



Glencore to Support Restart of First Cobalt Refinery

TORONTO, ON — (May 21, 2019) – First Cobalt Corp. (TSX-V: FCC, ASX: FCC, OTCQX: FTSSF) (the “Company”) and Glencore AG (“Glencore”) have signed a memorandum of understanding to supply cobalt feedstock and financing to recommission the First Cobalt Refinery in Ontario, Canada. Upon execution of definitive agreements, First Cobalt and Glencore will collaborate on final flowsheet design with a view to accelerating the restart of North America’s only primary cobalt refinery.

Highlights

- Glencore intends to provide feedstock for the refinery which is expected to result in annual production of approximately 2,000 to 2,500 tonnes per annum of cobalt in sulfate from the refinery
- Glencore will evaluate making a loan to fund the capital requirements to recommission the refinery and will enter into a tolling agreement with First Cobalt
- The refinery could be operational in 18-24 months and discussions are underway with provincial government officials to identify opportunities to streamline and accelerate the permit amendment process

Trent Mell, First Cobalt President & Chief Executive Officer, commented:

“The partnership announced today will help First Cobalt achieve its stated objective of providing ethically-sourced battery grade cobalt for the North American electric vehicle market. As the world’s leading producer of cobalt, Glencore is an ideal partner for First Cobalt. Our shareholders will benefit from Glencore financial backing, technical support and opportunities for regional synergies with their Sudbury and Rouyn-Noranda operations.”

“This announcement marks the culmination of one year’s work, bringing First Cobalt closer to generating cash flow and reducing reliance on the equity markets to fund future advancement of our North American primary cobalt assets in Idaho and Ontario.”

The memorandum of understanding (the “Agreement”) between Glencore and First Cobalt outlines the terms of a partnership to produce refined cobalt for the North American market. Under the Agreement, which remains subject to due diligence and definitive documentation, Glencore will provide First Cobalt with feedstock material, a loan to cover the estimated capital requirements to recommission the Refinery and technical support.

A final decision on whether to put the First Cobalt Refinery back into production has not been made at this time and any decision is contingent on the outcome of the ongoing discussions and studies. The Company has not completed a study of the economic viability of operating the Refinery. Any decision to restart the Refinery will not be based on anticipated development of any of the Company's current projects. At this time, the Company does not anticipate that its current projects will provide a source of feedstock for the Refinery.

The First Cobalt Refinery is the only permitted primary cobalt refinery in North America. The Company recently completed testing of third party cobalt hydroxide as a potential source of feed, confirming that the existing processes in the First Cobalt Refinery are capable of producing a high purity, battery grade cobalt sulfate ([see April 3, 2019 press release](#)). With no cobalt sulfate production in North America today, the First Cobalt Refinery has the potential to become the first such producer for the American electric vehicle market. The

Company has signed confidentiality agreements with several automotive companies interested in securing cobalt for the North American market.

The First Cobalt Refinery is a hydrometallurgical cobalt refinery in the Canadian Cobalt Camp, approximately 600 kilometres from the U.S. border. The First Cobalt Refinery has the potential to produce either a cobalt sulfate for the lithium-ion battery market or cobalt metal for the North American aerospace industry or other industrial and military applications.

A study completed in 2018 by Primero ([see October 10, 2018 press release](#)) estimated that under a 24 tonnes per day (tpd) base case scenario, the refinery could be recommissioned for approximately US\$30 million. The study also considers an expansion scenario of up to 50 tpd within the footprint of the current building structure. The study does not comment on the economic viability of operating the Refinery, and instead is an estimate of the costs associated with recommissioning. A copy of the study is available on SEDAR and the Company's website.



Image 1. Top left to right, cobalt sulfate produced using the First Cobalt Refinery flowsheet; current autoclave circuit. Bottom left to right, external and aerial images of the facility.

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

About First Cobalt

First Cobalt is a Canadian-based pure-play cobalt company and owner of the only permitted primary cobalt refinery in North America. The Company is exploring a restart of the First Cobalt Refinery in Ontario, Canada, which could produce 2,500 tonnes of cobalt sulfate or metallic cobalt per year. First Cobalt's main cobalt project is the Iron Creek Cobalt Project in Idaho, USA, which has Inferred mineral resources of 26.9 million tonnes grading 0.11% cobalt equivalent, or an alternative underground-only scenario of 4.4 million tonnes grading 0.3% cobalt equivalent. For further information regarding the resource estimate for the Iron

Creek Cobalt Project, readers are encouraged to review the technical report prepared for the Company, dated effective September 18, 2018 (as amended), a copy of which is available on SEDAR and on the Company's website.

On behalf of First Cobalt Corp.

Trent Mell
President & Chief Executive Officer

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Cautionary Note Regarding Estimates of Resources

Readers are cautioned that mineral resources are not economic mineral reserves and that the economic viability of resources that are not mineral reserves has not been demonstrated. The estimate of mineral resources may be materially affected by geology, environmental, permitting, legal, title, socio-political, marketing or other relevant issues. The mineral resource estimate is classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's "2014 CIM Definition Standards on Mineral Resources and Mineral Reserves" incorporated by reference into NI 43-101. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies or economic studies except for Preliminary Economic Assessment as defined under NI 43-101. Readers are cautioned not to assume that further work on the stated resources will lead to mineral reserves that can be mined economically. An Inferred Mineral Resource as defined by the CIM Standing Committee is "that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration."

Cautionary Note Regarding Forward-Looking Statements

This news release may contain forward-looking statements and forward-looking information (together, "forward-looking statements") within the meaning of applicable securities laws and the United States Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, are forward-looking statements. Generally, forward-looking statements can be identified by the use of terminology such as "plans", "expects", "estimates", "intends", "anticipates", "believes" or variations of such words, or statements that certain actions, events or results "may", "could", "would", "might", "occur" or "be achieved". Forward-looking statements involve risks, uncertainties and other factors that could cause actual results, performance and opportunities to differ materially from those implied by such forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements are set forth in the management discussion and analysis and other disclosures of risk factors for First Cobalt, filed on SEDAR at www.sedar.com. Although First Cobalt believes that the information and assumptions used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by applicable law, First Cobalt disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.