



Notice of Annual General and Special Meeting of Shareholders

Management Proxy Circular
July 10, 2020



July 10, 2020

Dear Shareholder:

On behalf of the Board of Directors and Management of First Cobalt Corp. (the "**Company**"), we would like to invite you to attend the annual general and special meeting of shareholders (the "**Meeting**"):

Date: Tuesday, August 25, 2020

Time: 10:00 a.m. (Toronto time)

Dial-in Numbers:

Toronto	416-764-8609
North America Toll Free	888-390-0605
Australia	1800076068
United Kingdom	08006522435

Confirmation: 43467704

Webcast: https://produceredition.webcasts.com/starthere.jsp?ei=1342397&tp_key=4b47c0ddd8

There are now more than 7 million passenger electric vehicles (EVs) on the road in addition to 500,000 e-buses, 400,000 electric delivery vehicles, and 184 million electric mopeds, scooters and motorcycles. EVs accounted for roughly 3% of annual passenger sales worldwide in 2019 but projections of a 58% market share by 2040 have dizzying implications for raw materials sourcing.

In just 5 years, the electric vehicle has gone from a curiosity to vying for the mainstream of consumer conscience. The future is upon us and First Cobalt is proud to be a part of the electric vehicle revolution.

Over the past year, your company achieved a number of milestones, including a feasibility study on a recommissioning and expansion of our 100%-owned North America cobalt refinery and a strategic relationship with the world's largest cobalt miner to provide feedstock that will allow us to become the first refiner of battery grade cobalt sulfate on the continent. We are on the eve of a number of catalysts that will help us execute our business plan.

Although the cobalt market has shown signs of weakness over the past couple of years, the outlook remains very constructive. Benchmark Mineral Intelligence forecasts that cobalt demand from nickel-cobalt-manganese (NCM) batteries used in EVs will increase from approximately 20,000 tonnes in 2019 to over 730,000 tonnes in 2040.

Throughout history, there have been countless examples of technology adoption curves that start with innovators, followed by early adopters. Think of the Internet, microwaves, cellphones and even refrigerators. Once the "early majority" begin to adopt EVs, the shift towards electrification will appear to have been a forgone conclusion from the start. Despite the impact of the pandemic on the global economy, I am watching EV adoption rates takeoff across Europe with great interest.

The year ahead will be about creating shareholder value through execution of our refinery strategy. Our mineral projects remain core assets and as the cobalt market strengthens, we will also look to continue to create value from this portion of portfolio.

The enclosed Management Proxy Circular contains information about voting instructions, the business of the meeting, the nominated directors, corporate governance practices and how



the Company compensates its executives and directors. In addition, the Circular contains information on the Company's proposed consolidation of between 5:1 and 7:1 at the discretion of the board of directors of the Company.

In light of ongoing concerns regarding the spread of COVID-19, and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, the Company encourages shareholders to vote in advance of the Meeting using the proxy form or the voting instruction form provided to them with the Meeting materials. Registered shareholders and duly appointed proxyholders will be able to attend, ask questions and vote at the Meeting virtually using the conference call numbers above. Registered shareholders and duly appointed proxyholders will not be able to vote at the Meeting through the webcast link provided above. Non-registered shareholders who have not duly appointed themselves will be able to attend the Meeting virtually as guests, but guests will not be able to vote or ask questions at the Meeting.

Your participation in the affairs of the Company is important to us. Please take this opportunity to exercise your vote, either virtually at the meeting or by completing and returning your proxy form.

We appreciate your support and we will continue to work for your interests.

"Trent Mell"

Trent Mell
President and Chief Executive Officer

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NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual General and Special Meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of FIRST COBALT CORP. (the "**Company**") will be held as a virtual meeting on Tuesday, August 25, 2020, at 10:00 a.m. (Toronto time), for the following purposes:

1. To receive the audited financial statements of the Company for the year ended December 31, 2019, together with the report of the Auditors thereon;
2. To appoint MNP LLP, Chartered Professional Accountants, as the Auditor of the Company for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the Auditor (**Resolution 1**);
3. To fix the number of directors of the Company for the ensuing year at five (**Resolution 2**);
4. To elect directors of the Company for the ensuing year (**Resolution 3**);
5. To consider and, if deemed advisable, to approve with or without variation, a special resolution authorizing an amendment to the Company's articles to complete a consolidation (the "**Consolidation**") of the Company's issued and outstanding common shares (the "**Common Shares**") on the basis of one (1) post-Consolidation Common Share for between five (5) and seven (7) pre-Consolidation Common Shares, as determined by the board of directors of the Company at its sole discretion and as more particularly described in the accompanying management information circular of the Company dated July 10, 2020 (the "**Circular**") (**Resolution 4**); and
6. To transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

In light of ongoing concerns regarding the spread of COVID-19, and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, the Company encourages Shareholders to vote in advance of the Meeting using the proxy form or the voting instruction form provided to them with the Meeting materials. Registered Shareholders and duly appointed proxyholders will be able to attend, ask questions and vote at the Meeting virtually using the conference call numbers below. Registered Shareholders and duly appointed proxyholders will not be able to vote at the Meeting through the webcast link provided below. Non-registered Shareholders who have not duly appointed themselves will be able to attend the Meeting virtually as guests, but guests will not be able to vote or ask questions at the Meeting. We encourage participants to dial in 5-10 minutes prior to the scheduled start time and ask to join the Meeting.

Conference call numbers: Toronto	416-764-8609
North America Toll Free	888-390-0605
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With the exception of the Consolidation resolution, all resolutions require a simple majority of the votes cast at the Meeting, whether in person or by proxy. A "special resolution" is a resolution passed by a majority of not less than two-thirds of the votes cast by Shareholders (in person or by proxy) in respect of that resolution at the Meeting.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular, which forms part of this Notice and provides additional information relating to the matters to be dealt with at the Meeting.

You are entitled to vote at the Meeting and any postponement or adjournment thereof if you owned Common Shares of the Company at the close of business on July 10, 2020 (the record date). For information on how you may vote, please refer to Part 1 of this Circular.

Toronto, Ontario
July 10, 2020

By Order of the Board of Directors,

"Trent Mell"

Trent Mell
President and Chief Executive Officer

MANAGEMENT PROXY CIRCULAR

This management proxy circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management (“**Management**”) of First Cobalt Corp. (the “**Company**” or “**First Cobalt**”) for use at the annual general and special meeting (the “**Meeting**”) of the holders of common shares of the Company (the “**Common Shares**” and the holders of the Common Shares, the “**Shareholders**”) to be held on August 25, 2020 at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. Unless otherwise noted, information in this Circular is given as at July 10, 2020.

In light of ongoing concerns regarding the spread of COVID-19, and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, the Company encourages Shareholders to vote in advance of the Meeting using the Proxy Form (defined below) or the voting instruction form provided to them with the Meeting materials. Registered Shareholders (as defined below) and duly appointed proxyholders will be able to attend, ask questions and vote at the Meeting virtually. Registered Shareholders and duly appointed proxyholders will not be able to vote at the Meeting through the webcast link provided above. Non-Registered Shareholders (as defined below) who have not duly appointed themselves will be able to attend the Meeting virtually as guests, but guests will not be able to vote or ask questions at the Meeting. We encourage participants to dial in 5-10 minutes prior to the scheduled start time and ask to join the Meeting.

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Solicitation of Proxies

It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Company by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Company.

Notice-and-Access

The Company is availing itself of the “notice-and-access” provides in section 9.1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), in the case of Registered Shareholders (as defined below) and section 2.7.1 of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), in the case of Non-Registered Shareholders (as defined below), which allow the Company to deliver this Circular and other proxy-related materials to Shareholders via certain specified electronic means, provided that the conditions of NI 51-102 and NI 54-101 are met.

The Company will deliver this Circular and other proxy-related materials to Shareholders by posting it on its website at www.firstcobalt.com. These materials will be available on the Company’s website as of July 24, 2020 and will remain on the website for one full year thereafter. The materials will also be available under the Company’s profile on SEDAR at www.sedar.com as of July 24, 2020. Shareholders may request a paper copy of this Circular be sent to them by contacting the Company as set out under “Additional Information” at the end of this Circular.

The Company will not use the procedure known as “stratification” in relation to the use of notice-and-access provisions. Stratification occurs when a reporting issuer using the notice-and-access provisions provides a paper copy of the Circular to certain Shareholders with the notice package.

PART 1: VOTING INFORMATION

Who can vote?

Registered and Non-Registered Shareholders

You have the right to receive notice of and vote at the Meeting, or any adjournment or postponement thereof, if you owned Common Shares of the Company as of the close of business (Toronto time) on July 10, 2020 (the “**Record Date**”). Each Common Share you own entitles you to one vote in person or by proxy at all meetings of the Shareholders. Except as otherwise noted in this Circular, a simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote.

You are a registered Shareholder (a “**Registered Shareholder**”) if the Common Shares are registered in your name. This means that your name appears in the Shareholders’ register maintained by First Cobalt’s transfer agent, AST Trust Company (Canada) (“**AST Trust**”). You are a non-registered (or beneficial) Shareholder (a “**Non-Registered Shareholder**”) if your bank, trust company, securities broker or other financial institution or intermediary (your nominee) holds your Common Shares for you in a nominee account.

Common Shares outstanding and principal holders of Common Shares

On July 10, 2020, the Company had 387,347,114 Common Shares issued and outstanding.

To the knowledge of the directors and executive officers of the Company, as of July 10, 2020, no person beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the issued and outstanding Common Shares.

How to vote?

You can vote via the internet, fax, mail or email. You may elect to vote by proxy. Voting by proxy means you are giving someone else the authority to vote your shares for you (called your proxyholder).

Completing the Proxy Form

This package includes a proxy form (for Registered Shareholders) (the “**Proxy Form**”) that includes the names of First Cobalt officers or directors who are proxyholders. When you vote by proxy, you are giving them the authority to vote your shares for you according to your instructions. If you return your Proxy Form and do not specify how you want to vote your Common Shares, one of these officers or directors will vote your Common Shares in favour of the items listed above.

You can also appoint someone else to be your proxyholder. Print his or her name in the space provided on the Proxy Form, or by completing another Proxy Form and providing proper instructions to vote your Common Shares. This person does not need to be a Shareholder. Your vote can only be counted if he or she attends the Meeting and votes your Common Shares.

Your proxyholder will vote according to your instructions on these items and on any ballot that may be called for. If you do not specify how you want to vote your Common Shares, your proxyholder can vote as he or she sees fit. If there are changes or new items, your proxyholder has the discretionary authority to vote your Common Shares as he or she sees fit.

Returning your Proxy Form

To be effective, AST Trust must receive your completed Proxy Form no later than 10:00 a.m. (Toronto time) on August 21, 2020.

If the Meeting is postponed or adjourned, we must receive your completed Proxy Form by 10:00 a.m. (Toronto time), two full business days before any adjourned or postponed Meeting at which the proxy is to be used. Late proxies may be accepted or rejected by the Chairman of the Meeting at his or her discretion and he or she is under no obligation to accept or reject a late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

Exercise of discretion

With respect to matters specified in the proxy, if no voting instructions are provided, the nominees named in the accompanying Proxy Form will vote Common Shares represented by the proxy FOR the approval of such matter.

The nominee named in your Proxy Form will vote or withhold from voting in accordance with your instructions on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. The proxy will confer discretionary authority on the nominee with respect to matters identified in the Proxy Form for which a choice is not specified and any other matter that may properly come before the Meeting or any postponement or adjournment thereof, whether or not the matter is routine and whether or not the matter is contested.

As of the date of this Circular, Management is not aware of any amendment, variation or other matter that may come before the Meeting. If any amendment, variation or other matter properly comes before the Meeting, the nominee intends to vote in accordance with the nominee's best judgment.

Registered Shareholders

Registered Shareholders can vote by proxy or in person in one of the following ways:

Voting by proxy

Internet

Go to www.astvotemyproxy.com and follow the instructions on screen. You will need your control number, which appears below your name and address on the Proxy Form.

Fax and Email

Complete both sides of the Proxy Form, sign and date it and fax both sides to First Cobalt's transfer agent, AST Trust Company (Canada), Attention: Proxy Department, to 416.368.2502 or toll free in Canada and the United States to 1.866.781.3111 or scan and email to proxyvote@astfinancial.com.

Mail

Complete, sign and date the Proxy Form and return it in the envelope provided, or send it to: AST Trust, Attention: Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, Canada.

As noted above, in light of ongoing concerns regarding the spread of COVID-19, and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, the Company encourages Shareholders to vote in advance of the Meeting using the Proxy Form or the voting instruction form provided to them with the Meeting materials. Registered Shareholders and duly appointed proxyholders will be able to attend, ask questions and vote at the Meeting virtually. Registered Shareholders and duly appointed proxyholders will not be able to vote at the Meeting through the webcast link provided above.

Non-Registered Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name should note that only proxies deposited by Registered Shareholders will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Non-Registered Shareholder by a broker, then those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such shares are registered under the name of Cede & Co. (the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Non-Registered Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, each Non-Registered Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Non-Registered Shareholders in advance of Shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of instrument of proxy supplied to a Non-Registered Shareholder by its broker (or the agent of the broker) is substantially similar to the Proxy Form provided directly to Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Non-Registered Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, provides those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the voting instruction forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

Non-Registered Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. The Company will not be sending proxy-related materials directly to NOBOs.

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Company does not intend to pay for intermediaries to deliver proxy-related materials to OBOs and accordingly, if the OBO's intermediary does not

assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

As noted above, a Non-Registered Shareholder receiving a voting instruction form cannot use that voting instruction form to vote the Common Shares directly at the Meeting or any adjournment or postponement thereof. Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker, a Non-Registered Shareholder may obtain a legal proxy from such broker, or Broadridge as the agent for that broker, to attend the Meeting as a proxyholder for the Registered Shareholder and vote their Common Shares in that capacity. To do this, a Non-Registered Shareholder must enter their own name in the blank space on the voting instruction form indicating that they or their appointee are going to attend and vote at the Meeting and return the voting instruction form to their broker or Broadridge in accordance with the instructions provided well in advance of the Meeting. Non-Registered Shareholders who have not duly appointed themselves will be able to attend the Meeting virtually as guests, but guests will not be able to vote or ask questions at the Meeting.

All references to Shareholders in the Notice of Meeting, Circular and the accompanying Proxy Form are to Registered Shareholders of the Company as set forth on the list of Registered Shareholders of the Company as maintained by the registrar and transfer agent of the Company, AST Trust, unless specifically stated otherwise.

Revoking Your Proxy

Registered Shareholders can revoke a vote you made by proxy in one of two ways:

1. Complete a new Proxy Form that is dated later than the Proxy Form you want to revoke, and then mailing it to AST Trust, so they receive it by 10:00 a.m. (Toronto time) on August 21, 2020; or
2. Send a notice in writing to the registered office of the Company at Suite 2400, Bay-Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2T6 so that it is received by 5:00 p.m. (Toronto time) on August 24, 2020 or, if the Meeting is adjourned, the last business day preceding the day of the postponed Meeting.

PART 2: BUSINESS OF THE MEETING

The Meeting will be held in order to:

1. To receive the audited financial statements of the Company for the year ended December 31, 2019, together with the report of the Auditors thereon;
2. To appoint MNP LLP, Chartered Professional Accountants, as the Auditor of the Company for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the Auditor (*Resolution 1*);
3. To fix the number of directors of the Company for the ensuing year at five (*Resolution 2*);
4. To elect directors of the Company for the ensuing year (*Resolution 3*);
5. To consider and, if deemed advisable, to approve with or without variation, a special resolution authorizing an amendment to the Company's articles (the "**Articles**") to complete a consolidation (the "**Consolidation**") of the Company's issued and outstanding Common Shares on the basis of one (1) post-Consolidation Common Share for between five (5) and seven (7) pre-Consolidation Common Shares, as determined by the board of directors of the Company (the "**Board**") at its sole discretion and as more particularly described herein (*Resolution 4*); and

6. To transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

1. Receipt of Financial Statements

The audited financial statements of the Company for year ended December 31, 2019 together with the report of the auditors thereon, will be presented to the Shareholders at the Meeting. Copies of the financial statements, the auditors' report and management's discussion and analysis for the year ended December 31, 2019, have been mailed to all Registered Shareholders and Non-Registered Shareholders who have opted to receive such materials. These documents can also be found on the Company's website at www.firstcobalt.com and are also available on SEDAR at www.sedar.com.

No formal action will be taken at the Meeting to approve the financial statements. If any Shareholder has questions regarding such financial statements, such questions may be brought forward at the Meeting.

2. Appointment of Auditor

Management of the Company has recommended to the Board that the Company propose MNP LLP, Chartered Professional Accountants ("**MNP LLP**"), the incumbent auditors, to the Shareholders for re-election as the Company's auditors. MNP LLP was first appointed auditors of the Company on May 27, 2014.

The Board recommends that Shareholders vote FOR the re-appointment of MNP LLP. Accordingly, unless such authority is withheld, the persons named in the accompanying proxy intend to vote FOR the reappointment of MNP LLP, as auditors of the Company for the ensuing year, until the close of the next annual general and special meeting of Shareholders, at a remuneration to be fixed by the directors.

3. Election of Directors

Nominees for the Board of Directors

The Board is currently comprised of five directors, all of whom are being put forth for re-election. As such, the Shareholders will be asked to set the Board at five and elect five directors to serve until the next annual meeting. The term of office for each of the Company's present directors expires at the conclusion of the Meeting.

Management of the Company has nominated each of John Pollesel, Trent Mell, Garrett Macdonald, Susan Uthayakumar and C.L. "Butch" Otter, each a current director of the Company, for re-election.

The Board recommends that Shareholders vote FOR the election of each of the nominees. Accordingly, unless such authority is withheld, the persons named in the accompanying proxy intend to vote FOR the election of each of the nominees.

The Company expects all of its directors to demonstrate leadership and integrity and to conduct themselves in a manner that reinforces the Company's corporate values and culture of transparency, teamwork and individual accountability. Above all, the Company expects that all directors will exercise their good judgment in a manner that keeps the interests of Shareholders at the forefront of decisions and deliberations. Each candidate must have a demonstrated track record in several of the skills and experience requirements deemed important for a balanced and effective Board.

Director Independence

A director is not independent if he has a direct or indirect relationship that the Board believes could reasonably be expected to interfere with his ability to exercise independent judgment. The Board has determined that it is the best interests of the Company to ensure a majority independent Board at all times.

As of the date of this Circular, four of the Company's five directors are independent and would be considered independent in the event they are duly re-elected to the Board. Trent Mell is the Company's President and Chief Executive Officer ("CEO") and is therefore not considered independent.

Director Profiles

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of securities of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date hereof.



Trent Mell, 50
Toronto, Ontario
Canada

Director since March 14, 2017

Not Independent

Mr. Trent Mell is a mining executive and capital markets professional with 20 years of operating and transactional experience, including \$2.6 billion in equity and debt financings, mergers, acquisitions, offtake agreements and joint ventures. He began his career as a mining and securities lawyer before joining Barrick Gold, where he was part of the team that completed a US\$10.4 billion hostile takeover of Placer Dome, creating the world's largest gold company. Trent also worked with nickel-cobalt producer Sherritt International and North American Palladium. As EVP at AuRico Gold, he led the team that completed an all-cash US\$750 million sale of the Ocampo Gold Mine in Mexico at the peak of the gold market in 2012. Mr. Mell was President and CEO of Falco Resources, owner of the Horne 5 Project which has a feasibility study showing a 15-year mine life with average life-of-mine production of 219,000 ounces of gold per year. More recently, he built a mining investment banking team with PearTree Securities to advise issuers and investors on Canadian exploration and development opportunities. In the first year, his team increased deal flow by 140%, becoming the largest provider of flow-through capital to the Canadian resource industry. Mr. Mell holds a B.A., a B.C.L. and LL.B. from McGill University (Montreal), an LL.M from Osgoode Hall (Toronto), as well as an MBA from Northwestern University (Chicago) and Schulich School of Business (Toronto).

Securities Held

Shares: 1,766,368*
Options: 5,023,333
Warrants: 2,750,651*
Deferred Share Units: 245,313
Restricted Share Units: 400,000

**1,598,264 shares and 1,598,264 warrants are held by Cienna Capital Corp., a company controlled by Trent Mell*

Member

Board
CGN Committee

Principal Occupation

President and CEO, First Cobalt

Other Directorships

None

Duration

N/A



John Pollesel, 57
Edmonton, Alberta
Canada

Director since May 17, 2017

Independent

Securities Held

Shares: 250,000

Options: 500,000

Warrants: 200,000

Deferred Share Units: 769,035

Mr. John Pollesel is currently CEO for Boreal Agrominerals Inc., an agromineral fertilizer company. Most recently, he was Senior Vice President, Mining at Finning Canada and has over 30 years of experience in the mining industry. Mr. Pollesel previously served as Chief Operating Officer and Director of Base Metals Operations for Vale SA's North Atlantic Operations, where he was responsible for the largest underground mining and metallurgical operations in Canada and the UK. Prior to this, he was Vice President and General Manager for Vale's Ontario Operations. Mr. Pollesel also served as the Chief Financial Officer for Compania Minera Antamina in Peru, responsible for executive management in one of the largest copper-zinc mining and milling operations in the world. Mr. Pollesel holds an BA (Hons) in Accounting from the University of Waterloo and MBA from Laurentian University. He is an FCPA and FCMA.

Member

Board (Chair)

Audit Committee

CGN Committee (Chair)

Technical and Sustainability
Committee

Principal Occupation

CEO of Boreal Agrominerals Inc.

Other Directorships

Noront Resources Inc.

North American Construction

Group Ltd.

Duration

June 2017 – Present

November 2017 – Present



Garrett Macdonald, 48
West Lorne, Ontario
Canada

Director Since June 4, 2018

Independent

Mr. Garrett Macdonald is a professional mining engineer with extensive experience in project development and mine operations with over 23 years of industry experience. He has managed large technical programs through the concept, feasibility and construction stages and has senior management and board level experience with several public companies. Mr. Macdonald served as Vice President of Project Development for JDS Energy and Mining, and was responsible for leading the Curraghinalt Feasibility Study for Dalradian Resources, a high grade, narrow vein gold project in Northern Ireland, acquired by Orion Mine Finance for \$537M. Mr. Macdonald also held roles in mine operations and project engineering earlier in his career with senior Canadian mining firms Suncor Energy, and Placer Dome Inc. From 2009 to 2013 he served as Vice President of Operations for Rainy River Resources prior to the \$310M sale of Rainy River to New Gold Inc. Mr. Macdonald is currently the President & CEO of Maritime Resources Corp., mineral exploration company and a director of Aurelius Minerals and Gungnir Resources. He holds a Master of Business Administration degree from Western University's Ivey Business School and a Bachelor of Engineering (Mining) from Laurentian University in Sudbury.

Securities Held

Shares: 86,650
Options: 750,000
Deferred Share Units: 428,214

Member

Board
Audit Committee
Technical and Sustainability
Committee (Chair)

Principal Occupation

President & CEO, Maritime
Resources Corp.

Other Directorships

Gungnir Resources Inc.
Aurelius Minerals Inc.
Maritime Resources Corp.

Duration

July 2015 – Present
June 2017 – Present
October 2018 – Present



C.L. "Butch" Otter, 78
Star, Idaho
USA

Director since February 21, 2019

Independent

Clement Leroy "Butch" Otter is an American businessman and politician. He held the longest consecutive terms as Governor of Idaho, a position he held from 2007 to 2019. Mr. Otter was also the longest serving Lieutenant Governor of Idaho with 14-year tenure from 1987 to 2001, before being elected to the U.S. Congress from 2001 to 2007. Butch spent 30 years working with J.R. Simplot Company, a privately-owned global food and agribusiness, with interests in seed production, farming, fertilizer manufacturing, frozen-food processing, and food brands and distribution. He worked his way up from a Simplot Caldwell Potato Plant to the position of President of Simplot International, during which he traveled to nearly 80 countries to promote the company. Mr. Otter also served in the military from 1968 to 1973. He was part of the Idaho Army National Guard's 116th Armored Cavalry.

Securities Held

Options: 1,300,000
Deferred Share Units: 636,001

Member

Board
CGN Committee

Principal Occupation

Retired Governor

Other Directorships

Integra Resources Corp.

Duration

September 2019 – Present



Susan Uthayakumar, 48
Toronto, Ontario
Canada

Director since October 1, 2019

Independent

Securities Held

Shares: 400,000
Options: 300,000
Warrants: 400,000
Deferred Share Units: 189,286

Ms. Susan Uthayakumar is a business executive with almost 25 years of experience in finance and executive management. She has been with Schneider Electric, an energy technology company, for the past 15 years and has served as President of Schneider Electric Canada since January 2018, with overall responsibility for Canadian operations. She began her career as a CA with Deloitte, where she held positions of increasing responsibilities before joining McCain, where she executed global growth strategies and acquisitions across North America, Europe and Asia. Ms. Uthayakumar is a CA and CPA and has an Executive MBA from the Kellogg School of Management as well as a Bachelor of Arts and a Master of Accounting from the University of Waterloo.

Member

Board
Audit Committee (Chair)

Principal Occupation

Country President,
Schneider Electric Canada

Other Directorships

Wajax Corporation

Duration

May 2020 – Present

The Company does not have an executive committee of its Board of Directors.

Except as set out herein, no proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

Corporate Cease Trade Orders

To the knowledge of the Company, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) 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 applicable securities legislation, and which in all "cases was in effect for a period of more than 30 consecutive days (an "**Order**"), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- b) was subject to an Order that was issued after the proposed director 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 of such company.

The foregoing information, not being within the knowledge of the Company, has been furnished by the proposed directors.

Bankruptcies, or Penalties or Sanctions

Except as disclosed herein, to the knowledge of the Company, no proposed director:

- a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) 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;
- b) has, within 10 years before 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 his assets;
- c) has been subject to 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
- d) has been subject to any 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.

Advance Notice Provision

The Company's articles contain advance notice provisions (the "**Advance Notice Provision**"), which require that advance notice be given to the Company in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (i) a requisition of a meeting made pursuant to the provisions of the *Canada Business Corporations Act* ("**CBCA**"); or (ii) a Shareholder proposal made pursuant to the provisions of the CBCA.

Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of Shareholders and sets forth the minimum information that a Shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision will allow the Company to receive adequate prior notice of director nominations, as well as sufficient information on the nominees. The Company will thus be able to evaluate the proposed nominees' qualifications and suitability as directors. It will also facilitate an orderly and efficient meeting process.

The deadline for receiving proposals was May 28, 2020. The Company did not receive notice of a nomination in compliance with the Advance Notice Provision, and as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Company will be disregarded at the Meeting.

4. Share Consolidation Plan

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve with or without variation, a special resolution in the form set out below (the "**Consolidation Resolution**"), to allow for the amendment to the Articles to effect the Consolidation of the Company's issued and outstanding Common Shares on the basis of one (1) post-Consolidation Common Share for between five (5) and seven (7) pre-Consolidation Common Shares, as determined by the Board at its sole discretion.

Required Approvals and Effective Date

The ability of the Board to effect the Consolidation is subject to the approval of Shareholders at the Meeting and the acceptance of the TSX Venture Exchange (the "**TSXV**").

The Consolidation must be passed by a “special resolution” of Shareholders. A “special resolution” is a resolution passed by a majority of not less than two-thirds of the votes cast by Shareholders (in person or by proxy).

Assuming approval of the Consolidation is obtained from Shareholders and the TSXV, the Board expects to proceed with the Consolidation after the date of the Meeting. The Consolidation will take effect on a date to be coordinated with the TSXV. The Company will announce by news release the effective date of the Consolidation.

Notwithstanding the foregoing, even if the Consolidation Resolution is approved by Shareholders at the Meeting, the Board may elect not to proceed with the Consolidation, at its sole discretion. The Board will continue to assess market conditions and the interests of the Company and Shareholders before proceeding to effect the Consolidation, if at all.

Principal Reasons for Effecting the Consolidation

Management of the Company has recommended to the Board that the Company undertake a Consolidation to reduce the number of Common Shares outstanding. The Company believes an increased Common Share price will allow it to attract additional investors who have minimum share price thresholds for equity investments. As at July 9, 2020, the last trading day prior to the date of this Circular, the closing price of the Common Shares on the TSXV was \$0.135.

With guidance from financial advisors, the Company believes a total Common Share count in the range of 50,000,000 to 100,000,000 will better position the Company for future investment by North American institutional investors while maintaining appropriate trading liquidity. The current Common Share count arose through a merger with an Australian company, where higher outstanding shares are more common.

Principal Effects of the Consolidation

On July 10, 2020, the Company had 387,347,114 Common Shares issued and outstanding. Should the Board proceed with the maximum allowable Consolidation on the basis of one (1) post-Consolidation Common Share for every seven (7) pre-Consolidation Common Shares, the number of post-Consolidation Common Shares issued and outstanding will be approximately 55,335,302 (on a non-diluted basis).

The implementation of the Consolidation would not affect the total Shareholders’ equity of the Company or any components of Shareholders’ equity as reflected on the Company’s financial statements except: (i) to change the number of issued and outstanding Common Shares; and (ii) to change the number of outstanding stock options, Common Share purchase warrants, RSUs, DSUs and PSUs of the Company, as well as their relative exercise prices, to reflect the Consolidation.

The Consolidation will not materially change any Shareholder’s proportion of votes to total votes; however, if the Consolidation is effected by the Board, the total number of votes that a Shareholder may cast at any future Shareholder meeting of the Company will be reduced.

Any fractional Common Share resulting from the Consolidation will be rounded to the nearest whole number.

The Company’s name will not be changed in connection with the Consolidation.

Risk Factors

The effect of the Consolidation upon the market price of the Common Shares cannot be predicted with any certainty, and the history of share consolidations for corporations similar to the Company is varied. There can be no assurance that the total market capitalization of the Common Shares immediately following the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation. In addition, there can be no assurance that the per-Common Share trading price of the Common Shares following the Consolidation will remain higher than the per-Common Share trading price immediately

before the Consolidation or equal or exceed the direct arithmetical result of the Consolidation. In addition, a decline in the trading price of the Common Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of the Consolidation.

Furthermore, the Consolidation may lead to an increase in the number of current Shareholders who will hold "odd lots" of Common Shares; that is, a number of Common Shares not evenly divisible into "board lots" (a board lot is either 100, 500 or 1,000 Common Shares, depending on the price of the Common Shares). As a general rule, the cost to Shareholders transferring an odd lot of Common Shares is somewhat higher than the cost of transferring a board lot. As a result, transaction costs associated with transferring Common Shares may be increased for certain Shareholders that hold an odd lot of Common Shares following the Consolidation.

There are numerous additional risks and uncertainties related directly to the Company that could affect the value of the Common Shares if the Consolidation is effected, including but not limited to the status of the Company's exploration programs and refinery program, the Company's cash position and results of operations in future periods, the Company's ability to attract and retain key executive management and professional personnel, as well as general market conditions and other risk factors discussed in management's discussion and analysis for the year ended December 31, 2019 filed on SEDAR under the Company's profile at www.sedar.com.

Effect on Common Share Certificates

If the Board elects to effect the Consolidation, at its sole discretion, the Company shall issue a news release announcing the terms, the exchange ratio and the effective date of the Consolidation before the Company files an amendment to the Articles with the authorities that administer the CBCA. The Company will also prepare a letter of transmittal (the "**Letter of Transmittal**").

Following an announcement of an effective date of the Consolidation (if any), in order to obtain a certificate or certificates representing the post-Consolidation Common Shares after giving effect to the Consolidation, each Registered Shareholder shall complete and execute the Letter of Transmittal and deliver the same to AST Trust, together with their Common Share certificates representing their pre-Consolidation Common Shares in accordance with the instructions set out in the Letter of Transmittal. The certificates that are surrendered shall be exchanged for new certificates representing the number of post-Consolidation Common Shares to which such Registered Shareholder is entitled as a result of the Consolidation. No delivery of a new certificate to a Registered Shareholder will be made until the Registered Shareholder has surrendered his, her or its existing certificates representing the pre-Consolidation Common Shares. In the event that the Consolidation is not implemented, all Common Share certificates delivered pursuant to a Letter of Transmittal will be returned to the respective Registered Shareholders. In addition, after the exchange of pre-Consolidation Common Share certificates for post-Consolidation Common Share certificates, shareholders will have no further interest with respect to any fractional post-Consolidated Common Shares.

PRIOR TO AN ANNOUNCEMENT OF AN EFFECTIVE DATE OF THE CONSOLIDATION (IF ANY), SHAREHOLDERS SHOULD NOT DESTROY ANY COMMON SHARE CERTIFICATES AND SHOULD NOT DELIVER THEIR COMMON SHARE CERTIFICATES OR THE LETTER OF TRANSMITTAL TO THE COMPANY OR AST TRUST.

Only Registered Shareholders are required to complete, sign and submit the appropriate Letter of Transmittal as described above. Non-Registered Shareholders are not required to submit a Letter of Transmittal. The intermediary or clearing agency, through whom the Non-Registered Shareholder holds the pre-Consolidation Common Shares will take the appropriate steps to ensure the holder's accounts are adjusted to reflect the exchange ratio, as applicable. If you hold your Common Shares with an intermediary and you have questions in this regard, you are encouraged to contact your intermediary.

No Dissent Rights

Under the CBCA, shareholders do not have any dissent and appraisal rights with respect to the proposed Consolidation. If the Company implements the Consolidation, the Company will not independently make such rights available to shareholders.

Shareholder Approval Authorizing the Consolidation

The Board recommends that Shareholders vote FOR the Consolidation Resolution. To be effective, the Consolidation Resolution must be approved by no less than two-thirds of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting. Accordingly, unless such authority is withheld, the persons named in the accompanying proxy intend to vote FOR the Consolidation Resolution.

The text of the Consolidation Resolution to be submitted to Shareholders at the Meeting is set forth below:

“NOW THEREFORE BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Articles of the Company be amended to provide that:
 - (a) the authorized share capital of the Company is altered by consolidating all of the issued and outstanding Common Shares of the Company on the basis of one (1) post-Consolidation Common Share for between five (5) and seven (7) pre-Consolidation Common Shares, with such final exchange ratio to determined by the Board at its sole discretion;
 - (b) any fractional Common Share arising post-Consolidation of the Common Shares of the Company will be rounded to the nearest whole Common Shares;
2. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing resolutions; and
3. notwithstanding that this resolution has been duly passed by the shareholders, the Board is hereby authorized and empowered, if it decides not to proceed with this resolution, to revoke this resolution, at its sole discretion, in whole or in part at any time prior to it being given effect without further notice to, or approval of, the shareholders.”

PART 3: ABOUT FIRST COBALT

Corporate Governance Practices

First Cobalt believes in the importance of a strong Board and sound corporate governance policies and practices to direct and manage its business affairs. Good corporate governance is essential to retaining the trust of the Shareholders, attracting the right people to the organization and maintaining the Company’s social license in the communities where it works and operates. First Cobalt also believes that good governance enhances its performance.

The Company’s governance framework is evolving as the Company continues to grow. First Cobalt’s governance policies also respect the rights of Shareholders and comply with the rules of the Canadian Securities Administrators (“**CSA**”) and the TSXV.

The Board has adopted Board and committee mandates as well as other policies and practices. Independent directors are expected to hold in-camera meetings at each quarter-end Board meeting. A copy of the Company’s Code of Business Conduct and Ethics (“**Code of**

Conduct”), as well as Board and committee mandates, are posted on First Cobalt’s website at www.firstcobalt.com and can be requested from the Company.

The Board has not adopted policies on mandatory retirement or overboarding, on the belief that age or number of board seats are not, in themselves, determinants of a director’s ability to make an effective contribution to the Company. Overboarding thresholds will be higher, for instance, for directors who are retired from active employment.

The following discussion outlines some of First Cobalt’s current corporate governance practices, particularly with respect to the matters addressed by National Policy 58-201 – *Corporate Governance Guidelines* (the “**Canadian Guidelines**”) and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), adopted by the CSA.

Code of Conduct

First Cobalt is committed to adhering to high standards of corporate governance. The Company’s Code of Conduct reflects its commitment to conduct its business in accordance with all applicable laws and regulations and the highest ethical standards. The Code of Conduct has been adopted by the Board and applies to every director, officer and employee of the Company. In addition, directors, officers and employees must also comply with corporate policies, including First Cobalt’s Disclosure and Insider Trading Policy.

The Code of Conduct requires high standards of professional and ethical conduct in the Company’s business dealings. First Cobalt’s reputation for honesty and integrity is integral to the success of its business and no person associated with the Company will be permitted to achieve results through violations of laws or regulations or through unscrupulous dealings. First Cobalt’s business activities are always expected to be conducted with honesty, integrity and accountability.

The Board of Directors monitors compliance with the Code of Conduct through its Audit Committee, which oversees the Company’s anonymous whistleblower program. Any incidences of non-compliance would be reviewed by Management and reported to the Audit Committee or the Board.

Activities that may give rise to conflicts of interest are prohibited unless specifically approved by the Board or the Audit Committee. To ensure that directors exercise independent judgment, each director must disclose all actual or potential conflicts of interest or material interest and refrain from voting on matters in which such director has a conflict of interest. The director must also excuse himself or herself from any discussion on the matter.

Role of the Board of Directors

The primary responsibility of the Board is to supervise the management of the business and affairs of the Company. In discharging its fiduciary duties, Board members are expected to use their experience and expertise to guide Management and ensure good governance practices are adhered to. The Board oversees the Company’s systems of corporate governance and financial reporting and controls to ensure that the Company reports adequate and reliable financial and other information to Shareholders and engages in ethical and legal conduct.

The Company expects each member of its Board to act honestly and in good faith and to exercise business judgment that is in the best interests of the Company and its stakeholders. The Chairman does not have a second or casting vote in the case of equality of votes in any matter brought before the Board.

In addition to possessing the requisite skill and experience required to carry out their functions, directors must demonstrate a track record of honesty, integrity, ethical behaviour, fairness and responsibility and a commitment to representing the long-term interests of First Cobalt’s stakeholders. They must also be able to devote the time required to discharge their duties and responsibilities effectively. New candidates for the Board are identified principally by the CGN Committee. In identifying new candidates for Board nomination, the Company

looks for individuals with diverse backgrounds at the executive level. This ensures that best practices and experience across multiple industries can be applied in making strategic decisions for the Company.

In addition to the foregoing, each director is expected to:

- Develop an understanding of First Cobalt's strategy, business environment, the market in which the Company operates and its financial position and performance;
- Be willing to share expertise and experience with Management and fellow directors, and to use a respectful, collegial approach in challenging the views of others;
- Diligently prepare for each Board and committee meeting by reviewing all of the meeting materials in advance of the meeting date;
- Actively and constructively participate in each meeting and seek clarification when necessary to fully understand the issues being considered;
- Leverage experience and wisdom in making sound strategic and operational business decisions; and
- Demonstrate business acumen and a mindset for risk oversight.

Mandates

A copy of the Board Mandate outlining the role and responsibilities of the Board is included as Schedule 1 to this Circular. In order to delineate their respective roles and responsibilities, written position descriptions for the Chairman of the Board and the CEO have been developed.

The responsibilities of the Chairman include providing overall leadership to enhance the effectiveness of the Board; assisting the Board, committees and the individual directors in effectively understanding and discharging their duties and responsibilities; overseeing all aspects of the Board and committee functions to ensure compliance with the Company's corporate governance practices; acting as an adviser and confidant to the CEO and other executive officers; and ensuring effective communications between the Board and Management. The Chairman is also required to coordinate and preside at all meetings of the Board and Shareholders.

The responsibilities of the CEO include (subject to the oversight of the Board) general supervision of the business of the Company; providing leadership and vision to the Company; developing and recommending significant corporate strategies and objectives for approval by the Board; developing and recommending annual operating budgets for approval by the Board; and working with the Board on talent development and succession planning. The CEO communicates regularly with the Board to ensure that directors are being provided with timely and relevant information necessary to discharge their duties and responsibilities.

Risk Oversight

The Board oversees an enterprise-wide approach to risk management designed to support the achievement of organizational objectives, including strategic objectives, to improve long-term organizational performance and enhance shareholder value. A fundamental part of risk management is not only understanding the risks a company faces and what steps Management is taking to manage those risks, but also understanding what level of risk is appropriate for the Company. The involvement of the full Board in setting the Company's business strategy is a key part of its assessment of the Board's appetite for risk and also a determination of what constitutes an appropriate level of risk for the Company.

Board Effectiveness

On an annual basis, directors review the Board's performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing to mind the particular

credentials of the individual and the purpose of originally nominating the individual to the Board.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and scope of activities. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

Director Orientation and Education

At present, the Company does not provide a formal orientation program for new directors. New directors are briefed by the CEO and other officers on the Company's current business plan, strategic priorities, property holdings, ongoing exploration programs, short, medium- and long-term corporate objectives, financials status, general business risks and mitigation strategies, and existing Company policies. This is considered to be appropriate, given the Company's size and current level of operations, the ongoing interaction amongst the directors and the low director turn-over. However, if the growth of the Company's operations warrants it, it is possible that a formal orientation process would be implemented.

Continuing education of board members is achieved through site visits, regular CEO emails on topics deemed relevant and quarterly Board material. The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies, particularly in the natural resource sector. 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. The directors are advised that, if a director believes that it would be appropriate to attend any continuing education event for corporate directors, the Company will pay for the cost thereof. Board members have full access to the Company's records. Reference is made to the table under the heading "*Election of Directors*" for a description of the current principal occupations of the members of the Board.

Committees of the Board

There are currently three standing committees of the Board: the Audit Committee, the Compensation, Governance, and Nominating Committee (the "**CGN Committee**") and the Technical and Sustainability Committee.

Audit Committee

The purpose of the Audit Committee is to assist the Board in its oversight of: the integrity of First Cobalt's financial reporting process and the quality, transparency and integrity of its financial statements and other related public disclosures; the Company's internal controls over financial reporting; compliance with legal and regulatory requirements relevant to First Cobalt's financial statements; the external auditors' qualifications and independence; and the performance of the internal audit function and the external auditors.

More particularly, the Committee oversees the Company's practices with respect to preparation and disclosure of financial related information, including through its oversight of the integrity of the quarterly and annual financial statements and management's discussion and analysis; compliance with accounting and finance-related legal requirements; the audit of the consolidated financial statements; the appointment and performance review of the independent auditors; the accounting and financial reporting practices and procedures including disclosure controls and procedures; the system of internal controls including internal controls over financial reporting and management of financial business risks that could materially affect First Cobalt.

A copy of the Audit Committee's mandate is included as Schedule 2 to this Circular.

All members of the Audit Committee are “financially literate” and “financial experts”, within the meaning of applicable regulations. In considering criteria for determination of financial literacy, the Board assesses the ability to understand financial statements of the Company. In determining accounting or related financial expertise, the Board considers familiarity with accounting issues pertinent to the Company, past employment experience in finance or accounting, requisite professional certification in accounting, and any other comparable experience or background which results in the individuals’ financial sophistication.

Composition of the Audit Committee

The Audit Committee is currently comprised of Susan Uthayakumar (Chair), John Pollesel and Garrett Macdonald. All of the members of the Audit Committee are financially literate and are independent.

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) adopted by the CSA provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgment. All members of the Audit Committee are “independent” within the meaning of NI 52-110.

Relevant Education and Experience

The following sets out the Audit Committee members’ education and experience that is relevant to the performance of his responsibilities as an Audit Committee member.

Susan Uthayakumar

Ms. Uthayakumar has almost 25 years of experience in finance and executive management. For the past 15 years, she has been with Schneider Electric, a global leader in energy management and automation. Ms. Uthayakumar is a CA and CPA and holds an Executive MBA from the Kellogg School of Management as well as a Bachelor of Arts and a Master of Accounting from the University of Waterloo.

John Pollesel

Mr. Pollesel has over 30 years of experience in the mining industry and has held senior management roles with several publicly listed companies. Mr. Pollesel holds an HBA and MBA from the University of Waterloo and Laurentian University, respectively. He is a FCPA and FCMA.

Garrett Macdonald

Mr. Macdonald has over 20 years of experience in the resource sector and currently holds the role of Chief Executive Officer with Maritime Resources. He has held numerous senior management roles and is a director of two other publicly listed junior mining companies. Mr. Macdonald holds an MBA from Western University’s Ivey Business School and a Bachelor of Engineering (Mining) from Laurentian University.

Audit Committee Oversight

At no time since the commencement of the Company’s most recent completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed financial year has the Company 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 of NI 52-110.

The Company is relying upon the exemption in Section 6.1 of NI 52-110.

Pre-Approval Policies and Procedures

See Schedule 2 – Audit Committee Mandate for specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company’s external auditors in each of the last two fiscal years for audit fees are as follows:

Fees in Canadian dollars	December 31, 2019⁽⁴⁾	December 31, 2018⁽⁴⁾
Audit fees ⁽¹⁾	\$82,219	\$88,543
Audit-related fees ⁽²⁾	\$Nil	\$Nil
Tax fees ⁽³⁾	\$Nil	\$Nil
All other fees	\$Nil	\$3,954
Total	\$82,219	\$92,497

Notes:

- ⁽¹⁾ The aggregate fees billed for audit services, including fees relating to the review of quarterly financial statements, statutory audits of the Company’s subsidiaries.
- ⁽²⁾ The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not disclosed in the “Audit Fees” row.
- ⁽³⁾ The aggregate fees billed for tax compliance, tax advice and tax planning services.
- ⁽⁴⁾ For the fiscal years ended December 31, 2018 and December 31, 2019, none of the Company’s audit-related fees, tax fees or all other fees described in the table above made use of the de minimis exception to pre-approval provisions contained in Section 2.4 of NI 52-110.

CGN Committee

The CGN Committee has been created to assist the Board in fulfilling its responsibility for developing and recommending corporate governance principles applicable to the Company and overseeing qualified individuals in board and management positions. The GCN Committee also makes recommendations to the Board concerning executive compensation matters. The CGN Committee is responsible for the review and assessment of the compensation arrangements for the Company’s NEOs (as defined below). The Board (exclusive of the CEO, who is also a member of the Board) approves executive compensation. The CGN Committee rely on their experience and background in the mining and finance sectors, both as senior executives and as members of the boards of directors of other public companies and work with the Management to make executive compensation decisions in the best interests of the Company. In assessing individual executive compensation, the CGN Committee, with input from Management, consider the compensation of the individual’s peers in comparable industries, the individual’s experience, performance and historical compensation and the overall performance of the Company. The CGN Committee meets as required throughout the year in person or by telephone. There are two scheduled meetings each year – one at year-end to determine review compensation, including performance incentive entitlements, and another meeting to review long term incentive grants for Board and management under the Company’s 2019 LTIP. The assessments and determinations made at these two meetings relate to the overall executive compensation package provided to NEOs. The CGN Committee also meets on an ad hoc basis throughout the year to review matters outside of the normal compensation review process.

Composition of the CGN Committee

The CGN Committee is currently comprised of Messrs. Trent Mell, Butch Otter and John Pollesel (Chair). Mr. Otter and Mr. Pollesel are independent.

As noted under each member’s “Director Profiles” located above, all members of the CGN Committee have direct experience relevant to their responsibilities with respect to executive compensation. The members of the CGN Committee rely on their individual experiences as current or previous executives/directors of reporting issuers. These experiences and the skills

derived therefrom allow the members to appropriately make decisions on the suitability of the Company's compensation policies and practices.

Technical and Sustainability Committee

The Technical and Sustainability Committee has been created to assist the Board in ensuring there is appropriate oversight over the engineering, production process, and risk mitigation decisions made in relation to the refinery restart. In addition, this committee ensure the Company is following global best practices in relation to Environmental, Social and Governance (ESG) practices and that appropriate analysis, such as Life Cycle Assessments (LCA) are performed to ensure the Company advances its assets in a manner that minimizes the overall carbon footprint. This committee ensure major technical decisions are reviewed and assessed against ESG criteria before implemented.

Composition of the Technical and Sustainability Committee

The Technical and Sustainability Committee is currently comprised of Garrett Macdonald (Chair) and John Pollesel.

Diversity Disclosure

Term Limits

Directors are to be elected at each annual meeting of Shareholders to hold office for a term expiring at the next annual general meeting of Shareholders or until his or her successor is duly elected or appointed, unless he or she resigns, is removed or becomes disqualified in accordance with the CBCA. The CGN Committee will be principally responsible for the nomination of new candidates for election by Shareholders to the Board. The Company has not adopted term limits for members of the Board or other mechanisms for Board renewal. The CGN Committee recognizes the benefit that new perspectives, ideas and business strategies can offer and support periodic Board renewal. The CGN Committee and the Board also recognize that a director's experience and knowledge of the Company's business is a valuable resource. Accordingly, the Board believes that the Company and the Shareholders are best served by the regular assessment of the effectiveness of the Board rather than by fixed age, tenure and other limits.

Designated Groups

The Board is committed to maintaining high standards of corporate governance in all aspects of the Company's business and affairs and recognizes the benefits of fostering greater diversity in the boardroom. A fundamental belief of the Board is that a diversity of perspectives maximizes the effectiveness of the Board and decision-making in the best interests of the Company. As noted above, in identifying new candidates for Board nomination, the Company does look for individuals with diverse backgrounds at the executive level. This ensures that best practices and experience across multiple industries can be applied in making strategic decisions for the Company. However, the Company has not adopted a formal written policy related to the identification and nomination of designated groups (as defined in the *Employment Equity Act* (Canada)) for directors. The Company nonetheless appreciates the value of a diverse Board and management and believes that diversity helps it reach its efficiency and skill objectives for the greater benefit of Shareholders.

No specific quota or targets for representation of designated groups on the Board or for executive officer positions has been adopted so as to allow the CGN Committee to perform an overall assessment of the qualities and skills of a potential candidate instead of concentrating on designated groups. When the CGN Committee selects candidates for the Board or for executive officer positions, it considers not only the qualifications, personal qualities, business background and experience of the candidates, it also considers the composition of the group of nominees, including whether the individual is a member of a designated group, to best

bring together a selection of candidates allowing the Company to perform efficiently and act in the best interest of the Company and the Shareholders.

There is currently one (20%) woman on the Board and one (20%) visible minority on the Board. One of the five (20%) nominees to the Board is a woman and visible minority. Management does not currently have a member of a designated group.

PART 4: EXECUTIVE COMPENSATION

Report of the Compensation, Governance, and Nominating Committee

The Company is pleased to give you important background information and context to the executive compensation discussion and analysis that follows and the decisions made about executive compensation for the financial year ended December 31, 2019. The Company's executive compensation philosophy is based on pay for performance and prudent risk management to motivate the senior leadership to execute corporate strategy in a manner that delivers strong results for Shareholders.

Our Approach to Compensation

The current compensation plan adopts a balanced approach between shorter-term results and longer-term strategic objectives and is designed with the following considerations in mind:

- Linking compensation to the Company's performance;
- Emphasizing variable compensation that is contingent upon achievement of key business objectives;
- Compensating executives at a level and in a manner that ensures First Cobalt is capable of attracting, motivating and retaining superior talent; and
- Aligning the interests of executive officers with the short- and long-term interests of Shareholders.

To strengthen the alignment between pay and performance, a percentage of the senior executive officers' compensation is variable in nature, in the form of cash bonuses and stock options, RSUs, PSUs and DSUs pursuant to the Company's Amended and Restated LTIP (the "**2019 LTIP**"). The 2019 LTIP provides the Company flexibility in the design of executive compensation programs, including vesting criterion contingent on future performance.

Compensation Discussion and Analysis

The compensation discussion and analysis describes First Cobalt's compensation policies and practices for its Chief Executive Officer, Chief Financial Officer and its two other most highly compensated executive officers. These individuals are referred to in this compensation discussion and analysis as the "Named Executive Officers" ("**NEOs**").

The CGN Committee considers the implications of the risks associated with the Company's compensation policies and practices and reports such implications to the Board. The Board strives to ensure that the members of the CGN Committee have the skills and experience required to make decisions on whether the Company's compensation policies and practices are consistent with its risk profile. The CGN Committee believes that the executive compensation structure addresses potential risks by tying a portion of overall compensation to the achievement of certain milestones, including: (i) criteria relating to annual performance, in the case of bonus payments and (ii) vesting periods for Options or other Awards. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

The Company's NEOs and directors are not permitted to purchase financial instruments 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 NEO or director. For greater certainty, but

without limiting the generality of the foregoing, such financial instruments include prepaid variable forward contracts, equity swaps, collars, or units of exchange funds.

Named Executive Officers

During the financial year ended December 31, 2019, First Cobalt's NEOs were Trent Mell, Ryan Snyder, the Chief Financial Officer of the Company, Peter Campbell, the Vice-President Business Development of the Company and Frank Santaguida, the Vice-President Exploration of the Company.

Objectives of the Executive Compensation Program

The Company's executive compensation practices underpin a number of objectives:

- Attract, motivate and retain highly qualified and experienced executives;
- Recognize and reward contributions to the success of the Company as measured by the accomplishment of performance objectives;
- Ensure that a significant proportion of compensation is directly linked to the success of the Company while not encouraging excessive or inappropriate risk-taking;
- Promote adherence to the high standards and values reflected in the Company's Code of Conduct and Sustainability Charter;
- Ensure retention by setting total direct compensation targets at a level that is competitive with the markets in which the Company competes; and
- Protect long-term Shareholder interests by ensuring NEOs and other senior executives' interests are aligned with those of Shareholders.

Fundamentally, the Company's compensation practices are intended to promote value-creation actions for the benefit of Shareholders, and to reward individual and team efforts for meeting short-term and long-term objectives.

Executive Compensation Strategy

NEOs cannot control a number of significant factors that impact financial results, including commodity prices, foreign exchange rates and regulatory uncertainty. Our compensation program design thus considers factors over which the executive officers can exercise control, such as meeting budget targets established by the Board at the beginning of each year, controlling costs, mitigating risks, taking successful advantage of business opportunities and enhancing the competitive and business prospects of the Company. NEOs will participate in the compensation process and coordinate with the Board in setting target bonuses and objectives. The Board can subsequently exercise discretion in their award of compensation absent attainment of the relevant performance criteria or reduce or increase the size of any award or payout. While certain performance targets were met in 2019, the Board determined that based on the Company's cash balance and share price performance, annual bonuses would not be paid to NEOs for the 2019 year.

Elements of Compensation

Compensation is comprised of three main components: base salary, annual bonus and stock options and other long-term incentives.

- a) ***Base Salary*** – The primary element of the Company's compensation program is base salary. The Company's view is that a competitive base salary is a necessary element for retaining qualified executive officers. The amount payable to an executive officer as base salary is determined primarily by the number of years' experience, personal performance and by comparisons to the base salaries and total compensation paid to executives of comparable publicly-traded companies within the Canadian mineral exploration sector, specifically those focused on developing battery minerals. For the 2019 calendar year, which includes the most recently completed financial year, the general criteria applied in selecting the comparator group were as follows:

- a. Industry/Sub-industries: Mining – Cobalt, Gold
- b. Market Capitalization: \$40 million to \$160 million
- c. Stage of Development: Exploration and Development
- d. Geographic Location

Based on those criteria, the following group of companies in 2019 was determined to be an appropriate comparator group:

Company Name	Market Cap (\$)	Stage
Harte Gold Corp	\$122,700,048	Exploration / Development
Fortune Minerals Limited	\$26,966,492	Exploration / Development
Troilus Gold	\$73,241,177	Exploration / Development
Battle North Gold (Rubicon)	\$102,992,959	Exploration
Jervois Mining Limited	\$102,328,423	Exploration / Development
Integra Resources	\$143,469,531	Exploration / Development
Canada Silver Cobalt Works	\$53,305,523	Exploration / Development
Critical Elements	\$52,413,361	Exploration / Development
Probe Metals	\$159,714,575	Exploration / Development
Cordoba Minerals	\$43,843,756	Exploration / Development
Noront Resource Ltd.	\$62,112,508	Development

Based on a review of the peer group noted, the base salaries and total compensation paid to CEO of the Company were below the average range of the peer group and other NEOs were found to generally align with the median range of the peer group

- b) **Annual Bonus** - Along with the establishment of competitive base salaries and long-term incentives, one of the objectives of the executive compensation strategy is to encourage and recognize strong levels of performance by linking achievement of corporate and individual goals and objectives with variable cash compensation in the form of an annual bonus. While the Company achieved significant elements of its objectives – such as completing the debt arrangement with Glencore and advancing the engineering on the refinery – the Board determined that based on the Company's cash balance and share price performance, annual bonuses would not be paid to NEOs for the 2019 year.
- c) **Stock Options and other long-term incentives** - The award of Options is intended to give each Option holder an interest in preserving and maximizing shareholder value in the longer term. In addition, the grant of Awards generally is intended to align the interests of executive officers with those of Shareholders and to enable the Company to attract and retain individuals with experience and ability. Award grants are considered when reviewing executive officer compensation packages as a whole. Options generally have a five-year term, are subject to vesting provisions of up to three years and carry an exercise price equal to the fair value of the Common Shares as at the granting date. DSUs generally vest immediately upon grant but may not be exercised until the director ceases to serve on the Board. PSUs generally vest in two tranches over a 12-month period contingent on achieving strategic corporate objectives. No PSUs or RSUs are currently outstanding. There are 3,890,522 DSUs outstanding as of the date of this report. The periodic award of Awards under the 2019 LTIP is determined by the Board based on the recommendations of the CGN Committee, is discretionary and takes into account previous Option awards as well as typical market practices of the comparator group of companies.

Summary Compensation

The following table sets out, for the three most recently completed financial years, the compensation paid to or earned by each of the Named Executive Officers.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Share-Based Awards ⁽⁸⁾ (\$)	Option-Based Awards ⁽¹⁾⁽⁹⁾ (\$)	Non-Equity Incentive Plan Compensation			Total Compensation (\$)
					Annual Incentive Plan ⁽¹⁰⁾ (\$)	Long-Term Incentive Plan (\$)	All Other Compensation (\$)	
Trent Mell ⁽²⁾ CEO	2019	283,977	7,250	71,090	-	-	-	362,317
	2018	278,846	59,510	366,700	250,000	-	-	955,056
	2017 ⁽⁶⁾	-	95,985	68,027	195,000	-	195,000 ⁽⁷⁾	554,012
Ryan Snyder ⁽³⁾ CFO	2019	231,088	-	37,416	-	-	10,000	278,504
	2018	35,385	-	44,448	-	-	-	79,833
	2017 ⁽⁶⁾	-	-	-	-	-	-	-
Frank Santaguida ⁽⁴⁾ VP Exploration	2019	200,856	-	22,450	-	-	-	223,306
	2018	192,308	51,594	195,566	100,000	-	-	539,468
	2017 ⁽⁶⁾	140,323	-	212,105	94,500	-	-	446,928
Peter Campbell ⁽⁵⁾ VP Business Development	2019	195,856	5,000	37,416	-	-	-	238,272
	2018	192,308	51,594	195,566	100,000	-	-	539,468
	2017 ⁽⁶⁾	140,323	-	212,105	94,500	-	-	446,928

Notes:

- (1) Fair value of incentive stock option grants calculated using the Black-Scholes model.
- (2) Trent Mell was appointed as CEO of the Company on March 2, 2017. In 2017, Mr. Mell opted to receive shares of the Company (at a deemed price of \$0.50 per share) in lieu of salary. In 2020, his salary was increased to \$330,000 to align with peer group metrics.
- (3) Ryan Snyder was appointed as CFO of the Company on October 22, 2018.
- (4) Frank Santaguida was appointed as Vice-President, Exploration of the Company on March 27, 2017.
- (5) Peter Campbell was appointed as Vice-President, Business Development of the Company on March 29, 2017.
- (6) For the nine-month transition financial year ended December 31, 2017.
- (7) Upon appointment as CEO of the Company, Trent Mell obtained Common Shares issued at \$0.50 per share rather than a base salary for the 2017 calendar year. This represents a value of \$195,000 for the financial year ended December 31, 2017.
- (8) During 2017, Trent Mell, Frank Santaguida and Peter Campbell, were granted 194,894, 104,760, and 104,760 PSUs, respectively, under the Company's equity incentive plan at the time. These PSUs were determined to vest in two tranches over a 12-month period contingent on achieving strategic corporate objectives. Further, these PSUs were determined to be settled in Common Shares, in an amount equal to the market value of the notional shares represented by the PSUs in the holders' account. Subsequent to December 31, 2017, these PSUs were cancelled at the request of the Australian Stock Exchange ("ASX") and were re-granted in 2018. As the re-grant was administrative in nature and the awards related to 2017 performance, the values have been included in 2017 and reflect the fair value of these PSUs on their ultimate final grant date. Trent Mell was also granted an additional 120,833 PSUs in 2018 with vesting tied to achieving corporate objectives.
- (9) This column includes the grant date fair value of all Options granted by the Company to the NEOs during the indicated year. All grant date fair values equal the accounting fair values determined for financial reporting purposes in accordance with IFRS 2 Share-based Payment and were estimated using the Black-Scholes option pricing model. The Black-Scholes options pricing model has been used to determine grant date fair value due to its wide acceptance across industry as an option valuation model, and because it is the same model the Company uses to value options for financial reporting purposes. The 2017 details include the fair value of

options originally granted in 2017, then cancelled at the request of the ASX for administrative purposes and re-granted in 2018. These options related to 2017 performance.

⁽¹⁰⁾ Management bonuses were paid on the basis of achieving certain corporate objectives for the applicable years.

Current Senior Leadership Team

Trent Mell – Chief Executive Officer

On February 15, 2017, Trent Mell entered into an employment agreement with the Company (the "**Mell Agreement**"), and was subsequently appointed as President and Chief Executive Officer of the Company on March 2, 2017. Mr. Mell was paid an annual base salary of \$290,000. He has a target bonus of 50% of base salary and a maximum bonus potential of 100% of base salary, contingent upon achieving corporate objectives to be agreed upon with the Board. During 2019, no cash bonuses were paid and Mr. Mell was granted 45,313 DSUs and 950,000 stock options with a strike price of \$0.14. The stock options have a 5-year term and vest evenly over three years from the date of grant.

Ryan Snyder – Chief Financial Officer

On October 22, 2018, Ryan Snyder entered into an employment agreement with the Company (the "**Snyder Agreement**"), and was subsequently appointed as Chief Financial Officer of the Company. Mr. Snyder is paid an annual base salary of \$230,000. He has a target bonus of 35% of base salary and a maximum bonus potential of 70% of base salary, contingent upon achieving corporate objectives to be agreed upon with the Board. During 2019, Mr. Snyder did not receive a cash bonus and was granted a total of 500,000 stock options with a strike price of \$0.14. These Options have a 5-year term and vest evenly over three years from the date of the grant.

Frank Santaguida – Vice-President, Exploration

On March 27, 2017, Frank Santaguida entered into an employment agreement with the Company (the "**Santaguida Agreement**"), and was subsequently appointed as Vice-President, Exploration of the Company. Mr. Santaguida is paid an annual base salary of \$200,000. He has a target bonus of 35% of base salary and a maximum bonus potential of 70% of base salary, contingent upon achieving corporate objectives to be agreed upon with the Board. During 2019, Mr. Santaguida did not receive a cash bonus and was granted 300,000 stock options with a strike price of \$0.14. The stock options have a 5-year term and vest evenly over three years from the date of grant.

Peter Campbell – Vice-President, Business Development

On March 29, 2017, Peter Campbell entered into an employment agreement with the Company (the "**Campbell Agreement**"), and was subsequently appointed as Vice-President, Business Development of the Company. Mr. Campbell is paid an annual base salary of \$200,000. He has a target bonus of 35% of base salary and a maximum bonus potential of 70% of base salary, contingent upon achieving corporate objectives to be agreed upon with the Board. During 2019, Mr. Campbell did not receive a cash bonus and was granted 31,250 DSUs and 500,000 stock options with a strike price of \$0.14. The stock options have a 5-year term and vest evenly over three years from the date of grant.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all share-based and option-based awards outstanding for the Named Executive Officers as of December 31, 2019:

Name	Option-Based Awards				Share-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Exercise Price (\$)	Expiry Date	Value of Unexercised in-the-money Options ⁽¹⁾ (\$)	Number of Share-Based Awards – Unvested (#)	Market Value of Share-Based Awards – Unvested (\$)	Number of Share-Based Awards – Vested (#)	Market Value of Share-Based Awards – Vested ⁽²⁾ (\$)
Trent Mell	1,500,000	0.66	Mar. 2, 2022	-	-	-	45,313	6,344
	773,333	0.49	Jun. 26, 2023	-	-	-	-	-
	700,000	0.36	Sep. 27, 2023	-	-	-	-	-
	950,000	0.14	Sep. 4, 2024	-	-	-	-	-
Ryan Snyder	400,000	0.27	Oct. 24, 2023	-	-	-	-	-
	500,000	0.14	Sep. 4, 2024	-	-	-	-	-
Frank Santaguida	500,000	0.69	May 31, 2022	-	-	-	-	-
	600,000	0.49	Jun. 26, 2023	-	-	-	-	-
	200,000	0.36	Sep. 27, 2023	-	-	-	-	-
	300,000	0.14	Sep. 4, 2024	-	-	-	-	-
Peter Campbell	500,000	0.69	May 31, 2022	-	-	-	31,250	4,375
	600,000	0.49	Jun. 26, 2023	-	-	-	-	-
	200,000	0.36	Sep. 27, 2023	-	-	-	-	-
	500,000	0.14	Sep. 4, 2024	-	-	-	-	-

Notes:

- (1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price of \$0.14 for the Common Shares on the TSXV on December 31, 2019 and the exercise price of the options, multiplied by the number of unexercised options.

Value Vested or Earned During the Year

The following table sets forth the value of all incentive plan awards vested or earned for each Named Executive Officer during the financial year ended December 31, 2019:

Name	Option Based Awards – Value Vested During the Year ⁽¹⁾ (\$)	Share Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Trent Mell	-	7,250	-
Ryan Snyder	-	-	-
Frank Santaguida	-	-	-
Peter Campbell	-	5,000	-

Notes:

- (1) The “value vested during the year” is calculated based on the positive difference between the closing price for the Common Shares on the TSXV as of the date of vesting and the exercise price of the options, multiplied by the number of vested options. All options granted to the NEOs vested on the date of grant and the exercise price of such options was equal to the closing price of the Company’s shares as of the date of grant.
- (2) The “Share Based Awards” encompass the DSUs that vested during 2019. The value reflects the value of the Common Shares issuable to each individual on the DSU vesting date, which is the grant date.

Pension Benefits

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination and Change of Control Benefits

In accordance with the terms of the Mell Agreement, the Snyder Agreement, the Santaguida Agreement and the Campbell Agreement, the Company may terminate each executive at any time without further obligation by providing notice based on the length of employment of each executive. In the case of the Mell Agreement, Mr. Mell would be entitled to receive a payment equivalent to 24 months' salary and bonus in the event the agreement is terminated without cause. In the case of the Snyder Agreement, the Santaguida Agreement and the Campbell Agreement, Messrs. Snyder, Santaguida and Campbell would each be entitled to receive a payment equivalent to 12 months' salary and bonus in the event their respective agreements are terminated without cause. The Company has also entered into change of control agreements with each of Messrs. Mell, Snyder, Santaguida and Campbell pursuant to which they would each be entitled to payments equivalent to the above in the event they are terminated within 12 months of a change of control event. A change of control event is defined as another party acquiring a controlling position in the Common Shares of the Company. Upon any of the termination or change of control payments noted above, there are no associated conditions for the terminated officers such as non-compete clauses. The officers must continue to adhere to their confidentiality requirements under the Company's existing policies.

The following table discloses the estimated amounts payable to those NEOs under a termination or change of control. Amounts disclosed in the table below assume that the NEOs termination of employment and/or change of control occurred on December 31, 2019:

NEO	Payment due upon Termination (\$)	Payment due upon Change of Control (\$)
Trent Mell ⁽¹⁾	580,000	580,000
Ryan Snyder ⁽¹⁾	230,000	230,000
Frank Santaguida ⁽¹⁾	200,000	200,000
Peter Campbell ⁽¹⁾	200,000	200,000

Notes:

- (1) For share-based awards, none of the options granted to NEOs were in-the-money based on the Company's share price as at December 31, 2019. Upon termination or change of control, Mr. Mell would have DSUs that would become exercisable worth \$6,344 and Mr. Campbell would have DSUs become exercisable worth \$4,375 based on DSU holdings and the Company's share price of \$0.14 at December 31, 2019.

Securities Authorized For Issuance Under Equity Compensation Plans

The following table summarizes the key provisions of the Company's existing 2019 LTIP. A copy of the 2019 LTIP can be requested from the Company.

Eligible Participants	For all Awards, any director, officer, employee or consultant of the Company or any subsidiary of the Company who is eligible to receive Awards under the 2019 LTIP.
Types of Awards	Options, PSUs, RSUs and DSUs.
Number of Securities Issued and Issuable	<p>The aggregate number of Common Shares to be reserved and set aside for issue upon the exercise or redemption and settlement for all Awards granted under the 2019 LTIP, together with all other established security-based compensation arrangements of the Company, shall be not more than 28,000,000 Common Shares. In addition to the foregoing:</p> <ul style="list-style-type: none"> • up to a maximum of 2,000,000 Common Shares may be reserved for issuance upon conversion of RSUs; • up to a maximum of 4,000,000 Common Shares may be reserved for issuance upon conversion of PSUs; • up to a maximum of 4,000,000 Common Shares may be reserved for issuance upon conversion of DSUs; and • up to a maximum of 18,000,000 Commons Shares may be reserved for issuance upon the exercise of Options.
Plan Limits	<p>When combined with all of the Company's other previously established security-based compensation arrangements, including the limitation imposed on the maximum number of Common Shares which may be issued pursuant to the exercise or redemption and settlement of DSUs, PSUs, RSUs and Options set out above, the 2019 LTIP shall not result in the grant:</p> <ul style="list-style-type: none"> • to any one person in any 12-month period which could, when exercised, result in the issuance of Common Shares exceeding 5% of the issued and outstanding Common Shares, calculated at the date of grant, unless the Company has obtained the requisite disinterested shareholder approval to the grant; • to any one consultant in any 12-month period which could, when exercised, result in the issuance of Common Shares exceeding 2% of the issued and outstanding Common Shares, calculated at the date of grant; or • in any 12-month period, to persons employed or engaged by the Company to perform investor relations activities which could, when exercised, result in the issuance of Common Shares exceeding, in aggregate, 2% of the issued and outstanding Common Shares, calculated at the date of grant.
Definition of Market Price	<p>"Market Price" means the last closing price of the Company's listed shares before either the issuance of a press release required to fix the price at which the shares are to be issued, less any applicable discount, or if the Company is not required to issue a press release to fix the price, the Market Price is the last closing price of the listed shares before the date of grant, less any applicable discount.</p>
Assignability	An Award may not be assigned, transferred, charged, pledged or otherwise alienated, other than to a participant's personal representatives.
Amending Procedures	<p>The Board may at any time or from time to time, in its sole and absolute discretion and without shareholder approval, amend, suspend, terminate or discontinue the 2019 LTIP and may amend the terms and conditions of any Awards granted thereunder, provided that no amendment may materially and adversely affect any Award previously granted to a participant without the consent of the participant. Provided that any amendments made to the 2019 LTIP shall be made in accordance with TSXV requirements. By way of example, amendments that do not require shareholder approval and that are within the authority of the Board include but are not limited to:</p> <ul style="list-style-type: none"> • Amendments of a "housekeeping nature"; • Any amendment for the purpose of curing any ambiguity, error or omission in the 2019 LTIP or to correct or supplement any provision of the 2019 LTIP that is inconsistent with any other provision of the 2019 LTIP; • An amendment which is necessary to comply with applicable law or the requirements of any stock exchange on which the shares are listed; • Amendments respecting administration and eligibility for participation under the 2019 LTIP; • Changes to the terms and conditions on which Awards may be or have been granted pursuant to the 2019 LTIP, including changes to the vesting provisions and terms of any Awards; • Any amendment which alters, extends or accelerates the terms of vesting applicable to any Award; • Changes to the termination provisions of an Award or the 2019 LTIP which do not entail an extension beyond the original fixed term.

	<p>Notwithstanding the foregoing, shareholder approval shall be required for the following amendments (unless such an amendment is prohibited by TSXV requirements in which case such amendment cannot be made):</p> <ul style="list-style-type: none"> • Reducing the exercise price of Options, or cancelling and reissuing any Options so as to in effect reduce the exercise price; • Extending (i) the term of an Option beyond its original expiry date, or (ii) the date on which a PSU, RSU or DSU will be forfeited or terminated in accordance with its terms, other than in circumstances involving a blackout period; and • Increasing the fixed maximum number of shares reserved for issuance under the 2019 LTIP; • Permitting Awards granted under the 2019 LTIP to be transferable or assignable other than for estate settlement purposes; • Amending the definition of "Eligible Person" to permit the introduction or reintroduction of non-executive directors on a discretionary basis; and • Revising any shareholder approval requirements needed pursuant to the 2019 LTIP. 		
Financial Assistance	The Company will not provide financial assistance to participants under the 2019 LTIP.		
Other	<p>In the event of a change in control, the Board shall have the right, but not the obligation, to permit each participant to exercise all of the participant's outstanding Options and to settle all of the participant's outstanding PSUs, RSUs and DSUs, subject to any required approval of the TSXV and subject to completion of the change in control, and has the discretion to accelerate vesting.</p> <p>The 2019 LTIP further provides that if the expiry date or vesting date of Options is (i) during a blackout period, or (ii) within ten trading days following the end of a blackout period, the expiry date or vesting date, as applicable, will be automatically extended for a period of ten trading days following the end of the blackout period, subject to certain requirements of the TSXV as set out in the 2019 LTIP. In the case of PSUs, RSUs and DSUs, any settlement that is effected during a blackout period shall be in the form of a cash payment.</p>		
Description of Awards			
A. Stock Options			
Stock Option Terms and Exercise Price	The exercise price, vesting, expiry date and other terms and conditions of the Options are determined by the Board. The exercise price shall in no event be lower than the Market Price of the shares at the date of grant, less any allowable discounts.		
Term	Options shall be for a fixed term and exercisable as determined by the Board, provided that no Option shall have a term exceeding ten years.		
Vesting	All Options granted pursuant to the 2019 LTIP will be subject to such vesting requirements as may be imposed by the Board, with all Options issued to consultants performing investor relations activities vesting in stages over at least 12 months with no more than 1/4 of the Options vesting in any three month period.		
Exercise of Option	The participant may exercise Options by payment of the exercise price per Common Share subject to each Option.		
Circumstances Involving Cessation of Entitlement to Participate	Reasons for Termination	Vesting	Expiry of Vested Options
	Death	Unvested Options automatically vest as of the date of death	Options expire on the earlier of the scheduled expiry date of the Option and one year following the date of death
	Disability	Options continue to vest in accordance with the terms of the Option	Options expire on the scheduled expiry date of the Option
	Retirement	Options continue to vest in accordance with the terms of the Option	Options expire on the scheduled expiry date of the Option

	Resignation	Unvested Options as of the date of resignation automatically terminate and shall be forfeited	Options expire on the earlier of the scheduled expiry date of the Option and three months following the date of resignation Options granted to Persons engaged primarily to provide investor relations activities expire on the scheduled expiry date of the Option and 30 days following the date of resignation
	Termination without Cause / Constructive Dismissal (No Change in Control)	Unvested Options continue to vest in accordance with the terms of the Option	Options expire on the earlier of scheduled expiry date of the Option and one year following the termination date
	Change in Control	Options granted prior to the Original LTIP Date shall vest and become immediately exercisable, subject to any required approvals of the TSXV Options from and after the Original LTIP Date do not vest and become immediately exercisable upon a change in control, unless: <ul style="list-style-type: none"> the successor fails to continue or assume the obligations under the 2019 LTIP or fails to provide for a substitute Award, or if the Option is continued, assumed or substituted, the participant is terminated without cause (or constructively dismissed) within two years following the change in control, subject to any required approvals of the TSXV 	Options expire on the scheduled expiry date of the Option
	Termination with Cause	Options granted prior to the Original LTIP Date that are unvested as of the termination date automatically terminate and shall be forfeited Options granted from and after the Original LTIP Date, whether vested or unvested as of the termination date, automatically terminate and shall be forfeited	Vested Options granted prior to the Original LTIP Date shall expire on the earlier of the scheduled expiry date of the option and three months following the termination date Options granted from and after the Original LTIP Date, whether vested or unvested as of the termination date, automatically terminate and shall be forfeited

B. Performance Share Units

PSU Terms	A PSU is a notional security but, unlike other equity based incentives, vesting is contingent upon achieving certain performance criteria, thus ensuring greater alignment with the long-term interests of shareholders. The terms applicable to PSUs under the 2019 LTIP (including the performance cycle, performance criteria for vesting and whether dividend equivalents will be credited to a participant's PSU account) are determined by the Board at the time of the grant.
Vesting	PSUs do not vest, and cannot be paid out (settled), until the completion of the performance cycle. For Canadian taxpayers, the performance cycle shall in no case end later than December 31 of the calendar year that is three years after the grant date.
Settlement	At the grant date, the Board shall stipulate whether the PSUs are paid in cash, shares, or a combination of both, in an amount equal to the Market Value of the notional shares represented by the PSUs in the holders' account.

C. Restricted Share Units		
RSU Terms	An RSU is a notional security that entitles the recipient to receive cash or shares at the end of a vesting period. The terms applicable to RSUs under the 2019 LTIP (including the vesting schedule and whether dividend equivalents will be credited to a participant's RSU account) are determined by the Board at the time of the grant.	
Credit to RSU Account	As dividends are declared, additional RSUs may be credited to RSU holders in an amount equal to the greatest whole number which may be obtained by dividing (i) the value of such dividend or distribution on the record date established therefore by (ii) the Market Price of one share on such record date.	
Vesting	RSUs vest upon lapse of the applicable restricted period. For employees, vesting generally occurs in three equal instalments on the first three anniversaries of the grant date. For directors, one third of the Award may be immediately vesting, with the balance vesting equally over the first two anniversaries of the grant date.	
Settlement	At the grant date, the Board shall stipulate whether the RSUs are paid in cash, shares, or a combination of both, in an amount equal to the Market Value of the notional shares represented by the RSUs in the holders' account.	
D. Deferred Share Units		
DSU Terms	A DSU is a notional security that entitles the recipient to receive cash or shares upon resignation from the Board (in the case of directors) or at the end of employment. The terms applicable to DSUs under the 2019 LTIP (including whether dividend equivalents will be credited to a participant's DSU account) are determined by the Board at the time of the grant. Typically, DSUs have been granted (i) as a component of a director's annual retainer, or (ii) as a component of an officer's annual incentive grant. The deferral feature strengthens alignment with the long-term interests of shareholders.	
Credit to DSU Account	As dividends are declared, additional DSUs may be credited to DSU holders in an amount equal to the greatest whole number which may be obtained by dividing (i) the value of such dividend or distribution on the record date established therefore by (ii) the Market Price of one share on such record date.	
Vesting	DSUs are fully vested upon grant.	
Settlement	DSUs may only be settled after the date on which the holder ceases to be a director, officer or employee of the Company. At the grant date, the Board shall stipulate whether the DSUs are paid in cash, shares, or a combination of both, in an amount equal to the Market Value of the notional shares represented by the DSUs in the holders' account.	
E. PSUs, RSUs and DSUs		
Circumstances Involving Cessation of Entitlement to Participate	Reason for Termination	Treatment of Awards
	Death	Outstanding Awards that were vested on or before the date of death shall be settled as of the date of death. Outstanding Awards that were not vested on or before the date of death shall vest and be settled as of the date of death, prorated to reflect (i) in the case of RSUs and DSUs, the actual period between the grant date and date of death, and (ii) in the case of PSUs, the actual period between the commencement of the performance cycle and the date of death, based on the participant's performance for the applicable performance period(s) up to the date of death. Subject to the foregoing, any remaining Awards shall in all respects terminate as of the date of death.
	Disability	In the case of RSUs and DSUs, outstanding Awards as of date of disability shall vest and be settled in accordance with their terms. In the case of PSUs, outstanding PSUs as of date of disability shall vest and be settled in accordance with their terms based on the participant's performance for the applicable performance period(s) up to the date of the disability. Subject to the foregoing, any remaining Awards shall in all respects terminate as of the date of disability.
	Retirement	Outstanding Awards that were vested on or before the date of retirement shall be settled as of the date of retirement. Outstanding Awards that would have vested on the next vesting date following the date of retirement shall be settled as of such vesting date. Subject to the foregoing, any remaining Awards shall in all respects terminate as of the date of retirement.

Resignation	Outstanding Awards that were vested on or before the date of resignation shall be settled as of the date of resignation, after which time the Awards shall in all respects terminate.
Termination without Cause / Constructive Dismissal (No Change in Control)	Outstanding Awards that were vested on or before the termination date shall be settled as of the termination date. Outstanding Awards that would have vested on the next vesting date following the termination date (in the case of PSUs, prorated to reflect the actual period between the commencement of the performance cycle and the termination date, based on the participant's performance for the applicable performance period(s) up to the termination date), shall be settled as of such vesting date. Subject to the foregoing, any remaining Awards shall in all respects terminate as of the termination date.
Change in Control	Awards do not vest and become immediately exercisable upon a change in control, unless: <ul style="list-style-type: none"> the successor fails to continue or assume the obligations under the 2019 LTIP or fails to provide for a substitute Award, or if the Award is continued, assumed or substituted, the participant is terminated without cause (or constructively dismissed) within two years following the change in control.
Termination with Cause	Outstanding Awards (whether vested or unvested) shall automatically terminate on the termination date and be forfeited.

Any Common Shares subject to an Award which for any reason expires without having been exercised or is forfeited or terminated shall again be available for future Awards under the 2019 LTIP and any Common Shares subject to an Award that is settled in cash and not Common Shares shall again be available for future Awards under the 2019 LTIP.

The above summary is subject to the full text of the 2019 LTIP.

The following table provides information regarding the number of Common Shares to be issued upon the exercise of outstanding options and exercise of current DSUs and the weighted-average exercise price of the outstanding options in connection with the 2019 LTIP as at December 31, 2019:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, PSUs, RSUs and DSUs	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under equity compensation plans ⁽¹⁾
Equity compensation plans approved by security holders			
Options	15,253,333	\$0.38	2,746,667
DSUs	2,419,222		1,580,779
RSUs	-		2,000,000
PSUs	-		4,000,000
Total	17,672,555		10,327,446
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	17,672,555	\$0.38	10,327,446

Notes:

⁽¹⁾ The aggregate number of Common Shares to be reserved and set aside for issue upon the exercise or redemption and settlement for all awards granted under the 2019 LTIP, together with all other established security-based compensation arrangements of the Company, shall not exceed 28,000,000.

Other Compensation Matters

Proportion of Common Shares Held by Directors and Executive Officers

Collectively, as of the date hereof, the directors and executive officers of the Company, as a group, own directly or indirectly, 3,066,738 Common Shares representing approximately 1.0% of the issued and outstanding Common Shares.

PART 5: DIRECTOR COMPENSATION

The following table discloses the particulars of the compensation provided to the non-executive directors of the Company for the financial year ended December 31, 2019:

Non-Executive Director Compensation (Financial Year Ended December 31, 2019)

Name	Annual Fees – Cash (\$)	Share-Based Awards (\$)	Option-Based Awards ⁽¹⁾⁽⁹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Paul Matysek ⁽²⁾	32,700	65,400	22,450	-	-	-	120,550
John Pollesel ⁽³⁾	5,000	29,748	22,450	-	-	-	57,198
Jeffrey Swinoga ⁽⁴⁾	-	-	-	-	-	-	-
Garett Macdonald ⁽⁵⁾	6,250	18,750	22,450	-	-	-	47,450
Henrik Fisker ⁽⁶⁾	33,600	65,825	22,450	-	-	-	121,875
Butch Otter ⁽⁷⁾	8,676	85,977	121,042	-	-	-	215,695
Susan Uthayakumar ⁽⁸⁾	-	6,250	25,808	-	-	-	32,058

Notes:

- (1) Fair value of incentive stock option grants calculated using the Black-Scholes model.
- (2) Paul Matysek was appointed as a director of the Company on December 1, 2017 and was granted 300,000 options with a strike price of \$0.14 and 408,750 DSUs in 2019. Mr. Matysek resigned as a director on October 1, 2019.
- (3) John Pollesel was appointed as a director of the Company on May 17, 2017 and was granted 300,000 options with a strike price of \$0.14 and 197,768 DSUs in 2019. He was appointed as Chair on October 1, 2019.
- (4) Jeffrey Swinoga was appointed as a director of the Company on May 10, 2017 and resigned as a director of the Company on January 16, 2019.
- (5) Garett Macdonald was appointed as a director of the Company on June 4, 2018 and was granted 300,000 options with a strike price of \$0.14 and 98,214 DSUs in 2019.
- (6) Henrik Fisker was appointed as a director of the Company on September 27, 2018 and was granted 300,000 options with a strike price of \$0.14 and 411,406 DSUs in 2019. Mr. Fisker resigned as a director on October 1, 2019 but remained as a Special Advisor to the Board.
- (7) C.L. "Butch" Otter was appointed as a director of the Company on February 21, 2019 and was granted 1,000,000 options with a strike price of \$0.18, 300,000 options with a strike price of \$0.14 and 386,001 DSUs in 2019.
- (8) Susan Uthayakumar was appointed as a director of the Company on October 1, 2019 and was granted 300,000 options with a strike price of \$0.16 and 44,643 DSUs in 2019.
- (9) This column includes the grant date fair value of all Options granted by the Company to the directors during the indicated year. All grant date fair values equal the accounting fair values determined for financial reporting purposes in accordance with IFRS 2 Share-based Payment and were estimated using the Black-Scholes option pricing model. The Black-Scholes options pricing model has been used to determine grant date fair value due to its wide acceptance across industry as an option valuation model, and because it is the same model the Company uses to value options for financial reporting purposes.

Narrative Discussion

The Company recognizes the contribution that its directors make to the Company and seeks to compensate them accordingly. Compensation of directors of the Company is reviewed annually and determined by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the Company's financial resources.

The Board has adopted a formal compensation policy following the recommendations of a market study prepared by an independent compensation consultant. PM Search Partners was retained in October 2019 to benchmark appropriate Board compensation for similar

companies. Pursuant to the policy, Board members receive an annual retainer of \$20,000 for a year of service and the Chairman of the Board receives \$60,000. The chair of the Audit Committee receives an additional \$5,000 retainer. No meeting attendance fees are paid and directors are entitled to be reimbursed for reasonable costs incurred to attend meeting. In 2019, the Board elected to receive 75% of its annual retainer (covering Q2 through Q4) as DSUs to preserve cash for the Company.

Executive Compensation-Related Fees

In 2019, aggregate fees billed by PM Search Partners for services related to determining compensation for directors and executive officers totalled \$30,000. These were the only fees billed by PM Search Partners during 2019.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards outstanding for each of the non-executive directors of the Company as of December 31, 2019:

Name	Option-Based Awards			Share-Based Awards				
	Number of Securities Underlying Unexercised Options (#)	Exercise Price (\$)	Expiry Date	Value of Unexercised in-the-money Options ⁽¹⁾ (\$)	Number of Share-Based Awards – Unvested (#)	Market Value of Share-Based Awards – Unvested (\$)	Number of Share-Based Awards – Vested (#)	Market Value of Share-Based Awards – Vested (\$)
Paul Matysek	300,000	0.14	Sep. 4, 2024	-	-	-	770,017	107,802
John Pollesel	200,000	0.69	Jun. 1, 2022	-	-	-	519,035	72,665
	300,000	0.14	Sep. 4, 2024					
Jeffrey Swinoga ⁽²⁾	-	-	-	-	-	-	-	-
Garett Macdonald	300,000	0.14	Sep. 4, 2024	-	-	-	328,214	45,950
Henrik Fisker	1,000,000	0.36	Sep. 27, 2025	-	-	-	471,406	65,997
	300,000	0.14	Sep. 4, 2024					
Butch Otter	1,000,000	0.18	Feb 21, 2024	-	-	-	536,001	75,040
	300,000	0.14	Sep. 4, 2024	-	-	-		-
Susan Uthayakumar	300,000	0.16	Oct. 1, 2024	-	-	-	44,643	6,250

Notes:

- ⁽¹⁾ The "value of unexercised in-the-money options" is calculated based on the difference between the closing price of \$0.14 for the Common Shares on the TSXV on December 31, 2019 and the exercise price of the options, multiplied by the number of unexercised options.
- ⁽²⁾ Jeffrey Swinoga resigned as a Director in January 2019 and his options have now expired.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of all incentive plan awards vested or earned by each non-executive director of the Company during the financial year ended December 31, 2019:

Name	Option Based Awards – Value Vested During the Year⁽¹⁾	Share Based Awards – Value Vested During the Year	Non-Equity Incentive Plan Compensation – Value Earned During the Year
Paul Matysek	-	65,400	-
John Pollesei	-	29,748	-
Jeffrey Swinoga	-	-	-
Garett Macdonald	-	18,750	-
Henrik Fisker	-	65,825	-
Butch Otter	-	85,977	-
Susan Uthayakumar	-	6,250	-

Notes:

⁽¹⁾ The “value vested during the year” is calculated based on the positive difference between the closing price for the Common Shares on the TSXV as of the date of vesting and the exercise price of the options, multiplied by the number of vested options.

PART 6: OTHER INFORMATION

Indebtedness of Directors and Executive Officers

As of July 10, 2020, no director, officer or employee of the Company or any of their respective associates, has been indebted, or is presently indebted, to the Company or any of its subsidiaries.

Interest of Certain Persons or Companies in Matters to be Acted Upon

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of Company, 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, in any matter to be acted on at the Meeting other than the election of directors and as may be set out herein.

Interest of Informed Persons in Material Transactions

To the knowledge of Management of the Company, no director or executive officer of the Company, no person who beneficially owns, controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares (each of the foregoing being an “**Informed Person**”), no director or executive officer of an entity that is itself an Informed Person or a subsidiary of the Company, no proposed director of the Company, and no associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction since the beginning of the Company’s last completed financial year or in any proposed transaction which, in either case, has materially affected or would materially affect the Company or any of its subsidiaries.

Management Contracts

Other than as disclosed elsewhere in this Circular, the management functions of the Company and its subsidiaries are not performed to any substantial degree by any person or company other than the directors and executive officers of the Company or its subsidiaries.

Other Matters

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

Shareholder Proposals

A Shareholder intending to submit a proposal at the Company's next annual meeting of Shareholders must comply with the applicable provisions of the CBCA. The Company will include a Shareholder proposal in the management proxy circular prepared for such annual meeting of Shareholders provided such proposal and declarations as required by the CBCA are received by the Company at its registered office at least 3 months before the anniversary of the previous year's annual reference date and provided such proposal is required by the CBCA to be included in the Company's management proxy circular.

Shareholders should carefully review the provisions of the CBCA relating to a Shareholder proposal and consult with a legal advisor.

Additional Information

Additional information regarding the Company and its business activities is available on the SEDAR website located at www.sedar.com under "Company Profiles – First Cobalt Corp.". The Company's financial information is provided in its audited financial statements and MD&A for the year ended December 31, 2019, which are available for review under the Company's profile on SEDAR. Shareholders may contact the Company to request copies of the financial statements and MD&A by: (i) mail to 401 Bay Street – 6th Floor, Toronto, Ontario, M5H 2Y4; or (ii) e-mail to info@firstcobalt.com.

Approval of Directors

The contents and the sending of this Circular to Shareholders entitled to receive notice of the Meeting, to each director and to the external auditor of the Company have been approved by the Board.

DATED at Toronto, Ontario, the 10th day of July, 2020.

By Order of the Board of Directors,

"Trent Mell"

Trent Mell
President and Chief Executive Officer

SCHEDULE 1: BOARD MANDATE

The Board of Directors of First Cobalt Corp. (the “**Company**”) is responsible for the stewardship of the business and affairs of the Company. The Board seeks to discharge this responsibility by reviewing, discussing and approving the Company’s strategic plans, annual budgets and significant decisions and transactions as well as by overseeing the senior officers of the Company in their management of its day-to-day business and affairs. The Board’s primary role is to oversee corporate performance and assure itself of the quality, integrity, depth and continuity of management so that the Company is able to successfully execute its strategic plans and complete its corporate objectives.

It is the Board’s expectation that it will, as part of its oversight function, annually visit at least one of the mining operations in which the Company holds an interest and meet with its management and employees.

The Board delegates to the senior officers the responsibility for managing the day-to-day business of the Company. The Board discharges its responsibilities to oversee management directly and through the Audit Committee, the Compensation, Governance and Nominating Committee and the Technical and Sustainability Committee. In addition to these standing committees, the Board may appoint ad hoc committees periodically to address issues of a more short-term nature. At all times, the Board will retain its oversight function and ultimate responsibility for matters that the Board may delegate to Board committees.

To fulfill its responsibilities and duties, the Board among other things shall be responsible for the following:

OVERSIGHT OF MANAGEMENT

- Approving the appointment of the Chief Executive Officer and the other officers of the Company. The Board, through the Compensation Committee, is also responsible for approving the annual compensation of the Chief Executive Officer and the other officers of the Company.
- Through the Compensation Committee, ensuring that management succession planning programs are in place, including programs to recruit management with the highest standards of integrity and competence and train, develop and retain them.
- Through the Compensation Committee, establishing and updating the Company’s executive compensation policy and ensuring that such policy aligns management’s interests with those of the shareholders.
- Reviewing and approving transactions that are in excess of specified limits set out in the Company’s Authorization Policy.
- Developing and approving position descriptions for each of the Chairman of the Board and the CEO, and measuring the performance of those acting in such capacities against such position descriptions.
- Promoting a culture of integrity throughout the Company consistent with the *Code of Conduct*, taking appropriate steps, to the extent feasible, to satisfy itself as to the integrity of the CEO and other executive officers of the Company, and that the CEO and other executive officers create a culture of integrity throughout the Company.

BUSINESS STRATEGY

- Adopting a strategic planning process pursuant to which management develops and proposes, and the Board reviews and approves, significant corporate strategies and objectives, taking into account the opportunities and risks of the business. This will include the review and approval of management’s proposed annual budget and operational plan, and the monitoring of the Company’s performance against both strategic objectives and the annual budget.
- Reviewing and approving the Company’s annual and short-term corporate objectives developed by management.
- Reviewing and approving all major acquisitions, dispositions and investments and all significant financings and other significant matters outside the ordinary course of the Company’s business.
- Providing input to management on emerging trends and issues that may affect the business of the Company, its strategic plan or its annual budget.

FINANCIAL AND RISK MATTERS

- Reviewing and approving the Company's annual budget presented by management.
- Reviewing and approving the Company's annual audited financial statements and unaudited interim financial statements and the notes for each, as well as the annual and interim Management's Discussion and Analysis, the Annual Information Form, Management Proxy Circular, and other public offering documents.
- Overseeing, directly and through the Audit Committee, the processes implemented to ensure that the financial performance and results of the Company are reported fairly, accurately and in a timely manner in accordance with generally accepted accounting standards and in compliance with legal and regulatory requirements.
- Overseeing, directly and through the Audit Committee, the process implemented to ensure integrity of the Company's internal control and management information systems.
- Overseeing the processes by which the principal risks of the Company are identified, assessed and managed and ensuring that appropriate risk management systems are implemented and maintained with a view to achieving a proper balance between risks incurred and the creation of long-term sustainable value to shareholders.
- Overseeing the work of management's Mineral Reserve and Resource Committee.

STAKEHOLDER COMMUNICATION

- Approving and reviewing the Company's Disclosure Policy and any other policies that address communications with shareholders, employees, financial analysts, governments and regulatory authorities, the media and the communities in which the business of the Company and its wholly-owned subsidiaries is conducted.
- Monitor the effectiveness of the Company's continuous disclosure program with a view to satisfying itself that material information is disseminated in a timely fashion.
- Adopt a process to enable shareholders to communicate directly with the Board.

SUSTAINABILITY

- Monitor the effectiveness of the Company's sustainability practices with a view to satisfying itself that the Company's actions are consistent with the goal of zero harm to people, the environment and our host communities. This commitment means the Company will strive to act consistently in all of its operations in relation to health & safety, the environment, community relations and social development.

CORPORATE GOVERNANCE

- Overseeing the development of the Company's approach to corporate governance, including maintaining Corporate Governance Guidelines that set out the expectations of directors, including basic duties and responsibilities with respect to matters such as attendance at Board meetings and advance review of meeting materials.
- Taking appropriate steps to remain informed about the Board's duties and responsibilities and about the business and operations of the Company.
- Ensuring that the Board receives from officers the information and input required to enable the Board to effectively perform its duties.
- Overseeing, through the Nominating & Corporate Governance Committee and the Chairman of the Board, the review of the effectiveness of the Board, its Committees and individual directors on an annual basis.

BOARD ORGANIZATION

- Establishing committees of the Board and delegating certain Board responsibilities to these committees, consistent with the Company's Corporate Governance Guidelines.

SCHEDULE 2: AUDIT COMMITTEE MANDATE

PURPOSE

The Audit Committee (the "**Committee**") of First Cobalt Corp. (the "**Company**") is a committee of the Board of Directors (the "**Board**") charged with oversight of financial reporting as well as related disclosure, internal controls, regulatory compliance and risk management functions.

COMPOSITION

The members of the Committee shall be appointed annually by the Board on the recommendation of the Nominating and Corporate Governance Committee. The Chair shall be elected by the members of the Committee. The Committee shall consist of a minimum of three directors of the Company, the majority of which must be independent directors. Independence is defined by applicable Canadian laws and regulations as well as the rules of relevant stock exchanges (the "**Applicable Laws**"). At a minimum, each Committee member shall have no direct or indirect relationship with the Company that could, in the opinion of the Board, reasonably interfere with the exercise of a Committee member's independent judgment (except as otherwise permitted by Applicable Laws).

QUALIFICATIONS & EXPERIENCE

Each member of the Committee must be financially literate, meaning that the director has the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the Company's financial statements.

At least one member of the Committee shall be a 'financial expert' within the meaning of Applicable Laws. The financial expert should have the following competencies:

- An understanding of financial statements and accounting principles used by the Company to prepare its financial statements;
- The ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity comparable to the Company's financial statements, or experience actively supervising one or more persons engaged in such activities;
- An understanding of internal controls and procedures for financial reporting; and
- An understanding of audit committee functions.

RISK OVERSIGHT

In addition to the specific responsibilities enumerated below, the Committee shall be responsible for reviewing financial risks of the business and overseeing the implementation and evaluation of appropriate risk management practices. This will involve inquiring with management regarding how financial risks are managed and seeking opinions from management and the independent auditor regarding the adequacy of risk mitigation strategies.

COMMITTEE RESPONSIBILITIES

In addition to such other duties as may be delegated by the Board, the Committee shall:

1. *Financial Statements*: Review the Company's interim and annual financial statements, MD&A and related press releases and recommend Board approval of such documents.
2. *Variances*: Obtain explanations from management for significant variances between comparative reporting periods and question management and the independent auditor regarding any significant financial reporting issues raised during the fiscal period and the method of resolution.
3. *Internal Controls*: Inquire as to the adequacy of the Company's system of internal controls and review periodic reports from management regarding internal controls, which should include an assessment of risk with respect to financial reporting.
4. *Auditor*: Recommend Board approval for the appointment of the Company's independent auditor. Oversee the work of the independent auditor; ensure that the independent auditor

reports directly to the Committee; and ensure that any disagreements between management and the independent auditor regarding financial reporting are resolved.

5. *Non-audit Services:* Approve all audit and non-audit services to be provided to the Company and its subsidiaries by the independent auditor. The Chair of the Committee may pre-approve such services on behalf of the Committee provided that such approvals are presented at the Committee meeting following such pre-approval. In order to obtain pre-approval, management should detail the work to be performed by the independent auditor and obtain the assurance from the independent auditor that the proposed work will not impair their independence.

Certain *de minimis* non-audit services will satisfy the pre-approval requirement provided:

- the aggregate amount of all these non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total audit fees paid by the Company and its subsidiaries to the independent auditor during the fiscal year in which the services are provided;
 - the Company or its subsidiaries, did not recognize the services as non-audit services at the time of the engagement; and
 - the services are promptly brought to the attention of the Committee and approved prior to the completion of the annual audit.
6. *Whistleblower:* Oversee a Company whistleblower program that provides an opportunity for confidential and anonymous submissions of concerns regarding questionable accounting or auditing matters and other potential violations of the Company's Code of Conduct.
 7. *Internal Audit:* Review and approve the annual internal audit plan as presented by the internal audit function to ensure that it is appropriate, risk-based and addresses all prioritized auditable entities. Review progress towards completion of the annual plan and performance of the head of the internal audit function.
 8. *Hiring:* Review and approve the Company's policies regarding the hiring of current and past partners and employees of the Company's present or former independent auditor.
 9. *Reporting:* Report to the Board on a quarterly basis on the proceedings of Committee meetings.
 10. *Mandate:* Annually review the Committee's mandate and assess the Committee's functioning and performance relative to the requirements set out within this mandate.

CHAIRMAN RESPONSIBILITIES

The Chairman of the Committee shall:

1. Convene and preside over Committee meetings and ensure they are conducted in an efficient, effective and focused manner.
2. Assist management with the preparation of an agenda and ensure that meeting materials are prepared and disseminated in a timely manner.
3. Ensure that the Committee has sufficient time and information to make informed decisions.
4. Provide leadership to the Committee and management with respect to matters covered by this mandate.

AUTHORITY

The Committee has authority to:

1. Appoint, compensate, and oversee the work of any registered public accounting firm retained by the Company.
2. Conduct or authorize investigations into any matters within its scope of responsibility, including with respect to whistleblower submissions.
3. Retain, at the Company's expense, independent legal, accounting or other advisors to assist the Committee in carrying out its duties or to assist in the conduct of an investigation.
4. Meet with management, the independent auditor and other advisors, as necessary.
5. Obtain full access to the books, records, facilities and personnel of the Company and its subsidiaries.

6. Call a meeting of the Board to consider any matter of concern to the Committee.

MEETINGS

The Committee shall meet as often as it deems necessary, but not less frequently than quarterly. A quorum for the transaction of business at all meetings shall be a majority of members. Decisions shall be made by an affirmative vote of the majority of members in attendance and the Committee Chair shall not have a deciding or casting vote.

An in-camera session of independent directors shall take place at least quarterly. The Committee may also request to meet separately with management, internal auditors, independent auditors or other advisors. Meeting minutes shall be recorded and maintained, as directed by the Chair of the Committee.