



Glencore and First Cobalt Sign Definitive Agreement

TORONTO, ON — (August 26, 2019) – First Cobalt Corp. (TSX-V:FCC, OTCQX:FTSSF) (the “Company”) is pleased to announce that it has entered into a US\$5 million loan facility with Glencore AG to complete advanced engineering, metallurgical testing, field work and permitting associated with a recommissioning and expansion of the First Cobalt Refinery in Canada. Upon completion of a positive definitive feasibility study for a 55 tonnes per day (“tpd”) refinery expansion in Q1 2020 and subject to certain other terms and conditions and satisfaction of conditions precedent, Glencore is prepared to advance an additional US\$40 million to recommission and expand the Refinery.

Highlights

- US\$5 million loan from Glencore will assess the suitability of the First Cobalt Refinery to treat Glencore material under a long-term supply agreement to produce cobalt sulfate for the North American electric vehicle market
- Phase 2 of the work plan envisions a recommissioning of the Refinery at 12 tpd in late 2020 and Phase 3 is an expansion to 55 tpd in 2021 using the existing site buildings and infrastructure
- An Ausenco scoping study previously estimated that if the First Cobalt Refinery operated at 55 tpd, it could produce 5,000 tonnes per annum of contained cobalt in sulfate assuming cobalt hydroxide feed grading 30% cobalt
- First Cobalt is concluding a RFP process for the feasibility study, metallurgy and environmental work with a view to commencing field work in September

Trent Mell, First Cobalt President & CEO, commented:

“We are delighted to be working with Glencore to bring a domestic supply of battery grade cobalt to the North American market. Subject to the results achieved over the next six months, both parties would like to target first production in late 2020 and then commission an expanded 55 tpd facility in 2021.”

“Cobalt prices have increased considerably over the past few weeks and the outlook for the electric vehicle market remains exceptionally strong.”

On July 15, First Cobalt signed a term sheet with Glencore AG outlining the framework for a non-dilutive, fully funded, phased approach to recommission the First Cobalt Refinery in Canada, subject to due diligence and other conditions that have now been satisfied (see July 15 press release). The loan facility announced today bears interest at LIBOR plus 5%, with interest payable semi-annually in arrears until maturity. First Cobalt will have the ability to defer interest and have it added to the principal amount outstanding on each interest payment date. The loan has a 2-year term that may be extended by one year at First Cobalt's election. Subject to regulatory approval, Glencore may elect to convert all or a portion of the balance owing to equity at discount to market of up to 15%.

During Phase 1, First Cobalt will complete advanced engineering and estimating, metallurgical testing, field work and permitting. In particular, this phase includes delivery of a prefeasibility study for a 12 tpd recommissioning and a definitive feasibility study for a 55 tpd refinery expansion. Phase 2 entails recommissioning the Refinery in 2020 under existing permits at a feed rate of 12 tpd, which will allow the parties to qualify a sulfate product with

a lithium-ion battery maker. Phase 3 would see the Refinery expanded to 55 tpd, at which point Ausenco estimates it could produce 5,000 tonnes (11 million pounds) per annum of contained cobalt in sulfate. A copy of the Ausenco study is available on the Company's website at www.firstcobalt.com/projects/first-cobalt-refinery/refinery-studies.

Upon a decision to proceed to Phases 2 and 3, the Phase 1 loan would be subsumed into a larger debt accordion facility. The commercial terms of a supply and tolling arrangement will be concluded once the parties have received the capital and operating cost estimates of the feasibility study.

First Cobalt is concluding an RFP process for the feasibility study, metallurgy and environmental work with a view to commencing field work in September. A conference call to discuss the plans for the Refinery will be held in early September.

About the FCC Refinery

The First Cobalt Refinery is a hydrometallurgical cobalt refinery in the Canadian Cobalt Camp, approximately 600 kilometres from the U.S. border. The Company recently completed testing of third-party cobalt hydroxide as a potential source of feed, confirming that the existing processes in the First Cobalt Refinery are capable of producing a high purity, battery grade cobalt sulfate. Most of the world's cobalt refining capacity is located in China, particularly the refining of cobalt sulfate for the EV market.

It is the only permitted primary cobalt refinery in North America. With no cobalt sulfate production in North America today, the First Cobalt Refinery has the potential to become the first such producer for the American electric vehicle market.

A corporate video featuring the First Cobalt Refinery is available on the Company's website at <http://www.firstcobalt.com/investors/media-gallery/videos/>.

Readers are advised that a restart of the Refinery will be linked to a long-term feed supply agreement with Glencore and not on near-term development of the Company's current projects. A final decision to put the First Cobalt Refinery back into production is contingent on the outcome of the feasibility study. While the Company has completed a scoping study to assess the production capacity, capital costs and operating costs associated with bringing the Refinery back into production, a study of the economic viability of operating the Refinery has not yet been completed.

About First Cobalt

First Cobalt is a North American cobalt company and owner of the only permitted primary cobalt refinery in North America. The Company is exploring a restart of the First Cobalt Refinery in Ontario, Canada, which could produce over 5,000 tonnes of contained cobalt in sulfate per year from third party feed. First Cobalt's main cobalt project is the Iron Creek Cobalt Project in Idaho, USA, which has an inferred mineral resource estimate available on the Company's website. The Company also controls a significant land package in the Canadian Cobalt Camp spanning over 100 km², which contains more than 50 past producing mines.

On behalf of First Cobalt Corp.

Trent Mell
President & Chief Executive Officer

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