



First Cobalt Options 50% of Canadian Refinery with Cobalt One Limited

TORONTO, ON — (June 1, 2017) – First Cobalt Corp. (TSX-V: FCC, OTC: FTSSF) (the “Company”) is pleased to announce it has entered into an option agreement with Cobalt One Limited (ASX: CO1) to enter into a 50-50 joint venture on the Yukon cobalt extraction refinery in Cobalt, Ontario.

Highlights

- Agreement provides First Cobalt access to a refinery and 40 acres of permitted property capable of processing the silver-cobalt arsenide concentrates historically produced in the Cobalt, Ontario mining camp
- Tailings disposal area is expandable to 2-3 times larger under existing permits
- Refinery is one of only four fully permitted facilities in Canada capable of treating this type of ore and the only such facility in this mining camp
- Strategic partnership with Cobalt One, which shares First Cobalt's vision for bulk mining in the Cobalt camp, provides access to a site capable of processing material from the historic Keeley-Frontier mine

Trent Mell, President & Chief Executive Officer commented,

"The Yukon refinery and the 40 acres of permitted property can help us reduce the permitting timeline in a meaningful fashion for a future development project. We are very pleased to be partnering with Cobalt One, which was one of the first companies to identify the opportunity to revive this historic camp and is now one of the largest cobalt companies in the district."

Cobalt One Executive Director Jason Bontempo commented,

"First Cobalt shares our vision of bulk mining in this historic camp. Their complimentary land package and strong Canadian-based management team made them logical partners for this strategic asset. I look forward to working with Trent and his team."

Refinery Overview

The refinery is located in Cobalt, Ontario, about 25 kilometres from the Company's Keeley-Frontier Project. The refinery is advantageous not only in location, but in that it is environmentally permitted to treat and process ore containing arsenic. The Yukon refinery is one of only four such permitted facilities in Canada, and the only refinery in North America with no set limits on processing or storing arsenic from feeds. This is significant given that the camp has produced silver-cobalt arsenide ores throughout its history. The other refineries permitted to treat ores containing arsenic are owned by Vale, Glencore and Sherritt International.

The refinery sits on 40.2 acres and includes a tailings management facility and two water management ponds, with both the space and environmental permits in place to expand the tailings management facility by 2-3 times the current size. The refinery is situated on a rare strategic clay-rich location within the region which is highly suitable for the existing tailings management facility and any future expansions to the facility.



Figure 1 - Exterior of Yukon refinery

History of the Refinery

The refinery was built in the mid-1990s. It was acquired in 2002 and kept on care and maintenance until 2012 when a German listed company invested several million dollars upgrading the facility as part of a brief operating agreement. On April 27, 2017 Cobalt One announced a binding agreement to purchase the refinery, which is expected to close before the end of June.



Figure 2 - Interior of Yukon refinery

The refinery's capabilities include three separate circuits within the complex to process various secondary feeds using pressure acid-leach, solvent extraction, and Merrill-Crowe for precious

metals. Primary ore feed would require the installation, or acquisition, of a mill to prepare concentrate for processing. The refinery will require upgrades to meet potential future processing demands.

The building includes the refinery, control room, labs, maintenance shop, warehouse, administrative offices and a change room. There is also a pumping station at Lake Temiskaming.

Keeley-Frontier Project

The refinery is situated in close proximity to First Cobalt's flagship asset, the Keeley-Frontier mine. Mineralization at the Keeley-Frontier mine occurs as Ag-Co-Ni-Bi-arsenides predominantly hosted in veins and stockworks known as Five-Element Vein Type deposits, making this refinery an advantageous opportunity due to its unique environmental permits to treat and process ore containing arsenic. The Keeley-Frontier exploration program began in May, and early results from surface work are anticipated in the summer, with drilling to commence about the same time.

The Keeley and Frontier Mines were originally developed and operated as separate mines and eventually integrated in 1961. From 1908 to 1965, the Keeley-Frontier Mine produced a total of over 3.3 million pounds of cobalt at a recovered grade of 0.5% and 19.1 million ounces of silver at a recovered grade of 58 ounces per tonne using these reported production numbers. Most of the production occurred between 1922 and 1931. The Company acquired a 100% option over the property in March of 2017.

The neighbouring towns of Silver Centre and Cobalt, Ontario were historically the most prolific cobalt jurisdictions in Canada and the largest silver producers worldwide. It is estimated that from 1904 to 1985 these two mining camps combined produced 50 million pounds of cobalt and 600 million ounces of silver from 70 different mines.

Terms of Agreement

In consideration for the option to enter a 50-50 joint venture, First Cobalt will provide immediate payment of C\$750,000 to Cobalt One. First Cobalt will have until December 31, 2017 to exercise the option. On exercise, First Cobalt will be obligated to pay Cobalt One an additional C\$2.25 million and pay the equivalent of 50,000,000 shares of ASX-listed Cobalt One in cash or shares of First Cobalt (approximate value of C\$5.5 million).

The agreement is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the TSX Venture Exchange.

Qualified Person

Dr. Frank Santaguida, P.Geo., Vice President, Exploration for First Cobalt is the Qualified Person as defined by National Instrument 43-101 who has reviewed and approved the contents of this news release.

About First Cobalt

First Cobalt is focused on building a diversified global portfolio of assets that are highly leveraged to the cobalt market. The Company's current assets include interests in seven prospective copper-cobalt properties covering 190 square kilometres in the Democratic Republic of the Congo all with known surface mineralization, as well as an option in Canada for the former producing Keeley-Frontier mine, a high-grade mine that produced over 3.3

million pounds of cobalt and 19.1 million ounces of silver from 301,000 tonnes of ore.

On behalf of First Cobalt Corp.

Trent Mell
President & Chief Executive Officer

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