



First Cobalt Achieves Key Milestone with Refinery Feedstock Arrangements

TORONTO, ON — (January 12, 2021) – First Cobalt Corp. (TSX-V: FCC; OTCQX: FTSSF) (the “Company”) is pleased to announce long-term cobalt hydroxide feed arrangements with Glencore AG and IXM SA, a fully owned subsidiary of CMOC, which will provide a total of 4,500 tonnes of contained cobalt per year to the First Cobalt Refinery commencing in 2022. Once operational, the First Cobalt Refinery will be North America’s only producer of cobalt sulfate for the electric vehicle market.

Highlights

- 4,500 tonnes per year of contained cobalt to be provided from Glencore’s KCC mine and CMOC’s Tenke Fungurume mine
- Supply agreements represent 90% of projected capacity for the Canadian refinery, yielding 22,250 tonnes per year of battery grade cobalt sulfate
- Securing long term feed from two of the highest quality cobalt hydroxide operations in the world supports First Cobalt’s strategy of producing the world’s most sustainable cobalt for EVs
- First Cobalt’s commitment to CIRAF and RMI reporting standards and lifecycle assessment reporting is in line with the Paris Agreement and provides European and North American markets with an attractive regional supply of ethically sourced cobalt for zero emission vehicles
- Offtake discussions, financing and permitting are on schedule, supporting commencement of construction in mid-2021

Trent Mell, President & Chief Executive Officer, commented:

“This is a pivotal moment for our North American cobalt refining strategy. Our globally competitive cost structure and industry-leading ESG credentials put us in a strong position for a rapidly growing EV market. With feedstock arrangements in place, we can continue to advance our vision to create a new cobalt supply chain in North America. Electric vehicle sales in Europe were up more than 100% in 2020 and the U.S. will be the next large market to take off. We are now focused on offtake arrangements and the financing package with the goal of commencing construction in mid-2021 and full commissioning in the second half of 2022.”

Under the terms of a binding cobalt hydroxide supply contract, Glencore AG will supply the First Cobalt Refinery from the KCC mining operation in the Democratic Republic of Congo for five years, commencing in Q4 2022. First Cobalt has also signed a memorandum of understanding with IXM S.A. for cobalt from CMOC’s Tenke Fungurume mining operation in the DRC over the same time period. The Company and IXM will work to complete a definitive contract.

Cobalt hydroxide will be purchased at prevailing market prices, providing First Cobalt investors with exposure to the cobalt market and, by extension, a growing EV market.

Together the arrangements will provide 90% of the Refinery’s annual contained cobalt

capacity of 5,000 tonnes per annum. The Company plans to purchase an additional 500 tonnes per annum of feed at a later date through contract or spot market purchases.

The supply agreements and commencement of shipments are conditional on First Cobalt obtaining the necessary permits and a working capital facility. Offtake discussions, financing and permitting are on schedule, supporting commencement of construction in mid-2021.

ESG Commitments

First Cobalt is committed to implementing decarbonization strategies in line with the Paris Agreement. An independent life cycle assessment (LCA) completed in 2020 confirmed the low carbon footprint of its Canadian refinery. The report concludes that the environmental impacts associated with refining cobalt at First Cobalt's facility will be materially lower than the published impacts of other leading refiners. In particular, the carbon footprint generated through the production of one kilogram of cobalt sulfate from First Cobalt's production process is projected to be 50% lower than the benchmark cobalt facility. This important attribute is enhanced by buying feed from mining operations that are operated with clean hydroelectric power, resulting in a low carbon product from the mine through to the refined product. Glencore, CMOC and First Cobalt are members of the Cobalt Institute, which will be leading a cobalt industry LCA project, demonstrating the industry's commitment to ongoing decarbonization.

The Company will provide a clean and ethical supply of cobalt for the EV market. KCC and Tenke Fungurume are large, commercial mining operations that provide ethically sourced cobalt and the highest quality cobalt hydroxide globally. First Cobalt will qualify the First Cobalt Refinery under the Responsible Minerals Initiative (RMI). RMI is one of the most utilized and respected resources for companies from a range of industries addressing responsible mineral sourcing issues in their supply chains. A central tenet of the RMI is application of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Glencore's KCC mine will undergo a RMI audit early this year as part of its commitment to the RMI.

The Cobalt Institute has developed the Cobalt Industry Responsible Assessment Framework (CIRAF), an industry-wide risk management tool that helps cobalt supply chain players identify production and sourcing related risks. This long-term strategic cobalt partnership includes a commitment to apply CIRAF in annual public reporting on environmental and social issues specific to the cobalt supply chain. The Company believes that this and other ESG practices will help it establish a premium brand of cobalt sulfate for the electric vehicle market.

Project Overview

In December 2020, the Government of Canada and the Government of Ontario announced a joint \$10 million investment in the First Cobalt Refinery, which will help accelerate the commissioning and expansion. The First Cobalt Refinery is a hydrometallurgical cobalt refinery located north of Toronto, in the community of Temiskaming Shores. The facility was permitted in 1996 with a nominal throughput of 12 tonnes per day and operated intermittently until 2015, producing cobalt, nickel and silver products. In May 2020, the Company completed an engineering study that confirmed the Refinery's suitability to treat cobalt hydroxide at an expanded throughput of 55 tonnes per day to produce a high purity, battery grade cobalt sulfate. Today, approximately 80% of global supply comes from China and there is no production in North America.

About First Cobalt

First Cobalt owns North America's only permitted cobalt refinery. Cobalt refining is a critical component to the development and manufacturing of batteries for electric vehicles and forms a foundational piece of the next generation of the North American auto sector and other electrified consumer and industrial applications. First Cobalt owns the Iron Creek

cobalt project in Idaho, USA and controls significant silver and cobalt assets in the Canadian Cobalt Camp, including more than 50 past producing mines.

On behalf of First Cobalt Corp.

Trent Mell
President & Chief Executive Officer

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