



NEWS RELEASE
TSX.V: FCC
OTCQX: FTSSF

First Cobalt to Issue Shares to Glencore in Repayment of Loan

Toronto, Ontario – March 26, 2021 - **First Cobalt Corp. (TSX-V: FCC; OTCQX: FTSSF)** (the “**Company**”) today announced that it has entered into a loan amendment agreement with Glencore AG on March 25, 2021 to repay an existing loan of approximately US\$5.5 million of debt by issuing common shares of the Company. The common shares to be issued to Glencore in connection with the repayment of the loan represents approximately 4.8% of the current outstanding shares of First Cobalt.

In August 2019, First Cobalt entered into a loan agreement with Glencore to fund engineering studies, metallurgical testwork and permitting activities for an expansion of the Company’s refinery in Ontario, Canada to produce battery grade cobalt sulfate. The loan bears interest at LIBOR plus 5%, with all accrued interest having been capitalized to date. The loan agreement includes a right (the “conversion right”) for Glencore to convert all or a portion of the balance owing into common shares at a discount of 15% of the “market price” of the common shares (determined with reference to the policies of the TSX Venture Exchange) on the maturity date of August 23, 2022. The loan agreement provides the Company with the right to prepay the loan prior to maturity. The amendments expressly permit First Cobalt to repay the loan by issuing common shares on broadly similar terms to the conversion right.

Specifically, under the terms of today’s amending agreement, the Company and Glencore have agreed to expressly allow the Company to voluntarily repay all amounts outstanding through the issuance of common shares. Accordingly, the Company and Glencore have agreed that, subject to the terms of the amended loan agreement, the Company may repay the loan representing an outstanding debt of US\$5,505,830 by issuing 23,849,737 common shares at a deemed price of \$0.29 per share and the Company has provided Glencore with notice that, subject to the terms of the amended loan agreement, the Company intends to repay all such amounts outstanding under the loan by issuing common shares.

The deemed price per common share represents a 15% discount to the closing trading price of the common shares on the TSXV on March 24, 2021, the trading date immediately prior to the agreement date. The U.S. dollar denominated debt was converted from United States dollars into Canadian dollars using an exchange of US\$1 = CDN\$1.2562, representing the average daily exchange rate for United States dollars in terms of Canadian dollars presented by the Bank of Canada on March 24, 2021.

Trent Mell, President & Chief Executive Officer, commented:

“We are appreciative of Glencore’s ongoing support for our strategy of producing the world’s most sustainable cobalt and establishing First Cobalt as the only North American producer of cobalt for the EV market. This transaction will eliminate all corporate debt ahead of a financing package that is being negotiated for the refinery expansion and frees up the security package associated with the refinery. Glencore has been a valuable partner and a significant contributor to the success of First Cobalt to date and we are excited to deliver value to them as shareholders of the Company moving forward.”

The Company has raised significant funds to date through a \$10 million joint investment from the Government of Ontario and Government of Canada, a \$10 million equity raise, a \$4 million asset sale and more than \$7 million in early warrant exercises. The financing process for the

debt portion of the refinery financing plan is in progress, remains on schedule, and is expected to provide the remaining funding required for the project to be fully financed.

Completion of the repayment of the loan contemplated by the amendment to the loan agreement and related notice is subject to, among other things, obtaining necessary regulatory approvals, including acceptance of the TSXV under TSXV Policy 4.3 -- *Shares for Debt*. The Company has entered into this loan amendment agreement to settle outstanding debt for shares in order to preserve cash and reduce the amount of project debt required to fully finance the refinery project.

The Company is in the process of seeking to obtain the necessary regulatory approvals.

About First Cobalt

First Cobalt's mission is to be the most sustainable producer of battery materials. The Company owns North America's only permitted cobalt refinery, a critical asset in the development and manufacturing of batteries for electric vehicles. First Cobalt owns the Iron Creek cobalt-copper project in Idaho, USA as well as several significant cobalt and silver properties in the Canadian Cobalt Camp.

On behalf of First Cobalt Corp.

Trent Mell
President & Chief Executive Officer

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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 include the failure to obtain regulatory approvals for the loan amendments and are also 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 times 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.