

First Cobalt Awards Contracts for Refinery Studies

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TORONTO, Sept. 4, 2019 /CNW/ - [First Cobalt Corp.](#) (TSX-V:FCC, OTCQX:FTSSF) (the "Company") is pleased to announce that it has awarded key contracts to complete a 55 tonnes per day (tpd) feasibility study on the proposed expansion to the First Cobalt Refinery (the "Refinery"). Field work is expected to commence in September and will culminate in the delivery of a definitive feasibility study (DFS) in Q1 2020.

HIGHLIGHTS

- Ausenco Engineering Canada Inc. to lead in the preparation of a DFS for a refinery restart at 55 tpd with contract value of approximately \$1.5 million
- SGS for advanced metallurgical test work on cobalt hydroxide and a specialty cobalt feed to be supplied by Glencore
- Knight Piésold for tailings studies in support of the feasibility study
- Story Environmental for all environmental and permitting aspects of the engineering studies
- Glencore will provide technical support throughout the study phase through Sudbury-based affiliate, XPS - Expert Process Solutions
- Work will be completed before the end of Q1 2020 and deliverables will include a NI 43-101 DFS on a 55 tpd refinery restart and a prefeasibility study (PFS) on a 12 tpd interim operating scenario

DETAILS

First Cobalt recently announced that it had entered into a US\$5 million loan facility with Glencore AG to complete advanced engineering, metallurgical testing, field work and permitting associated with a recommissioning and expansion of the Refinery in Cobalt, Canada (see August 26, 2019 press release). Upon completion of a positive DFS for a refinery expansion in Q1 2020 and subject to certain other terms and conditions, Glencore is prepared to advance an additional US\$40 million to recommission and expand the Refinery.

Ausenco of Toronto has been retained to prepare various engineering studies in support of restarting and expanding the Refinery located near Cobalt, Ontario. Three engineering studies will be completed, which will include an interim scenario for restarting the Refinery at its current capacity of 12 tpd in a PFS as well as a DFS on expanding the refinery at a throughput of approximately 55 tpd. These two options roughly correspond to scenarios outlined in a scoping-level study previously completed by Ausenco in May 2018 (see May 28, 2019 press release). A third study will examine a scenario of first restarting production at 12 tpd and subsequently increasing throughput to 55 tpd. Work related to the tailing management facility for the DFS will be completed by Knight Piésold in North Bay, Ontario.

SGS of Lakefield, Ontario has been selected to complete advanced metallurgical test work on cobalt hydroxide and a specialty cobalt feed, both supplied by Glencore. First Cobalt previously partnered with SGS to produce a high purity battery-grade cobalt from cobalt hydroxide using the existing First Cobalt Refinery flow sheet. SGS and Ausenco will work collaboratively to optimize the flowsheet in support of the engineering studies. SGS will also perform the necessary environmental test work on tailings that result from the process.

Story Environmental of Haileybury, Ontario will be responsible for the environmental and permitting aspects of all three engineering studies. Story Environmental has been providing environmental consulting services for the Refinery since 2008 and, as a knowledgeable party of the Refinery infrastructure, its surrounding environment and the environmental regulatory requirements, this work is expected to focus on the 12 tpd restart scenario for which the Refinery is currently permitted.

Trent Mell, First Cobalt President & CEO, commented, "The First Cobalt Refinery is a permitted facility that is in excellent condition and we are excited to restart production at 55 tpd."

and has a recent operating history. Our strategy is to work with Glencore to expand the Refinery to serve the growing North American electric vehicle market. To that end, we have partnered with a first-rate study team appropriate for the task at hand."

Work will commence almost immediately with a field program at the Refinery. The field program will consist of a small amount of cobalt supplied by Ausenco who will test and inspect installed equipment and systems to gain a better understanding of the condition of every aspect of the Refinery with a view to identifying which components require upgrading or replacement.

All of the work will be overseen by First Cobalt Vice President Peter Campbell, P.Eng., and final results expected before Q1 2020. Glencore will provide technical support and oversight as needed throughout the study phase.

Conference Call and Webcast

Please join us for a conference call and webcast Monday, September 9 at 8:00 am EDT/12:00 pm UTC to discuss our plans for the First Cobalt Refinery. Details for the call will be provided at a later date.

About the FCC Refinery

The First Cobalt Refinery is a hydrometallurgical cobalt refinery in the Canadian Cobalt Camp, approximately 600 kilometers from the U.S. border. The Company recently completed testing of third-party cobalt hydroxide as a potential source of feed, demonstrating that the existing processes in the Refinery are capable of producing a high purity, battery grade cobalt sulfate. Most of the world's cobalt refining capacity is located in China, particularly the refining of cobalt sulfate for the EV market.

It is the only permitted primary cobalt refinery in North America. With no cobalt sulfate production in North America today, the Refinery has the potential to become the first such producer for the American electric vehicle market.

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

Readers are advised that a restart of the Refinery will be linked to a long-term feed supply agreement with Glencore and the near-term development of the Company's current projects. A final decision to put the Refinery back into production is contingent on the outcome of the feasibility study. While the Company has completed a scoping study to assess the production capacity, capital costs and operating costs associated with bringing the Refinery back into production, a study of the economic viability of the Refinery has not yet been completed.

Corporate Update

The Company has issued incentive grants to directors and officers to purchase an aggregate of 3,830,000 common shares of First Cobalt exercisable at yesterday's closing price of \$0.14 for a period of five years. The grant of options remains subject to the approval of the TSX Venture Exchange.

About First Cobalt

First Cobalt is a North American 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 over 5,000 tonnes of cobalt contained cobalt in sulfate per year from third party feed. First Cobalt's main cobalt exploration project is the Iron Creek Project in Idaho, USA, which has an inferred mineral resource estimate available on the Company's website. The Company also controls a significant land package in the Canadian Cobalt Camp spanning over 100 km², which contains more than 50 producing mines.

On behalf of [First Cobalt Corp.](#)

Trent Mell
President & Chief Executive Officer

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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", "variations of such words, or statements that certain actions, events or results "may", "could", "would", "might", "occur" or "will 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 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 such statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur within the specified 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 statements, whether as a result of new information, future events or otherwise.

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