

First Cobalt Provides Refinery Project Update

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TORONTO, Nov. 10, 2020 - [First Cobalt Corp.](#) (TSXV: FCC) (OTCQX: FTSSF) (the "Company") today provided an update on commercial contracts and metallurgical test work relating to its cobalt refinery located in Ontario, Canada.

Highlights

- First Cobalt and Glencore have agreed to discuss a long-term feed purchase contract rather than the tolling arrangement originally contemplated, providing First Cobalt greater leverage to the cobalt market by entering into offtake contracts with end users directly
- The maturity date on the Company's US\$5 million loan with Glencore has been extended by one year to August 2022, which better aligns with refinery commissioning
- Glencore continues to provide support to ensure a technically viable design of the plant and smooth commissioning
- In order to secure a diversity of supply, First Cobalt will supplement any feed provided by Glencore with other sources of ethical cobalt
- Bench scale testing of cobalt hydroxide feedstock from Glencore's Katanga Operation (KCC) yielded recoveries in excess of 97%, significantly higher than the 93% recovery assumption in the Company's May engineering study
- Timelines for pilot plant completion and submission of permit amendments remain on track while discussions for government support are well advanced

Trent Mell, President & Chief Executive Officer, commented:

"The change in approach towards feed purchase contracts results in greater exposure to the cobalt market and potentially a greater share of the project economics outlined in our May 4 engineering study. With the decision to be a market purchaser of feedstock, rather than a toll refiner, the Company has resumed discussions with lenders and intends to move aggressively to advance its strategy. I am very appreciative of Glencore's ongoing support and look forward to working towards completing a mutually agreeable cobalt hydroxide supply agreement for our refinery. We continue to advance our vision to create a new cobalt supply chain in North America, which will provide excellent leverage to a strengthening cobalt market for First Cobalt shareholders."

Securing feed material under a long-term cobalt hydroxide purchase contract, rather than a tolling contract, will allow the First Cobalt Refinery to be an active market participant and achieve market-based returns from its operations. This will also provide First Cobalt shareholders with greater leverage to the cobalt market. With competitive operating costs and strong ESG credentials, the Refinery is very well positioned to become an important global player in the refined cobalt business, a key component in the growing North American and European electric vehicle supply chains.

Offtake discussions with OEMs and other cobalt sulfate consumers have been very constructive, given strong interest in: (i) a geographically diverse supply chain, (ii) ethically sourced cobalt, and (iii) a low environmental footprint.

The Company intends to finalize a supply agreement with Glencore on mutually agreeable terms while securing additional feedstock from other miners of ethically produced, high-quality cobalt hydroxide. The Company does not anticipate any difficulties securing sufficient feedstock for the Refinery's nameplate capacity of 5,000 tonnes per annum of contained cobalt. Moreover, diversification of feedstock supply will help offset the risk of supply interruptions from any single operation.

The US\$5 million debt agreement the Company has in place with Glencore had an original maturity date of August 23, 2021. The parties have amended the loan agreement to extend the maturity date by one year to

August 23, 2022. All other terms are unchanged, including Glencore's right to convert all or a portion of the balance owing to common shares of First Cobalt at a discount to market of up to 15%.

Cobalt hydroxide feed material from Glencore's KCC mining operation was received in September, with leaching and neutralization testing performed by SGS ahead of pilot plant test work. Bench scale work yielded cobalt recoveries in excess of 97%, significantly higher than the 93% recovery reported in the Company's May 4 engineering study. The 97% recovery is similar to recoveries achieved on other DRC cobalt hydroxide feedstock that First Cobalt tested in 2019 to produce battery grade cobalt sulfate. The Company is confident that it will meet or exceed this recovery level as it proceeds to pilot plant testing, which would contribute to even stronger project economics.

With respect to the Company's conversations with government, First Cobalt remains optimistic for a positive outcome. The increasing prevalence of electric vehicles in Canada as well as the integrated nature of the North American automotive supply chain place First Cobalt at the center of a generational shift; one that is well aligned with government policy at the Federal and Provincial levels.

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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