

6 June 2018

Port Moresby Stock Exchange Limited
Level 1, Harbourside West Building
Stanley Esplanade.
P.O Box 1531, Port Moresby,
National Capital District, Papua New Guinea
Telephone: (+675) 320 1980

By post and by fax +675 320 1981

Dear Sir

Listed company: Highlands Pacific Limited
Form: Notice of Substantial Shareholding (Form 3)

We attach, on behalf of Cobalt Capital Corp. a copy of an executed Notice of Substantial Shareholding (Form 3), signed and dated 5 June 2018, pursuant to section 402 of the *Capital Markets Act 1997*.

Please provide us with an acknowledgement of receipt.

Yours sincerely



Stephen Massa
Partner

Att

Securities Act 1997

Section 115(2)(a).

Form 3

NOTICE OF SUBSTANTIAL SHAREHOLDING

Note: To be given to the company, the stock exchange on which it is listed and the Securities Commission by a person who acquires a relevant interest in 5% or more of the voting shares of a listed company, within two days after the person becomes aware that they are a substantial shareholder. Use a separate form for each person that is a substantial shareholder.

1. Name of listed company

Highlands Pacific Limited

Note: Insert the name of the listed company in which the substantial shareholding is held.

2. Name of stock exchange

Port Moresby Stock Exchange Limited

Note: Insert the name of the stock exchange on which the company is listed.

3. Details of person that is a substantial shareholder

Given names (natural persons only)	Surname or corporate name and registration number, if applicable	Residential address or address of registered office	Postal address
N/A	Cobalt 27 Capital Corp.	Suite 401, 4 King Street West, Toronto, Ontario, Canada M5H 1B6	Suite 401, 4 King Street West, Toronto, Ontario, Canada M5H 1B6

4. Date substantial shareholding arose

4 June 2018

Note: Insert the date on which the person named in Item 3 became a substantial shareholder in the listed company in Item 1, not the date on which the person became aware of the substantial shareholding.

5. Voting shares in which a relevant interest is held

Number of Shares	% of shares in company
142,530,500	13.043478229

Note: Insert the number and percentage of voting shares in which the person has a relevant interest as at the date in Item 4. The terms "voting shares" and "relevant interest" are defined in Sections 112 - 114 of the Act.

6. Total number of voting shares issued by the listed company

1,092,733,836

Note: Insert the total number of voting shares issued by the listed company used for the purpose of calculating the percentage in Item 5.

7. Particulars of relevant interests

	Details for class of shares
Class of voting shares in which relevant interest held.	Ordinary
Name(s) of registered holder(s).	Cobalt 27 Capital Corp.
Brief description of the nature of the relevant interest in the voting shares.	Held for investment purposes but subject to a 12 month lock-up provision.
Brief description of the transaction under which the relevant interests arose e.g: purchase on stock exchange.	Shareholding acquired pursuant to Subscription and Relationship Agreement, under which Cobalt 27 Capital Corp. subscribes for 142,530,500 shares in Highlands Pacific Limited for a price of A\$0.105 per share. See attached agreement.
Number of voting shares affected by the transaction.	142,530,500
The consideration for the transaction (Kina).	A\$14,965,702.50 (Australian dollars only)
Name of the other party to the transaction (if known). *	Not applicable – new share issue
Consideration, if any, paid for each relevant interest acquired in the previous 4 months.	Nil

**This information is not required where the transaction took place on a stock exchange.*

Note: Where there is insufficient space on the form to supply the information required, use additional forms or annexe a separate sheet in the same format containing the information.

8. Details of other person(s) giving a notice for the same transaction

Given names (natural persons only)	Surname or corporate name and registration number, if applicable	Residential address or address of registered office	Postal address
N/A			

Note: If known, insert the name and address of any other person(s) believed to have given, or to be intending to give, notice, whether a Form 3, 4 or 5, in relation to the transaction to which this notice relates. If not known, insert, "unknown".

9. Details of any associate who also has a relevant interest in the voting shares

Given names (natural persons only)	Surname or corporate name and registration number, if applicable	Residential address or address of registered office	Postal address
N/A			

Nature of Association

Not applicable.

Details of Relevant Interest of Associates

Not applicable.

Note: Provide the name and address of each associate of the person submitting this notice who has a relevant interest in voting shares in the company, and the nature of the association with the associate and the details of the relevant interest of the associate.

10. Prescribed particulars of any agreement under which substantial shareholding acquired.

Date of any agreement	Material terms of any agreement (whether written or oral)
22 May 2018	Shareholding acquired pursuant to Subscription and Relationship Agreement, under which Cobalt 27 Capital Corp. subscribes for 142,530,500 shares in Highlands Pacific Limited for a price of A\$0.105 per share. See attached documents.

Note: Provide the details of the material terms of any agreement, whether written or oral, and the details of the material terms of any relevant agreement through which a relevant interest, the subject of the notice, was acquired or otherwise arose. True copies of the documents must be submitted with this form.

11. The following documents must be submitted with this form

- A. A true copy of any document setting out the material terms of any agreement that:
- (a) contributed to the person having to submit this form;
 - (b) is in writing or in a document in which the material terms of an oral agreement have been reduced to writing in accordance with Section 40(5)(c) of the Regulation; and
 - (c) is readily available to the person submitting the notice; or
- B. Where a document in Paragraph A is not readily available to the person submitting this form, a memorandum in writing detailing the material terms of the document.

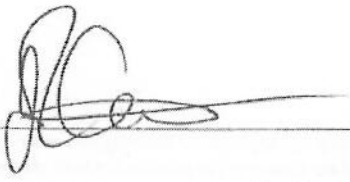
The following documents accompany this form:

- (a) Subscription and Relationship Agreement; and
- (b) letter amending Subscription and Relationship Agreement.

The number of pages that accompany, or are annexed to, this notice is 26.....

12. Declaration.

I declare that to the best of my knowledge and belief the information in this form is true and correct.

Signature: 

Full Name of person signing: Justin Cochrane

Role: President + COO Date: June 5, 2018

Note: Where this notice is given by a body corporate it must be signed by a director or secretary who is authorised by the board of the body corporate to give the notice. Initials are not sufficient for the full name of the person signing this form.

Highlands Pacific Limited
Electric Metals Streaming Corp.
Cobalt 27 Capital Corp.

Subscription and Relationship Agreement

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Contents

1	Definitions and Interpretation	1
1.1	Definitions	1
1.2	Interpretation	3
2	Condition Precedent	4
2.1	Condition Precedent	4
2.2	Parties must co-operate	4
2.3	No waiver	4
2.4	Termination before Completion	4
2.5	Effect of termination	5
3	Subscription for Placement Shares	5
3.1	Subscription	5
3.2	Placement Shares	5
3.3	Valid application	5
4	Completion	5
4.1	Date and place	5
4.2	Subscriber's Completion obligations	6
4.3	Company's Completion obligations	6
4.4	Simultaneous actions at Completion	6
5	On-sale of Placement Shares	6
5.1	Issue without disclosure document	6
5.2	Cleansing notice	6
6	Escrow Restrictions	7
6.1	Shareholder restrictions	7
6.2	Release	7
6.3	Removal of Holding Lock	8
6.4	Obligation to notify Company	8
6.5	Permitted dealings	8
7	Director appointment rights	8
7.1	Nominee Director	8
7.2	Additional independent director	10
8	Anti-dilution Right	10
8.1	Condition precedent to Anti-Dilution Right	10
8.2	Anti-Dilution Right	10
8.3	Issue Notice	11
8.4	Anti-Dilution Exercise Notice	11
9	Entitlement Offers	11
9.1	Option to participate	11
9.2	Underwriting consultation	12
10	Investment Opportunities	12
11	Company Warranties	13
11.1	Warranties	13
11.2	Effect of the Company Warranties	14
11.3	Indemnity	14
12	Subscriber and Cobalt 27 Warranties	14
12.2	Effect of Subscriber Group Warranties	15

	12.3	Indemnity	15
13		Termination	15
14		GST	15
	14.1	Recovery of GST	15
	14.2	Liability net of GST	15
	14.3	Adjustment events	15
	14.4	Survival	15
	14.5	Definitions	16
15		General	16
	15.1	Governing Law and Jurisdiction	16
	15.2	Notices	16
	15.3	Assignment	17
	15.4	No waiver	17
	15.5	Costs and duty	17
	15.6	Severability	17
	15.7	Extent of obligations	17
	15.8	Entire agreement	18
	15.9	Relationship of parties	18
	15.10	Amendment	18
	15.11	Further assurances	18
	15.12	Counterparts	18
Schedule 1			19
		Capital Table	19

This Agreement is made on

22 May

2018

Parties

- 1 **Highlands Pacific Limited** (a company limited by shares that is incorporated in and domiciled in Papua New Guinea) of Level 1, Allotment 6, Section 58, Sir Hubert Murray Highway, Boroko NCD, Papua New Guinea (the **Company**).
- 2 **Electric Metals Streaming Corp.** (a company incorporated under the laws of the Province of Ontario) of Suite 401, 4 King Street West, Toronto, Ontario, Canada M5H 1B6 (the **Subscriber**).
- 3 **Cobalt 27 Capital Corp.** (a company incorporated under the laws of British Columbia) of Suite 401, 4 King Street West, Toronto, Ontario, Canada, M5H 1B6 (**Cobalt 27**).

Recitals

- A The Company is listed on the official list of ASX and POMSx and wishes to raise funds through an issue of the Placement Shares (as defined below).
- B The Subscriber has agreed to subscribe for the Placement Shares on the terms set out in this Agreement.
- C The Company, the Subscriber and Cobalt 27 have agreed to work together in relation to certain aspects of the Company's affairs on the terms set out in this Agreement.

It is agreed as follows.**1 Definitions and Interpretation****1.1 Definitions**

The following definitions apply unless the context requires otherwise.

ASX means ASX Limited (ACN 008 624 691), or the securities exchange market operated by it, as the context requires.

ASX Listing Rules means the Listing Rules of ASX, as amended from time to time.

Board means the board of directors of the Company.

Business Day means a day on which banks are open for business in Port Moresby excluding a Saturday, Sunday or public holiday in Brisbane, Australia.

Capital Market Act means the *Capital Market Act 2015* of Papua New Guinea.

Child Entities has the meaning given in the ASX Listing Rules.

Claim means any claim, demand, legal proceeding or cause of action, however arising, including one that is based on common law (including contract, tort (including negligence) and restitution), equity or statute, and whether involving a third party or a party to this Agreement or otherwise.

Companies Act means the *Companies Act 1997* of Papua New Guinea.

Completion means completion of the issue and allotment of the Placement Shares on the Completion Date in accordance with the terms of this Agreement.

Completion Date means the 5th Business Day after the date of this Agreement.

Condition Precedent End Date means 31 December 2018 or any later date that the parties agree in writing.

Constitution means the Constitution of the Company from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Encumbrance means any:

- (a) Security Interest;
- (b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or
- (c) third party right or interest or any right arising as a consequence of the enforcement of a judgement,

or any agreement to create any of them or allow them to exist.

Entitlement Offer means a pro rata offer of Equity Securities to all Company shareholders at a particular record date based on their holding of Shares at that record date (provided that the exclusion from that offer of Company shareholders with a registered address outside Australia, New Zealand and Papua New Guinea will not cause that offer to not be an Entitlement Offer).

Equity Security has the meaning given to that term in the ASX Listing Rules and the POMSIX Listing Rules.

Escrow Period means the period commencing on the Completion Date and expiring at 7pm on the first anniversary of the Completion Date.

Escrow Shares means the Placement Shares.

Further Participation Option has the meaning given in the Streaming Agreement.

Government Agency means any government or governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity and includes any self-regulatory organisation established under statute or any stock exchange.

Group means the Company and each of its Related Bodies Corporate.

Holding Lock has the meaning given in the ASX Settlement Operation Rules.

Immediately Available Funds means a direct deposit of cleared funds to the Company's nominated bank account.

Independent means a person who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. A person is **Independent**, without limitation, if they:

- (a) are not, and have not been, employed in an executive capacity by the Company or any of its Child Entities within the last 3 years, and there has been a period of at least 3 years between ceasing any such employment and being appointed as a director of the Company;
- (b) are not, and have not been within the last 3 years, a partner, director or senior employee of a provider of material professional services to the Company or any of its Child Entities;
- (c) are not, and have not been within the last 3 years, in a material business relationship with the Company or any of its Child Entities, or an officer of, or otherwise associated with, someone with such a relationship;
- (d) are not a substantial holder of the Company or an officer of, or otherwise associated with, a substantial holder of the Company;
- (e) do not have a material contractual relationship with the Company or any of its Child Entities other than as a director of the Company;

- (f) do not have close family ties with any person who falls within any of the categories described in paragraphs (a) to (e) above; and
- (g) have not been a director of the Company for such a period that their independence may have been compromised.

New Issue means an issue by the Company of new Shares or other Equity Securities in the Company.

Ownership Percentage means, immediately prior to a New Issue, the number of Shares which the Subscriber and its Related Bodies Corporate hold legally or beneficially (including through any nominees or custodians) in aggregate, expressed as a percentage of all the Shares on issue immediately prior to the relevant New Issue (on a non-fully diluted basis).

Participation Option has the meaning given in the Streaming Agreement.

Placement Shares means 142,530,500 Shares less such number of Shares, if any, which the Company is obliged to issue on equivalent terms pursuant to any anti-dilution rights in force as at the date of this Agreement.

POMSoX means Port Moresby Stock Exchange Limited, or the securities exchange market operated by it, as the context requires.

POMSoX Listing Rules means the Listing Rules of POMSoX, as amended from time to time.

Related Body Corporate has the meaning given in the Corporations Act.

Security Interest means a security interest in any property arising under:

- (a) a mortgage, charge, lien or pledge; or
- (b) a bill of sale or other security agreement,

provided as security for the payment of money or the performance of any other obligation and includes an agreement to grant or create any of them and any notice or arrangement (including retention of title) having a similar effect.

Share means a fully paid ordinary share in the capital of the Company.

Specified Clauses means clauses 1, 14 and 15 (other than clause 15.11).

Streaming Agreement means the Metal Purchase and Sale Agreement between the Subscriber and Ramu Nickel Limited dated on or about the date of this Agreement.

Subscription Price means the dollar amount equal to the issue price of 10.5 cents per Share multiplied by the total number of Placement Shares.

Takeover Bid means an offer to acquire Shares which complies with the Take-overs Code (as defined in the Capital Market Act).

1.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) Mentioning anything after **includes, including, for example** or similar expressions, does not limit what else might be included.
- (c) A reference to **\$** or **dollars** is a reference to the lawful currency of the Commonwealth of Australia.
- (d) The following rules apply unless the context requires otherwise:
 - (i) The singular includes the plural, and the converse also applies.
 - (ii) A gender includes all genders.

- (iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (iv) A reference to a **person** includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
- (v) A reference to a clause or Schedule is a reference to a clause of, or Schedule to, this Agreement.
- (vi) A reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Agreement or that other agreement or document.
- (vii) A reference to **writing** includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.
- (viii) A reference to a party to this Agreement or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
- (ix) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (x) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (xi) A reference to any time is a reference to that time in Brisbane, Australia.
- (xii) A reference to a **right** or **obligation** of any two or more people comprising a single party confers that right, or imposes that obligation, as the case may be, on each of them severally and each two or more of them jointly. A reference to that party is a reference to each of those people separately (so that, for example, a representation or warranty by that party is given by each of them separately).

2 Condition Precedent

2.1 Condition Precedent

Clauses 3.1, 3.2 and 4 will not bind the parties and Completion will not proceed unless and until the Securities Commission of Papua New Guinea provides its written approval in respect of the issue of Placement Shares contemplated by this Agreement, either on an unconditional basis or subject only to conditions acceptable to the Subscriber (the **Condition Precedent**).

2.2 Parties must co-operate

Each party must co-operate with each other party and do all things reasonably necessary to procure that the Condition Precedent is satisfied as soon as reasonably possible, and in any event on or before the Condition Precedent End Date.

2.3 No waiver

The Condition Precedent cannot be waived.

2.4 Termination before Completion

- (a) Subject to clause 2.4(c), the Company or the Subscriber may terminate this Agreement before Completion if the Condition Precedent is not satisfied, or the parties agree that the

Condition Precedent is incapable of being satisfied, on or before the Condition Precedent End Date.

- (b) Subject to clause 2.4(c), the Subscriber may terminate this Agreement before Completion if any consent or approval required under the Condition Precedent is granted on terms unacceptable to the Subscriber.
- (c) The Company or the Subscriber may only terminate under this clause 2.4 if they have complied with clause 2.2 and subject to giving 2 Business Days' notice to each other party.

2.5 Effect of termination

If this Agreement is terminated under clause 2.4, except for this clause and the Specified Clauses, this Agreement will be null and void and of no effect.

3 Subscription for Placement Shares

3.1 Subscription

- (a) The Subscriber agrees to subscribe for the Placement Shares, and the Company agrees to issue and allot the Placement Shares to the Subscriber free from all Encumbrances, at Completion in accordance with the provisions of this Agreement.
- (b) In consideration for the Company allotting and issuing the Placement Shares to the Subscriber free from all Encumbrances, the Subscriber must unconditionally and irrevocably pay to the Company the Subscription Price at Completion in Immediately Available Funds.

3.2 Placement Shares

- (a) The Company will issue and register the Placement Shares in the name of the Subscriber, legally and beneficially, at Completion.
- (b) Each of the Placement Shares will have the same rights attaching to all Shares on issue in the Company in accordance with the Constitution and in particular will rank equally with all other Shares in all respects.
- (c) The Subscriber consents to being a member of the Company, and consents to being bound by the Constitution upon the issue of the Placement Shares and for as long as it is a holder of any Shares.

3.3 Valid application

For the avoidance of doubt, this Agreement is deemed to be a valid and completed application for Shares under the Constitution of the Company without the need for a separate application form.

4 Completion

4.1 Date and place

Completion must take place at 10.00am on the Completion Date at the offices of the Company or at any other place as the Company and Subscriber may agree.

4.2 Subscriber's Completion obligations

On the Completion Date, the Subscriber must (and Cobalt 27 must ensure that the Subscriber does):

- (a) transfer the Subscription Price to the Company's nominated bank account, as follows:

BSB:	014 002
Account number:	775465823
Account name:	Highlands Pacific Australia Pty Ltd
Bank:	Australia and New Zealand Banking Group
Swift Code:	ANZBAU3M

in Immediately Available Funds in subscription for the Placement Shares in accordance with the terms of this Agreement; and

- (b) do all other acts, matters and things and sign and deliver to the Company such other documents reasonably required by Company to carry out effectively the issue of the Placement Shares to the Subscriber in accordance with this Agreement.

4.3 Company's Completion obligations

- (a) On or before the Completion Date, the Company must attend to all acts, matters and things required by the Corporations Act, the Companies Act, the Capital Market Act, the ASX Listing Rules and the POMSoX Listing Rules in relation to the issue and allotment of the Placement Shares to the Subscriber.
- (b) On the Completion Date, the Company must:
- (i) issue to the Subscriber the Placement Shares free from all Encumbrances;
 - (ii) apply to the ASX for official quotation of the Placement Shares on ASX, and do all things necessary to ensure that the Placement Shares are accepted for official quotation on ASX, including by lodging an Appendix 3B with ASX in accordance with the Corporations Act and the Listing Rules; and
 - (iii) sign and deliver to the Subscriber such other documents reasonably required by the Subscriber to carry out effectively the transactions contemplated by this Agreement.

4.4 Simultaneous actions at Completion

Unless otherwise agreed between the Company and the Subscriber, all actions required to be performed by the parties on the Completion Date are interdependent and will be deemed to have taken place simultaneously on the Completion Date.

5 On-sale of Placement Shares

5.1 Issue without disclosure document

As no formal disclosure document (such as a prospectus) will be lodged with ASIC for the issue of the Placement Shares, the Placement Shares will only be offered and issued to one of the categories of investors to whom such an offer can be made under section 708 of the Corporations Act or under schedule 6 to the Capital Market Act.

5.2 Cleansing notice

- (a) Within 5 Business Days after the Completion Date, the Company will give the ASX a cleansing notice under sections 708A(5)(e) and (6) of the Corporations Act in respect of

the Placement Shares such that a subsequent offer of the Placement Shares for sale within 12 months from the Completion Date will not require disclosure under section 707(3) of the Corporations Act.

- (b) For the avoidance of doubt, the Subscriber acknowledges that the Escrow Shares will be subject to the escrow restrictions set out in clause 6 notwithstanding the Company giving the ASX the cleansing notice described in clause 5.2(a).

6 Escrow Restrictions

6.1 Shareholder restrictions

- (a) Subject to clause 6.2, the Subscriber must not (and Cobalt 27 must procure that the Subscriber does not) deal in any of the Escrow Shares during the Escrow Period.
- (b) The Subscriber agrees that the Escrow Shares will be:
 - (i) kept on an electronic CHESS sub-register; or
 - (ii) held on the Company's issuer sponsored sub-register (as that term is defined in the ASX Listing Rules),

and agrees to the application of a Holding Lock to the Escrow Shares for the Escrow Period.

6.2 Release

- (a) If a Takeover Bid is made to acquire all or a specified proportion of the Shares, the restrictions in clause 6.1 will cease to apply to the extent necessary to allow the Subscriber to accept the offers under the Takeover Bid in respect of the Escrow Shares, provided that the following conditions are satisfied:
 - (i) the offers under the Takeover Bid are for all or a specified proportion of the Shares;
 - (ii) holders of at least 50% of the Shares that are not the subject of any escrow restrictions have accepted the offers under the Takeover Bid; and
 - (iii) if the offers under the Takeover Bid are conditional and the offers do not become unconditional, the restrictions in clause 6.1 will continue to apply the Escrow Shares.
- (b) If a scheme of arrangement pursuant to Part XVI of the Companies Act between the Company and the holders of Shares becomes effective in accordance with section 250 of the Companies Act, the restrictions in clause 6.1 will cease to apply to the extent necessary to allow the Escrow Shares to be acquired under that scheme of arrangement.
- (c) Notwithstanding any condition to the contrary in this Agreement:
 - (i) the Subscriber may deal in any of their Escrow Shares to the extent the dealing is required by applicable law (including an order of a court of competent jurisdiction);
 - (ii) the Subscriber may deal in any of their Escrow Shares to the extent the dealing is in connection with an equal access share buyback or capital return or capital reduction made in accordance with the Companies Act;
 - (iii) the Subscriber may deal in any of their Escrow Shares to the extent the dealing constitutes a disposal of, but not the creation of a Security Interest in, some or all of the Escrow Shares to a Related Body Corporate of the Subscriber (a **Transferee**), where the Transferee also enters into an escrow arrangement with

the Company in respect of those Escrow Shares on substantially the same terms as this clause 6 for the remainder of the Escrow Period; and

- (iv) the Subscriber may deal in any of their Escrow Shares with the prior written consent of the Company (which consent may be withheld by the Company in its absolute discretion).

6.3 Removal of Holding Lock

The Company will do all things necessary or desirable to ensure that any Holding Lock that is imposed is released (including notifying ASX in accordance with ASX Listing Rule 3.10A):

- (a) to the extent necessary to permit disposals of any Escrow Shares pursuant to the terms of this Agreement; and
- (b) in full at the conclusion of the Escrow Period.

6.4 Obligation to notify Company

If the Subscriber or Cobalt 27 becomes aware:

- (a) that a dealing in any Escrow Shares has occurred, or is likely to occur, during the Escrow Period in breach of this Agreement; or
- (b) of any other matter which is likely to give rise to a dealing in any Escrow Shares during the Escrow Period in breach of this Agreement,

the Subscriber or Cobalt 27 (as applicable) must notify the Company as soon as practicable after becoming aware of the dealing or those matters giving rise the dealing, and provide full details.

6.5 Permitted dealings

Except as expressly provided for in this clause 6, nothing in this Agreement restricts the Subscriber from dealing with the Escrow Shares or exercising rights attaching to, or afforded to a holder of the Escrow Shares, including by:

- (a) exercising any voting rights attaching to the Escrow Shares;
- (b) receiving or being entitled to any dividend, return of capital or other distribution attaching to the Escrow Shares; and
- (c) receiving or participating in any rights or bonus issue in connection with the Escrow Shares.

7 Director appointment rights

7.1 Nominee Director

- (a) Subject to Completion, and for so long as Cobalt 27 and its Related Bodies Corporate hold legally or beneficially (including through any nominees or custodians) in aggregate at least 10% or more of the Shares in the Company, if requested by Cobalt 27, Cobalt 27 will be entitled to appoint and replace, from time to time, one representative or nominee of Cobalt 27 to the Board as a non-executive director (the **Nominee Director**) and the Company must procure the appointment and replacement of the Nominee Director as requested by Cobalt 27 in accordance with the Constitution, the Companies Act, the Capital Market Act, the ASX Listing Rules and the POMSoX Listing Rules.
- (b) If Cobalt 27 requests that a Nominee Director be appointed as a director of the Company pursuant to clause 7.1(a), the Company will, and will procure the Company's directors to, subject to the directors' fiduciary duties:

- (i) unanimously approve the appointment of the Nominee Director as a director of the Company;
 - (ii) unanimously recommend to the Company's shareholders that they vote in favour of, and do all other things reasonably necessary to ensure that the Company's shareholders support, the ongoing appointment of the Nominee Director when such person must be elected, or re-elected, by the Company's shareholders as required by the ASX Listing Rules, the POMSoX Listing Rules or the Constitution; and
 - (iii) not seek to remove, or support the removal of, a Nominee Director, and unanimously recommend to the Company's shareholders that they do not support, and do all other things reasonably necessary to ensure that the Company's shareholders do not support, any attempt to remove the Nominee Director, in each case other than to replace that person with another Nominee Director.
- (c) For so long as Cobalt 27 is entitled to appoint a director of the Company under clause 7.1(a), the Company will, and will procure the Company's directors, subject at all times to the directors' fiduciary duties, ensure that there is a vacant director position maintained by the Company which a Nominee Director can fill.
- (d) Notwithstanding clause 7.1(c), if Cobalt 27 requests that a Nominee Director be appointed as a director of the Company pursuant to clause 7.1(a) but the Constitution does not allow such appointment due to restrictions on the maximum number of directors of the Company, the Company will, and will procure the Company's directors to, subject at all times to the directors' fiduciary duties, at the next general meeting of the Company use its best endeavours to obtain the necessary approval or resolutions of the shareholders of the Company to amend the Constitution to permit the appointment of the Nominee Director as a director of the Company and unanimously recommend to the Company's shareholders that they vote in favour of, and do all other things reasonably necessary to ensure that the Company's shareholders support, such amendments to the Constitution.
- (e) The Company agrees that, in respect of a Nominee Director:
 - (i) the Nominee Director will be entitled to take into account the interests of Cobalt 27, subject at all times to the Nominee Director's fiduciary duties to the Company;
 - (ii) all reasonable and customary costs, expenses and disbursements to the extent incurred by the Nominee Director in connection with the Nominee Director's role as a director of the Company will be borne by the Company; and
 - (iii) director fees, D&O insurance and all other arrangements of support provided by the Company to any of its other non-executive directors (including by way of deeds of indemnity and access or similar) and commensurate with the terms provided for such other directors will be provided by the Company to or for the benefit of the Nominee Director (including tail coverage for the period after the date of resignation of the Nominee Director) at the Company's expense (including any relevant insurance premiums) and at the Nominee Director's direction (if applicable).
- (f) Cobalt 27 agrees that a Nominee Director who is a director of the Company must adhere to any protocols or other requirements of the Company and/or the Board, including in respect of conflicts of interest but without limitation to clause 7.1(e)(i).

7.2 Additional independent director

Within 90 days of the Completion Date, and following consultation with Cobalt 27, the Company will appoint, or will procure the appointment of, an additional Independent non-executive director of the Company in accordance with the Constitution, the Companies Act, the Capital Market Act, the ASX Listing Rules and the POMSoX Listing Rules.

8 Anti-dilution Right

8.1 Condition precedent to Anti-Dilution Right

- (a) As soon as practicable following the issue of the Placement Shares, the Company will apply to ASX for a waiver of ASX Listing Rule 6.18 and to POMSoX for a waiver of POMSoX Listing Rule 6.18 to permit the Company to grant the Anti-Dilution Right set out in this clause 8 to the Subscriber. The Company must consult with the Subscriber as to the form of the application to ASX under this clause 8.1(a).
- (b) The Subscriber must provide the Company any information about the Subscriber as may reasonably be requested by ASX or POMSoX.
- (c) If ASX does not grant a waiver of ASX Listing Rule 6.18 or POMSoX does not grant a waiver of POMSoX Listing Rule 6.18 referred to in clause 8.1(a), then this clause 8 will have no further application.

8.2 Anti-Dilution Right

- (a) Subject always to:
 - (i) the grant of the waiver referred to in clause 8.1; and
 - (ii) the Subscriber and its Related Bodies Corporate holding legally or beneficially (including through any nominees or custodians) in aggregate:
 - (A) at least 10% or more; and
 - (B) not more than 19.9%,of the Shares in the Company at the relevant time,the Subscriber will have the right, but not the obligation, to participate in any New Issue on the same terms as other participants in the New Issue, up to such additional number of Equity Securities as would be sufficient to enable the Subscriber to maintain its Ownership Percentage (**Anti-Dilution Right**).
- (b) Where a New Issue is an issue of Equity Securities convertible into Shares, the number of Equity Securities for which the Subscriber is entitled to subscribe is the number required for the Subscriber to maintain its Ownership Percentage if all Equity Securities issued under the New Issue were converted into Shares.
- (c) The Parties acknowledge and agree that the Anti-Dilution Right:
 - (i) has been granted to the Subscriber to reflect the strategic relationship arising as a result of the Streaming Agreement and the Subscriber acquiring a significant shareholding in the Company;
 - (ii) will not apply to issues of Shares made:
 - (A) pursuant to an Entitlement Offer, the exercise of any Equity Securities convertible into Shares, a dividend reinvestment plan, a share purchase plan, a takeover bid or a scheme of arrangement; or
 - (B) as consideration for the acquisition of assets;

- (iii) will not apply to issues of Equity Securities under an employee incentive scheme;
- (iv) may only be exercised in cash;
- (v) may be exercised in respect of each New Issue; and
- (vi) is otherwise subject to the terms and conditions of any waiver granted pursuant to clause 8.1.

8.3 Issue Notice

While the Anti-Dilution Right applies, the Company must notify the Subscriber in writing of any proposed New Issue (**Issue Notice**). The Issue Notice must specify:

- (a) the total number of Equity Securities proposed to be issued;
- (b) the maximum number of Equity Securities that the Subscriber may subscribe for under the Anti-Dilution Right (calculated in accordance with clause 8.2(a) and, where applicable, clause 8.2(b)) and offer the Subscriber the opportunity to subscribe for some or all of such Equity Securities;
- (c) the subscription price per Equity Security, which will be the same price per Equity Security as the price at which the Equity Securities will be issued by the Company under the New Issue; and
- (d) in respect of any Equity Securities convertible into Shares, the terms and conditions of those Equity Securities, which will be the same terms and conditions as the terms and conditions attaching to the Equity Securities which will be issued by the Company under the New Issue.

8.4 Anti-Dilution Exercise Notice

- (a) The Subscriber may, within 3 Business Days of the receipt of an Issue Notice, elect to exercise the Anti-Dilution Right by delivering to the Company a written notice (**Anti-Dilution Exercise Notice**) setting out the number of Equity Securities offered to it in the Issue Notice for which the Subscriber wishes to subscribe. The Subscriber may elect to subscribe for some or all of the number of Equity Securities offered to it in the Issue Notice.
- (b) If the Subscriber does not deliver an Anti-Dilution Exercise Notice to the Company within the time provided for in clause 8.4(a), then the Subscriber will be deemed to have elected not to exercise its Anti-Dilution Right and the Anti-Dilution Right in relation to that New Issue will lapse.
- (c) If the Subscriber delivers a valid Anti-Dilution Exercise Notice to the Company, the Company will:
 - (i) promptly apply for and use its reasonable endeavours to obtain all regulatory and shareholder approvals required (if any) to issue the Equity Securities identified in the Anti-Dilution Exercise Notice to the Subscriber and make all necessary disclosures; and
 - (ii) complete the issue of new Equity Securities to the Subscriber in accordance with the terms of the New Issue.

9 Entitlement Offers

9.1 Option to participate

If the Company proposes to undertake one or more Entitlement Offers for the purpose of raising proceeds to fund payment by the Company (or any of its Related Bodies Corporate) of amounts

due upon its exercise of the Participation Option or Further Participation Option (each, a **Relevant Entitlement Offer**):

- (a) the Company will notify Cobalt 27 and the Subscriber in writing of the details of the Relevant Entitlement Offer;
- (b) Cobalt 27 and the Subscriber each acknowledge that any information disclosed by the Company in respect of a Relevant Entitlement Offer is confidential information that may have a material effect on the price or value of securities in the Company (**Confidential Information**);
- (c) Cobalt 27 and the Subscriber each agree to:
 - (i) not disclose the Confidential Information to anyone within their respective organisations except on a need-to-know basis and subject to the restrictions in this clause 9.1(c), or to anyone outside of their respective organisations; and
 - (ii) not breach the insider trading laws contained in the Corporations Act including in relation to the securities of the Company.

The restrictions in this clause 9.1(c) do not apply to Confidential Information that is or becomes generally available and is not or is no longer price sensitive; and

- (d) Cobalt 27 and the Subscriber will notify the Company within 5 Business Days of receipt of the notification in clause 9.1(a) of their intention to participate or not participate in the Relevant Entitlement Offer.

9.2 Underwriting consultation

- (a) If the Company intends to undertake a Relevant Entitlement Offer, the Company may (but is not obliged to) engage in discussions with the Subscriber for the Subscriber to underwrite (fully or partially) the Relevant Entitlement Offer.
- (b) For the avoidance of doubt, nothing in this clause 9.2:
 - (i) obliges the Company to offer the Subscriber the opportunity to underwrite any Relevant Entitlement Offer or accept any offer of underwriting from the Subscriber; and
 - (ii) obliges the Subscriber to underwrite any Relevant Entitlement Offer.

10 Investment Opportunities

- (a) From Completion until such time as the Subscriber and its Related Bodies Corporate cease to legally or beneficially (including through any nominees or custodians) in aggregate at least 10% of the Shares in the Company, the Company and Cobalt 27 agree to work collaboratively to identify mutually beneficial investment opportunities in the Asia Pacific Region in relation to cobalt, nickel and other strategic metals (**Relevant Opportunities**).
- (b) Without limiting clause 10(a), the collaboration may include:
 - (i) the sharing of information regarding Relevant Opportunities;
 - (ii) the joint evaluation of Relevant Opportunities;
 - (iii) jointly bidding for Relevant Opportunities (whether alone or with third parties); and
 - (iv) the joint development of Relevant Opportunities (whether alone or with third parties) for which they are successful in securing.

- (c) The Company and Cobalt 27 will establish a working committee to facilitate their collaboration in accordance with this clause 10 (the **Working Committee**).
- (d) The Working Committee will comprise 2 or more representatives from each of the Company and Cobalt 27, provided that such number of representatives is equal for the Company and Cobalt 27.
- (e) The Company and Cobalt 27 will share information and technical and business expertise to facilitate their collaboration in accordance with this clause 10.

11 Company Warranties

11.1 Warranties

The Company represents and warrants to the Subscriber and Cobalt 27 that, as at the date of this Agreement and immediately prior to Completion, each of the following statements (**Company Warranties**) is true, accurate and not misleading including by omission:

- (a) the securities issued in the capital of the Company are as set out in Schedule 1;
- (b) the Placement Shares, when issued, will be credited as fully paid ordinary shares in the capital of the Company;
- (c) the Placement Shares to be issued under this Agreement will:
 - (i) be validly allotted and issued;
 - (ii) be free from all Encumbrances;
 - (iii) rank equally in all respects with the existing Shares on issue; and
 - (iv) have the rights set out in the Constitution;
- (d) the Company is a validly existing corporation registered under the laws of its place of incorporation;
- (e) the execution and delivery of this Agreement by the Company has been properly authorised by all necessary corporate action and the Company has full corporate power and lawful authority to execute and deliver this Agreement and to perform or cause to be performed its obligations under this Agreement;
- (f) this Agreement constitutes legal, valid and binding obligations on the Company and the execution of this Agreement of itself does not result in a breach of or default under any agreement or deed or any writ, order or injunction, rule or regulation to which the Company or any of its subsidiaries is a party or to which they are bound;
- (g) the Company is not in breach of its continuous disclosure obligations under the Listing Rules; and
- (h) except for the admission of the Placement Shares to the official list of ASX and the official list of POMSIX and approval of the proposed issue of Placement Shares under the Capital Market Act, no consent, approval, authorisation, order, registration or qualification of or with any Governmental Agency or any other person is required for the Company to perform its obligations under this Agreement.

11.2 Effect of the Company Warranties

Each of the Company Warranties:

- (a) is separate and independent and is not limited by reference to any other Company Warranty or any other provision in this Agreement; and
- (b) remains in full force and effect on and after the Completion Date despite the issue of any Shares.

11.3 Indemnity

The Company covenants and undertakes to indemnify, and to keep indemnified, the Subscriber and Cobalt 27 in respect of all liabilities suffered or incurred, as a consequence of or in connection with:

- (a) any Claims made by any third party in relation to a matter which constitutes, or in circumstances that constitute, a breach of any of the Company Warranties or any other covenant, representation or provision in this Agreement provided by the Company;
- (b) a breach of any of the Company Warranties; and
- (c) any failure by the Company to fulfil its obligations under this Agreement.

12 Subscriber and Cobalt 27 Warranties

Each of the Subscriber and Cobalt 27 represents and warrants that, as at the date of this Agreement and immediately prior to Completion, each of the following statements (**Subscriber Group Warranties**) is true, accurate and not misleading:

- (a) it is a validly existing corporation registered under the laws of its place of incorporation;
- (b) the Subscriber is not a US person (as defined in Regulation S under the US Securities of 1933, as amended (**US Securities Act**)) (**US Person**), or acting for the account or benefit of a person within the United States of America or a US Person, and is subscribing for the Placement Shares outside the United States in an offshore transaction as defined in Regulation S under the US Securities Act;
- (c) the execution and delivery of this Agreement by it has been properly authorised by all necessary corporate action and it has full corporate power and lawful authority to execute and deliver this Agreement and to perform or cause to be performed its obligations under this Agreement;
- (d) this Agreement constitutes legal, valid and binding obligations on it and the execution of this Agreement of itself does not result in a breach of or default under any agreement or deed or any writ, order or injunction, rule or regulation to which it or any of its subsidiaries is a party or to which they are bound;
- (e) none of the Subscriber, Cobalt 27 or any associated person (as the term "associated person" is defined for the purposes of the Capital Market Act) will, including by the Subscriber and Cobalt 27 entering into or performing its rights or obligations under this Agreement, have a relevant interest in more than 20% of the Shares; and
- (f) it will obtain its own tax advice regarding the tax consequences in any jurisdiction of purchasing, owning or disposing of any of the Placement Shares.

12.2 Effect of Subscriber Group Warranties

Each of the Subscriber Group Warranties:

- (a) is separate and independent and is not limited by reference to any other Subscriber Group Warranty or any other provision in this Agreement; and
- (b) remains in full force and effect on and after the Completion Date despite the issue of any Shares.

12.3 Indemnity

Each of the Subscriber and Cobalt 27 covenants and undertakes to indemnify, and to keep indemnified, the Company, in respect of all liabilities claimed, suffered or incurred, as a consequence of or in connection with:

- (a) any Claims made by any third party in relation to a matter which constitutes, or in circumstances that constitute, a breach of any of the Subscriber Group Warranties or any other covenant, representation or provision in this Agreement provided by the Subscriber or Cobalt 27;
- (b) a breach of any of the Subscriber Group Warranties; and
- (c) any failure by the Subscriber or Cobalt 27 to fulfil its obligations under this Agreement.

13 Termination

The Subscriber or Cobalt 27 may terminate this Agreement by notice to the Company, and the Company may terminate this Agreement by notice to the Subscriber and Cobalt 27, if "Closing" does not occur by the "Outside Date" (as the terms "Closing" and "Outside Date" are defined in the Streaming Agreement), or the Streaming Agreement is otherwise terminated.

14 GST

14.1 Recovery of GST

If GST is payable, or notionally payable, on a supply made under or in connection with this Agreement, the party providing the consideration for that supply must pay as additional consideration an amount equal to the amount of GST payable, or notionally payable, on that supply (the **GST Amount**). Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time that the other consideration for the supply is provided. This clause does not apply to the extent that the consideration for the supply is expressly stated to be GST inclusive or the supply is subject to reverse charge.

14.2 Liability net of GST

Where any indemnity, reimbursement or similar payment under this Agreement is based on any Cost or other liability, it will be reduced by any input tax credit entitlement, or notional input tax credit entitlement, in relation to the relevant Cost or other liability.

14.3 Adjustment events

If an adjustment event occurs in relation to a supply made under or in connection with this Agreement, the GST Amount will be recalculated to reflect that adjustment and an appropriate payment will be made between the parties.

14.4 Survival

This clause will not merge upon completion and will continue to apply after expiration or termination of this Agreement.

14.5 Definitions

Unless the context requires otherwise, words and phrases used in this clause that have a specific meaning in the GST law (as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth)) will have the same meaning in this clause.

15 General

15.1 Governing Law and Jurisdiction

This Agreement is governed by the laws of Papua New Guinea. In relation to it and related non-contractual matters, each party irrevocably submits to the non-exclusive jurisdiction of courts with jurisdiction there, and waives any right to object to the venue on any ground.

15.2 Notices

Any notice, demand, consent or other communication (a **Notice**) given or made under this Agreement:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender (or in the case of email, set out the full name and position or title of the sender or person duly authorised by the sender);
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand, fax or email to the address, fax number or email address below or the address, fax number or email address last notified by the intended recipient to the sender:
 - (i) to the Company: Address: Level 1, Allotment 6, Section 58, Sir Hubert Murray Highway, Boroko NCD, Papua New Guinea
Copy to: PO Box 1486, Port Moresby, NCD 121 Papua New Guinea
Email: craig@highlandspacific.com
Attention: Craig Lennon; and
 - (ii) to the Subscriber or Cobalt 27: Address: Suite 401, 4 King St. West, Toronto, Ontario, Canada, M5H 1B6
Email: anthony@co27.com / justin@co27.com
Attention: Anthony Milewski / Justin Cochrane; and
- (c) will be conclusively taken to be duly given or made and received:
 - (i) in the case of delivery in person, when delivered;
 - (ii) in the case of delivery by express post, to an address in the same country, two Business Days after the date of posting;
 - (iii) in the case of delivery by any other method of post, three Business Days after the date of posting (if posted to an address in the same country) or 10 Business Days after the date of posting (if posted to an address in another country);
 - (iv) in the case of email, at the earliest of:
 - (A) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;

- (B) the time that the intended recipient confirms receipt of the email by reply email; and
- (C) three hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that three hour period, an automated message that the email has not been delivered,

but if the result is that a Notice would be taken to be given or made and received:

- (v) in the case of delivery by hand or post, at a time that is later than 5pm;
- (vi) in the case of delivery by email, at a time that is later than 7pm; or
- (vii) on a day that is not a business day,

in the place specified by the intended recipient as its postal address under clause 15.2(b), it will be conclusively taken to have been duly given or made and received at the start of business on the next business day in that place.

15.3 Assignment

The Subscriber cannot assign, charge, create a security interest over, encumber or otherwise deal with any of its rights or obligations under this Agreement, or attempt or purport to do so, without the prior written consent of the Company.

15.4 No waiver

- (a) No acquiescence, waiver or other indulgence granted by either party to any other party will in any way discharge or relieve that other party from any of its other obligations under this Agreement.
- (b) A failure to exercise or a delay in exercising any right, power or remedy under this Agreement does not operate as a waiver. A single or partial exercise or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing.

15.5 Costs and duty

Each party must bear its own costs arising out of the negotiation, preparation and execution of this Agreement. All duty (including any fines, penalties and interest) payable on or in connection with this Agreement and any instrument executed under or any transaction evidenced by this Agreement must be borne by the Subscriber.

15.6 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will be ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That will not invalidate the remaining provisions of this Agreement nor affect the validity or enforceability of that provision in any other jurisdiction.

15.7 Extent of obligations

If any payment under this Agreement becomes void by any statutory provision or otherwise, the obligations of the party that made the payment will be taken not to have been discharged in respect of that payment and the parties will be restored to the rights which each respectively would have had if that payment had not been made.

15.8 Entire agreement

This Agreement contains the entire agreement between the parties with respect to its subject matter. It sets out the only conduct, representations, warranties, covenants, conditions, agreements or understandings (collectively **Conduct**) relied on by the parties and supersedes all earlier Conduct by or between the parties in connection with its subject matter. Neither party has relied on or is relying on any other Conduct in entering into this Agreement and completing the transactions contemplated by it.

15.9 Relationship of parties

- (a) The parties are not and are not to be taken to be in a partnership, joint venture, employment or fiduciary relationship.
- (b) Nothing in this Agreement gives a party authority to bind any other party in any way.

15.10 Amendment

This Agreement may be amended only by another agreement executed by all the parties.

15.11 Further assurances

Each party must do anything necessary (including executing agreements and documents) to give full effect to this Agreement and the transactions contemplated by it.

15.12 Counterparts

This Agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

Schedule 1**Capital Table**

Securities in the Company	Number of securities
Ordinary shares	950,203,336

Executed as an agreement.

Signed by an Authorized Signing Officer on behalf of **HIGHLANDS PACIFIC LIMITED** in the presence of:

Witness Signature

Signature

Print Name

Print Name

Signed by an Authorized Signing Officer on behalf of **ELECTRIC METALS STREAMING CORP.** in the presence of:

Witness Signature

Anthony Milewski

Print Name

Signature

Justin Cochrane

Print Name Director

Signed on an Authorized Signing Officer behalf of **COBALT 27 CAPITAL CORP.** in the presence of:

Witness Signature

Justin Cochrane

Print Name

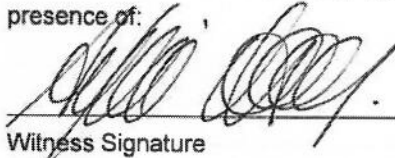
Signature

Anthony Milewski

Print Name

Executed as an agreement.

Signed by an Authorized Signing Officer on behalf of **HIGHLANDS PACIFIC LIMITED** in the presence of:



Witness Signature

SYLVIE MOSER

Print Name



Signature

CRAIG LENNON

Print Name

Signed by an Authorized Signing Officer on behalf of **ELECTRIC METALS STREAMING CORP.** in the presence of:

Witness Signature

Print Name

Signature

Print Name

Signed on an Authorized Signing Officer behalf of **COBALT 27 CAPITAL CORP.** in the presence of:

Witness Signature

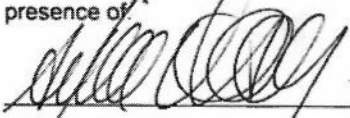
Print Name

Signature

Print Name

Each of the following parties agrees and consents to the amendments proposed to the Subscription and Relationship Agreement dated 22 May 2018 in the letter from Highlands Pacific Limited to Cobalt 27 Capital Corp. and Electric Metals Streaming Corp. dated 31 May 2018.

Signed by an Authorized Signing Officer on behalf of **HIGHLANDS-PACIFIC LIMITED** in the presence of:



Witness Signature
SYLVIE MOSER

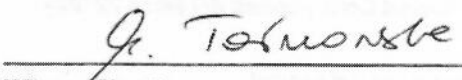
Print Name



Signature
CRAIG LENNON

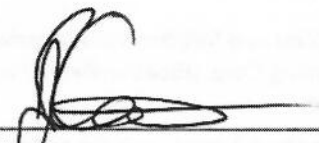
Print Name

Signed by an Authorized Signing Officer on behalf of **ELECTRIC METALS STREAMING CORP.** in the presence of:



Witness Signature
MAGDA TARNOWSKA

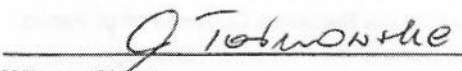
Print Name



Signature
Justin Cochrane

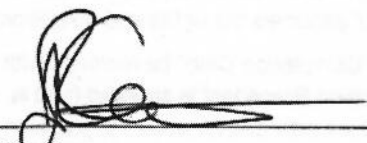
Print Name

Signed on an Authorized Signing Officer behalf of **COBALT 27 CAPITAL CORP.** in the presence of:



Witness Signature
MAGDA TARNOWSKA

Print Name



Signature
Justin Cochrane

Print Name



HIGHLANDS PACIFIC LIMITED ARBN 078 118 653

Incorporated in Papua New Guinea

Registered Office

PO Box 1486, Port Moresby NCD 121

Papua New Guinea

Level 1 Allotment 6, Section 58

Sir Hubert Murray Highway

Boroko NCD

Registered Office in Australia

GPO Box 3086, Brisbane QLD 4001

Australia

Level 4, 167 Eagle Street

Brisbane Qld 4000

Australia

31 May 2018

Mr Anthony Milewski and Mr Justin Cochrane
**Cobalt 27 Capital Corp. &
Electric Metals Streaming Corp.**
Suite 401, 4 King St. West
Toronto, Ontario
Canada, M5H 1B6
Email: anthony@co27.com, justin@co27.com

Dear Anthony and Justin

Proposed Amendments to the Subscription and Relationship Agreement

I refer to the Subscription and Relationship Agreement between Highlands Pacific Limited (the **Company**), Electric Metals Streaming Corp. (**Electric Metals**) and Cobalt 27 Capital Corp. (**Cobalt 27**) dated 22 May 2018 (the **Agreement**).

Capitalised terms used in this letter have the same meanings given in the Agreement.

I understand that Cobalt 27 wishes to replace Electric Metals as the Subscriber under the Agreement, so that Cobalt 27 is issued the Placement Shares at Completion. I also note that Completion cannot proceed unless and until the Securities Commission of Papua New Guinea provides its written approval in respect of the issue of the Placement Shares.

Having regard to the above, the Company wishes to propose that the following amendments be made to the Agreement:

- 1 that, except for the reference to "Subscriber" in the definition of "Streaming Agreement" in clause 1.1 of the Agreement, each reference to Subscriber be replaced with a reference to Cobalt 27, such that Cobalt 27 assumes the rights and obligations of the Subscriber under the Agreement; and
- 2 that the "Completion Date" be replaced with a date that is two Business Days after the date on which the Condition Precedent is satisfied (that is, the date on which the Securities Commission of Papua New Guinea provides its written approval in respect of the issue of the Placement Shares).

For the purposes of clauses 15.3 and 15.10 of the Agreement and for all other purposes, I propose that each of the parties agrees to amend, and consents to the amendment of, the Agreement in the manner proposed by executing this letter on the following page.

Yours sincerely

Craig Lennon
Chief Executive Officer and Managing Director
Highlands Pacific Limited
clennon@highlandspacific.com