modification or supplement shall be contained in a written document which is filed with the Court and, if made following the Meeting, then (i) approved by the Court; and (ii) if the Court directs, approved by the applicable GCO Securityholders and in any event communicated to them, and in either case in the manner required by the Court.

7.2 Timing

Any amendment, modification or supplement to this Plan of Arrangement proposed by GCO, may be made at any time prior to or at the Meeting, with or without any other prior notice or communication and, if so proposed and accepted by Persons voting at the Meeting (other than as may be required under the Interim Order) shall become part of this Plan of Arrangement for all purposes.

7.3 When Effective

Any amendment, modification or supplement to this Plan of Arrangement that is approved or

directed by the Court following the Meeting shall be effective only if it is consented to by GCO and, if required by the Court, by the GCO Shareholders.

7.4 Arrangement Agreement Governs

Notwithstanding the foregoing provisions of this Article 7, no amendment, modification or supplement of this Plan of Arrangement may be made prior to the Effective Time except in accordance with the terms of the Arrangement Agreement.

7.5 Termination

This Plan of Arrangement shall automatically terminate and be of no further force and effect upon the termination of the Arrangement Agreement in accordance with its terms.

EXHIBIT I

Special Rights or Restrictions Attaching to GCO Class A Common Shares, GCO New Common Shares and GCO Class B Preferred Shares

1. GCO Class A Common Shares

The rights, privileges, restrictions and conditions attaching to the Class A common shares without par value in the capital of the Corporation (the “**Class A Common Shares**”) shall be as follows:

- (a) Voting. The holders of Class A Common Shares shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Corporation except meetings of the holders of another class of shares. Each Class A Common Share shall entitle the holder thereof to two votes in respect of each Class A Common Share held.
- (b) Dividends. Subject to the preferences accorded to the holders of the any class of preferred shares, the holders of Class A Common Shares shall be entitled to receive such dividends as may be declared thereon by the board of directors of the Corporation from time to time.
- (c) Liquidation, Dissolution or Winding-Up. In the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of Class A Common Shares shall be entitled, along with the holders of all other common shares of the Corporation, to receive *pro rata* all of the assets remaining for distribution after the payment to the holders of any class of preferred shares, in accordance with the preference on liquidation, dissolution or winding-up accorded to the holders of any class of preferred shares.

2. GCO New Common Shares

The rights, privileges, restrictions and conditions attaching to the common shares without par value in the capital of the Corporation (the “**Common Shares**”) shall be as follows:

- (a) Voting. The holders of Common Shares shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Corporation except meetings of the holders of another class of shares. Each Common Share shall entitle the holder thereof to one vote in respect of each Common Share held.
- (b) Dividends. Subject to the preferences accorded to the holders of the any class of preferred shares, the holders of Common Shares shall be entitled to receive such dividends as may be declared thereon by the board of directors of the Corporation from time to time.
- (c) Liquidation, Dissolution or Winding-Up. In the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of Common Shares shall be entitled, along with the holders of all other common shares of the Corporation, to receive *pro rata* all of the assets remaining for distribution after the payment to the holders of any class of preferred shares, in

accordance with the preference on liquidation, dissolution or winding-up accorded to the holders of any class of preferred shares.

3. GCO Class B Preferred Shares

The rights, privileges, restrictions and conditions attaching to the Class B preferred shares without par value in the capital of the Corporation (the “**Class B Preferred Shares**”) shall be as follows:

- (a) Issue Price. The issue price for each of the Class B Preferred Shares shall be an amount equal to the fair market value of one common share (each, a “**GEMC Share**”) in the capital of Global Energy Metals Corporation (the “**Redemption Amount**”).
- (b) Voting. Subject to applicable laws, the holders (the “**Class B Shareholders**”) of the Class B Preferred Shares shall not be entitled to receive notice and to attend and vote at any meetings of the shareholders of the Corporation.
- (c) Dividends. The holders of Class B Preferred Shares shall be entitled to receive non-cumulative cash dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation lawfully applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the Class B Preferred Shares, the board of directors may, in its sole discretion, declare dividends on the Class B Preferred Shares to the exclusion of any other class of shares of the Corporation.
- (d) Liquidation, Dissolution or Winding-Up. In the event of any distribution of the assets of the Corporation on the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs (the “**Liquidation Distribution**”), the Class B Shareholders shall be entitled to receive, before any Liquidation Distribution is made to the holders of any class of common shares of the Corporation, the stated capital with respect to each Class B Preferred Share held by them, together shall all declared and unpaid dividends (if any and if preferential) thereon, up to the date of such Liquidation Distribution. Except as aforesaid, the Class B Shareholders shall not as such be entitled to receive or participate in any distribution of the property and assets of the Corporation among its shareholders.
- (e) Redemption. Subject to the provisions of the *Business Corporations Act* (British Columbia), the Corporation may at any time and from time to time redeem all or any part of the Class B Preferred Shares at an amount per share (which shall be paid in money or, at the discretion of the Corporation, by the distribution *in specie* of GEMC Shares) equal to the Redemption Amount.
- (f) Retraction. Subject to the provisions of the *Business Corporations Act* (British Columbia), every registered holder of Class B Preferred Shares may at any time,

at the option of such holder, require the Corporation to redeem the whole or any part of the Class B Preferred Shares registered in such holder's name by depositing with the Corporation an irrevocable written request for the same, together with the share certificate or certificates, if any, representing the Class B Preferred Shares to be redeemed. Upon receipt of such request and certificate or certificates the Corporation shall, subject to the provisions of the *Business Corporations Act* (British Columbia), redeem such Class B Preferred Shares and pay such holder the Redemption Amount (which shall be paid in money or, at the discretion of the Corporation, by the distribution *in specie* of GEMC Shares) for each Class B Preferred Share so redeemed.

- (g) Cancellation. Any Class B Preferred Shares that are redeemed by the Corporation pursuant to any of the provisions hereof shall for all purposes be considered to have been redeemed on, and shall be cancelled concurrently with, the payment by the Corporation to or to the benefit of the holder thereof of the Redemption Amount (whether paid in money or by the distribution *in specie* of GEMC Shares).

EXHIBIT II

Calculation of the GEMC Assumed Debt

GEMC Assumed Debt: \$●

Appendix “D”

Pro-Forma GCO Financial Statements

(See attached)

Global Cobalt Corp.

Pro Forma Unaudited Consolidated Financial Statements

(Expressed in Canadian dollars)

(Prepared by Management)

As at and for the Nine Months Ended January 31, 2015 and for the Year Ended April 30, 2014

Global Cobalt Corp
Unaudited consolidated pro forma statement of financial position
As at January 31, 2015
(Expressed in Canadian Dollars)

	Global Cobalt Corp., as at January 31, 2015 (unaudited)	Pro-forma adjustments (unaudited)	Notes	Pro-forma statement of financial position (unaudited)
ASSETS				
Current assets				
Cash and cash equivalents	\$326	\$149,175	2(b)(g)	\$149,501
Amounts receivable	14,995	(14,995)	2(b)	-
Prepaid expenses and other current assets	4,500	(4,500)	2(b)	-
	19,821	129,680		149,501
Non-current assets				
Deposits	13,013	(13,013)	2(b)	-
Equipment and leasehold	4,755	(4,755)	2(b)	-
Exploration and evaluation assets	7,694,928	(3,496,034)	2(b)	4,198,894
Total Assets	\$7,732,517	(\$3,384,122)		\$4,348,395
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	1,522,384	(1,513,219)	2(b)(i)	9,165
Loans payable	4,627,741	(4,627,741)	2(b)(f)	\$ -
Total liabilities	6,150,125	(6,140,960)	-	9,165
EQUITY				
Share Capital	14,363,001	5,626,944	2(f)(g)(h)(i)	19,989,945
Equity Reserves	2,077,629	(836,235)	2(c)	1,241,394
Deficit	(14,858,238)	(2,033,871)	2 (b)(c)(f)(h)(i)	(16,892,109)
Total Equity	1,582,392	2,756,838		4,339,230
Total Liabilities and Equity	\$7,732,517	(\$3,384,122)		\$4,348,395

Global Cobalt Corp
Unaudited consolidated pro forma statement of loss and comprehensive loss
For the nine-month period ended January 31, 2015
(Expressed in Canadian Dollars)

	Global Cobalt Corp. (for the nine months ended			Pro-forma Statement of Operations and Loss
	January 31, 2015)	Pro-forma adjustments	Note	
Operating and Administrative Expenses				
Share-based payment	\$ -	\$ -		\$ -
Financing costs	854,839	(854,839)	2(f)	-
General administrative and office	418,506	(350,000)	2(e)	68,506
Marketing and investor relations	391,419	(391,419)	2(e)	-
Professional fees	73,102	(36,551)	2(e)	36,551
Loss before other items	1,737,866	(1,632,809)		105,057
Fair value adjustment of loan payable	196,513	(196,513)	2(f)	-
Transaction costs		128,047	2(g)	128,047
Net and comprehensive loss	\$1,934,379	(\$1,829,322)		\$233,104
Loss per share - Basic and diluted	0.02			0.00

Global Cobalt Corp.
Unaudited consolidated pro forma statement of loss and comprehensive loss
For the year ended April 30, 2014
(Expressed in Canadian dollars)

	Global Cobalt Corp. (for the year ended April 30, 2014)	Pro-forma adjustments	Note	Pro-forma Statement of Operations and Loss
Operating and Administrative Expenses				
Share-based payment	\$995,900	(\$995,900)	2(e)	\$ -
Financing costs	864,510	(864,510)	2(f)	-
Consulting fees	838,638	(838,638)	2(e)	-
Wages	377,570	(377,570)	2(e)	-
Advertising and promotion	280,587	(200,000)	2(e)	80,587
Travel	191,041	(150,000)	2(e)	41,041
Professional fees	123,569	(85,000)	2(e)	38,569
Rent	76,479	(38,240)	2(e)	38,240
Office	62,289	(31,145)	2(e)	31,145
Filing and registration fees	54,806	(27,403)	2(e)	27,403
Property investigation	9,099	(9,099)	2(e)	-
Foreign exchange loss	8,014	-	2(e)	8,014
Amortization	11,263	(11,263)	2(e)	-
Loss before other items	3,893,765	(3,628,767)		264,998
Write-off of mineral properties	400,496	(400,496)	2(e)	-
Transaction costs		128,047	2(g)	128,047
Gain on Debt Settlement	(285,628)	285,628	2(e)	-
Net loss for the period	\$4,008,633	(\$3,615,588)		\$393,045
Loss per share - Basic and diluted	0.07			0.00

Global Cobalt Corp.
Notes to the unaudited consolidated pro forma financial statements
For the nine-month period ended January 31, 2015 and year ended April 30, 2014
(Expressed in Canadian dollars)

1. BASIS OF PRESENTATION

The unaudited consolidated pro forma financial statements of Global Cobalt Corp. (the "Company" or "GCO") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

The unaudited consolidated pro forma financial statements have been prepared for inclusion in the Management Information Circular (the "Information Circular") of the Company, which contains the details of the Plan of Arrangement (the "Arrangement"). The purpose of the Arrangement is to "spin-out" GCO's interests in the Werner Lake Property and the Iron Creek Property, together the "Spin-Off Properties", so that they are indirectly held by a separate public company, Global Energy Metals Corporation ("GEMC"). The Arrangement will separate the Spin-Off Properties from GCO's other mineral properties located in Quebec and the Altai Republic, Russia.

Pursuant to the Arrangement, GCO will transfer the Spin-Off Properties to GEMC, together with the current assets, deposits, equipment and leasehold, and GEMC (the "Assumed Debt") consisting of accounts payable and accrued liabilities, and a portion of the loans payable in consideration for 78,252,177 GEMC shares (the "GEMC Distribution Shares"). GCO will then distribute to shareholders, other than dissenting shareholders and Imperial Mining Holding Limited ("IMHL") and its affiliates and associates, on the basis of one GEMC share for each GCO share held immediately prior to the Effective Time.

Each shareholder as at the Effective Time will, immediately after the Arrangement, continue to hold substantially the same *pro rata* interest in GCO that such shareholder held in GCO prior to the completion of the Arrangement, subject to the issuance of any debt conversion shares in connection with the debt conversion, and will hold one GEMC share for each GCO share held immediately prior to the Arrangement. In addition, shareholders will also be asked to consider an ordinary resolution approving the debt conversion. The effect of the debt conversion will be that the principal and accrued interest owing to IMHL by GCO under the terms of the IMHL Loan Agreement in the approximate current aggregate amount of \$4,872,786 will be settled for GCO shares. If the debt conversion is completed IMHL's ownership interest in GCO will increase from 25% to approximately 61%.

The unaudited consolidated pro forma financial statements of the Company have been compiled from the information derived from and should be read in conjunction with the unaudited condensed consolidated interim financial statements of Company for the nine months ended January 31, 2015 and the audited consolidated financial statements of the GCO for the year ended April 30, 2014.

The unaudited consolidated pro forma statement of financial position of the Company has been prepared assuming the transaction had occurred on January 31, 2015. The unaudited consolidated pro forma statement of income (loss) and comprehensive income (loss) for the nine months ended January 31, 2015 and for the year ended April 30, 2014 have been prepared as if the transaction had occurred on May 1, 2014 and May 1, 2013, respectively. The unaudited consolidated pro forma financial statements have been prepared in accordance with GCO's accounting policies, as disclosed in CGO's audited consolidated financial statements as at April 30, 2014 and for the year then ended.

Global Cobalt Corp.

Notes to the unaudited consolidated pro forma financial statements

For the nine-month period ended January 31, 2015 and year ended April 30, 2014

(Expressed in Canadian dollars)

1. BASIS OF PRESENTATION (Continued)

It is management's opinion that these unaudited consolidated pro forma financial statements include all necessary adjustments for the fair presentation of the transaction, as described in Note 2. The unaudited consolidated pro forma financial statement is not intended to reflect the financial position of the Company, which would have actually resulted had the transaction been effected on the dates indicated. Actual amounts recorded upon consummation of the transaction will differ from those recorded in the unaudited consolidated pro forma financial statements and the differences may be material.

2. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS

The unaudited consolidated pro forma financial statements gives effect to the transfer of all of GCO's interests in the Spin-Off Properties to GEMC, as described in the Information Circular based on the following assumptions:

- a. The Company will amend its designation of the existing "Common Shares" to "Class A Common Shares", and change its authorized capital by creating new classes of shares designated as "Common Shares" and "Class B Preferred Shares". All outstanding CGO Common Shares other than those held by dissenting shareholders and IMHL and its affiliates and associates, shall be exchanged for one GCO New Common Share and one CGO Class B Preferred Share. All outstanding CGO Common Shares held by IMHL and its affiliates and associates shall be exchanged for on one CGO New Common Share.
- b. GCO will transfer to GEMC all of GCO's interests in the Spin-Off Properties. As consideration for the Spin-Off Properties, GEMC will issue to GCO 78,252,177 GEMC Shares, which GCO will then distribute to shareholders, other than dissenting shareholders and IMHL and its affiliates and associates, on the basis of one GEMC share for each GCO share held immediately prior to the Effective Time. In addition to the transfer of the Spin-Off Properties, at the Effective Time GCO will transfer to GEMC \$19,820 of current assets, \$3,513,802 non-current assets and the current outstanding accounts payable and accrued liabilities of GCO of \$1,137,103 and the outstanding balance of a loan payable for \$1,209,146, together the "Assumed Debt" for which GEMC will assume liability.
- c. Immediately after the Arrangement the outstanding share purchase warrants of GCO will be cancelled and replacement warrants will be issued in proportion to the shareholdings in GCO and GEMC of the IMHL and associates, and all other shareholders. Accordingly, the effect is an estimated \$836,235 adjustment for cancelled share purchase warrants of GCO that will be cancelled and re-issued under GEMC.
- d. GCO will redeem all of the issued GCO Class B Preferred Shares for consideration of the GEMC shares
- e. Operating and administrative expenses for the nine-month period ended January 31, 2015 and year ended April 30, 2014, including general administrative and office expenses, marketing and investor relations and professional fees, write-off of mineral properties and gain of settlement of debt, are directly related to activities involving the Spin-Off Properties and will be assumed by GEMC for the same period.
- f. The IMHL loan and accrued interest for \$4,872,786 will be settled 97,455,720 CGO Common Shares. The loan payable balance was adjusted in the amount of \$1,454,191 to deficit for amortization of deferred financing costs and accrued interest to July 29, 2015. Accordingly, for the nine-month period ended January 31, 2015 and year ended April 30, 2014, all financing expenses and fair value adjustments to the loan payable will be adjusted as if the loan payable was converted as of May 1, 2014 and May 1, 2013, respectively.

Global Cobalt Corp.**Notes to the unaudited consolidated pro forma financial statements****For the nine-month period ended January 31, 2015 and year ended April 30, 2014****(Expressed in Canadian dollars)****2. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS (Continued)**

- g. GCO closed a private placement of 2,990,000 units at a price of \$0.05 per unit for gross proceeds of \$149,500. Each unit consists of one GCO Common Share and one common share purchase warrant. Each share purchase warrant is exercisable into one GCO Common Share for a period of 24 months following the closing date at an exercise price of \$0.07.
- h. 2,560,932 GCO Common Shares will be issued at a deemed price of \$0.05 to IMHL as compensation for dilution arising from the issuance of shares by GCO to cover expenses associated with the Arrangement.
- i. 9,532,229 GCO Common Shares will be issued at a deemed price of \$0.05 to settle a total amount of \$476,611 owing to creditors; \$100,495 relates to amounts accrued subsequent to January 31, 2015, and has been reflected in deficit.

3. PRO FORMA SHARE CAPITAL

After giving effect to the pro forma adjustments and assumptions in note 2, the issued and fully paid share capital of the Company would be as follows:

	Number of shares	Share capital
Issued common shares as at January 31, 2015	92,977,588	\$14,363,001
Issuance of preferred shares pursuant to plan of arrangement	78,252,177	1,187,373
Cancellation of preferred shares pursuant to plan of	(78,252,177)	(1,187,373)
Shares issued to IMHL for debt conversion	97,455,720	4,872,786
Shares issued for private placement	2,990,000	149,500
Shares issued for settlement of debt	9,532,229	476,611
Compensation issued to IMHL for transaction costs	2,560,932	128,047
Pro-forma consolidated share capital	205,516,469	19,989,945

4. PRO FORMA LOSS PER SHARE

The pro forma basic and diluted loss per share for the nine-month period ended January 31, 2015 and for the year ended April 30, 2014 is based on the number of the Company's outstanding common shares after giving pro forma effect to the shares to be issued as consideration for the Arrangement, as follows:

Pro-forma number of common shares outstanding	205,516,469
Pro-forma net loss for the period ended January 31, 2015	233,104
Pro-forma basic and diluted loss per share	\$0.00
Pro-forma number of common shares outstanding	205,516,469
Pro-forma net loss for the year ended April 30, 2014	393,045
Pro-forma basic and diluted loss per share	\$0.00

Global Cobalt Corp.

Notes to the unaudited consolidated pro forma financial statements

For the nine-month period ended January 31, 2015 and year ended April 30, 2014

(Expressed in Canadian dollars)

5. EFFECTIVE TAX RATE

The combined federal and provincial effective tax rate for 2015 will be 26%.

Appendix “E”

Pro-Forma GEMC Financial Statements

(See attached)

Global Energy Metals Corp.

Pro Forma Unaudited Financial Statements

(Expressed in Canadian dollars)

(Prepared by Management)

As at June 30, 2015 and for the Year then Ended

Global Energy Metals Corp.
Unaudited Pro Forma Statement of Financial Position
(Expressed in Canadian Dollars)
As at June 30, 2015

	Global Energy Corp., as at June 30, 2015 (unaudited)	Pro-forma adjustments (unaudited)	Notes	Pro-forma statement of financial position (unaudited)
ASSETS				
Current assets				
Cash and cash equivalents	\$1	\$325	2 (a)	\$326
Amounts receivable	-	14,995	2 (a)	14,995
Prepaid expenses and other current assets	-	4,500	2 (a)	4,500
	1	19,820		19,821
Non-current assets				
Deposits	-	13,013	2 (a)	13,013
Equipment and leasehold	-	4,755	2 (a)	4,755
Exploration and evaluation assets	-	3,496,034	2 (a)	3,496,034
Total Assets	\$1	\$3,533,622		\$3,533,623
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	-	1,287,103	2 (a), (d)	1,287,103
Loans Payable	-	1,209,146	2 (a)	1,209,146
Total liabilities	-	2,496,249	-	2,496,249
EQUITY				
Share Capital	1	1,187,372	2(b), (c)	1,187,373
Equity Reserves	-	836,235	2(f)	836,235
Deficit	-	(986,234)	2(b), (c), (f)	(986,234)
Total Equity	1	1,037,373		1,037,374
Total Liabilities and Equity	\$1	\$3,533,622		\$3,533,623

Global Energy Metals Corp.
Unaudited Pro Forma Statement of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
For the year ended June 30, 2015

	Global Energy Corp. (for the 65-day period ended June 30, 2015)	Pro-forma adjustments	Note	Pro-forma Statement of Operations and Loss
Operating and Administrative Expenses				
Share-based payment	\$ -	\$836,235	2(f)	\$836,235
General administrative and office	-	350,000	2(d)	350,000
Marketing and investor relations	-	391,419	2(d)	391,419
Professional fees	-	186,551	2(d), (e)	186,551
Net loss for the period	\$ -	\$1,764,205		\$1,764,205
Loss per share - Basic and diluted		0.00		0.02

Global Energy Metals Corp
Notes to the Unaudited Pro Forma Financial Statements
(Expressed in Canadian dollars)
For the year ended June 30, 2015

1. BASIS OF PRESENTATION

Global Energy Metals Corp. (the "Company" or "GEMC") is a private company incorporated under the provisions of the British Columbia *Business Corporations Act* on April 27, 2015. The Company is a 100% owned subsidiary of Global Cobalt Corporation ("GCO"). The unaudited pro forma financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

The unaudited pro forma financial statements have been prepared for inclusion in the Management Information Circular (the "Information Circular") of GCO, which contains the details of the Plan of Arrangement (the "Arrangement"). The purpose of the Arrangement is to "spin-out" GCO's interests in the Werner Lake Property and the Iron Creek Property (the "Spin-Off Properties") so that it is directly held by the Company. The Arrangement will separate the Spin-Off Properties from GCO's other mineral properties located in Quebec and the Altai Republic, Russia.

Pursuant to the Arrangement, GCO will transfer the Spin-Off Properties to GEMC, together with the current assets, deposits, equipment and leasehold, and GEMC (the "Assumed Debt") consisting of accounts payable and accrued liabilities, and a portion of the loans payable in consideration for 78,252,177 GEMC shares (the "GEMC Distribution Shares"). GCO will then distribute to shareholders, other than dissenting shareholders and Imperial Mining Holding Limited ("IMHL") and its affiliates and associates, on the basis of one GEMC share for each GCO share held immediately prior to the Effective Time.

The unaudited pro forma financial statements of the Company have been compiled using the significant accounting policies as set out in the Company's audited financial statements for the period ended June 30, 2015 and those accounting policies expected to be adopted by the Company. The unaudited pro forma balance sheet of the Company has been prepared assuming the Arrangement had occurred on June 30, 2015. The unaudited pro forma statement of loss and comprehensive loss has been prepared as if the Arrangement had occurred on July 1, 2014.

It is management's opinion that these unaudited pro forma financial statements include all necessary adjustments for the fair presentation of the transaction, as described in Note 2. The unaudited consolidated pro forma financial statement is not intended to reflect the financial position of the Company, which would have actually resulted had the transaction been effected on the dates indicated. Actual amounts recorded upon consummation of the transaction will differ from those recorded in the unaudited pro forma financial statements.

2. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS

The unaudited pro forma financial statements give effect to transfer all of GCO's interests in the Spin-Off Properties to GEMC and GEMC Assumed Debt, as described in the Information Circular based on the following assumptions:

- a. GCO will transfer to the Company \$19,820 in cash and other current assets, deposits for \$13,013, fixed assets for \$4,755, and \$3,496,034 of exploration and evaluation properties, the "Spin-Off Properties". The Company will assume the current outstanding accounts payable and accrued liabilities of GCO of \$1,137,103 and the outstanding balance of a loan payable for \$1,209,146.
- b. The Company will issue 78,252,177 common shares to GCO's shareholders, the value of which is assumed to equal the difference between the total assets and total liabilities assumed as a result of the Arrangement, less

Global Energy Metals Corp
Notes to the Unaudited Pro Forma Financial Statements
(Expressed in Canadian dollars)
For the year ended June 30, 2015

\$150,000 of legal and accounting fees accrued as payable and expensed to deficit (see “e.” below).

- c. The founding GEMC share held by GCO will be cancelled for no consideration, and as a result thereof GCO shall cease to be the holder of any GEMC shares and to have any rights as a holder of GEMC shares.
- d. Operating and administrative expenses of GCO incurred during the twelve-month period ended June 30, 2015, including general administrative and office expenses for \$350,000, marketing and investor relations for \$391,419 and professional fees for \$36,551, are directly related to activities involving the Spin-Off Property and will be assumed by GEMC for the same period and are part of the outstanding accounts payable and accrued liabilities being transferred to GEMC as part of the Arrangement.
- e. Legal and accounting fees relating to the Arrangement are estimated at \$150,000, and will be incurred by GEMC.
- f. Immediately after the Arrangement the outstanding share purchase warrants of GCO will be cancelled and replacement warrants will be issued in proportion to the shareholdings in GCO and GEMC of IMHL and associates, and all other shareholders. For GEMC, the effect is an estimated \$836,235 charge to share-based payments and equity reserves, reflecting the portion of GCO’s equity reserves that represents the share purchase warrants of GCO that will be cancelled and reissued under GEMC.

3. PRO FORMA SHARE CAPITAL

After giving effect to the pro forma adjustments and assumptions in note 2, the issued and fully paid share capital of the Company would be as follows:

	Number of shares	Share capital
Issued common shares on incorporation	1	\$1
Issuance of common shares pursuant to plan of arrangement	78,252,177	1,187,373
Cancellation of treasury share	(1)	(1)
Pro-forma consolidated share capital	78,252,177	\$1,187,373

4. PRO FORMA EARNINGS (LOSS) PER SHARE

The pro forma basic and diluted loss per share for the year ended June 30, 2015 is based on the number of the Company’s outstanding common shares after giving pro forma effect to the shares to be issued as consideration for the Arrangement, as follows:

Pro forma number of common shares outstanding	78,252,177
Pro forma net loss for the period ended June 30, 2015	(1,764,205)
Pro forma basic and diluted loss per share	(\$0.02)

5. EFFECTIVE TAX RATE

The combined federal and provincial effective tax rate for 2015 will be 26%.

Appendix “F”

Audited Financial Statements and MD&A of GEMC for the Period April 27, 2015 to June 30, 2015

(See attached)

Global Energy Metals Corporation

**Financial Statements
June 30, 2015
(Expressed in Canadian Dollars)**

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDER OF GLOBAL ENERGY METALS CORPORATION

We have audited the accompanying financial statements of Global Energy Metals Corporation, which comprise the statement of financial position as at June 30, 2015, and the statements of loss and comprehensive loss, changes in shareholder's equity and cash flows for the 65-day period then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Global Energy Metals Corporation as at June 30, 2015, and its financial performance and its cash flows for the 65-day period then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe Ratcliffe LLP

Chartered Professional Accountants

Vancouver, British Columbia
August 4, 2015

Global Energy Metals Corporation
Statement of Financial Position
June 30
(Expressed in Canadian Dollars)

	2015
Assets	
Current	
Cash	\$ 1
Shareholder's Equity	
Capital Stock (note 5)	\$ 1

Approved by:

Erin Chutter (signed)

Erin Chutter, President and Chief Executive Officer

The accompanying notes are an integral part of these financial statements.

Global Energy Metals Corporation
Statement of Loss and Comprehensive Loss
65-Day Period Ended June 30
(Expressed in Canadian Dollars)

	2015	
Revenues and Operating Expenses	\$	-
Net Loss and Comprehensive Loss for Period	\$	-
Basic and Diluted Loss per Share	\$	0.00

The accompanying notes are an integral part of these financial statements.

Global Energy Metals Corporation
Statement of Changes in Shareholder's Equity
65-Day Period Ended June 30
(Expressed in Canadian Dollars)

	Capital Stock		Total
	Number	Amount	
Balance, April 27, 2015	-	\$ -	\$ -
Share issued for cash on incorporation	1	1	1
Balance, June 30, 2015	1	\$ 1	\$ 1

The accompanying notes are an integral part of these financial statements.

Global Energy Metals Corporation
Statement of Cash Flows
65-Day Period Ended June 30
(Expressed in Canadian Dollars)

	2015
Financing Activity	
Share issued for cash	\$ 1
Inflow of Cash	1
Cash, Beginning of Period	-
Cash, End of Period	\$ 1

The accompanying notes are an integral part of these financial statements.

Global Energy Metals Corporation
Notes to the Financial Statements
65-Day Period Ended June 30, 2015
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Global Energy Metals Corporation (the “Company” or “GEMC”) was incorporated under the *Business Corporations Act* (British Columbia) on April 27, 2015. The Company is a 100% owned subsidiary of Global Cobalt Corporation (“GCO”). The principal business of the Company is to identify, evaluate and then acquire an interest in a business or assets. The address of its head office is located at 415 – 1040 West Georgia Street, Vancouver, British Columbia, Canada V6E 4H1.

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company’s continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses. There is significant doubt cast upon the validity of the going concern assumption as it is based on shareholder approval of the Arrangement Agreement (note 7). If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary in the carrying value of assets and liabilities, and the reported expenses.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board (“IASB”).

These financial statements are presented in Canadian dollars, which is the Company’s functional currency. All values are rounded to the nearest dollar unless otherwise indicated.

The significant accounting policies set out in note 3 have been applied consistently to all periods presented.

(b) Approval of the financial statements

The financial statements of the Company were approved by the director and authorized for issue on August 4, 2015.

Global Energy Metals Corporation
Notes to the Financial Statements
65-Day Period Ended June 30, 2015
(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (Continued)

(c) New accounting pronouncements

The following new standard has been issued by the IASB, but is not yet effective:

IFRS 9 *Financial Instruments* (2014)

This is a finalized version of IFRS 9, which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a “fair value through other comprehensive income” category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment. The 2014 version of IFRS 9 introduces an “expected credit loss” model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized
- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures
- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to annual periods beginning on or after January 1, 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Financial assets

The Company classifies its financial assets as fair value through profit or loss (“FVTPL”). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

Fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is held-for-trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Cash is included in this category of financial assets.

Global Energy Metals Corporation
Notes to the Financial Statements
65-Day Period Ended June 30, 2015
(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial instruments (Continued)

(ii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for assets or liabilities that are not based on observable market data.

(b) Capital stock

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its financial instrument as follows:

- Cash is classified as a financial asset at FVTPL.

The carrying value of this financial asset approximates its fair value.

The Company's risk exposure and the impact on the Company's financial instruments is summarized below:

- Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company is not exposed to significant liquidity risk.

Global Energy Metals Corporation
Notes to the Financial Statements
65-Day Period Ended June 30, 2015
(Expressed in Canadian Dollars)

5. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares and preferred shares without par value.

(b) Issued and outstanding

On April 27, 2015, the date of incorporation, the Company issued one common share at a price of \$1.

6. CAPITAL MANAGEMENT

The Company is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

7. SUBSEQUENT EVENT

The Company plans to enter into an arrangement agreement (the "Arrangement") with GCO an exploration stage public company whose common shares are listed for trading on the TSX Venture Exchange ("TSX-V"). GCO's primary business is the acquisition, exploration, development, and production of cobalt and other strategic metals deposits in Russia and North America. The Arrangement has been proposed to, among other things, allow GCO to split its North American mineral property assets from its Russian and Quebec properties. Pursuant to the Arrangement, GCO will transfer all of its right, title and interest in the Werner Lake Property and the Iron Creek Property to GEMC in consideration for 81,242,177 GEMC shares, which GCO will then distribute to shareholders, other than dissenting shareholders and Imperial Mining Holding Ltd. ("IMHL") and its affiliates and associates, on the basis of one GEMC share for each GCO share held immediately prior to the effective time. In addition to the transfer of the spin-off properties, at the effective time GCO will transfer to GEMC, the GEMC assumed debt (for which GEMC will assume liability). Each shareholder (other than IMHL and its affiliates and associates) as at the effective time will, immediately after the Arrangement, continue to hold the same pro rata interest in GCO that such shareholder held in GCO prior to the completion of the Arrangement, subject to the issuance of any debt conversion shares in connection with the debt conversion, and will hold one GEMC share for each GCO share held immediately prior to the Arrangement.

Global Energy Metals Corporation
Notes to the Financial Statements
65-Day Period Ended June 30, 2015
(Expressed in Canadian Dollars)

7. SUBSEQUENT EVENT (Continued)

In conjunction with the Arrangement, it is proposed that the principal and accrued interest owing to IMHL by GCO under the terms of the IMHL Loan Agreement, which, as at July 29, 2015, was in the approximate current aggregate amount of \$4,872,786 will be settled for GCO shares. If the debt conversion is completed, IMHL's ownership interest in GCO will increase from 26% to approximately 61%.

On completion of the Arrangement, as contemplated by the Plan of Arrangement and assuming that the debt conversion is completed, it is expected that shareholders (other than IMHL and its affiliates and associates) will hold 39% of the issued and outstanding GCO shares, a decrease of approximately 35% from the interest held by such shareholders immediately prior to the effective time. However, shareholders (other than dissenting shareholders and IMHL and its affiliates and associates) will own 100% of GEMC, which will focus on the exploration and development of the Werner Lake Property and the Iron Creek Property following the completion of the Arrangement.

Completion of the Arrangement is subject to a number of conditions, including, but not limited to, approval of the shareholders of the Company and the Supreme Court of British Columbia. Such approvals, if granted, are expected to be received subsequent to the date of approval of these financial statements.

GLOBAL ENERGY METALS CORPORATION

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIXTY FIVE DAY PERIOD ENDED June 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 has not completed a financial year since its incorporation;
- the prices for based metals 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;
- the Company's operating costs will not increase significantly; and

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. 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 4, 2015, provides a review of the activities, results of operations and financial condition of Global Energy Metals Corp ("Global Energy" or "Company") as at and for the sixty five day period ended June 30, 2015, as well as future prospects of the Company. This MD&A should be read in conjunction with the audited financial statements of the Company as at and for the sixty five day period ended June 30, 2015 (the "Audited Financial Statements. All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise specified (the Company's financial statements are prepared in Canadian dollars).

1.2 Overall Performance

1.2.1 General

The Company is a private company incorporated under the provisions of the British Columbia Business Corporations Act on April 27, 2015.

The Company is a fully owned subsidiary of Global Cobalt Corp., a TSX-V listed company. 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 Stated Business Objectives

Global Energy intends to conduct its business as an exploration and development company to identify, evaluate and then acquire an interest in a business or assets.

The Company's continuing operations, as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

1.2.3 Property Holdings

The Company does not hold any property rights as of June 30, 2015 or the date of this management discussion and analysis.

1.2.4 Selected Annual Financial Information

Company has not completed a financial year since its incorporation.

1.2.5 Results of Operations

For the sixty five day period ended June 30, 2015 the Company reported a net loss of \$nil or \$nil per share.

1.2.6 Summary of Quarterly Results

The Company was incorporated on April 27, 2015 and has not had operation activities for the last eight quarters to report.

1.2.7 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 June 30, 2015, the Company had \$1 in cash.

1.2.8 Capital Resources

The Company's working capital at June 30, 2015 was \$1.

1.2.9 Fourth Quarter

Not applicable.

1.2.10 Proposed Transaction

The details of the proposed transaction are discussed in the section 1.2.14 on the page 9.

1.2.11 Critical Accounting Estimates

The Company's significant accounting policies are contained in Note 3 to the Audited Financial Statements for the sixty five day period ended June 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 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.

1.2.12 Changes in Accounting Policies including Initial Adoption of IFRS

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

Fair value

The Company classifies its financial assets as fair value through profit or loss ("FVTPL"). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

Fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is held-for-trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Cash is included in this category of financial assets.

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 June 30, 2015, the Company's financial instruments are comprised of cash,. 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 not exposed to significant foreign currency risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company is not exposed to significant liquidity risk.

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 is actively looking to acquire an interest in a business or assets and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

1.2.13 Other MD&A Requirements

Disclosure of Outstanding Share Data

At June 30, 2015 there was 1 outstanding common shares.

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.

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.

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 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.

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.

1.2.14 Subsequent Events

The Company plans to enter into an arrangement agreement (the "Arrangement") with GCO an exploration stage public company whose common shares are listed for trading on the TSX Venture Exchange ("TSX-V"). GCO's primary business is the acquisition, exploration, development, and production of cobalt and other strategic metals deposits in Russia and North America. The Arrangement has been proposed to, among other things, allow GCO to split its North American mineral property assets from its Russian and Quebec properties. Pursuant to the Arrangement, GCO will transfer all of its right, title and interest in the Werner Lake Property and the Iron Creek Property to GEMC in consideration for 78,252,177 GEMC shares, which GCO will then distribute to shareholders, other than dissenting shareholders and Imperial Mining Holding Ltd. ("IMHL") and its affiliates and associates, on the basis of one GEMC share for each GCO share held immediately prior to the effective time. In addition to the transfer of the spin-off properties, at the effective time GCO will transfer to GEMC, the GEMC assumed debt (for which GEMC will assume liability). Each shareholder (other than IMHL and its affiliates and associates) as at the effective time will, immediately after the Arrangement, continue to hold the same pro rata interest in GCO that such shareholder held in GCO prior to the completion of the Arrangement, subject to the issuance of any debt conversion shares in connection with the debt conversion, and will hold one GEMC share for each GCO share held immediately prior to the Arrangement.

In conjunction with the Arrangement, it is proposed that the principal and accrued interest owing to IMHL by GCO under the terms of the IMHL Loan Agreement, which, as at July 29, 2015, was in the approximate current aggregate amount of \$4,872,786 will be settled for GCO shares. If the debt conversion is completed, IMHL's ownership interest in GCO will increase from 26% to approximately 61%.

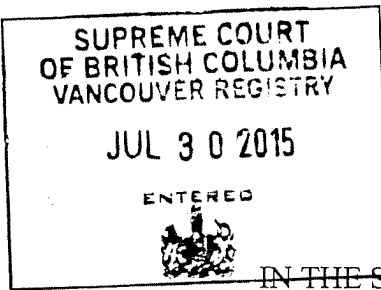
On completion of the Arrangement, as contemplated by the Plan of Arrangement and assuming that the debt conversion is completed, it is expected that shareholders (other than IMHL and its affiliates and associates) will hold 39% of the issued and outstanding GCO shares, a decrease of approximately 35% from the interest held by such shareholders immediately prior to the effective time. However, shareholders (other than dissenting shareholders and IMHL and its affiliates and associates) will own 100% of GEMC, which will focus on the exploration and development of the Werner Lake Property and the Iron Creek Property following the completion of the Arrangement.

Completion of the Arrangement is subject to a number of conditions, including, but not limited to, approval of the shareholders of the Company and the Supreme Court of British Columbia. Such approvals, if granted, are expected to be received subsequent to the date of approval of these financial statements.

Appendix “G”

Interim Order

(See attached)



No. S - 156243
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTIONS 288 TO 299 OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, CHAPTER 57, AS AMENDED

- and -

IN THE MATTER OF A PROPOSED ARRANGEMENT AMONG GLOBAL COBALT CORPORATION, GLOBAL ENERGY METALS CORPORATION AND THE SECURITYHOLDERS OF GLOBAL COBALT CORPORATION

GLOBAL COBALT CORPORATION

PETITIONER

INTERIM ORDER MADE AFTER APPLICATION

BEFORE *THE HONOURABLE MADAM JUSTICE BRUCE*) THURSDAY THE 30th DAY OF
)
) JULY, 2015

ON THE APPLICATION of the Petitioner, Global Cobalt Corporation (“GCO”), without notice, coming on for hearing at Vancouver, British Columbia on July 30, 2015 and on hearing John C. Fiddick, counsel for the Petitioner for an interim order pursuant to Section 291 of the *Business*

Corporations Act, S.B.C. 2002, c. 57 (the “BCBCA”), and upon reading Affidavit #1 of

Raymond Castelli sworn July 30, 2015 (the “Castelli Affidavit”) and the materials filed herein:

THIS COURT ORDERS that:

I. DEFINITIONS

1. As used in this Interim Order Made After Application (the “Interim Order”), unless otherwise defined, terms beginning with capital letters have the respective meanings set out in

the draft Management Information Circular of Global Cobalt Corporation (the "Draft Circular") attached as Exhibit "A" to the Castelli Affidavit.

II. THE MEETING

2. Pursuant to the BCBCA and its articles, GCO is authorized to call, hold and conduct an annual general and special meeting (the "Meeting") of the holders (the "GCO Shareholders") of the common shares of GCO (the "GCO Shares"), to be held at the Computershare Boardroom, 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, on August 31, 2015, at 10:00 a.m. (Vancouver time) for the following purposes:

- (a) to consider, pursuant to the Interim Order of the Supreme Court of British Columbia to be obtained by GCO and, if thought advisable, to pass, with or without variation, a special resolution (the "Arrangement Resolution"), the full text of which is set forth at Appendix "A" to the Draft Circular, to approve an arrangement (the "Arrangement") under Section 288 of the BCBCA among GCO, GCO Securityholders, Global Energy Metals Corporation ("GEMC") and Imperial Mining Holding Limited ("IMHL"), (as more particularly set forth in the plan of arrangement (the "Plan of Arrangement"), a copy of which is set forth as Schedule "A" to the Arrangement Agreement, attached as Exhibit "B" to the Castelli Affidavit;
- (b) to consider and, if deemed advisable, approve with or without variation, an ordinary resolution approving the conversion by IMHL of all of the outstanding principal and interest owing by GCO to IMHL under a loan agreement dated July 8, 2013 into common shares in the capital of GCO;
- (c) to receive and consider the audited financial statements of GCO for the financial year ended April 30, 2014, and the report of the auditors thereon;
- (d) to appoint Smythe Ratcliffe, Chartered Accountants, as the auditors of GCO for the ensuing year and to authorize the directors of GCO to fix the auditors' remuneration;

- (e) to fix the number of directors of GCO at 10;
- (f) to elect the directors of GCO for the ensuing year;
- (g) to approve and ratify GCO's Stock Option Plan;
- (h) to consider and, if deemed advisable, approve with or without variation, an ordinary resolution approving the implementation of a stock option plan for GEMC, subject to regulatory acceptances; and
- (i) to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

3. The record date for the Meeting (the "Record Date") for determining the GCO Shareholders entitled to receive notice of, attend and vote at the Meeting shall be July 31, 2015, as approved by the board of directors of GCO (the "GCO Board"), and shall not change in respect of any adjournment of the Meeting.

4. The Meeting shall be called, held and conducted in accordance with the BCBCA, the Draft Circular and the articles of GCO, subject to the terms of this Interim Order.

5. The only persons entitled to attend the Meeting shall be the GCO Shareholders as of the Record Date or their proxyholders, the GCO Board, auditors and advisors, and any other person admitted on invitation or consent of the Chair of the Meeting.

III. ADJOURNMENTS

6. Notwithstanding the provisions of the BCBCA, GCO, if it deems it so advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the GCO Shareholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be given by such method as GCO may determine is appropriate in the circumstances, including by press release, news release, newspaper advertisement, or by notice sent to the GCO Shareholders by one of the methods specified in paragraph 10 of this Interim Order.

7. The Record Date shall not change in respect of adjournments or postponements of the Meeting.

IV. AMENDMENTS

8. Prior to or after the Meeting, GCO is authorized to make such amendments, revisions or supplements to the Arrangement in accordance with the Arrangement Agreement without any additional notice to the GCO Shareholders, and the Arrangement as so amended, revised and supplemented shall be the Arrangement and the subject of the Arrangement Resolution.

V. NOTICE OF MEETING

9. The Draft Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the BCBCA, and GCO shall not be required to send to the GCO Shareholders any other or additional statement pursuant to section 290(1)(a) of the BCBCA.

VI. METHOD OF DISTRIBUTION OF MEETING MATERIALS

10. The Draft Circular, the notice of the Meeting, the form of proxy and the voting instructions form (collectively referred to as the "Meeting Materials") with such deletions, amendments or additions thereto as counsel for GCO may advise as necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, shall be distributed not later than 21 days prior to the Meeting as follows:

(a) in the case of the registered GCO Shareholders, by unregistered mail, postage prepaid addressed to each registered GCO Shareholder at his/her last address on the books of GCO, mailed at least 21 days before the Meeting;

(b) in the case of the GCO Board and auditors of GCO, by pre-paid ordinary mail, by

expedited parcel post, by email or by facsimile, by courier or by delivery in

person, addressed to the individual directors and the auditors; and

(c) in the case of holders of the non-registered GCO Shares, by providing copies of

the relevant portion of the Meeting Materials to intermediaries and registered nominees for sending to beneficial owners in accordance with

National Instrument 54-101 – *Communications with Beneficial Owners of*

Securities of a Reporting Issuer of the Canadian Securities Administrators.

Compliance with this paragraph 10 shall constitute good and sufficient notice of the Meeting.

11. Accidental failure of or omission by GCO to give notice to any one or more GCO

Shareholders, directors or the auditors of GCO or the non-receipt of such notice, or any failure or

omission to give such notice as a result of events beyond the reasonable control of GCO (including, without limitation, any inability to use postal services) shall not constitute a breach of this Interim Order, or in relation to notice to the GCO Shareholders, the GCO Board or the auditors of GCO, a defect in the calling of the Meeting shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of GCO then it shall use reasonable efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

12. Provided that notice of the Meeting and the provision of the Meeting Materials to the

GCO Shareholders takes place in compliance with this Interim Order, the requirement of Section 290(1)(b) of the BCBCA to include certain disclosure in any advertisement of the Meeting is waived.

VII. DEEMED RECEIPT OF NOTICE and SERVICE OF PETITION

13. The Meeting Materials shall be deemed, for the purposes of this Interim Order, to have been received:

- (a) in the case of mailing, when deposited in a post office or public letter box;
- (b) when provided to intermediaries and registered nominees; and
- (c) in the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch.

14. Mailing of the Notice of Hearing of Petition with the Meeting Materials in accordance with paragraph 10 of this Interim Order shall constitute good and sufficient service of such Notice of Hearing of Petition upon all who may wish to appear in these proceedings, and no other service need be made.

VIII. UPDATING MEETING MATERIALS

15. Notice of any amendments, updates or supplements to any of the information provided in the Meeting Materials, if required, may be communicated to the GCO Shareholders by press release, news release, newspaper advertisement or by notice sent to the GCO Shareholders by one of the methods specified in paragraph 10 of this Interim Order.

IX. QUORUM AND VOTING

16. The quorum for the Meeting shall consist of two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

1. The vote required to pass the Arrangement Resolution must, subject to further orders of the Court, be approved by no less than two-thirds of the votes cast by the GCO Shareholders

present in person or represented by proxy at the Meeting. The votes cast by GCO Shareholders who are also directors and/or officers of GEMC will be excluded from the tabulation of votes cast in respect of the approval of the Arrangement Resolution at the Meeting. As of July 30, 2015, it is expected that 5,051,416 GCO Shares will be excluded from voting on the Arrangement Resolution.

17. For the purposes of counting votes respecting the Arrangement Resolution, any spoiled votes, illegible votes, defective votes and abstentions shall be deemed to be votes not cast and the GCO Shares represented by such spoiled votes, illegible votes, defective votes and abstentions shall not be counted in determining the number of GCO Shares represented at the Meeting. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

18. In all other respects, the terms, restrictions and conditions of the GCO's articles will apply in respect of the Meeting.

X. SCRUTINEER

19. A representative of GCO's registrar and transfer agent (or any agent thereof) is authorized to act as scrutineer for the Meeting.

XI. SOLICITATION OF PROXIES

20. GCO is authorized to use proxies at the Meeting in accordance with the GCO's articles. GCO is authorized, at its own expense, to solicit proxies, directly and through its directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine.

21. The procedure for delivery, revocation and use of proxies at the Meeting shall be as set out in the Meeting Materials.

XII. DISSENT RIGHTS

22. GCO Shareholders have the right to dissent with respect to the Arrangement Resolution and, if the Arrangement Resolution becomes effective, to be paid the fair value of their GCO

Shares in accordance with the provisions of Sections 237 to 247 of the BCBCA. A Dissenting Shareholder who does not strictly comply with the dissent procedures set out in Sections 237 to 247 of the BCBCA will be deemed to have participated in the Arrangement on the same basis as a non-dissenting shareholder.

23. A Dissenting Shareholder must send a written objection to the Arrangement Resolution to:

Global Cobalt Corporation
c/o Lotz & Company
Suite 415 - 1040 - West Georgia Street
Vancouver, British Columbia V6E 4H1
Attention: Jonathan C. Lotz

by 5:00 p.m. (Vancouver time) on on the second Business Day immediately preceding the date of the Meeting.

XIII. APPLICATION FOR FINAL ORDER

24. Upon the approval, with or without variation, by the GCO Shareholders of the Arrangement, in the manner set forth in this Interim Order, GCO may apply to this Court for an Order:

- (a) approving the Plan of Arrangement pursuant to Section 291(4)(a) of the BCBCA;
and
- (b) declaring that the terms and conditions of the Plan of Arrangement are substantively and procedurally fair with respect to the GCO Shareholders pursuant to Section 291(4)(c) of the BCBCA;

(collectively, the “Final Order”) and that the hearing of the Final Order will be held on September 1, 2015, at 10:00 a.m. (Vancouver time) at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, or as soon thereafter as the hearing of the Final Order can be heard

or at such other date and time as this Court may direct.

25. Any GCO securityholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order. Any GCO securityholder seeking to appear at the hearing of the application for the Final Order shall:

- (a) file a Response to Petition, in the form prescribed by the *Supreme Court Civil Rules*, with this Court; and
- (b) serve the filed Response to Petition on the Petitioners' solicitors at:

Lotz & Company
Suite 415, 1040 West Georgia Street
Vancouver, B.C. V6E 4H1
Attention: Jonathan C. Lotz

by or before 10:00 a.m. (Vancouver time) on August 27, 2015.

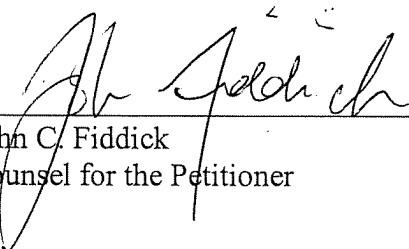
26. In the event that the hearing for the Final Order is adjourned, only those persons who have filed and served a Response to Petition in accordance with this Interim Order need to be served and provided with notice of the adjourned hearing date.

XIV. VARIANCE


27. GCO shall be entitled, at any time, to apply to vary this Interim Order.

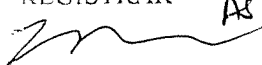
28. Rules 8 and 16 of the *Supreme Court Civil Rules* will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



John C. Fiddick
Counsel for the Petitioner

BY THE COURT


REGISTRAR AS TO FORM


Appendix “H”

Notice of Hearing Of Petition

(See attached)

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTIONS 288 TO 299 OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, CHAPTER 57, AS AMENDED

- and -

IN THE MATTER OF A PROPOSED ARRANGEMENT AMONG GLOBAL COBALT
CORPORATION, GLOBAL ENERGY METALS CORPORATION AND THE
SECURITYHOLDERS OF GLOBAL COBALT CORPORATION

GLOBAL COBALT CORPORATION

PETITIONER

NOTICE OF HEARING OF PETITION

TO: THE SECURITYHOLDERS OF GLOBAL COBALT CORPORATION

NOTICE IS HEREBY GIVEN that a Petition to the Court has been filed by the Petitioner, Global Cobalt Corporation (“GCO”), in the Supreme Court of British Columbia for approval of a plan of arrangement (the “Arrangement”), pursuant to Section 288 of the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended, and for a determination that the terms and conditions of the Arrangement, and the issuance and exchange of securities and other matters contemplated therein, are fair and reasonable to the securityholders of GCO;

AND NOTICE IS FURTHER GIVEN that by an Interim Order Made After Application of the Supreme Court of British Columbia, pronounced July 30, 2015, the Court has given directions as to the calling of an annual general and special meeting of the holders of common shares of Global Cobalt Corporation (the “GCO Shareholders”) for the purpose of, among other things, considering, voting upon and approving the Arrangement;

AND NOTICE IS FURTHER GIVEN that the Final Order approving the Arrangement as procedurally and substantively fair and reasonable to the securityholders of GCO

shall, if made, serve as the basis of an exemption from the registration requirements of the United States *Securities Act of 1933*, as amended, pursuant to Section 3(a)(10) thereof with respect to securities issued and exchanged under the Arrangement;

AND NOTICE IS FURTHER GIVEN that an application for a Final Order approving the Arrangement shall be made before the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia on September 1, 2015, at 10:00 a.m. (Vancouver time), or so soon thereafter as counsel may be heard (the "Final Application").

IF YOU WISH TO BE HEARD, any securityholder of GCO affected by the Final Order sought may appear (either in person or by counsel) and make submissions at the hearing of the Final Application if such person has filed with the Court at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, a Response to Petition in the form prescribed by the *Supreme Court Civil Rules* and delivered a copy of the filed Response to Petition, together with all material on which such person intends to rely at the hearing of the Final Application, including an outline of such person's proposed submissions, to GCO at the address for delivery set out below by or before 10:00 a.m. (Vancouver time) on August 27, 2015.

The address for delivery is:

Lotz & Company
Suite 415 – 1040 West Georgia Street
Vancouver, B.C. V6E 4H1
Attention: Jonathan C. Lotz

IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE FINAL APPLICATION, YOU MUST file and deliver a Response to Petition as described above. You may obtain a form of Response to Petition at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

AT THE HEARING OF THE FINAL APPLICATION the Court may approve the Arrangement as presented, approve it subject to such terms and conditions as the Court deems fit or it may reject it. If the Arrangement is approved, it will significantly affect the rights of the securityholders GCO, including the GCO Shareholders, the holders of options of GCO and the

holders of warrants of GCO.

IF YOU DO NOT FILE A RESPONSE TO PETITION and attend either in person or by counsel at the time of such hearing, the Court may approve the Arrangement as presented, approve it subject to such terms and conditions as the Court shall deem fit or it may reject it, all without any further notice to you.

A copy of the said Petition and other documents in the proceedings will be furnished to any securityholder of GCO upon request in writing addressed to GCO at the address for delivery set out above.

DATED at Vancouver, British Columbia, this 5th day of August, 2015.

“John C. Fiddick”

John C. Fiddick
Counsel for the Petitioner

Appendix “T”

Sections 237 to 247 of the *Business Corporations Act* (British Columbia)

PART 8 - PROCEEDINGS DIVISION 2 - DISSENT PROCEEDINGS

237. Definitions and application —

(1) In this Division:

“dissenter” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“notice share” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“payout value” means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291(2)(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238(1)(g), the court orders otherwise or the resolution provides otherwise.

238. Right to dissent —

(1) A shareholder of a company, whether or not the shareholder’s shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301(5), in respect of a resolution to authorize or ratify the sale, lease or other

disposition of all or substantially all of the company's undertaking;

- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
 - (g) in respect of any other resolution, if dissent is authorized by the resolution;
 - (h) in respect of any court order that permits dissent.
- (2) A shareholder wishing to dissent must
- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting, and
 - (b) identify in each notice of dissent, in accordance with section 242(4), the person on whose behalf dissent is being exercised in that notice of dissent, and
 - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

239. Waiver of right to dissent —

- (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.
- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
 - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and

the beneficial owner, and

- (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

240. Notice of resolution—

(1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not consented to, or voted in favour of, the resolution, whether or not their shares carry the right to vote,

- (a) a copy of the resolution,
- (b) a statement advising of the right to send a notice of dissent, and
- (c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

241. Notice of court orders — If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

242. Notice of dissent —

- (1) A shareholder intending to dissent in respect of a resolution referred to in section 238(1)(a), (b), (c), (d), (e) or (f) must,
 - (a) if the company has complied with section 240(1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
 - (b) if the company has complied with section 240(3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
 - (c) if the company has not complied with section 240(1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.
- (2) A shareholder intending to dissent in respect of a resolution referred to in section 238(1)(g) must send written notice of dissent to the company
 - (a) on or before the date specified by the resolution or in the statement referred to in section 240(2)(b) or (3)(b) as the last date by which notice of dissent must be sent, or
 - (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
- (3) A shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company
 - (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
 - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
 - (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect,
 - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

- (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

243. Notice of intention to proceed —

- (1) A company that receives a notice of dissent under section 242 from a dissenter must,
 - (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
 - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (a) or (b) of this section must
 - (a) be dated not earlier than the date on which the notice is sent,
 - (b) state that the company intends to act, or has acted, as the case may be on the authority of the resolution or court order, and
 - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

244. Completion of dissent —

- (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,
 - (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
 - (b) the certificates, if any, representing the notice shares, and
 - (c) if section 242(4)(c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1)(c) must
 - (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
 - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by

each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

245. Payment for notice shares —

(1) A company and a dissenter who has complied with section 244(1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must

(a) pay to each dissenter who has complied with section 244(1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable

lawfully to pay dissenters for their shares.

- (4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),
- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
 - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or
 - (b) the payment would render the company insolvent.

246. Loss of right to dissent — The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

247. Shareholders entitled to return of shares and rights? — If under section 244(4) or (5), 245(4)(a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,

- (b) the dissenter regains any ability lost under section 244(6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

Appendix “J”

Audit Committee Charter of Global Cobalt Corporation

(See attached)

GLOBAL COBALT CORPORATION
(the “**Company**”)

AUDIT COMMITTEE CHARTER

Purpose of the Committee

The purpose of the Audit Committee (the “**Committee**”) of the Board is to provide an open avenue of communication between management, its independent auditors and the Board and to assist the Board in its oversight of:

- (a) the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- (b) the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- (c) the independence and performance of the Company’s independent auditors.

The Committee shall also perform any other activities consistent with this Charter, the Company’s Articles and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chair from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with generally accepted accounting principles (“**GAAP**”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditors’ responsibility is to audit the Company’s financial statements and provide their opinion, based on their audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with GAAP.

The Committee is responsible for recommending to the Board the independent auditors to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditors. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditors. The independent auditors shall report directly to the Committee.

Authority and Responsibilities

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company’s Chief Financial Officer and any other key financial executives involved in the financial reporting process.

3. Review with management and the independent auditors the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditors the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditors' judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditors without the presence of management.
8. Review with management and the independent auditors significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditors.
10. Monitor the independence of the independent auditors by reviewing all relationships between the independent auditors and the Company and all non-audit work performed for the Company by the independent auditors.
11. Establish and review the Company's procedures for the:
 - (c) receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
 - (d) confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of Multilateral Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (Canada) and the Company's Articles.

Appendix “K”

Stock Option Plan of Global Energy Metals Corporation

(See attached)

GLOBAL ENERGY METALS CORPORATION

STOCK OPTION PLAN

Approved by shareholders on September ●, 2015

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PART 1
INTERPRETATION

1.1 Defined Terms. For the purposes of this Plan, the following terms shall have the following meanings:

- (a) “**Administrator**” has the meaning ascribed thereto in Section 3.1 hereof;
- (b) “**affiliate**” means a corporation related to another corporation if one of them is the subsidiary of the other, or both are subsidiaries of the same corporation, or each of them is controlled by the same person;
- (c) “**Applicable Laws**” means all legal requirements relating to the administration of stock option plans and the issuance of securities thereunder, if any, under applicable corporate laws, any applicable state or provincial securities laws, the rules and regulations promulgated thereunder, and the laws of any foreign jurisdiction applicable to Options granted to residents therein;
- (d) “**associate**” means, where used to indicate a relationship with any person,
 - (i) any relative, including the spouse, son or daughter, of that person or a relative of that person’s spouse, if the relative has the same home as that person,
 - (ii) any partner, other than a limited partner, of that person,
 - (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, or
 - (iv) any corporation of which such person beneficially owns, directly or indirectly, voting securities carrying more than ten percent of the voting rights attached to all outstanding voting securities of the corporation;
- (e) “**Board**” means the board of directors of the Issuer;
- (f) “**Blackout Period**” means a period during which an Optionee is restricted by the Issuer from trading in the Issuer’s securities pending the dissemination of previously undisclosed material information (within the meaning of Exchange Policies);
- (g) “**CPC**” has the meaning ascribed thereto in Exchange Policy 2.4 – *Capital Pool Companies*;
- (h) “**Committee**” means a committee of the Board appointed in accordance with Section 3.2 hereof;
- (i) “**company**” unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;
- (j) “**Consultant**” has the meaning ascribed thereto in Exchange Policy 4.4 – *Incentive Stock Options*; provided, such Optionee is also a “consultant” as defined in NI 45-106;
- (k) “**Consultant Company**” has the meaning ascribed thereto in Exchange Policy 4.4 –

Incentive Stock Options; provided, such Optionee is also a “consultant” as defined in NI 45-106;

- (l) “**Date of Grant**” means the date on which a grant of an Option is effective;
- (m) “**Director**” has the meaning ascribed thereto in Exchange Policy 4.4 – *Incentive Stock Options*; provided, such Optionee is also a “director” as defined in NI 45-106;
- (n) “**Disability**” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months which causes an individual to be unable to engage in any substantial gainful activity;
- (o) “**Discounted Market Price**” has the meaning ascribed thereto in the Exchange Policy 1.1 – *Interpretation*;
- (p) “**Disinterested Shareholder Approval**” means approval by a majority of the votes cast by shareholders of the Issuer or their proxies at a shareholders’ meeting excluding votes attaching to securities beneficially owned by Insiders to whom Options may be granted pursuant to this Plan and their associates and holders of the Options in question, as applicable. For the purposes of this Plan, holders of non-voting and subordinate voting securities (if any) will be given full voting rights on a resolution which requires disinterested shareholder approval if the Options are exercisable into a class of non-voting or subordinate voting securities;
- (q) “**Eligible Charitable Organization**” has the meaning ascribed thereto in Exchange Policy 4.7 – *Charitable Options in Connection with an IPO*;
- (r) “**Eligible Person**” means any Director, Officer, Employee, Consultant, Management Company Employee or Eligible Charitable Organization who is approved for participation in the Plan by the Administrator;
- (s) “**Employee**” has the meaning ascribed thereto in Exchange Policy 4.4 – *Incentive Stock Options*; provided, such Optionee is also an “employee” within the meaning of NI 45-106;
- (t) “**Exchange**” means the TSX Venture Exchange;
- (u) “**Exchange Policies**” mean the policies set forth in the Exchange’s Corporate Finance Manual, as amended from time to time;
- (v) “**Guardian**” means the guardian, if any, appointed for an Optionee;
- (w) “**Insider**” means:
 - (i) a director or senior officer of the Issuer,
 - (ii) a director or senior officer of an entity that is itself an insider or subsidiary of the Issuer, or
 - (iii) a person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Issuer, or

- (iv) the Issuer itself if it holds any of its own securities;
- (x) “**Investor Relations Activities**” has the meaning ascribed thereto in the Exchange Policy 1.1 – *Interpretation*;
- (y) “**Issuer**” means Global Energy Metals Corporation and its successors;
- (z) “**Management Company Employee**” has the meaning ascribed thereto in Exchange Policy 4.4 – *Incentive Stock Options*; provided, such Optionee is also a “director” or “consultant” as defined in NI 45-106;
- (aa) “**Market Price**” has the meaning ascribed thereto in the Exchange Policy 1.1 – *Interpretation*;
- (bb) “**NI 45-106**” means National Instrument 45-106 *Prospectus and Registration Exemptions* of the Canadian Securities Administrators;
- (cc) “**Officer**” means the Chief Executive Officer, Chief Financial Officer, President, Vice President, Secretary, Treasurer, Manager, Controller and any person routinely performing corresponding functions and/or policy making functions with respect to the Issuer or its subsidiaries, and includes a Management Company Employee that provides the services of such Officer;
- (dd) “**Option**” means an option to purchase Shares granted pursuant to the provisions of this Plan;
- (ee) “**Option Agreement**” means a written agreement between the Issuer and an Optionee, specifying the terms of the Option being granted to the Optionee under this Plan, which may be in the form set out in Schedule “A” hereto;
- (ff) “**Exercise Price**” means the price at which an Option to purchase Shares is exercisable;
- (gg) “**Optionee**” means a person to whom an Option has been granted and the person’s heirs, executors and administrators;
- (hh) “**person**” means a natural person, firm, corporation, government, or political subdivision or agency of a government; and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a person;
- (ii) “**Plan**” means this stock option plan, as amended from time to time;
- (jj) “**Qualifying Transaction**” has the meaning ascribed thereto in Exchange Policy 2.4 – *Capital Pool Companies*;
- (kk) “**Shares**” means the common shares without par value in the capital of the Issuer;
- (ll) “**Successor**” means the legal heirs or personal representatives of the Optionee upon death, pursuant to a will or the laws of descent and distribution of the applicable jurisdictions;
- (mm) “**Term**” means the period of time during which an Option is exercisable; and

- (nn) **“Terminating Event”** means:
- (i) the dissolution or liquidation of the Issuer, or
 - (ii) a material change in the capital structure of the Issuer that is deemed to be a Terminating Event pursuant to Section 10.1 or 10.5 hereof.

PART 2 ESTABLISHMENT AND PURPOSE OF THE PLAN

2.1 Establishment of the Plan. The Issuer hereby establishes this Plan to govern the grant, administration and exercise of Options which may be granted to Eligible Persons. The Plan is designed to be a “rolling” stock option plan under Exchange Policies, reserving for issuance pursuant to the exercise of Options that number of Shares equal to up to a maximum of 10% of the issued Shares at the time of any Option grant.

2.2 Principal Purposes. The principal purposes of this Plan are to provide the Issuer with the advantages of the incentive inherent in stock ownership on the part of Directors, Officers, Employees and Consultants responsible for the continued success of the Issuer; to create in such individuals a proprietary interest in, and a greater concern for, the welfare and success of the Issuer; to encourage such individuals to remain with the Issuer; and to attract new Directors, Officers, Employees and Consultants to the Issuer.

2.3 Benefit to Shareholders. This Plan is expected to benefit shareholders by enabling the Issuer to attract and retain personnel of the highest caliber by offering them an opportunity to share in any increase in value of the Shares resulting from their efforts.

2.4 Effective Date. The effective date of this Plan is August 4, 2015, subject to receipt of all regulatory and shareholder approvals that the Issuer requires in connection with the implementation of this Plan. Any Options granted prior to such approval, if required, are conditional upon such approval being given, and no such Options may be exercised unless and until such approval, as required, is given.

PART 3 ADMINISTRATION

3.1 Board or Committee. This Plan shall be administered by the Board or by a Committee appointed in accordance with Section 3.2 hereof. The Board or, if applicable, the Committee is hereinafter referred to as the “Administrator”.

3.2 Appointment of Committee. The Board may at any time appoint a Committee, consisting of not less than two of its members, to administer this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer this Plan.

3.3 Quorum and Voting. A majority of the members of the Committee shall constitute a quorum, and, subject to the limitations in this Part 3, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee who are disinterested persons to an action may vote on any matters affecting the administration of this Plan or the grant of Options pursuant to this Plan, except that no such member shall act upon the granting of an Option to himself (but any such member may be counted in determining the existence of a quorum at any meeting

of the Committee during which action is taken with respect to the granting of Options to him).

3.4 Powers of Administrator. Subject to the provisions of this Plan and any Applicable Laws, and with a view to effecting the purpose of this Plan, the Administrator shall have sole authority, in its absolute discretion, to:

- (a) administer this Plan in accordance with its express terms;
- (b) determine all questions arising in connection with the administration, interpretation, and application of this Plan, including all questions relating to the value of the Shares;
- (c) correct any defect, supply any information, or reconcile any inconsistency in this Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of this Plan;
- (d) prescribe, amend, and rescind rules and regulations relating to the administration of this Plan;
- (e) determine the duration and purposes of leaves of absence from employment which may be granted to Optionees without constituting a termination of employment for purposes of this Plan;
- (f) do the following with respect to the granting of Options:
 - (i) determine the Eligible Persons to whom Options shall be granted, based on the eligibility criteria set out in this Plan,
 - (ii) determine the terms and conditions of the Option Agreement to be entered into with any Optionee (which need not be identical with the terms of any other Option Agreement),
 - (iii) amend the terms and conditions of Option Agreements; provided, the Administrator obtains the consent of the Optionee and, if applicable, the approval of the Exchange and Disinterested Shareholder Approval,
 - (iv) determine when Options shall be granted,
 - (v) determine the Exercise Price of each Option, and
 - (vi) determine the number of Shares subject to each Option; and
- (g) make all other determinations necessary or advisable for administration of this Plan.

3.5 Obtain Regulatory Approvals. In administering this Plan, the Administrator shall obtain any regulatory approvals which may be required pursuant to all Applicable Laws and Exchange Policies. This Plan is subject to these approvals.

3.6 Annual Shareholder Approval. This Plan shall receive approval of the Issuer's shareholders annually at the Issuer's annual general meeting. Evidence that the majority of the shareholders are in favour of a proposal to approve the Plan or any amendment thereto is not sufficient.

3.7 Administration by Administrator. All determinations made by the Administrator in good faith on matters referred to in Section 3.4 hereof shall be final, conclusive, and binding upon the Issuer and the relevant Optionee. The Administrator shall have all powers necessary or appropriate to accomplish its

duties under this Plan. In addition, the Administrator's administration of this Plan shall in all respects be consistent with Exchange Policies.

PART 4 ELIGIBILITY

4.1 General Eligibility. Options may be granted to an Eligible Person; provided that, except in relation to Consultant Companies, Options may only be granted to a company that is wholly-owned by the individuals eligible for the grant. An Optionee shall not be precluded from being granted an Option solely because such Optionee may previously have been granted an Option under this Plan. Notwithstanding the foregoing, if the Issuer is a CPC then Options may only be granted to Directors, Officers and technical consultants whose particular business expertise is required to evaluate a "target company" within the meaning of Exchange Policy 2.4 – *Capital Pool Companies*.

4.2 No Violation of Laws. No Option shall be granted to any Optionee unless the Administrator has determined that the grant of such Option and the exercise thereof by the Optionee will not violate any Applicable Laws or Exchange Policies.

4.3 Optionees to be Named. No Options shall be granted unless and until the Options have been allocated to a particular Optionee.

PART 5 SHARES SUBJECT TO THIS PLAN

5.1 Maximum Number of Shares Reserved Under Plan. The aggregate number of Shares which may be reserved for issuance pursuant to the exercise of Options granted under this Plan shall not exceed 10% of the Issuer's issued and outstanding Shares at the time of the grant. Such number of Shares is subject to adjustment in accordance with Part 10 hereof. Any Shares reserved for issuance pursuant to the exercise of stock options granted by the Issuer prior to this Plan coming into effect and which are outstanding on the date on which this Plan comes into effect shall be included in determining the number of Shares reserved for issuance hereunder as if such stock options were granted under this Plan. The terms of this Plan shall not otherwise govern such pre-existing stock options. Notwithstanding any other provision hereof, for so long as the Issuer is a CPC, the maximum number of common shares reserved for issuance pursuant to the Plan may not exceed that number which is equal to 10% of the common shares to be outstanding at the closing of the Issuer's initial public offering (IPO).

5.2 Sufficient Authorized Shares to be Reserved. If the constating documents of the Issuer limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of Options granted under this Plan. Shares that were the subject of Options that have expired or terminated may once again be subject to an Option granted under this Plan.

5.3 Disinterested Shareholder Approval. Unless Disinterested Shareholder Approval is obtained for this Plan, under no circumstances shall this Plan, together with all of the Issuer's other previously established or proposed stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, result in or allow at any time:

- (a) the aggregate number of Shares reserved for issuance pursuant to Options granted to Insiders (as a group) at any point in time exceeding 10% of the issued and outstanding Shares;

- (b) the grant to Insiders (as a group), within a 12 month period, of an aggregate number of Options exceeding 10% of the issued and outstanding Shares at the time of the grant of the Options;
- (c) the aggregate number of Options granted to any one person (and companies wholly-owned by that person) within any 12 month period exceeding 5% of the issued and outstanding Shares at the time of the grant of the Options;
- (d) any individual Option grant that would result in any of the limitations set out in Sections 5.3 (a), (b) or (c) hereof being exceeded; or
- (e) any amendment to Options held by Insiders that would have the effect of decreasing the exercise price of such Options.

For purposes hereof, Options held by an Insider at any point in time that were granted to such person prior to it becoming an Insider shall be considered Options granted to an Insider irrespective of the fact that the person was not an Insider

5.4 Number of Shares Subject to this Plan. Upon exercise of an Option, the number of Shares thereafter available under such Option shall decrease by the number of Shares as to which the Option was exercised; however the same number of Shares shall thereafter again be available for the purposes of this Plan.

5.5 Expiry of Option. If an Option expires or terminates for any reason without having been exercised in full, the un-purchased Shares subject thereto shall again be available for the purposes of this Plan.

PART 6 TERMS AND CONDITIONS OF OPTIONS

6.1 Option Agreement. Each Option shall be evidenced by an Option Agreement, which may contain such terms, not inconsistent with this Plan or any Applicable Laws, as the Administrator in its discretion may deem advisable; provided, that each Option Agreement shall contain the following terms:

- (a) the number of Shares subject to purchase pursuant to such Option;
- (b) the Date of Grant;
- (c) the Term;
- (d) the Exercise Price;
- (e) the Option is not assignable or transferable; and
- (f) such other terms and conditions as the Administrator deems advisable and are consistent with the purposes of this Plan.

6.2 Exchange Restrictions of Reservations. Notwithstanding any other provision hereof, for so long as the Shares are listed on the Exchange, the aggregate number of Options granted to:

- (a) any one person (and companies wholly-owned by that person) during any 12 month period shall not exceed 5% of the issued and outstanding Shares, calculated at the date such Options are granted;
- (b) any one Consultant during any 12 month period shall not exceed 2% of the issued and

outstanding Shares, calculated at the date such Options are granted;

- (c) all Eligible Persons who are engaged or employed in Investor Relations Activities during any 12 month period shall not exceed 2% of the issued and outstanding Shares, calculated at the date such Options are granted. For the purposes of this Plan, persons retained to provide Investor Relations Activities include any Consultant that performs Investor Relations Activities and any Employee or Director whose role and duties primarily consist of Investor Relations Activities; and
- (d) Eligible Charitable Organizations shall not at any time exceed 1% of the issued and outstanding Shares of the Issuer, calculated at the date such Options are granted.

6.3 Exercise Price. The Exercise Price shall not be less than the Discounted Market Price; provided that (i) if the Issuer has just been recalled for trading following a suspension or halt, the Issuer shall wait until a satisfactory market has been established before setting the exercise price for and granting of the Options (generally ten days from the date of resumption of trading); (ii) a minimum price cannot be established unless the Options are allocated to particular Optionees; and (iii) if Options are granted within 90 days of a distribution of securities by way of a prospectus, the minimum exercise price of those Options will be the greater of the Discounted Market Price and the prospectus offering price (the 90 day period to be calculated from the date a final receipt is issued for the prospectus).

6.4 Maximum Term of Ten Years. Subject to Section 6.5, the maximum Term of an Option granted shall be ten years from the Date of Grant.

6.5 Blackout Period. The Term of an Option shall be automatically extended if the expiry date falls within a Blackout Period; provided that: (i) the Blackout Period is imposed by the Issuer pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information; (ii) the Blackout Period expires upon the general disclosure of such material information; (iii) the extension is not more than ten days from the expiry of the Blackout Period; and (iv) such automatic extension is not applicable if the Issuer or Optionee is also subject to a cease trade order or similar trading restriction.

6.6 Vesting Schedule. No Option shall be exercisable until it has vested. The vesting schedule for each Option shall be specified by the Administrator at the time of grant of the Option prior to the provision of services with respect to which such Option is granted; provided that, if no vesting schedule is specified at the time of grant, the Option shall vest on the date it is granted.

Notwithstanding the foregoing, in respect of Options granted to Eligible Persons who provide Investor Relations Activities and where no vesting schedule is specified at the time of grant, the Options shall vest according to the following schedule:

Vesting Period	Percentage of Total Option Vested
3 Months after Date of Grant	25%
6 Months after Date of Grant	50%
9 Months after Date of Grant	75%
12 Months after Date of Grant	100%

6.7 Acceleration of Vesting. The vesting of outstanding Options may be accelerated by the Administrator at such times and in such amount as the Administrator may determine in its sole discretion.

6.8 Hold Periods. In addition to any resale restrictions under any Applicable Laws, if the Exercise Price is set at a discount to the Market Price, the Option Agreements and the certificates representing any Shares realized on the exercise thereof will bear the following legend:

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT DATE THAT IS FOUR MONTHS AND ONE DAY AFTER THE GRANT OF THE OPTIONS].

6.9 Form for Non-Individuals. If a proposed Optionee is a company, it shall provide the Exchange with a completed Form 4F – *Certification and Undertaking Required from a Corporation Granted an Incentive Stock Option*, or any amended or replacement form. Furthermore, any such company, other than a Consultant Company or Eligible Charitable Organization, shall agree not to effect or permit any transfer of ownership or option of shares of the company nor to issue further shares of any class in the company to any other individual or entity as long as an Option granted to the company hereunder remains outstanding, except with the written consent of the Exchange.

6.10 Bona Fide Optionee. By execution of an Option Agreement, the Optionee represents that he is a bona fide Director, Officer, Employee or Consultant, as the case may be. It will be the joint responsibility of the Issuer and the Optionee that the Optionee is and will remain a bona fide Employee, Consultant or Management Company Employee.

PART 7 EXERCISE OF OPTION

7.1 Method of Exercise. Subject to any limitations or conditions imposed upon an Optionee pursuant to the Option Agreement or Part 6 hereof, an Optionee may exercise an Option, prior to the expiry date thereof, by giving written notice thereof to the Issuer at its principal place of business or as otherwise indicated by the Issuer in writing.

7.2 Payment of Exercise Price. The notice described in Section 7.1 hereof shall be accompanied by full payment of the Exercise Price to the extent the Option is so exercised, and full payment of any amounts the Issuer determines shall be withheld for tax purposes from the Optionee pursuant to the Option Agreement. Such payment shall be in lawful money (Canadian funds) in cash or by certified cheque.

7.3 Issuance of Stock Certificate. As soon as practicable after exercise of an Option in accordance with Sections 7.1 and 7.2 hereof, the Issuer shall issue a stock certificate evidencing the Shares with respect to which the Option has been exercised. Upon due exercise of an Option, the Optionee shall be entitled to all rights to vote or receive dividends or any other rights as a shareholder with respect to such Shares.

7.4 Monitoring Trading. An Optionee who performs Investor Relations Activities shall provide written notice to the Board of each of his trades of securities of the Issuer, within five business days of each trade.

PART 8

TRANSFERABILITY OF OPTIONS

8.1 Non-Transferable. Except as provided otherwise in this Part 8, Options are non-assignable and non-transferable.

8.2 Death of Optionee. If an Optionee should die while any Options remain outstanding in his name, such Options shall pass to the Successor of the Optionee and shall be exercisable by the Successor for a period to be determined by the Administrator, which shall not be less than three months and not more than six months from the date of death.

8.3 Disability of Optionee. If the employment of an Optionee as an Employee or Consultant of the Issuer, or the position of an Optionee as a Director or Officer, is terminated by the Issuer by reason of such Optionee's Disability, any Option held by such Optionee that could have been exercised immediately prior to such termination of employment shall be exercisable by such Optionee, or by his Guardian, for a period of 90 days following the termination of employment of such Optionee.

8.4 Vesting. Options held by a Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

8.5 Majority Agreement. If two or more persons constitute the Successor or the Guardian of an Optionee, the rights of such Successor or such Guardian shall be exercisable only upon the majority agreement of such persons.

8.6 Deemed Non-Interruption of Employment. Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Optionee's right to re-employment with the Issuer is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Optionee's re-employment is not so guaranteed, then his employment shall be deemed to have terminated on the 91st day of such leave.

PART 9 TERMINATION OF OPTIONS

9.1 Termination of Options. To the extent not earlier exercised or terminated, an Option shall terminate at the earliest of the following dates:

- (a) the termination date specified for such Option in the Option Agreement;
- (b) where the Optionee's position as an Employee, Consultant, Director or Officer is terminated for just cause, the date of such termination for just cause;
- (c) where the Optionee's position as an Employee, Consultant, Director or Officer terminates for a reason other than the Optionee's Disability, death, or termination for just cause, 30 days after such date of termination, or such other reasonable time period approved in writing by the Directors; provided, such reasonable time period does not exceed 12 months after such date of termination; and further provided that, if the Issuer is a CPC and the Optionee does not carry on as a director, officer, technical consultant or employee of the Issuer upon completion of the Issuer's Qualifying Transaction, the Option shall be exercisable no later than 12 months after the completion of the Qualifying Transaction;

- (d) where the Optionee's position as an Employee, Consultant, Director or Officer terminates as a result of the Optionee's death, such Options may be exercisable by the Successor for a period to be determined by the Administrator, which shall not be less than three months and not more than six months from the date of death;
- (e) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option in violation of Section 8.1 hereof; and
- (f) the date specified in Section 10.5 hereof for such termination in the event of a Terminating Event.

PART 10 ADJUSTMENTS TO OPTIONS

10.1 Alteration of Capital. In the event of any material change in the outstanding Shares of the Issuer prior to complete exercise of any Option by reason of any stock dividend, split, recapitalization, amalgamation, merger, consolidation, combination or exchange of shares or other similar corporate change, an equitable adjustment shall be made in one or more of the maximum number or kind of Shares issuable under this Plan or subject to outstanding Options, and the Exercise Price of such shares. Any such adjustment shall be made in the sole discretion of the Board, acting on recommendations made by the Administrator, and shall be conclusive and binding for all purposes of this Plan. If the Administrator determines that the nature of a material alteration in the capital structure of the Issuer is such that it is not practical or feasible to make appropriate adjustments to this Plan or to the Options granted hereunder, such event shall be deemed a Terminating Event for the purposes of this Plan.

10.2 No Fractions. No fractional Shares shall be issued upon the exercise of an Option and accordingly, if as a result of any adjustment set out hereof an Optionee would be entitled to a fractional Share, the Optionee shall have the right to purchase only the adjusted number of full Shares and no payment or other adjustment shall be made with respect to the fractional Share so disregarded.

10.3 Terminating Events. Subject to Section 10.4 hereof, all Options granted under this Plan shall terminate upon the occurrence of a Terminating Event.

10.4 Notice of Terminating Event. The Administrator shall give notice to Optionees not less than 30 days prior to the consummation of a Terminating Event. Upon the giving of such notice, all Options granted under this Plan shall become immediately exercisable, notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

10.5 General Offer for Shares. Notwithstanding anything else herein to the contrary, in the event (i) an offer to purchase the Shares shall be made to the holders of the Shares generally, unless the Board determines that such offer will not result in any change in control of the Issuer; (ii) of a sale of all or substantially all of the assets of the Issuer; or (iii) the sale, pursuant to an agreement with the Issuer, of securities of the Issuer pursuant to which the Issuer is or becomes a subsidiary of another corporation, then unless provision is made by the acquiring corporation for the assumption of each Option or the substitution of a substantially equivalent option therefor, the Issuer shall give written notice thereof to each Optionee holding Options under this Plan and such Optionees shall be entitled to exercise his Options to the extent previously unexercised, regardless of whether such Optionee would otherwise be entitled to exercise such Options to such extent at that time, within the 30 day period immediately following the giving of such notice. Any Options not exercised within such 30 day period will immediately terminate and such event shall be deemed to be a Terminating Event.

10.6 Determinations to be made by Administrator. Adjustments and determinations under this Part 10 shall be made by the Administrator, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

PART 11 TERMINATION AND AMENDMENT OF PLAN

11.1 Termination of Plan. The Administrator may terminate this Plan at the same time as all Options are terminated upon a Terminating Event pursuant to Section 10.1. The Administrator may terminate this Plan at such other time and on such conditions as the Administrator may determine; provided that, no such termination shall be effected if doing so would affect the rights of then existing Optionees, without the approval of such Optionees.

11.2 Power of Administrator to Amend Plan. The Administrator may, subject to the approval of the Exchange, amend this Plan so as to: (i) correct typographical errors; (ii) clarify existing provisions of the Plan, which clarifications do not have the effect of altering the scope, nature or intent of such provisions; and (iii) maintain compliance with any Applicable Laws and Exchange Policies. The Administrator may condition the effectiveness of any such amendment on the receipt of shareholder approval at such time and in such manner as the Administrator may consider necessary for the Issuer to comply with or to avail the Issuer and/or the Optionees of the benefits of any securities, tax, market listing or other administrative or regulatory requirements. No such amendment, suspension or termination shall adversely affect rights under any Options previously granted without the consent of the Optionees to whom such Options were granted.

Notwithstanding the above, the Issuer may grant Options under amendments made to this Plan that it would not otherwise be permitted to grant prior to obtaining requisite shareholder approval; provided that: (i) the Issuer also obtains specific shareholder approval for such grants, separate and apart from shareholders' approval to the amendments; (ii) no Options granted under the amendments are exercised prior to shareholder approval and (iii) shareholder approval is obtained on or before the earlier of the Issuer's next annual general meeting or 12 months from the amendment of the Plan. Should such shareholder approval not be obtained, the amendments will terminate and any Options granted thereunder will terminate.

11.3 Shareholder Approvals. Any shareholder approval required to amend this Plan shall take place at a meeting of the shareholders. Evidence that the majority of the shareholders are in favour of a proposal to approve any amendment thereto is not sufficient.

11.4 No Grant During Suspension of Plan. No Option may be granted during any suspension, or after termination, of this Plan. Amendment, suspension, or termination of this Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

PART 12 CONDITIONS PRECEDENT TO ISSUANCE OF SHARES

12.1 Compliance with Laws. Shares shall not be issued pursuant to the exercise of any Option unless the exercise of such Option and the issuance and delivery of such Shares comply with all Applicable Laws, and such issuance may be further subject to the approval of counsel for the Issuer with respect to such compliance, including the availability of an exemption from prospectus and registration requirements for the issuance and sale of such Shares. The inability of the Issuer to obtain from any regulatory body the authority deemed by the Issuer to be necessary for the lawful issuance and sale of any Shares under this Plan, or the unavailability of an exemption from prospectus and registration

requirements for the issuance and sale of any Shares under this Plan, shall relieve the Issuer of any liability with respect to the non-issuance or sale of such Shares.

12.2 Representations by Optionee. As a condition precedent to the exercise of any Option, the Issuer may require the Optionee to represent and warrant, at the time of exercise, that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Issuer, such representations and warranties are required by any Applicable Laws. If necessary under Applicable Laws, the Administrator may cause a stop-transfer order against such Shares to be placed on the stock books and records of the Issuer, and a legend indicating that the Shares may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any Applicable Laws, may be stamped on the certificates representing such Shares in order to assure an exemption from registration. The Administrator also may require such other documentation as may from time to time be necessary to comply with Applicable Laws. **THE ISSUER HAS NO OBLIGATION TO UNDERTAKE REGISTRATION OF OPTIONS OR THE SHARES ISSUABLE UPON THE EXERCISE OF OPTIONS.**

12.3 Tax Withholding. Notwithstanding any other provision of this Plan, the Issuer's obligation to issue Shares to an Optionee pursuant to the exercise of an Option or otherwise pay an amount pursuant to the Plan or any Option shall be subject to the satisfaction of all federal, state, provincial, local and foreign tax obligations as may be required by Applicable Laws, including, but not limited to, obligations to make withholdings, deductions or remittances in respect of any taxable benefits of an Optionee arising under this Plan or any Option (collectively, the "tax withholding obligations") and the Issuer shall have the power and right to:

- (a) deduct or withhold from all amounts payable to an Optionee pursuant to this Plan, any Option, or otherwise in the course of the employment of the Optionee by the Issuer or any affiliate, and
- (b) require the Optionee to remit to the Issuer an amount sufficient to satisfy in full any tax withholding obligations as may be imposed on the Issuer by Applicable Laws.

Furthermore, the Issuer may require the Optionee to satisfy, in whole or in part, such deduction or any tax withholding obligation by instructing the Issuer to withhold Shares that would otherwise have been received by the Optionee upon exercise of any Options, and sell such Shares by Issuer as a trustee on behalf of the Optionee, and remit the proceeds of such sale to the relevant taxing authority in satisfaction of the tax withholding obligations. By participating in this Plan, the Optionee consents to the foregoing and authorizes the Issuer, as applicable, to effect the sale of such Shares on behalf of the Optionee and to remit the proceeds of such sale to the relevant taxing authority in satisfaction of the tax or withholding obligations. Neither the Issuer nor any affiliate shall be responsible for obtaining any particular price for the Shares nor shall the Issuer or any affiliate be required to issue any Shares under the Plan unless the Optionee has made suitable arrangements with the Issuer and any affiliate to fund any withholding obligation. The Optionee shall hold harmless the Issuer and be solely responsible, upon exercise of an Option or, if later, the date that the amount of such obligations becomes determinable, all applicable federal, provincial, local and foreign withholding taxes, determined as a result of and upon exercise of an Option or from a transfer or other disposition of Shares acquired upon exercise of an Option or otherwise related to an Option or Shares acquired in connection with an Option.

PART 13 NOTICES

13.1 Notices. All notices, requests, demands and other communications required or permitted to be

given under this Plan and the Options granted under this Plan shall be in writing and may be served in any one of the following ways: (i) personally on the party to whom notice is to be given, in which case notice shall be deemed to have been duly given on the date of such service; (ii) facsimile transmission or by electronic mail, in which case notice shall be deemed to have been duly given on the date the fax or email is sent; or (iii) mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given on the fifth postal delivery day following the date of such mailing.

PART 14
MISCELLANEOUS PROVISIONS

14.1 No Obligation to Exercise. Optionees shall be under no obligation to exercise Options granted under this Plan.

14.2 No Obligation to Retain Optionee. Nothing contained in this Plan shall obligate the Issuer to retain an Optionee as a Director, Officer, Employee or Consultant for any period, nor shall this Plan interfere in any way with the right of the Issuer to change the terms or conditions of the Optionee's employment or engagement with the Issuer, including the Optionee's compensation.

14.3 Binding Agreement. The provisions of this Plan and each Option Agreement with an Optionee shall be binding upon such Optionee and the Successor or Guardian of such Optionee.

14.4 Governing Law. The laws of the Province of British Columbia shall apply to this Plan and all rights and obligations hereunder shall be determined in accordance with such laws.

14.5 Use of Terms. Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender shall include both genders and the neuter.

Approved by the Board of the Issuer on August 4, 2015.

SCHEDULE “A”

**GLOBAL ENERGY METALS CORPORATION
STOCK OPTION PLAN**

OPTION AGREEMENT

The Option granted herein is not assignable or transferable by the Optionee. Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities issued upon the exercise of the Option granted herein may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date that is four months and one day after the grant of the Options].

This Option Agreement is entered into between GLOBAL ENERGY METALS CORPORATION (the “Issuer”) and the Optionee named below pursuant to the Issuer’s Stock Option Plan (the “Plan”), a copy of which is attached hereto, and confirms that:

1. On _____, ____ (the “Grant Date”);
2. _____ (the “Optionee”);
3. was granted the option (the “Option”) to purchase _____ Common Shares (the “Option Shares”) of the Issuer;
4. at the price (the “Exercise Price”) of \$ _____ per share;
5. which shall be exercisable (“Vested”) in accordance with Section 6.6 of the Plan (check the following box if the Optionee is a person who performs Investor Relations Activities for the Issuer:); and
6. shall expire on _____, _____ (the “Expiry Date”),

all on the terms and subject to the conditions set out in the Plan. For greater certainty, once Option Shares have become Vested, they continue to be exercisable until the first to occur of the Expiry Date or such earlier termination or cancellation thereof as provided in this Option Agreement and the Plan. Subject to any vesting restrictions, this Option may be exercised in accordance with its terms at any time and from time to time from and including the Grant Date through to and including up to 5:00 p.m. (Vancouver time) on the Expiry Date, by delivering to the Issuer an Exercise Notice, in the form provided in the Plan, together with this Option Agreement and a certified cheque or bank draft payable to the Issuer in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

By signing this Option Agreement, the Optionee acknowledges that he has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement. This Agreement is subject to the detailed terms and conditions contained in the Plan. In the event of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Issuer shall prevail.

**IMPORTANT INFORMATION REGARDING
INCOME TAX WITHHOLDING REQUIREMENTS**

The Issuer shall not be obligated to cause the issuance, transfer or delivery of a certificate or certificates representing Shares issuable upon the exercise of this Option to the Optionee, until provision has been made by the Optionee, to the satisfaction of the Issuer, for the payment of the aggregate exercise price for all such shares for which the Option shall have been exercised, and for satisfaction of any tax withholding obligations associated with such exercise.

Acknowledgement – Personal Information

The undersigned hereby acknowledges and consents to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6A to the Exchange Corporate Finance Manual attached hereto) pursuant to this Form; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the attached Appendix 6A or as otherwise identified by the Exchange, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the _____ day of _____, 20_____.

GLOBAL ENERGY METALS CORPORATION

OPTIONEE

By: _____
Authorized Signatory



APPENDIX 6A ACKNOWLEDGEMENT – PERSONAL INFORMATION

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including the TSX Venture Exchange (collectively referred to as “the Exchange”) collect Personal Information in certain Forms that are submitted by the individual and/or by an Issuer or Applicant and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Issuer or Applicant,
- to consider the eligibility of the Issuer or Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Issuer, or its associates or affiliates,
- to conduct enforcement proceedings, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.

As part of this process, the Exchange also collects additional Personal Information from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished.

The Personal Information the Exchange collects may also be disclosed:

- (a) to the agencies and organizations in the preceding paragraph, or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above; and
- (b) on the Exchange’s website or through printed materials published by or pursuant to the directions of the Exchange.

The Exchange may from time to time use third parties to process information and/or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers.

SCHEDULE "B"

**GLOBAL ENERGY METALS CORPORATION
STOCK OPTION PLAN**

OPTION EXERCISE NOTICE

TO: Global Energy Metals Corporation
Suite 1501 - 128 West Pender Street
Vancouver, BC, V6B 1R8

RE: Exercise of Options

The undersigned hereby irrevocably gives notice, pursuant to the stock option plan (the "Plan") of GLOBAL ENERGY METALS CORPORATION (the "Issuer"), of the exercise of the Option to acquire and hereby subscribes for (check applicable item):

- all of the Shares; or
- certain of the Shares which are the subject of the option certificate attached hereto.

Calculation of total Exercise Price:

- (i) number of Shares to be acquired on exercise: _____ shares
 - (ii) times the Exercise Price per Share: \$_____
- Total Exercise Price, as enclosed herewith: \$_____

The undersigned tenders herewith a cheque or bank draft for the Total Exercise Price, payable to the Issuer, and directs the Issuer to issue the share certificate evidencing the Shares in the name of the undersigned to be mailed to the undersigned at the following address:

All capitalized terms, unless otherwise defined in this exercise notice, will have the meaning provided in the Plan.

DATED the _____ day of _____, 20____.

Signature of Option Holder

Name of Option Holder (Print)