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## **Notice of Annual General and Special Meeting of Shareholders**

Management Proxy Circular  
August 26, 2019



August 26, 2019

Dear Shareholder:

On behalf of the Board of Directors and Management of First Cobalt Corp. (the "**Company**"), we would like to invite you to attend the annual general and special meeting of shareholders:

Date: Wednesday, September 25, 2019

Time: 10:00 a.m. (Toronto time)

Location: Suite 2400, Bay-Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2T6

When we started this Company in early 2017, we were joined by almost 100 other companies looking for sources of cobalt to supply the revolution in mobility and energy storage that is quickly taking hold. The cobalt market in 2018 was a more challenging environment and there are only a small number of active cobalt companies remaining. Our decision in Q3 2018 to temporarily curtail exploration activity and focus on bringing refined cobalt to the North American market has served us well. The strategic relationship recently announced with Glencore AG is intended to result in a recommissioning of the First Cobalt Refinery as early as 2020 with a significant expansion targeted about one year later.

The year ahead will be about creating shareholder value through execution of a fully-funded refinery strategy to achieve first cash flow in 2020-21. As the cobalt market strengthens, we will also look to continue to de-risk our cobalt exploration assets.

The enclosed Management Proxy Circular contains information about voting instructions, the business of the meeting, the nominated directors, corporate governance practices and how the Company compensates its executives and directors. At the meeting, we will also discuss highlights from the past fiscal year and some of our plans for the future.

Your participation in the affairs of the Company is important to us. Please take this opportunity to exercise your vote, either in person at the meeting or by completing and returning your proxy form.

We appreciate your support as shareholders and we will continue to work for your interests. We look forward to seeing you at the meeting.

*"Trent Mell"*

Trent Mell  
President and Chief Executive Officer

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## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual General and Special Meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of FIRST COBALT CORP. (the "**Company**") will be held in the offices of Fasken Martineau DuMoulin LLP located at Suite 2400, Bay-Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2T6, on Wednesday, September 25, 2019, at 10:00 a.m. (Toronto time), for the following purposes:

1. To receive the audited financial statements of the Company for the year ended December 31, 2018, together with the report of the Auditors thereon;
2. To appoint MNP LLP, Chartered Professional Accountants, as the Auditor of the Company for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the Auditor (*Resolution 1*);
3. To fix the number of directors of the Company for the ensuing year at five (*Resolution 2*);
4. To elect directors of the Company for the ensuing year (*Resolutions 3*);
5. To consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution ratifying, confirming and approving the Company's amended and restated long-term incentive plan (the "**Amended and Restated LTIP**") (*Resolution 4*); and
6. To transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

An "ordinary resolution" is a resolution passed by at least a majority of the votes cast by Shareholders who voted (in person or by proxy) in respect of that resolution at the Meeting.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying management proxy circular (the "**Circular**") which forms part of this Notice.

You are entitled to vote at the Meeting and any postponement or adjournment thereof if you owned Common Shares of the Company at the close of business on August 13, 2019 (the record date). For information on how you may vote, please refer to Part 1 of this Circular.

Toronto, Ontario  
August 26, 2019

By Order of the Board of Directors,

*"Paul Matysek"*

Paul Matysek  
Chairman of the Board

## MANAGEMENT PROXY CIRCULAR

This management proxy circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management (“**Management**”) of First Cobalt Corp. (the “**Company**” or “**First Cobalt**”) for use at the annual general and special meeting (the “**Meeting**”) of the holders of common shares of the Company (the “**Common Shares**” and the holders of the Common Shares, the “**Shareholders**”) to be held on September 25, 2019 at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. Unless otherwise noted, information in this Circular is given as at August 26, 2019.

It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Company by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Company.

### PART 1: VOTING INFORMATION

#### Who can vote?

##### ***Registered and Beneficial Shareholders***

You have the right to receive notice of and vote at the Meeting, or any adjournment or postponement thereof, if you owned Common Shares of the Company or held a CHES Depository Interest over Common Shares (“**CDI**”) as of the close of business (Toronto time) on August 13, 2019 (the “**Record Date**”). Each Common Share you own entitles you to one vote in person or by proxy at all meetings of the Shareholders. Each CDI you hold entitles you to one vote at all meetings of the Shareholders, however you may only vote in accordance with the special voting instructions for CDI holders below.

You are a registered Shareholder if the Common Shares are registered in your name. This means that your name appears in the Shareholders’ register maintained by First Cobalt’s transfer agent, AST Trust Company (Canada) (“**AST Trust**”). You are a non-registered (or beneficial) Shareholder if your bank, trust company, securities broker or other financial institution or intermediary (your nominee) holds your Common Shares for you in a nominee account.

CHES Depository Nominees Pty Ltd. (“**CDN**”) is the Shareholder of record for all Common Shares beneficially owned by holders of CDIs. Holders of CDIs are entitled to receive notice of the Meeting and attend the Meeting and may direct CDN to vote at the Meeting by using the method described in the special voting instructions for CDI holders below.

##### ***Common Shares outstanding and principal holders of Common Shares***

On August 26, 2019, the Company had 372,249,684 Common Shares issued and outstanding.

To the knowledge of the directors and executive officers of the Company, as of August 26, 2019, no person beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the issued and outstanding Common Shares.

#### How to vote?

You can vote in person or by proxy. Voting by proxy means you are giving someone else the authority to attend the Meeting and vote your shares for you (called your proxyholder).

##### ***Completing the Proxy Form***

This package includes a proxy form (for registered Shareholders) (the “**Proxy Form**”) that includes the names of First Cobalt officers or directors who are proxyholders. When you vote

by proxy, you are giving them the authority to vote your shares for you according to your instructions. If you return your Proxy Form and do not specify how you want to vote your Common Shares, one of these officers or directors will vote your Common Shares in favour of the items listed above.

**You can also appoint someone else to be your proxyholder. Print his or her name in the space provided on the form, or by completing another Proxy Form and providing proper instructions to vote your Common Shares.** This person does not need to be a Shareholder. Your vote can only be counted if he or she attends the Meeting and votes your Common Shares.

Your proxyholder will vote according to your instructions on these items and on any ballot that may be called for. If you do not specify how you want to vote your Common Shares, your proxyholder can vote as he or she sees fit. If there are changes or new items, your proxyholder has the discretionary authority to vote your shares on these items as he or she sees fit.

### ***Returning your Proxy Form***

To be effective, AST Trust must receive your completed Proxy Form no later than 10:00 a.m. (Toronto time) on September 23, 2019.

If the Meeting is postponed or adjourned, we must receive your completed Proxy Form by 10:00 a.m. (Toronto time), two full business days before any adjourned or postponed Meeting at which the proxy is to be used. Late proxies may be accepted or rejected by the Chairman of the Meeting at his discretion and he is under no obligation to accept or reject a late proxy. The Chairman of the Meeting may waive or extend the proxy cut-off without notice.

### ***Exercise of discretion***

With respect to matters specified in the proxy, if no voting instructions are provided, the nominees named in the accompanying Proxy Form will vote Common Shares represented by the proxy FOR the approval of such matter.

The nominee named in your Proxy Form will vote or withhold from voting in accordance with your instructions on any ballot that may be called for. The proxy will confer discretionary authority on the nominee with respect to matters identified in the Proxy Form for which a choice is not specified and any other matter that may properly come before the Meeting or any postponement or adjournment thereof, whether or not the matter is routine and whether or not the matter is contested.

As of the date of this Circular, Management is not aware of any amendment, variation or other matter that may come before the Meeting. If any amendment, variation or other matter properly comes before the Meeting, the nominee intends to vote in accordance with the nominee's best judgment.

### ***Registered Shareholders***

Registered Shareholders can vote by proxy or in person in one of the following ways:

#### ***Voting by proxy***

##### **Internet**

Go to [www.astvotemyproxy.com](http://www.astvotemyproxy.com) and follow the instructions on screen. You will need your control number, which appears below your name and address on the Proxy Form.

##### **Fax and Email**

Complete both sides of the Proxy Form, sign and date it and fax both sides to First Cobalt's transfer agent, AST Trust Company (Canada), Attention: Proxy Department, to 416.368.2502 or toll free in Canada and the United States to 1.866.781.3111 or scan and email to [proxyvote@astfinancial.com](mailto:proxyvote@astfinancial.com).

## **Mail**

Complete, sign and date the Proxy Form and return it in the envelope provided, or send it to: AST Trust, Attention: Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, Canada.

## **By appointing someone to attend in person**

This person does not need to be a Shareholder. Strike out the names that are printed on the form and print the name of the person you are appointing as your proxyholder in the space provided. Complete your voting instructions, sign and date the form. Make sure the person you are appointing is aware that he or she has been appointed and attends the Meeting on your behalf. Your proxyholder should see a representative of AST Trust when he or she arrives at the Meeting.

## ***Attending the Meeting in person***

When you arrive at the Meeting, see a representative of AST Trust to register your attendance. Voting in person will automatically cancel any completed Proxy Form you previously submitted.

## ***Beneficial Shareholders***

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who appear on the records maintained by the Company's registrar and transfer agent, AST Trust, as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such shares are registered under the name of Cede & Co. (the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Proxy Form provided directly to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the voting instruction forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for

example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder who receives a voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. The Company will not be sending proxy-related materials directly to NOBOs.

The Company's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Company does not intend to pay for intermediaries to deliver proxy-related materials to OBOs and accordingly, if the OBO's intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote the Common Shares directly at the Meeting or any adjournment or postponement thereof. Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker, a Beneficial Shareholder may obtain a legal proxy from such broker, or Broadridge as the agent for that broker, to attend the Meeting as a proxyholder for the registered Shareholder and vote their Common Shares in that capacity. To do this, a Beneficial Shareholder must enter their own name in the blank space on the voting instruction form indicating that they or their appointee are going to attend and vote at the Meeting and return the voting instruction form to their broker or Broadridge in accordance with the instructions provided well in advance of the Meeting. Beneficial Shareholders will need to bring the legal proxy to the Meeting in order to vote their Common Shares.

All references to Shareholders in the Notice of Meeting, Circular and the accompanying Proxy Form are to registered Shareholders of the Company as set forth on the list of registered Shareholders of the Company as maintained by the registrar and transfer agent of the Company, AST Trust, unless specifically stated otherwise.

### **Revoking Your Proxy**

Registered Shareholders can revoke a vote you made by proxy in one of three ways:

1. Complete a new Proxy Form that is dated later than the Proxy Form you want to revoke, and then mailing it to AST Trust, so they receive it by 10:00 a.m. (Toronto time) on September 23, 2019;
2. Send a notice in writing to the registered office of the Company at Suite 2400, Bay-Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2T6 so that it is received by 5:00 p.m. (Toronto time) on September 24, 2019 or, if the Meeting is adjourned, the last business day preceding the day of the postponed Meeting; or
3. Provide a notice in writing to the Chairman of the Meeting at the Meeting or, if it is adjourned, when the Meeting resumes.

## **Special Voting Instructions for CDI Holders**

CDI holders can attend the Meeting; however, are unable to vote in person at the Meeting. Each CDI represents one Common Share. Therefore, each CDI holder will be entitled to one vote for every CDI that they hold.

In order to have votes cast at the Meeting on their behalf, CDI holders must complete, sign and return the enclosed CDI Voting Instruction Form in accordance with the instructions below.

CDI Voting Instruction Forms may be lodged in one of the following ways:

### **In Person**

Hand deliver your completed, signed and dated CDI Voting Instruction Form to: Link Market Services, 1A Homebush Bay Drive, Rhodes NSW 2138.

### **Mail**

Complete, sign and date the CDI Voting Instruction Form and send it to: First Cobalt Corp. c-/ Link Market Services, Locked Bag A14, Sydney South NSW 1235.

### **Fax**

Complete, sign and date the CDI Voting Instruction Form and fax it to: +61 2 9287 0309.

### **Internet**

Go to [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) and follow the following instructions as follows: Select 'Shareholders Login' and in the 'Single Holding' section enter First Cobalt Corp or the ASX code FCC in the Issuer name field, your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your voting instruction form), postcode and security code which is shown on the screen and click 'Login'. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your CDI Voting Instruction Form if you lodge it in accordance with the instructions given on the website.

Completed CDI Voting Instruction Forms must be provided to Link Market Services no later than 10:00 a.m. (Toronto time) on September 19, 2019, in accordance with the instructions on that form. The CDI voting deadline is two business days prior to the date that Proxy Forms are due so that CDN may vote the Common Shares underlying the applicable CDIs.

If the Meeting is postponed or adjourned, completed CDI Voting Instruction Forms must be provided to Link Market Services no later than 10:00 a.m. (Toronto time), four full business days before any adjourned or postponed Meeting at which the proxy is to be used.

A CDI holder may revoke a CDI Voting Instruction Form by giving written notice to CDN, or by submitting a new CDI Voting Instruction Form bearing a later date, well in advance of the Meeting.

## **Electronic Delivery of Material**

You have the option to receive certain disclosure documentation from First Cobalt electronically. Delivery in electronic format, rather than paper, reduces costs to the Company and benefits the environment. Registered Shareholders can consent to electronic delivery by completing and returning the consent form accompanying this Circular to AST Trust. Beneficial Shareholders can consent to electronic delivery by completing and returning the appropriate form received from their intermediary. If you do not consent to receive documentation through email notification, you will continue to receive documentation by mail.

If you wish to receive (or continue to receive) quarterly financial statements and Management's Discussion and Analysis (the "MD&A") by mail during 2019, you must check

the appropriate box on the form of proxy (if you are a registered Shareholder) or voting instruction form (if you are a Beneficial Shareholder). If you do not make this request, quarterly reports will not be sent to you. Financial statements and MD&A are available on the Company's website at [www.firstcobalt.com](http://www.firstcobalt.com).

## PART 2: BUSINESS OF THE MEETING

The Meeting will be held in order to:

1. To receive the audited financial statements of the Company for the year ended December 31, 2018, together with the report of the Auditors thereon;
2. To appoint MNP LLP, Chartered Professional Accountants, as the Auditor of the Company for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the Auditor (*Resolution 1*);
3. To fix the number of directors of the Company for the ensuing year at five (*Resolution 2*);
4. To elect directors of the Company for the ensuing year (*Resolution 3*);
5. To consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution ratifying, confirming and approving the Company's amended and restated long-term incentive plan (the "**Amended and Restated LTIP**") (*Resolution 4*); and
6. To transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

### 1. Receipt of Financial Statements

The audited financial statements of the Company for year ended December 31, 2018 together with the report of the auditors thereon, will be presented to the Shareholders at the Meeting. Copies of the financial statements, the auditors' report and management's discussion and analysis for the year ended December 31, 2018, have been mailed to all registered Shareholders and Beneficial Shareholders who have opted to receive such materials. These documents can also be found on the Company's website at [www.firstcobalt.com](http://www.firstcobalt.com) and are also available on SEDAR at [www.sedar.com](http://www.sedar.com).

No formal action will be taken at the Meeting to approve the financial statements. If any Shareholder has questions regarding such financial statements, such questions may be brought forward at the Meeting.

### 2. Appointment of Auditor

Management of the Company has recommended to the board of directors of the Company (the "**Board**") that the Company propose MNP LLP, Chartered Professional Accountants ("**MNP LLP**"), the incumbent auditors, to the Shareholders for re-election as the Company's auditors. Accordingly, unless such authority is withheld, the persons named in the accompanying proxy intend to vote FOR the reappointment of MNP LLP, as auditors of the Company for the ensuing year, until the close of the next annual general and special meeting of Shareholders, at a remuneration to be fixed by the directors. MNP LLP was first appointed auditors of the Company on May 27, 2014.

### 3. Election of Directors

#### ***Nominees for the Board of Directors***

The Board is currently comprised of six directors; however, the Company has nominated five individuals for election to the Board. As such, the Shareholders will be asked to set the Board at five and elect five directors to serve until the next annual meeting. The term of office for each of the Company's present directors expires at the conclusion of the Meeting.

Management of the Company has nominated each of John Pollesel, Trent Mell, Garrett Macdonald, and C.L. "Butch" Otter, each a current director of the Company, for re-election.

In addition, Management of the Company has nominated Susan Uthayakumar for election as a new director of the Company, which would bring the total number of directors to five.

The Company expects all of its directors to demonstrate leadership and integrity and to conduct themselves in a manner that reinforces the Company's corporate values and culture of transparency, teamwork and individual accountability. Above all, the Company expects that all directors will exercise their good judgment in a manner that keeps the interests of Shareholders at the forefront of decisions and deliberations. Each candidate must have a demonstrated track record in several of the skills and experience requirements deemed important for a balanced and effective Board.

### ***Director Independence***

A director is not independent if he has a direct or indirect relationship that the Board believes could reasonably be expected to interfere with his ability to exercise independent judgment. The Board has determined that it is the best interests of the Company to ensure a majority independent Board at all times.

As of the date of this Circular, five of the Company's six directors are independent. In addition, four of the five nominees would be considered independent in the event they are duly elected to the Board. Trent Mell is the Company's President and Chief Executive Officer ("**CEO**") and is therefore not considered independent.

### ***Director Profiles***

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of securities of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date hereof.

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**Trent Mell**, 49  
Toronto, Ontario  
Canada

Director since March 14, 2017

Not Independent

Mr. Trent Mell is a mining executive and capital markets professional with 20 years of operating and transactional experience, including \$2.6 billion in equity and debt financings, mergers, acquisitions, offtake agreements and joint ventures. He began his career as a mining and securities lawyer before joining Barrick Gold, where he was part of the team that completed a US\$10.4 billion hostile takeover of Placer Dome, creating the world's largest gold company. Trent also worked with nickel-cobalt producer Sherritt International and North American Palladium. As EVP at AuRico Gold, he led the team that completed an all-cash US\$750 million sale of the Ocampo Gold Mine in Mexico at the peak of the gold market in 2012. Mr. Mell was President and CEO of Falco Resources, owner of the Horne 5 Project which has a feasibility study showing a 15-year mine life with average life-of-mine production of 219,000 ounces of gold per year. More recently, he built a mining investment banking team with PearTree Securities to advise issuers and investors on Canadian exploration and development opportunities. In the first year, his team increased deal flow by 140%, becoming the largest provider of flow-through capital to the Canadian resource industry. Mr. Mell holds a B.A., a B.C.L. and LL.B. from McGill University (Montreal), an LL.M from Osgoode Hall (Toronto), as well as an MBA from Northwestern University (Chicago) and Schulich School of Business (Toronto).

**Securities Held**

Shares: 1,467,852\*

Options: 1,473,333

Warrants: 1,250,651\*

Deferred Share Units: 45,313

*\*799,132 shares and 799,132 warrants are held by Cienna Capital Corp., a company controlled by Trent Mell*

**Member**

Board

Audit Committee

**Principal Occupation**

President and CEO, First Cobalt

**Other Directorships**

None

**Duration**

N/A

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**John Pollesel**, 56  
Edmonton, Alberta  
Canada

Director since May 17, 2017

Independent

Mr. John Pollesel is currently CEO for Boreal Agrominerals Inc. Most recently, he was Senior Vice President, Mining at Finning Canada and has over 30 years of experience in mining. Mr. Pollesel previously served as Chief Operating Officer and Director of Base Metals Operations for Vale SA's North Atlantic Operations, where he was responsible for the largest underground mining and metallurgical operations in Canada and the UK. Prior to this, he was Vice President and General Manager for Vale's Ontario Operations. Mr. Pollesel also served as the Chief Financial Officer for Compania Minera Antamina in Peru, responsible for executive management in one of the largest copper-zinc mining and milling operations in the world. Mr. Pollesel holds an BA (Hons) in Accounting from the University of Waterloo and MBA from Laurentian University. He is an FCPA and FCMA.

**Securities Held**

Shares: 250,000

Options: 200,000

Deferred Share Units: 371,267

**Member**

Board

Audit Committee (Chair)

CGN Committee (Chair)

**Principal Occupation**

CEO of Boreal Agrominerals Inc.

**Other Directorships**

Noront Resources Inc.

North American Construction  
Group Ltd.

**Duration**

June 2017 – Present

November 2017 – Present

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**Garett Macdonald, 47**  
West Lorne, Ontario  
Canada

Director Since June 4, 2018

Independent

Mr. Garett Macdonald is a professional mining engineer with extensive experience in project development and mine operations with over 23 years of industry experience. He has managed large technical programs through the concept, feasibility and construction stages and has senior management and board level experience with several public companies. Garett served as Vice President of Project Development for JDS Energy and Mining, and was responsible for leading the Curraghinalt Feasibility Study for Dalradian Resources, a high grade, narrow vein gold project in Northern Ireland, acquired by Orion Mine Finance for \$537M. Garett also held roles in mine operations and project engineering earlier in his career with senior Canadian mining firms Suncor Energy, and Placer Dome Inc. From 2009 to 2013 he served as Vice President of Operations for Rainy River Resources prior to the \$310M sale of Rainy River to New Gold Inc. Garett is currently the President & CEO of Maritime Resources Corporation and a director of Aurelius Minerals and Gungnir Resources. He holds a Master of Business Administration degree from Western University's Ivey Business School and a Bachelor of Engineering (Mining) from Laurentian University in Sudbury.

**Securities Held**

Shares: 86,650  
Options: 450,000  
Deferred Share Units: 261,250

**Member**

Board  
Audit Committee

**Principal Occupation**

President & CEO, Maritime  
Resources

**Other Directorships**

Gungnir Resources Inc.  
Aurelius Minerals Inc.  
Maritime Resources Corp.

**Duration**

July 2015 – Present  
June 2017 – Present  
October 2018 - Present

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**C.L. "Butch" Otter, 77**  
Star, Idaho  
USA

Director since February 21, 2019

Independent

Clement Leroy "Butch" Otter is an American businessman and politician. He held the longest consecutive terms as Governor of Idaho, a position he held from 2007 to 2019. Mr. Otter was also the longest serving Lieutenant Governor of Idaho with 14-year tenure from 1987 to 2001, before being elected to the U.S. Congress from 2001 to 2007. Butch spent 30 years working with J.R. Simplot Company, a privately-owned global food and agribusiness, with interests in seed production, farming, fertilizer manufacturing, frozen-food processing, and food brands and distribution. He worked his way up from a Simplot Caldwell Potato Plant to the position of President of Simplot International, during which he traveled to nearly 80 countries to promote the company. Mr. Otter also served in the military from 1968 to 1973. He was part of the Idaho Army National Guard's 116th Armored Cavalry.

**Securities Held**

Options: 1,000,000  
Deferred Share Units: 272,691

**Member**

Board

**Principal Occupation**

Retired Governor

**Other Directorships**

None

**Duration**

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**Susan Uthayakumar, 47**  
Toronto, Ontario  
Canada

Independent

Ms. Susan Uthayakumar is a business executive with almost 25 years of experience in finance and executive management. She has been with Schneider Electric for the past 15 years and has served as President of Schneider Electric Canada since January 2018, with overall responsibility for Canadian operations. She began her career as a CA with Deloitte, where she held positions of increasing responsibilities before joining McCain, where she executed global growth strategies and acquisitions across North America, Europe and Asia. Ms. Uthayakumar is a CA and CPA and has an Executive MBA from the Kellogg School of Management as well as a Bachelor of Arts and a Master of Accounting from the University of Waterloo.

**Securities Held**

None

**Member**

N/A

**Principal Occupation**

Country President,  
Schneider Electric Canada

**Other Directorships**

Adesto Technologies  
Corporation

**Duration**

July 2019 – Present

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The Company does not have an executive committee of its Board of Directors.

Except as set out herein, no proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

***Corporate Cease Trade Orders***

To the knowledge of the Company, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all "cases was in effect for a period of more than 30 consecutive days (an "Order"), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

The foregoing information, not being within the knowledge of the Company, has been furnished by the proposed directors.

***Bankruptcies, or Penalties or Sanctions***

Except as disclosed herein, to the knowledge of the Company, no proposed director:

- a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject

- to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
  - d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### **Advance Notice Provision**

The Company's articles contain advance notice provisions (the "**Advance Notice Provision**"), which require that advance notice be given to the Company in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (i) a requisition of a meeting made pursuant to the provisions of the *Canada Business Corporations Act* ("**CBCA**"); or (ii) a Shareholder proposal made pursuant to the provisions of the CBCA.

Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of Shareholders and sets forth the minimum information that a Shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision will allow the Company to receive adequate prior notice of director nominations, as well as sufficient information on the nominees. The Company will thus be able to evaluate the proposed nominees' qualifications and suitability as directors. It will also facilitate an orderly and efficient meeting process.

The Company did not receive notice of a nomination in compliance with the Advance Notice Provision, and as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Company will be disregarded at the Meeting.

#### **4. Amended and Restated Long-Term Incentive Plan**

The Company is proposing amendments to its Amended and Restated LTIP (the "**2018 LTIP**") to fix the total number of options that can be issued under the plan (the "**2019 LTIP**"). In addition, as the Company is no longer listed on the Australian Securities Exchange ("**ASX**"), certain ASX requirements included in the previous Amended and Restated LTIP have been removed. No other amendments are being proposed.

The purpose of the 2019 LTIP is to align the interests of those directors, employees and consultants designated by the Board as being eligible to participate in the 2019 LTIP with those of the Company and its Shareholders and to assist in attracting, retaining and motivating key employees by making a portion of the incentive compensation of participating employees directly dependent upon the achievement of key strategic, financial and operational objectives that are critical to ongoing growth and increasing the long-term value of the Company. In particular, the 2019 LTIP is designed to allow the Board to grant Awards to promote the long-term success of the Company and the creation of Shareholder value by: (a) encouraging the attraction and retention of directors, key employees and consultants of the Company and its subsidiaries; (b) encouraging such directors, key employees and consultants to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such directors, key employees and consultants with the interests of the Company.

An "**Award**" means an option ("**Option**"), performance share unit ("**PSU**"), restricted share unit ("**RSU**") and deferred share unit ("**DSU**") granted under the Amended and Restated LTIP (or once approved, the 2019 LTIP).

The 2018 LTIP is a rolling plan, which provides for the replenishment of the number of shares reserved for issuance as options and other awards are exercised. In order to conform with current corporate governance best practice, the proposed 2019 LTIP will be a fixed plan whereby that will be a fixed maximum number of shares reserved for potential issuance upon exercise of PSUs, RSUs, DSUs and stock options. Pursuant to the 2019 LTIP, Common Shares reserved for Awards under the LTIP, together with any other equity compensation plans of the Company, shall not exceed a total of 28,000,000 common shares. This represents approximately 7.5% of the current issued and outstanding Common Shares of the Company (on a non-diluted basis). In addition, the Company also proposes to set the following limits on the total maximum of outstanding Common Shares reserved under the 2019 LTIP:

- a) up to a maximum of 2,000,000 Common Shares may be reserved for issuance upon conversion of RSUs granted pursuant to the Amended and Restated LTIP;
- b) up to a maximum of 4,000,000 Common Shares may be reserved for issuance upon conversion of PSUs granted pursuant to the Amended and Restated LTIP;
- c) up to a maximum of 4,000,000 Common Shares may be reserved for issuance upon conversion of DSUs granted pursuant to the Amended and Restated LTIP; and
- d) Up to a maximum of 18,000,000 Common Shares may be reserved for issuance upon the exercise of Options.

The limits for RSUs, PSUs and DSUs are unchanged from the previous plan. The only material change contemplated in the 2019 LTIP is to limit the total stock options that can be granted by the Company so that the maximum does not increase with new issuances of Common Shares nor would the number of securities be replenished as awards are exercised.

If approved, the 2019 LTIP will be the Company's only compensation plan providing for the issuance of securities of the Company as compensation.

The Board is requesting that Shareholders affirm, ratify and approve the 2019 LTIP. Accordingly, at the Meeting, Shareholders will be asked to consider, and if thought fit, to approve the 2019 LTIP by ordinary resolution.

The 2019 LTIP is also subject to approval of the TSX Venture Exchange ("**TSXV**") which will be obtained subsequent to the Meeting and shareholder approval.

**Summary of Key Provisions**

The following table summarizes the key provisions of the 2019 LTIP. A copy of the 2019 LTIP can be requested from the Company.

<b>Eligible Participants</b>	For all Awards, any director, officer, employee or consultant of the Company or any subsidiary of the Company who is eligible to receive Awards under the 2019 LTIP.
<b>Types of Awards</b>	Options, PSUs, RSUs and DSUs.
<b>Number of Securities Issued and Issuable</b>	<p>The aggregate number of Common Shares to be reserved and set aside for issue upon the exercise or redemption and settlement for all Awards granted under the 2019 LTIP, together with all other established security-based compensation arrangements of the Company, shall be not more than 28,000,000 Common Shares. In addition to the foregoing:</p> <ul style="list-style-type: none"> <li>• up to a maximum of 2,000,000 Common Shares may be reserved for issuance upon conversion of RSUs;</li> <li>• up to a maximum of 4,000,000 Common Shares may be reserved for issuance upon conversion of PSUs;</li> <li>• up to a maximum of 4,000,000 Common Shares may be reserved for issuance upon conversion of DSUs; and</li> <li>• up to a maximum of 18,000,000 Commons Shares may be reserved for issuance upon the exercise of Options.</li> </ul>

<b>Plan Limits</b>	<p>When combined with all of the Company's other previously established security-based compensation arrangements, including the limitation imposed on the maximum number of Common Shares which may be issued pursuant to the exercise or redemption and settlement of DSUs, PSUs, RSUs and Options set out above, the 2019 LTIP shall not result in the grant:</p> <ul style="list-style-type: none"> <li>to any one person in any 12-month period which could, when exercised, result in the issuance of Common Shares exceeding 5% of the issued and outstanding Common Shares, calculated at the date of grant, unless the Company has obtained the requisite disinterested shareholder approval to the grant;</li> <li>to any one consultant in any 12-month period which could, when exercised, result in the issuance of Common Shares exceeding 2% of the issued and outstanding Common Shares, calculated at the date of grant; or</li> <li>in any 12-month period, to persons employed or engaged by the Company to perform investor relations activities which could, when exercised, result in the issuance of Common Shares exceeding, in aggregate, 2% of the issued and outstanding Common Shares, calculated at the date of grant.</li> </ul>
<b>Definition of Market Price</b>	<p><b>"Market Price"</b> means the last closing price of the Company's listed shares before either the issuance of a press release required to fix the price at which the shares are to be issued, less any applicable discount, or if the Company is not required to issue a press release to fix the price, the Market Price is the last closing price of the listed shares before the date of grant, less any applicable discount.</p>
<b>Assignability</b>	<p>An Award may not be assigned, transferred, charged, pledged or otherwise alienated, other than to a participant's personal representatives.</p>
<b>Amending Procedures</b>	<p>The Board may at any time or from time to time, in its sole and absolute discretion and without shareholder approval, amend, suspend, terminate or discontinue the 2019 LTIP and may amend the terms and conditions of any Awards granted thereunder, provided that no amendment may materially and adversely affect any Award previously granted to a participant without the consent of the participant. Provided that any amendments made to the 2019 LTIP shall be made in accordance with TSXV requirements. By way of example, amendments that do not require shareholder approval and that are within the authority of the Board include but are not limited to:</p> <ul style="list-style-type: none"> <li>Amendments of a "housekeeping nature";</li> <li>Any amendment for the purpose of curing any ambiguity, error or omission in the 2019 LTIP or to correct or supplement any provision of the 2019 LTIP that is inconsistent with any other provision of the 2019 LTIP;</li> <li>An amendment which is necessary to comply with applicable law or the requirements of any stock exchange on which the shares are listed;</li> <li>Amendments respecting administration and eligibility for participation under the 2019 LTIP;</li> <li>Changes to the terms and conditions on which Awards may be or have been granted pursuant to the 2019 LTIP, including changes to the vesting provisions and terms of any Awards;</li> <li>Any amendment which alters, extends or accelerates the terms of vesting applicable to any Award;</li> <li>Changes to the termination provisions of an Award or the 2019 LTIP which do not entail an extension beyond the original fixed term.</li> </ul> <p>Notwithstanding the foregoing, shareholder approval shall be required for the following amendments (unless such an amendment is prohibited by TSXV requirements in which case such amendment cannot be made):</p> <ul style="list-style-type: none"> <li>Reducing the exercise price of Options, or cancelling and reissuing any Options so as to in effect reduce the exercise price;</li> <li>Extending (i) the term of an Option beyond its original expiry date, or (ii) the date on which a PSU, RSU or DSU will be forfeited or terminated in accordance with its terms, other than in circumstances involving a blackout period; and</li> <li>Increasing the fixed maximum number of shares reserved for issuance under the 2019 LTIP;</li> <li>Permitting Awards granted under the 2019 LTIP to be transferable or assignable other than for estate settlement purposes;</li> <li>Amending the definition of "Eligible Person" to permit the introduction or reintroduction of non-executive directors on a discretionary basis; and</li> <li>Revising any shareholder approval requirements needed pursuant to the 2019 LTIP.</li> </ul>
<b>Financial Assistance</b>	<p>The Company will not provide financial assistance to participants under the 2019 LTIP.</p>

<b>Other</b>	<p>In the event of a change in control, the Board shall have the right, but not the obligation, to permit each participant to exercise all of the participant's outstanding Options and to settle all of the participant's outstanding PSUs, RSUs and DSUs, subject to any required approval of the TSXV and subject to completion of the change in control, and has the discretion to accelerate vesting.</p> <p>The 2019 LTIP further provides that if the expiry date or vesting date of Options is (i) during a blackout period, or (ii) within ten trading days following the end of a blackout period, the expiry date or vesting date, as applicable, will be automatically extended for a period of ten trading days following the end of the blackout period, subject to certain requirements of the TSXV as set out in the 2019 LTIP. In the case of PSUs, RSUs and DSUs, any settlement that is effected during a blackout period shall be in the form of a cash payment.</p>		
<b>Description of Awards</b>			
<b>A. Stock Options</b>			
<b>Stock Option Terms and Exercise Price</b>	The exercise price, vesting, expiry date and other terms and conditions of the Options are determined by the Board. The exercise price shall in no event be lower than the Market Price of the shares at the date of grant, less any allowable discounts.		
<b>Term</b>	Options shall be for a fixed term and exercisable as determined by the Board, provided that no Option shall have a term exceeding ten years.		
<b>Vesting</b>	All Options granted pursuant to the 2019 LTIP will be subject to such vesting requirements as may be imposed by the Board, with all Options issued to consultants performing investor relations activities vesting in stages over at least 12 months with no more than 1/4 of the Options vesting in any three month period.		
<b>Exercise of Option</b>	The participant may exercise Options by payment of the exercise price per Common Share subject to each Option.		
<b>Circumstances Involving Cessation of Entitlement to Participate</b>	<b>Reasons for Termination</b>	<b>Vesting</b>	<b>Expiry of Vested Options</b>
	Death	Unvested Options automatically vest as of the date of death	Options expire on the earlier of the scheduled expiry date of the Option and one year following the date of death
	Disability	Options continue to vest in accordance with the terms of the Option	Options expire on the scheduled expiry date of the Option
	Retirement	Options continue to vest in accordance with the terms of the Option	Options expire on the scheduled expiry date of the Option
	Resignation	Unvested Options as of the date of resignation automatically terminate and shall be forfeited	Options expire on the earlier of the scheduled expiry date of the Option and three months following the date of resignation Options granted to Persons engaged primarily to provide investor relations activities expire on the scheduled expiry date of the Option and 30 days following the date of resignation
	Termination without Cause / Constructive Dismissal (No Change in Control)	Unvested Options continue to vest in accordance with the terms of the Option	Options expire on the earlier of scheduled expiry date of the Option and one year following the termination date
	Change in Control	Options granted prior to the Original LTIP Date shall vest and become immediately exercisable, subject to any required approvals of the TSXV Options from and after the Original LTIP Date do not vest and become immediately	Options expire on the scheduled expiry date of the Option

		<p>exercisable upon a change in control, unless:</p> <ul style="list-style-type: none"> <li>the successor fails to continue or assume the obligations under the 2019 LTIP or fails to provide for a substitute Award, or</li> <li>if the Option is continued, assumed or substituted, the participant is terminated without cause (or constructively dismissed) within two years following the change in control,</li> </ul> <p>subject to any required approvals of the TSXV</p>	
	Termination with Cause	<p>Options granted prior to the Original LTIP Date that are unvested as of the termination date automatically terminate and shall be forfeited</p> <p>Options granted from and after the Original LTIP Date, whether vested or unvested as of the termination date, automatically terminate and shall be forfeited</p>	<p>Vested Options granted prior to the Original LTIP Date shall expire on the earlier of the scheduled expiry date of the option and three months following the termination date</p> <p>Options granted from and after the Original LTIP Date, whether vested or unvested as of the termination date, automatically terminate and shall be forfeited</p>
<b>B. Performance Share Units</b>			
<b>PSU Terms</b>	A PSU is a notional security but, unlike other equity based incentives, vesting is contingent upon achieving certain performance criteria, thus ensuring greater alignment with the long-term interests of shareholders. The terms applicable to PSUs under the 2019 LTIP (including the performance cycle, performance criteria for vesting and whether dividend equivalents will be credited to a participant's PSU account) are determined by the Board at the time of the grant.		
<b>Vesting</b>	PSUs do not vest, and cannot be paid out (settled), until the completion of the performance cycle. For Canadian taxpayers, the performance cycle shall in no case end later than December 31 of the calendar year that is three years after the grant date.		
<b>Settlement</b>	At the grant date, the Board shall stipulate whether the PSUs are paid in cash, shares, or a combination of both, in an amount equal to the Market Value of the notional shares represented by the PSUs in the holders' account.		
<b>C. Restricted Share Units</b>			
<b>RSU Terms</b>	An RSU is a notional security that entitles the recipient to receive cash or shares at the end of a vesting period. The terms applicable to RSUs under the 2019 LTIP (including the vesting schedule and whether dividend equivalents will be credited to a participant's RSU account) are determined by the Board at the time of the grant.		
<b>Credit to RSU Account</b>	As dividends are declared, additional RSUs may be credited to RSU holders in an amount equal to the greatest whole number which may be obtained by dividing (i) the value of such dividend or distribution on the record date established therefore by (ii) the Market Price of one share on such record date.		
<b>Vesting</b>	RSUs vest upon lapse of the applicable restricted period. For employees, vesting generally occurs in three equal instalments on the first three anniversaries of the grant date. For directors, one third of the Award may be immediately vesting, with the balance vesting equally over the first two anniversaries of the grant date.		
<b>Settlement</b>	At the grant date, the Board shall stipulate whether the RSUs are paid in cash, shares, or a combination of both, in an amount equal to the Market Value of the notional shares represented by the RSUs in the holders' account.		
<b>D. Deferred Share Units</b>			
<b>DSU Terms</b>	A DSU is a notional security that entitles the recipient to receive cash or shares upon resignation from the Board (in the case of directors) or at the end of employment. The terms applicable to DSUs under the 2019 LTIP (including whether dividend equivalents will be credited to a participant's DSU account) are determined by the Board at the time of the grant.		

	Typically, DSUs have been granted (i) as a component of a director's annual retainer, or (ii) as a component of an officer's annual incentive grant. The deferral feature strengthens alignment with the long-term interests of shareholders.
<b>Credit to DSU Account</b>	As dividends are declared, additional DSUs may be credited to DSU holders in an amount equal to the greatest whole number which may be obtained by dividing (i) the value of such dividend or distribution on the record date established therefore by (ii) the Market Price of one share on such record date.
<b>Vesting</b>	DSUs are fully vested upon grant.
<b>Settlement</b>	DSUs may only be settled after the date on which the holder ceases to be a director, officer or employee of the Company. At the grant date, the Board shall stipulate whether the DSUs are paid in cash, shares, or a combination of both, in an amount equal to the Market Value of the notional shares represented by the DSUs in the holders' account.

**E. PSUs, RSUs and DSUs**

<b>Circumstances Involving Cessation of Entitlement to Participate</b>	<b>Reason for Termination</b>	<b>Treatment of Awards</b>
	Death	Outstanding Awards that were vested on or before the date of death shall be settled as of the date of death. Outstanding Awards that were not vested on or before the date of death shall vest and be settled as of the date of death, prorated to reflect (i) in the case of RSUs and DSUs, the actual period between the grant date and date of death, and (ii) in the case of PSUs, the actual period between the commencement of the performance cycle and the date of death, based on the participant's performance for the applicable performance period(s) up to the date of death. Subject to the foregoing, any remaining Awards shall in all respects terminate as of the date of death.
	Disability	In the case of RSUs and DSUs, outstanding Awards as of date of disability shall vest and be settled in accordance with their terms. In the case of PSUs, outstanding PSUs as of date of disability shall vest and be settled in accordance with their terms based on the participant's performance for the applicable performance period(s) up to the date of the disability. Subject to the foregoing, any remaining Awards shall in all respects terminate as of the date of disability.
	Retirement	Outstanding Awards that were vested on or before the date of retirement shall be settled as of the date of retirement. Outstanding Awards that would have vested on the next vesting date following the date of retirement shall be settled as of such vesting date. Subject to the foregoing, any remaining Awards shall in all respects terminate as of the date of retirement.
	Resignation	Outstanding Awards that were vested on or before the date of resignation shall be settled as of the date of resignation, after which time the Awards shall in all respects terminate.
	Termination without Cause / Constructive Dismissal (No Change in Control)	Outstanding Awards that were vested on or before the termination date shall be settled as of the termination date. Outstanding Awards that would have vested on the next vesting date following the termination date (in the case of PSUs, prorated to reflect the actual period between the commencement of the performance cycle and the termination date, based on the participant's performance for the applicable performance period(s) up to the termination date), shall be settled as of such vesting date. Subject to the foregoing, any remaining Awards shall in all respects terminate as of the termination date.
	Change in Control	Awards do not vest and become immediately exercisable upon a change in control, unless: <ul style="list-style-type: none"> <li>the successor fails to continue or assume the obligations under the 2019 LTIP or fails to provide for a substitute Award, or</li> <li>if the Award is continued, assumed or substituted, the participant is terminated without cause (or constructively dismissed) within two years following the change in control.</li> </ul>
	Termination with Cause	Outstanding Awards (whether vested or unvested) shall automatically terminate on the termination date and be forfeited.

Any Common Shares subject to an Award which for any reason expires without having been exercised or is forfeited or terminated shall again be available for future Awards under the 2019 LTIP and any Common Shares subject to an Award that is settled in cash and not Common Shares shall again be available for future Awards under the 2019 LTIP.

The above summary is subject to the full text of the 2019 LTIP which will be available for review at the Meeting.

As of August 26, 2019, the Company had 11,398,333 Options, no PSUs, no RSUs and 1,811,897 DSUs outstanding under the 2018 LTIP.

### ***Incentive Plan Resolution***

In accordance with Policy 4.4 of the TSXV, Shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution approving, adopting and ratifying the 2019 LTIP, the full text of which is set out in Appendix A (the “**Incentive Plan Resolution**”). To be effective, the Incentive Plan Resolution must be approved by a simple majority of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. The Board and Management recommend that the Shareholders vote FOR the Incentive Plan Resolution.

The Company believes that the 2019 LTIP complies with the policies of the TSXV as they exist at the date of this Circular.

**Unless the Shareholder has specifically instructed in the enclosed Proxy Form that the Common Shares represented by such proxy are to be voted against the Incentive Plan Resolution, the persons named in the accompanying proxy will vote FOR the Incentive Plan Resolution.**

The complete text of the Incentive Plan Resolution which Management intends to place before the Meeting for approval by the Shareholders at the Meeting is attached as Appendix A.

## **PART 3: ABOUT FIRST COBALT**

### **Corporate Governance Practices**

First Cobalt believes in the importance of a strong Board and sound corporate governance policies and practices to direct and manage its business affairs. Good corporate governance is essential to retaining the trust of the Shareholders, attracting the right people to the organization and maintaining the Company’s social license in the communities where it works and operates. First Cobalt also believes that good governance enhances its performance.

The Company’s governance framework is evolving as the Company continues to grow. First Cobalt’s governance policies also respect the rights of Shareholders and comply with the rules of the Canadian Securities Administrators (“**CSA**”) and the TSXV.

The Board has adopted Board and committee mandates as well as other policies and practices. Independent directors are expected to hold in-camera meetings at each quarter-end Board meeting. A copy of the Company’s Code of Business Conduct and Ethics (“**Code of Conduct**”), as well as Board and committee mandates, are posted on First Cobalt’s website at [www.firstcobalt.com](http://www.firstcobalt.com) and can be requested from the Company.

The Board has not adopted policies on mandatory retirement or overboarding, on the belief that age or number of board seats are not, in themselves, determinants of a director’s ability to make an effective contribution to the Company. Overboarding thresholds will be higher, for instance, for directors who are retired from active employment.

The following discussion outlines some of First Cobalt’s current corporate governance practices, particularly with respect to the matters addressed by National Policy 58-201 –

*Corporate Governance Guidelines* (the "**Canadian Guidelines**") and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), adopted by the CSA.

### **Code of Conduct**

First Cobalt is committed to adhering to high standards of corporate governance. The Company's Code of Conduct reflects its commitment to conduct its business in accordance with all applicable laws and regulations and the highest ethical standards. The Code of Conduct has been adopted by the Board and applies to every director, officer and employee of the Company. In addition, directors, officers and employees must also comply with corporate policies, including First Cobalt's Disclosure and Insider Trading Policy.

The Code of Conduct requires high standards of professional and ethical conduct in the Company's business dealings. First Cobalt's reputation for honesty and integrity is integral to the success of its business and no person associated with the Company will be permitted to achieve results through violations of laws or regulations or through unscrupulous dealings. First Cobalt's business activities are always expected to be conducted with honesty, integrity and accountability.

The Board of Directors monitors compliance with the Code of Conduct through its Audit Committee, which oversees the Company's anonymous whistleblower program. Any incidences of non-compliance would be reviewed by Management and reported to the Audit Committee or the Board.

Activities that may give rise to conflicts of interest are prohibited unless specifically approved by the Board or the Audit Committee. To ensure that directors exercise independent judgment, each director must disclose all actual or potential conflicts of interest or material interest and refrain from voting on matters in which such director has a conflict of interest. The director must also excuse himself or herself from any discussion on the matter.

### **Role of the Board of Directors**

The primary responsibility of the Board is to supervise the management of the business and affairs of the Company. In discharging its fiduciary duties, Board members are expected to use their experience and expertise to guide Management and ensure good governance practices are adhered to. The Board oversees the Company's systems of corporate governance and financial reporting and controls to ensure that the Company reports adequate and reliable financial and other information to Shareholders and engages in ethical and legal conduct.

The Company expects each member of its Board to act honestly and in good faith and to exercise business judgment that is in the best interests of the Company and its stakeholders. The Chairman does not have a second or casting vote in the case of equality of votes in any matter brought before the Board.

In addition to possessing the requisite skill and experience required to carry out their functions, directors must demonstrate a track record of honesty, integrity, ethical behaviour, fairness and responsibility and a commitment to representing the long-term interests of First Cobalt's stakeholders. They must also be able to devote the time required to discharge their duties and responsibilities effectively.

In addition to the foregoing, each director is expected to:

- Develop an understanding of First Cobalt's strategy, business environment, the market in which the Company operates and its financial position and performance;
- Be willing to share expertise and experience with Management and fellow directors, and to use a respectful, collegial approach in challenging the views of others;
- Diligently prepare for each Board and committee meeting by reviewing all of the meeting materials in advance of the meeting date;

- Actively and constructively participate in each meeting and seek clarification when necessary to fully understand the issues being considered;
- Leverage experience and wisdom in making sound strategic and operational business decisions; and
- Demonstrate business acumen and a mindset for risk oversight.

### ***Mandates***

A copy of the Board Mandate outlining the role and responsibilities of the Board is included as Schedule 1 to this Circular. In order to delineate their respective roles and responsibilities, written position descriptions for the Chairman of the Board and the CEO are being developed.

The responsibilities of the Chairman include providing overall leadership to enhance the effectiveness of the Board; assisting the Board, committees and the individual directors in effectively understanding and discharging their duties and responsibilities; overseeing all aspects of the Board and committee functions to ensure compliance with the Company's corporate governance practices; acting as an adviser and confidant to the CEO and other executive officers; and ensuring effective communications between the Board and Management. The Chairman is also required to coordinate and preside at all meetings of the Board and Shareholders.

The responsibilities of the CEO include (subject to the oversight of the Board) general supervision of the business of the Company; providing leadership and vision to the Company; developing and recommending significant corporate strategies and objectives for approval by the Board; developing and recommending annual operating budgets for approval by the Board; and working with the Board on talent development and succession planning. The CEO communicates regularly with the Board to ensure that directors are being provided with timely and relevant information necessary to discharge their duties and responsibilities.

### ***Risk Oversight***

The Board oversees an enterprise-wide approach to risk management designed to support the achievement of organizational objectives, including strategic objectives, to improve long-term organizational performance and enhance shareholder value. A fundamental part of risk management is not only understanding the risks a company faces and what steps Management is taking to manage those risks, but also understanding what level of risk is appropriate for the Company. The involvement of the full Board in setting the Company's business strategy is a key part of its assessment of the Board's appetite for risk and also a determination of what constitutes an appropriate level of risk for the Company.

### ***Board Effectiveness***

On an annual basis, directors review the Board's performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing in mind the particular credentials of the individual and the purpose of originally nominating the individual to the Board.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and scope of activities. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

### ***Director Orientation and Education***

At present, the Company does not provide a formal orientation program for new directors. New directors are briefed on the Company's current property holdings, ongoing exploration programs, overall strategic plans, short, medium and long term corporate objectives, financials status, general business risks and mitigation strategies, and existing Company

policies. This is considered to be appropriate, given the Company's size and current level of operations, the ongoing interaction amongst the directors and the low director turn-over. However, if the growth of the Company's operations warrants it, it is possible that a formal orientation process would be implemented.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies, particularly in the natural resource sector. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. The directors are advised that, if a director believes that it would be appropriate to attend any continuing education event for corporate directors, the Company will pay for the cost thereof. Board members have full access to the Company's records. Reference is made to the table under the heading "*Election of Directors*" for a description of the current principal occupations of the members of the Board.

### **Committees of the Board**

There are currently two standing committees of the Board: the Audit Committee and the Compensation, Governance, and Nominating Committee (the "**CGN Committee**").

#### ***Audit Committee***

The purpose of the Audit Committee is to assist the Board in its oversight of: the integrity of First Cobalt's financial reporting process and the quality, transparency and integrity of its financial statements and other related public disclosures; the Company's internal controls over financial reporting; compliance with legal and regulatory requirements relevant to First Cobalt's financial statements; the external auditors' qualifications and independence; and the performance of the internal audit function and the external auditors.

More particularly, the Committee oversees the Company's practices with respect to preparation and disclosure of financial related information, including through its oversight of the integrity of the quarterly and annual financial statements and management's discussion and analysis; compliance with accounting and finance-related legal requirements; the audit of the consolidated financial statements; the appointment and performance review of the independent auditors; the accounting and financial reporting practices and procedures including disclosure controls and procedures; the system of internal controls including internal controls over financial reporting and management of financial business risks that could materially affect First Cobalt.

A copy of the Audit Committee's mandate is included as Schedule 2 to this Circular.

All members of the Audit Committee are "financially literate" and "financial experts", within the meaning of applicable regulations. In considering criteria for determination of financial literacy, the Board assesses the ability to understand financial statements of the Company. In determining accounting or related financial expertise, the Board considers familiarity with accounting issues pertinent to the Company, past employment experience in finance or accounting, requisite professional certification in accounting, and any other comparable experience or background which results in the individuals' financial sophistication.

#### *Composition of the Audit Committee*

The Audit Committee is currently comprised of Messrs. John Pollesel (Chair), Garett Macdonald and Trent Mell. All of the members of the Audit Committee are financially literate and two of the three members are independent.

National Instrument 52-110 – *Audit Committees ("NI 52-110")* adopted by the CSA provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably

interfere with the exercise of the member's independent judgment. All members of the Audit Committee other than Mr. Trent Mell are "independent" within the meaning of NI 52-110.

#### *Relevant Education and Experience*

The following sets out the Audit Committee members' education and experience that is relevant to the performance of his responsibilities as an Audit Committee member.

#### **John Pollesel**

Mr. Pollesel has over 30 years of experience in the mining industry and has held senior management roles with several publicly listed companies. Mr. Pollesel holds an HBA and MBA from the University of Waterloo and Laurentian University, respectively. He is a FCPA and FCMA.

#### **Garett Macdonald**

Mr. Macdonald has over 20 years of experience in the resource sector and currently holds the role of Chief Executive Officer with Maritime Resources. He has held numerous senior management roles and is a director of two other publicly listed junior mining companies. Mr. Macdonald holds an MBA from Western University's Ivey Business School and a Bachelor of Engineering (Mining) from Laurentian University.

#### **Trent Mell**

Mr. Mell is the President and Chief Executive Officer of the Company. Mr. Mell has significant business and financial experience and has worked as CEO, in the C-suite or in other senior capacities with several other public resource companies, spanning from junior miners to global producers. Mr. Mell holds an MBA from Northwestern University and Schulich School of Business, a BA, BCL and LLB from McGill University and a LL.M. from Osgoode Hall.

#### *Audit Committee Oversight*

At no time since the commencement of the Company's most recent completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

#### *Reliance on Certain Exemptions*

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

#### *Pre-Approval Policies and Procedures*

See Schedule 2 – Audit Committee Mandate for specific policies and procedures for the engagement of non-audit services.

### External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last three fiscal years for audit fees are as follows:

<b>Fees in Canadian dollars</b>	<b>December 31, 2018<sup>(4)</sup></b>	<b>December 31, 2017<sup>(4)</sup></b>	<b>March 31, 2017<sup>(4)</sup></b>
Audit fees <sup>(1)</sup>	\$66,750	\$92,052	\$28,890
Audit-related fees <sup>(2)</sup>	\$Nil	\$Nil	\$Nil
Tax fees <sup>(3)</sup>	\$Nil	\$560	\$1,074
All other fees	\$3,954	\$12,675	\$Nil
<b>Total</b>	<b>\$70,704</b>	<b>\$105,287</b>	<b>\$29,964</b>

#### Notes:

- <sup>(1)</sup> The aggregate fees billed for audit services, including fees relating to the review of quarterly financial statements, statutory audits of the Company's subsidiaries.
- <sup>(2)</sup> The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit Fees" row.
- <sup>(3)</sup> The aggregate fees billed for tax compliance, tax advice and tax planning services.
- <sup>(4)</sup> For the fiscal years ended March 31, 2017, December 31, 2017, and December 31, 2018, none of the Company's audit-related fees, tax fees or all other fees described in the table above made use of the de minimis exception to pre-approval provisions contained in Section 2.4 of NI 52-110.

### CGN Committee

The CGN Committee has been created to assist the Board in fulfilling its responsibility for developing and recommending corporate governance principles applicable to the Company and overseeing qualified individuals in board and management positions. The GCN Committee also makes recommendations to the Board concerning executive compensation matters. The CGN Committee is responsible for the review and assessment of the compensation arrangements for the Company's NEOs (as defined below). The Board (exclusive of the CEO, who is also a member of the Board) approves executive compensation. The CGN Committee rely on their experience and background in the mining and finance sectors, both as senior executives and as members of the boards of directors of other public companies and work with the Management to make executive compensation decisions in the best interests of the Company. In assessing individual executive compensation, the CGN Committee, with input from Management, consider the compensation of the individual's peers in comparable industries, the individual's experience, performance and historical compensation and the overall performance of the Company.

#### Composition of the CGN Committee

The CGN Committee is currently comprised of Messrs. Trent Mell and John Pollesel (Chair).

## PART 4: EXECUTIVE COMPENSATION

### Report of the Compensation, Governance, and Nominating Committee

The Company is pleased to give you important background information and context to the executive compensation discussion and analysis that follows and the decisions made about executive compensation for the financial year ended December 31, 2018. The Company's executive compensation philosophy is based on pay for performance and prudent risk management to motivate the senior leadership to execute corporate strategy in a manner that delivers strong results for Shareholders.

#### Our Approach to Compensation

The current compensation plan adopts a balanced approach between shorter-term results and longer-term strategic objectives and is designed with the following considerations in mind:

- Linking compensation to the Company's performance;

- Emphasizing variable compensation that is contingent upon achievement of key business objectives;
- Compensating executives at a level and in a manner that ensures First Cobalt is capable of attracting, motivating and retaining superior talent; and
- Aligning the interests of executive officers with the short- and long-term interests of Shareholders.

To strengthen the alignment between pay and performance, a percentage of the senior executive officers' compensation is variable in nature, in the form of cash bonuses and stock options, RSUs, PSUs and DSUs pursuant to the Amended and Restated LTIP. The Amended and Restated LTIP provides the Company flexibility in the design of executive compensation programs, including vesting criterion contingent on future performance.

### **Compensation Discussion and Analysis**

The compensation discussion and analysis describes First Cobalt's compensation policies and practices for its Chief Executive Officer, Chief Financial Officer and its two other most highly compensated executive officers. These individuals are referred to in this compensation discussion and analysis as the "Named Executive Officers" ("**NEOs**").

The CGN Committee considers the implications of the risks associated with the Company's compensation policies and practices and reports such implications to the Board. The Board strives to ensure that the members of the CGN Committee have the skills and experience required to make decisions on whether the Company's compensation policies and practices are consistent with its risk profile. The CGN Committee believes that the executive compensation structure addresses potential risks by tying a portion of overall compensation to the achievement of certain milestones, including: (i) criteria relating to annual performance, in the case of bonus payments and (ii) vesting periods for Options or other Awards. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

The Company's NEOs and directors are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. For greater certainty, but without limiting the generality of the foregoing, such financial instruments include prepaid variable forward contracts, equity swaps, collars, or units of exchange funds.

#### ***Named Executive Officers***

During the financial year ended December 31, 2018, First Cobalt's NEOs were Trent Mell, the President and Chief Executive Officer of the Company, Kevin Ma, the former Chief Financial Officer of the Company, Ryan Snyder, the current Chief Financial Officer of the Company, Frank Santaguida, the Vice-President Exploration of the Company, and Peter Campbell, the Vice-President Business Development of the Company.

#### ***Objectives of the Executive Compensation Program***

The Company's executive compensation practices underpin a number of objectives:

- Attract, motivate and retain highly qualified and experienced executives;
- Recognize and reward contributions to the success of the Company as measured by the accomplishment of performance objectives;
- Ensure that a significant proportion of compensation is directly linked to the success of the Company while not encouraging excessive or inappropriate risk-taking;
- Promote adherence to the high standards and values reflected in the Company's Code of Conduct and Sustainability Charter;
- Ensure retention by setting total direct compensation targets at a level that is competitive with the markets in which the Company competes; and

- Protect long-term Shareholder interests by ensuring NEOs and other senior executives' interests are aligned with those of Shareholders.

Fundamentally, the Company's compensation practices are intended to promote value-creation actions for the benefit of Shareholders, and to reward individual and team efforts for meeting short-term and long-term objectives.

### **Executive Compensation Strategy**

NEOs cannot control a number of significant factors that impact financial results, including commodity prices, foreign exchange rates, and regulatory uncertainty. Compensation program design thus considers factors over which the executive officers can exercise control, such as meeting budget targets established by the Board at the beginning of each year, controlling costs, mitigating risks, taking successful advantage of business opportunities and enhancing the competitive and business prospects of the Company.

### **Elements of Compensation**

Compensation is comprised of three main components: base salary, annual bonus, and stock options and other long-term incentives.

- a) *Base Salary* – The primary element of the Company's compensation program is base salary. The Company's view is that a competitive base salary is a necessary element for retaining qualified executive officers. The amount payable to an executive officer as base salary is determined primarily by the number of years' experience, personal performance, and by comparisons to the base salaries and total compensation paid to executives of comparable publicly-traded companies within the Canadian mineral exploration sector, specifically those focused on developing battery minerals. For the 2018 calendar year, which includes the most recently completed financial year, the general criteria applied in selecting the comparator group were as follows:
- Industry/Sub-industries: Mining – Cobalt, Lithium, Nickel
  - Stage of Development: Exploration and Development

Based on those criteria, the following group of companies in 2018 was determined to be an appropriate comparator group:

<b>Company Name</b>	<b>Market Cap (\$)</b>	<b>Stage</b>
Clean TeQ Holdings Limited	\$271,112,260	Developing
eCobalt Solutions Inc.	\$88,026,062	Developing
Fortune Minerals	\$25,500,242	Exploration
Millennial Lithium Corp.	\$86,714,670	Exploration/Developing
Sigma Lithium Resources Corp.	\$130,586,627	Exploration/Developing
Neo Lithium Corp.	\$72,850,794	Exploration/Developing
Jervois Mining Limited	\$43,254,972	Exploration
Noront Resources	\$81,351,004	Exploration/Developing

Based on a review of the peer group noted, the base salaries and total compensation paid to CEO of the Company were below the average range of the peer group and other NEOs were found to generally align with the median range of the peer group. Compensation amounts were thus deemed reasonable.

- b) *Annual Bonus* - Along with the establishment of competitive base salaries and long-term incentives, one of the objectives of the executive compensation strategy is to encourage and recognize strong levels of performance by linking achievement of corporate and individual goals and objectives with variable cash compensation in the form of an annual bonus. Bonuses awarded to executive officers during the most recently completed financial year have been determined by the Board upon the recommendation of the CGN Committee on a fully qualitative basis by reference to the success of the Company and each executive officer's contribution in the year.

Management's core objectives for 2018 were to:

- Continue to grow the Company through successful corporate development and exploration activities
- Deliver a maiden NI 43-101 compliant resource estimate for one of the Company's properties
- Pursue options to re-start the First Cobalt Refinery
- Outperform the Company's peer group

In Q1 2018, the Company announced a friendly all-share deal to acquire US Cobalt and its wholly-owned Iron Creek Project in the Idaho Cobalt Belt. In Q3, management issued a maiden resource estimate for Iron Creek, making the asset the Company's flagship mineral property. Throughout the year, a number of engineering, metallurgical and permitting studies and reviews were completed on the First Cobalt Refinery, culminating in an agreement in principle with Glencore to enter into a long term strategic relationship to potentially recommission and expand the refinery to supply cobalt to the electric vehicle industry.

Given the foregoing accomplishments, the Board concluded that management achieved the first three objectives. Prior to the pressure on the cobalt market witnessed in the second half of the year, the Board agreed to award certain NEOs a cash bonus if two significant achievements were completed: an acquisition and a 43-101 compliant resource estimate. As these milestones were achieved, these bonuses were paid out. The Chairman also received a cash bonus for his role in the US Cobalt acquisition.

In the second half of 2018, market conditions for cobalt deteriorated, with a significant decrease in the spot cobalt price and uncertainty in the capital markets. All cobalt industry peer had significant decreases in market capitalization, with the Company not being an exception. As the Company did not outperform its peer group and in light of the difficult market conditions, the Board concluded that no annual performance bonuses should be paid for the 2018 year, nor would salaries and long term incentive grants be reviewed. Therefore, the only cash bonuses paid to Management occurred during the year upon completion of the US Cobalt transaction and the completion of the Iron Creek resource estimate.

- c) *Stock Options and other long-term incentives* - The award of Options is intended to give each Option holder an interest in preserving and maximizing shareholder value in the longer term. In addition, the grant of Awards generally is intended to align the interests of executive officers with those of shareholders and to enable the Company to attract and retain individuals with experience and ability. Award grants are considered when reviewing executive officer compensation packages as a whole. Options generally have a five-year term, are subject to vesting provisions of up to two years and carry an exercise price equal to the fair value of the Common Shares as at the granting date. DSUs generally vest immediately upon grant but may not be exercised until the director ceases to serve on the Board. PSUs generally vest in two tranches over a 12-month period contingent on achieving strategic corporate objectives. No PSUs or RSUs are currently outstanding. There are 1,811,897 DSUs outstanding as of the date of this report. The periodic award of Awards under the Amended and Restated LTIP is determined by the Board based on the recommendations of the CGN Committee, is discretionary and takes into account previous Option awards as well as typical market practices of the comparator group of companies.

## Summary Compensation

The following table sets out, for the three most recently completed financial years, the compensation paid to or earned by each of the Named Executive Officers.

### Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Share-Based Awards <sup>(9)</sup> (\$)	Option-Based Awards <sup>(1)(10)</sup> (\$)	Non-Equity Incentive Plan Compensation			Total Compensation (\$)
					Annual Incentive Plan <sup>(11)</sup> (\$)	Long-Term Incentive Plan (\$)	All Other Compensation (\$)	
Trent Mell <sup>(2)</sup> CEO	2018	278,846	59,510	366,700	250,000	-	-	955,056
	2017 <sup>(6)</sup>	-	95,985	68,027	195,000	-	195,000 <sup>(8)</sup>	554,012
	2017 <sup>(7)</sup>	-	-	540,000	-	-	17,473 <sup>(8)</sup>	557,473
Ryan Snyder <sup>(3)</sup> CFO	2018	35,385	-	44,448	-	-	-	79,833
	2017 <sup>(6)</sup>	-	-	-	-	-	-	-
	2017 <sup>(7)</sup>	-	-	-	-	-	-	-
Frank Santaguida <sup>(4)</sup> VP Exploration	2018	192,308	51,594	195,566	100,000	-	-	539,468
	2017 <sup>(6)</sup>	140,323	-	212,105	94,500	-	-	446,928
	2017 <sup>(7)</sup>	-	-	-	-	-	-	-
Peter Campbell <sup>(5)</sup> VP Business Development	2018	192,308	51,594	195,566	100,000	-	-	539,468
	2017 <sup>(6)</sup>	140,323	-	212,105	94,500	-	-	446,928
	2017 <sup>(7)</sup>	-	-	-	-	-	-	-
Kevin Ma <sup>(12)</sup> Former CFO and Secretary	2018	155,000	-	-	50,000	-	-	205,000
	2017 <sup>(6)</sup>	56,700	-	8,312	45,000	-	-	110,012
	2017 <sup>(7)</sup>	17,325	-	57,000	-	-	-	74,325

#### Notes:

- (1) Fair value of incentive stock option grants calculated using the Black-Scholes model.
- (2) Trent Mell was appointed as CEO of the Company on March 2, 2017.
- (3) Ryan Snyder was appointed as CFO of the Company on October 22, 2018.
- (4) Frank Santaguida was appointed as Vice-President, Exploration of the Company on March 27, 2017.
- (5) Peter Campbell was appointed as Vice-President, Business Development of the Company on March 29, 2017.
- (6) For the nine-month transition financial year ended December 31, 2017.
- (7) For the financial year ended March 31, 2017.
- (8) Upon appointment as CEO of the Company, Trent Mell obtained Common Shares issued at \$0.50 per share rather than a base salary for the 2017 calendar year. This represents a value of \$17,473 and \$195,000 for the financial years ended March 31, 2017 and December 31, 2017, respectively.
- (9) During 2017, Trent Mell, Frank Santaguida and Peter Campbell, were granted 194,894, 104,760, and 104,760 PSUs, respectively, under the Amended and Restated LTIP. These PSUs were determined to vest in two tranches over a 12-month period contingent on achieving strategic corporate objectives. Further, these PSUs were determined to be settled in Common Shares, in an amount equal to the market value of the notional shares represented by the PSUs in the holders' account. Subsequent to December 31, 2017, these PSUs were cancelled at the request of the ASX and were re-granted in 2018. As the re-grant was administrative in nature and the awards related to 2017 performance, the values have been included in 2017 and reflect the fair value of these PSUs on their ultimate final grant date. Trent Mell was also granted an additional 120,833 PSUs in 2018 with vesting tied to achieving corporate objectives.

<sup>(10)</sup> This column includes the grant date fair value of all Options granted by the Company to the Named Executive Officers during the indicated year. All grant date fair values equal the accounting fair values determined for financial reporting purposes in accordance with IFRS 2 Share-based Payment and were estimated using the Black-Scholes option pricing model. The Black-Scholes options pricing model has been used to determine grant date fair value due to its wide acceptance across industry as an option valuation model, and because it is the same model the Company uses to value options for financial reporting purposes. The 2017 details include the fair value of options originally granted in 2017, then cancelled at the request of the ASX for administrative purposes and re-granted in 2018. These options related to 2017 performance.

<sup>(11)</sup> Management bonuses were paid on the basis of achieving certain corporate objectives for the year. See "Elements of Compensation - Annual Bonus" above.

<sup>(12)</sup> Kevin Ma was CFO of the company until October 21, 2018 and continued to provide services through the end of the year.

### **Current Senior Leadership Team**

#### *Trent Mell – Chief Executive Officer*

On February 15, 2017, Trent Mell entered into an employment agreement with the Company (the "**Mell Agreement**"), and was subsequently appointed as President and Chief Executive Officer of the Company on March 2, 2017. Mr. Mell was paid an annual base salary of \$290,000. He took a voluntary reduction to \$275,500 in July 2019 as the cobalt market dropped to align his compensation with shareholders. He has a target bonus of 50% of base salary and a maximum bonus potential of 100% of base salary, contingent upon achieving corporate objectives to be agreed upon with the Board. During 2018, Mr. Mell was granted 120,833 PSUs with vesting tied to achieving certain objectives, 773,333 stock options with a strike price of \$0.49 and 700,000 stock options with a strike price of \$0.36. The stock options have a 5-year term and vest evenly over three years from the date of grant.

#### *Ryan Snyder – Chief Financial Officer*

On October 22, 2018, Ryan Snyder entered into an employment agreement with the Company (the "**Snyder Agreement**"), and was subsequently appointed as Chief Financial Officer of the Company. Mr. Snyder is paid an annual base salary of \$230,000. He has a target bonus of 35% of base salary and a maximum bonus potential of 70% of base salary, contingent upon achieving corporate objectives to be agreed upon with the Board. Upon joining the Company as Chief Financial Officer, Mr. Snyder was granted a total of 400,000 stock options with a strike price of \$0.27. These Options have a 5-year term and vest evenly over three years from the date of the grant.

#### *Frank Santaguida – Vice-President, Exploration*

On March 27, 2017, Frank Santaguida entered into an employment agreement with the Company (the "**Santaguida Agreement**"), and was subsequently appointed as Vice-President, Exploration of the Company. Mr. Santaguida is paid an annual base salary of \$200,000. He has a target bonus of 35% of base salary and a maximum bonus potential of 70% of base salary, contingent upon achieving corporate objectives to be agreed upon with the Board. During 2018, Mr. Santaguida was granted 600,000 stock options with a strike price of \$0.49 and 200,000 stock options with a strike price of \$0.36. The stock options have a 5-year term and vest evenly over three years from the date of grant.

#### *Peter Campbell – Vice-President, Business Development*

On March 29, 2017, Peter Campbell entered into an employment agreement with the Company (the "**Campbell Agreement**"), and was subsequently appointed as Vice-President, Business Development of the Company. Mr. Campbell is paid an annual base salary of \$200,000. He has a target bonus of 35% of base salary and a maximum bonus potential of 70% of base salary, contingent upon achieving corporate objectives to be agreed upon with the Board. During 2018, Mr. Campbell was granted 600,000 stock options with a strike price of \$0.49 and 200,000 stock options with a strike price of \$0.36. The new 2018 stock options have a 5-year term and vest evenly over three years from the date of grant.

## Incentive Plan Awards

### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth all share-based and option-based awards outstanding for the Named Executive Officers as of December 31, 2018:

Name	Option-Based Awards			Share-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Exercise Price (\$)	Expiry Date	Value of Unexercised in-the-money Options <sup>(1)</sup> (\$)	Number of Share-Based Awards – Unvested (#)	Market Value of Share-Based Awards – Unvested (\$)	Market Value of Share-Based Awards – Vested (\$)
Trent Mell <sup>(2)</sup>	1,500,000	0.66	Mar. 2, 2022	-	-	-	-
	613,839	1.43	Jun. 26, 2023	-	-	-	-
	773,333	0.49	Jun. 26, 2023	-	-	-	-
	700,000	0.36	Sep. 27, 2023	-	-	-	-
Ryan Snyder	400,000	0.27	Oct. 24, 2023	-	-	-	-
Frank Santaguida <sup>(2)</sup>	500,000	0.69	May 31, 2022	-	-	-	-
	334,821	1.43	Jun. 26, 2023	-	-	-	-
	600,000	0.49	Jun. 26, 2023	-	-	-	-
	200,000	0.36	Sep. 27, 2023	-	-	-	-
Peter Campbell <sup>(2)</sup>	500,000	0.69	May 31, 2022	-	-	-	-
	334,821	1.43	Jun. 26, 2023	-	-	-	-
	600,000	0.49	Jun. 26, 2023	-	-	-	-
	200,000	0.36	Sep. 27, 2023	-	-	-	-
Kevin Ma <sup>(3)</sup>	300,000	0.38	Dec. 22, 2021	-	-	-	-
	75,000	1.43	Jun. 26, 2023	-	-	-	-

#### Notes:

- (1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price of \$0.17 for the Common Shares on the TSXV on December 31, 2018 and the exercise price of the options, multiplied by the number of unexercised options.
- (2) In 2019, Trent Mell, Frank Santaguida, and Peter Campbell voluntarily cancelled their Options relating to the \$1.43 exercise price.
- (3) Kevin Ma was CFO of the company until October 21, 2018 and continued to provide services through to December 31, 2018. Subsequently, all options held by Mr. Ma expired.

### ***Value Vested or Earned During the Year***

The following table sets forth the value of all incentive plan awards vested or earned for each Named Executive Officer during the financial year ended December 31, 2018:

<b>Name</b>	<b>Option Based Awards – Value Vested During the Year<sup>(1)</sup></b>	<b>Share Based Awards – Value Vested During the Year</b>	<b>Non-Equity Incentive Plan Compensation – Value Earned During the Year</b>
Trent Mell	-	131,475	-
Ryan Snyder	-	-	-
Frank Santaguida	-	49,237	-
Peter Campbell	-	49,237	-
Kevin Ma	-	-	-

**Notes:**

- (1) The “value vested during the year” is calculated based on the positive difference between the closing price for the Common Shares on the TSXV as of the date of vesting and the exercise price of the options, multiplied by the number of vested options. All options granted to the NEOs vested on the date of grant and the exercise price of such options was equal to the closing price of the Company’s shares as of the date of grant.
- (2) The “Share Based Awards” encompass the PSUs that vested during 2018. The value reflects the value of the Common Shares issued to each individual on the PSU vesting date.

### ***Pension Benefits***

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

### ***Termination and Change of Control Benefits***

In accordance with the terms of the Mell Agreement, the Snyder Agreement, the Santaguida Agreement and the Campbell Agreement, the Company may terminate each executive at any time without further obligation by providing notice based on the length of employment of each executive. In the case of the Mell Agreement, Mr. Mell would be entitled to receive a payment equivalent to 24 months’ salary and bonus in the event the agreement is terminated. In the case of the Snyder Agreement, the Santaguida Agreement and the Campbell Agreement, Messrs. Snyder, Santaguida and Campbell would each be entitled to receive a payment equivalent to 12 months’ salary and bonus in the event their respective agreements are terminated. The Company has also entered into change of control agreements with each of Messrs. Mell, Snyder, Santaguida and Campbell pursuant to which they would each be entitled to payments equivalent to the above in the event they are terminated within 12 months of a change of control event.

## Securities Authorized For Issuance Under Equity Compensation Plans

The following table provides information regarding the number of Common Shares to be issued upon the exercise of outstanding options and the weighted-average exercise price of the outstanding options in connection with the Amended and Restated LTIP as at December 31, 2018:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, PSUs, RSUs and DSUs	Weighted-average exercise price of outstanding options, PSUs, RSUs and DSUs	Number of Common Shares remaining available for future issuance under equity compensation plans <sup>(1)</sup>
Equity compensation plans approved by security holders	15,825,616	\$0.57	18,106,567
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	<b>15,825,616</b>	<b>\$0.57</b>	<b>18,106,567</b>

### Notes:

- <sup>(1)</sup> The aggregate number of Common Shares to be reserved and set aside for issue upon the exercise or redemption and settlement for all awards granted under the Amended and Restated LTIP, together with all other established security-based compensation arrangements of the Company, shall not exceed 10% of the issued and outstanding Common Shares at the time of granting the Award (on a non-diluted basis). As at December 31, 2018, there were 339,321,827 issued and outstanding Common Shares.

## Other Compensation Matters

### *Proportion of Common Shares Held by Directors and Executive Officers*

Collectively, as of the date hereof, the directors and executive officers of the Company, as a group, own directly or indirectly, 3,697,289 Common Shares representing approximately 1.0% of the issued and outstanding Common Shares.

## PART 5: DIRECTOR COMPENSATION

The following table discloses the particulars of the compensation provided to the non-executive directors of the Company for the financial year ended December 31, 2018:

### Non-Executive Director Compensation (Financial Year Ended December 31, 2018)

Name	Annual Fees – Cash (\$)	Share-Based Awards <sup>(3)</sup> (\$)	Option-Based Awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Jason Bontempo <sup>(2)</sup>	10,000	41,863	-	-	-	-	51,863
Robert Cross <sup>(2)</sup>	10,000	41,863	-	-	-	-	51,863
Ross Phillips <sup>(3)</sup>	10,000	41,863	-	-	-	-	51,863
Paul Matysek <sup>(2)</sup>	67,700	74,863	-	250,000	-	-	392,563
John Pollesel <sup>(4)</sup>	20,000	61,663	-	-	-	-	81,663
Jeffrey Swinoga <sup>(5)</sup>	26,000	61,663	-	-	-	-	87,663
Garett Macdonald <sup>(6)</sup>	11,667	103,525	-	-	-	-	115,192
Henrik Fisker <sup>(7)</sup>	25,000	19,800	287,819	-	-	-	332,619

### Notes:

- <sup>(1)</sup> Fair value of incentive stock option grants calculated using the Black-Scholes model.  
<sup>(2)</sup> Jason Bontempo, Robert Cross and Paul Matysek were appointed as directors of the Company on December 1, 2017. Mr. Bontempo and Mr. Cross resigned as directors of the Company on June 4, 2018. During 2018, Mr.

Bontempo and Mr. Cross were each granted 85,000 RSUs and Mr. Matysek was granted a total of 185,000 DSUs.

- (3) Ross Phillips was appointed as a director of the Company on February 10, 2017 and resigned as a director of the Company on June 4, 2018. During 2018, he was granted 85,000 RSUs
- (4) John Pollesel was appointed as a director of the Company on May 17, 2017 and was granted 145,000 DSUs in 2018.
- (5) Jeffrey Swinoga was appointed as a director of the Company on May 10, 2017 and was granted 145,000 DSUs in 2018. Mr. Swinoga resigned as a director of the Company on January 16, 2019.
- (6) Garrett Macdonald was appointed as a director of the Company on June 4, 2018 and was granted 230,000 DSUs during 2018.
- (7) Henrik Fisker was appointed as a director of the Company on September 27, 2018 and was granted 60,000 DSUs and 1,000,000 stock options with a strike price of \$0.36 on September 27, 2018.
- (8) Directors were granted DSUs and PSUs in 2017 that were required to be cancelled and re-issued in 2018 for ASX administrative purposes. As these grants related to 2017 performance and were originally granted during 2017, their values have been reflected throughout this document in the 2017 year and not 2018.

### ***Narrative Discussion***

The Company recognizes the contribution that its directors make to the Company and seeks to compensate them accordingly. Compensation of directors of the Company is reviewed annually and determined by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the Company's financial resources.

In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. Directors are entitled to participate in security-based compensation arrangements or other plans adopted by the Company from time to time with the approval of the Board.

### ***Incentive Plan Awards***

#### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth all awards outstanding for each of the non-executive directors of the Company as of December 31, 2018:

Name	Option-Based Awards			Share-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Exercise Price (\$)	Expiry Date	Value of Unexercised in-the-money Options <sup>(1)</sup> (\$)	Number of Share-Based Awards – Unvested (#)	Market Value of Share-Based Awards – Unvested (\$)	Market Value of Share-Based Awards – Vested (\$)
Jason Bontempo	-	-	-	-	-	-	-
Robert Cross	-	-	-	-	-	-	-
Ross Phillips	-	-	-	-	-	-	-
Paul Matysek	-	-	-	-	-	-	-
John Pollesel	200,000	0.69	Jun. 1, 2022	-	-	-	-
Jeffrey Swinoga <sup>(2)</sup>	200,000	0.69	Jun. 1, 2022	-	-	-	-
Garrett Macdonald	450,000	0.52	Jan. 31, 2023	-	-	-	-
Henrik Fisker	1,000,000	0.36	Sep. 27, 2025	-	-	-	-

#### **Notes:**

- (1) The "value of unexercised in-the-money options" is calculated based on the difference between the closing price of \$0.17 for the Common Shares on the TSXV on December 31, 2018 and the exercise price of the options, multiplied by the number of unexercised options.
- (2) Jeffrey Swinoga resigned as a Director in January 2019 and his options have now expired.

### *Incentive Plan Awards - Value Vested or Earned During the Year*

The following table sets forth the value of all incentive plan awards vested or earned by each non-executive director of the Company during the financial years ended December 31, 2018:

<b>Name</b>	<b>Option Based Awards – Value Vested During the Year<sup>(1)</sup></b>	<b>Share Based Awards – Value Vested During the Year</b>	<b>Non-Equity Incentive Plan Compensation – Value Earned During the Year</b>
Jason Bontempo	-	102,631	-
Robert Cross	-	102,631	-
Ross Phillips	-	102,631	-
Paul Matysek	-	248,486	250,000
John Pollesel	-	148,474	-
Jeffrey Swinoga	-	148,474	-
Garett Macdonald	-	103,525	-
Henrik Fisker	-	19,800	-

**Notes:**

<sup>(1)</sup> The “value vested during the year” is calculated based on the positive difference between the closing price for the Common Shares on the TSXV as of the date of vesting and the exercise price of the options, multiplied by the number of vested options.

## **PART 6: OTHER INFORMATION**

### **Indebtedness of Directors and Executive Officers**

As of August 26, 2019, no director, officer or employee of the Company or any of their respective associates, has been indebted, or is presently indebted, to the Company or any of its subsidiaries.

### **Interest of Certain Persons or Companies in Matters to be Acted Upon**

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as may be set out herein.

### **Interest of Informed Persons in Material Transactions**

To the knowledge of Management of the Company, no director or executive officer of the Company, no person who beneficially owns, controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares (each of the foregoing being an “**Informed Person**”), no director or executive officer of an entity that is itself an Informed Person or a subsidiary of the Company, no proposed director of the Company, and no associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction since the beginning of the Company’s last completed financial year or in any proposed transaction which, in either case, has materially affected or would materially affect the Company or any of its subsidiaries.

## **Management Contracts**

Other than as disclosed elsewhere in this Circular, the management functions of the Company and its subsidiaries are not performed to any substantial degree by any person or company other than the directors and executive officers of the Company or its subsidiaries.

## **Other Matters**

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

## **Shareholder Proposals**

A Shareholder intending to submit a proposal at the Company's next annual meeting of Shareholders must comply with the applicable provisions of the CBCA. The Company will include a Shareholder proposal in the management proxy circular prepared for such annual meeting of Shareholders provided such proposal and declarations as required by the CBCA are received by the Company at its registered office at least 3 months before the anniversary of the previous year's annual reference date and provided such proposal is required by the CBCA to be included in the Company's management proxy circular.

Shareholders should carefully review the provisions of the CBCA relating to a Shareholder proposal and consult with a legal advisor.

## **Additional Information**

Additional information regarding the Company and its business activities is available on the SEDAR website located at [www.sedar.com](http://www.sedar.com) under "Company Profiles – First Cobalt Corp.". The Company's financial information is provided in its audited financial statements and MD&A for the year ended December 31, 2018, which are available for review under the Company's profile on SEDAR. Shareholders may contact the Company to request copies of the financial statements and MD&A by: (i) mail to Suite 201, 140 Yonge Street, Toronto, Ontario, M5C 1X6; or (ii) e-mail to [info@firstcobalt.com](mailto:info@firstcobalt.com).

## **Approval of Directors**

The contents and the sending of this Circular to Shareholders entitled to receive notice of the Meeting, to each director and to the external auditor of the Company have been approved by the Board.

DATED at Toronto, Ontario, the 26th day of August, 2019.

By Order of the Board of Directors,

*"Paul Matysek"*

Paul Matysek  
Chairman of the Board

**APPENDIX A:  
INCENTIVE PLAN RESOLUTION**

**Resolution 4:**

**BE IT RESOLVED, as an ordinary resolution that:**

- (a) the 2019 long-term incentive plan (the “**2019 Incentive Plan**”) of First Cobalt Corp. (the “**Company**”) as described in the Company’s Management Proxy Circular for the Annual General and Special Meeting of the Company on September 25, 2019, is hereby ratified, confirmed and approved;
- (b) the form of the Incentive Plan may be amended in order to satisfy the requirements or requests of any regulatory authority or stock exchange without requiring further approval of the shareholders of the Company;
- (c) the Company be and is authorized to grant stock options (“**Options**”), restricted share units (“**RSUs**”), performance share units (“**PSUs**”) and deferred share units (“**DSUs**”) pursuant and subject to the terms and conditions of the Incentive Plan and the Company be and is authorized to issue and allot common shares (“**Common Shares**”) of the Company on exercise, redemption or settlement of those stock options or share units; and
- (d) any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

## **SCHEDULE 1: BOARD MANDATE**

The Board of Directors of First Cobalt Corp. (the “**Company**”) is responsible for the stewardship of the business and affairs of the Company. The Board seeks to discharge this responsibility by reviewing, discussing and approving the Company’s strategic plans, annual budgets and significant decisions and transactions as well as by overseeing the senior officers of the Company in their management of its day-to-day business and affairs. The Board’s primary role is to oversee corporate performance and assure itself of the quality, integrity, depth and continuity of management so that the Company is able to successfully execute its strategic plans and complete its corporate objectives.

It is the Board’s expectation that it will, as part of its oversight function, annually visit at least one of the mining operations in which the Company holds an interest and meet with its management and employees.

The Board delegates to the senior officers the responsibility for managing the day-to-day business of the Company. The Board discharges its responsibilities to oversee management directly and through the Audit Committee, the Nominating & Corporate Governance Committee, the Compensation Committee and the Sustainability Committee. In addition to these standing committees, the Board may appoint ad hoc committees periodically to address issues of a more short-term nature. At all times, the Board will retain its oversight function and ultimate responsibility for matters that the Board may delegate to Board committees.

To fulfill its responsibilities and duties, the Board among other things shall be responsible for the following:

### **OVERSIGHT OF MANAGEMENT**

- Approving the appointment of the Chief Executive Officer and the other officers of the Company. The Board, through the Compensation Committee, is also responsible for approving the annual compensation of the Chief Executive Officer and the other officers of the Company.
- Through the Compensation Committee, ensuring that management succession planning programs are in place, including programs to recruit management with the highest standards of integrity and competence and train, develop and retain them.
- Through the Compensation Committee, establishing and updating the Company’s executive compensation policy and ensuring that such policy aligns management’s interests with those of the shareholders.
- Reviewing and approving transactions that are in excess of specified limits set out in the Company’s Authorization Policy.
- Developing and approving position descriptions for each of the Chairman of the Board and the CEO, and measuring the performance of those acting in such capacities against such position descriptions.
- Promoting a culture of integrity throughout the Company consistent with the *Code of Conduct*, taking appropriate steps, to the extent feasible, to satisfy itself as to the integrity of the CEO and other executive officers of the Company, and that the CEO and other executive officers create a culture of integrity throughout the Company.

### **BUSINESS STRATEGY**

- Adopting a strategic planning process pursuant to which management develops and proposes, and the Board reviews and approves, significant corporate strategies and objectives, taking into account the opportunities and risks of the business. This will include the review and approval of management’s proposed annual budget and operational plan, and the monitoring of the Company’s performance against both strategic objectives and the annual budget.
- Reviewing and approving the Company’s annual and short-term corporate objectives developed by management.
- Reviewing and approving all major acquisitions, dispositions and investments and all significant financings and other significant matters outside the ordinary course of the Company’s business.
- Providing input to management on emerging trends and issues that may affect the business of the Company, its strategic plan or its annual budget.

## **FINANCIAL AND RISK MATTERS**

- Reviewing and approving the Company's annual budget presented by management.
- Reviewing and approving the Company's annual audited financial statements and unaudited interim financial statements and the notes for each, as well as the annual and interim Management's Discussion and Analysis, the Annual Information Form, Management Proxy Circular, and other public offering documents.
- Overseeing, directly and through the Audit Committee, the processes implemented to ensure that the financial performance and results of the Company are reported fairly, accurately and in a timely manner in accordance with generally accepted accounting standards and in compliance with legal and regulatory requirements.
- Overseeing, directly and through the Audit Committee, the process implemented to ensure integrity of the Company's internal control and management information systems.
- Overseeing the processes by which the principal risks of the Company are identified, assessed and managed and ensuring that appropriate risk management systems are implemented and maintained with a view to achieving a proper balance between risks incurred and the creation of long-term sustainable value to shareholders.
- Overseeing the work of management's Mineral Reserve and Resource Committee.

## **STAKEHOLDER COMMUNICATION**

- Approving and reviewing the Company's Disclosure Policy and any other policies that address communications with shareholders, employees, financial analysts, governments and regulatory authorities, the media and the communities in which the business of the Company and its wholly-owned subsidiaries is conducted.
- Monitor the effectiveness of the Company's continuous disclosure program with a view to satisfying itself that material information is disseminated in a timely fashion.
- Adopt a process to enable shareholders to communicate directly with the Board.

## **SUSTAINABILITY**

- Monitor the effectiveness of the Company's sustainability practices with a view to satisfying itself that the Company's actions are consistent with the goal of zero harm to people, the environment and our host communities. This commitment means the Company will strive to act consistently in all of its operations in relation to health & safety, the environment, community relations and social development.

## **CORPORATE GOVERNANCE**

- Overseeing the development of the Company's approach to corporate governance, including maintaining Corporate Governance Guidelines that set out the expectations of directors, including basic duties and responsibilities with respect to matters such as attendance at Board meetings and advance review of meeting materials.
- Taking appropriate steps to remain informed about the Board's duties and responsibilities and about the business and operations of the Company.
- Ensuring that the Board receives from officers the information and input required to enable the Board to effectively perform its duties.
- Overseeing, through the Nominating & Corporate Governance Committee and the Chairman of the Board, the review of the effectiveness of the Board, its Committees and individual directors on an annual basis.

## **BOARD ORGANIZATION**

- Establishing committees of the Board and delegating certain Board responsibilities to these committees, consistent with the Company's Corporate Governance Guidelines.

## **SCHEDULE 2: AUDIT COMMITTEE MANDATE**

### **PURPOSE**

The Audit Committee (the “**Committee**”) of First Cobalt Corp. (the “**Company**”) is a committee of the Board of Directors (the “**Board**”) charged with oversight of financial reporting as well as related disclosure, internal controls, regulatory compliance and risk management functions.

### **COMPOSITION**

The members of the Committee shall be appointed annually by the Board on the recommendation of the Nominating and Corporate Governance Committee. The Chair shall be elected by the members of the Committee. The Committee shall consist of a minimum of three directors of the Company, the majority of which must be independent directors. Independence is defined by applicable Canadian laws and regulations as well as the rules of relevant stock exchanges (the “**Applicable Laws**”). At a minimum, each Committee member shall have no direct or indirect relationship with the Company that could, in the opinion of the Board, reasonably interfere with the exercise of a Committee member’s independent judgment (except as otherwise permitted by Applicable Laws).

### **QUALIFICATIONS & EXPERIENCE**

Each member of the Committee must be financially literate, meaning that the director has the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the Company’s financial statements.

At least one member of the Committee shall be a ‘financial expert’ within the meaning of Applicable Laws. The financial expert should have the following competencies:

- An understanding of financial statements and accounting principles used by the Company to prepare its financial statements;
- The ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity comparable to the Company’s financial statements, or experience actively supervising one or more persons engaged in such activities;
- An understanding of internal controls and procedures for financial reporting; and
- An understanding of audit committee functions.

### **RISK OVERSIGHT**

In addition to the specific responsibilities enumerated below, the Committee shall be responsible for reviewing financial risks of the business and overseeing the implementation and evaluation of appropriate risk management practices. This will involve inquiring with management regarding how financial risks are managed and seeking opinions from management and the independent auditor regarding the adequacy of risk mitigation strategies.

### **COMMITTEE RESPONSIBILITIES**

In addition to such other duties as may be delegated by the Board, the Committee shall:

1. *Financial Statements:* Review the Company’s interim and annual financial statements, MD&A and related press releases and recommend Board approval of such documents.
2. *Variances:* Obtain explanations from management for significant variances between comparative reporting periods and question management and the independent auditor regarding any significant financial reporting issues raised during the fiscal period and the method of resolution.
3. *Internal Controls:* Inquire as to the adequacy of the Company’s system of internal controls and review periodic reports from management regarding internal controls, which should include an assessment of risk with respect to financial reporting.
4. *Auditor:* Recommend Board approval for the appointment of the Company’s independent auditor. Oversee the work of the independent auditor; ensure that the independent auditor

reports directly to the Committee; and ensure that any disagreements between management and the independent auditor regarding financial reporting are resolved.

5. *Non-audit Services:* Approve all audit and non-audit services to be provided to the Company and its subsidiaries by the independent auditor. The Chair of the Committee may pre-approve such services on behalf of the Committee provided that such approvals are presented at the Committee meeting following such pre-approval. In order to obtain pre-approval, management should detail the work to be performed by the independent auditor and obtain the assurance from the independent auditor that the proposed work will not impair their independence.

Certain *de minimis* non-audit services will satisfy the pre-approval requirement provided:

- the aggregate amount of all these non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total audit fees paid by the Company and its subsidiaries to the independent auditor during the fiscal year in which the services are provided;
  - the Company or its subsidiaries, did not recognize the services as non-audit services at the time of the engagement; and
  - the services are promptly brought to the attention of the Committee and approved prior to the completion of the annual audit.
6. *Whistleblower:* Oversee a Company whistleblower program that provides an opportunity for confidential and anonymous submissions of concerns regarding questionable accounting or auditing matters and other potential violations of the Company's Code of Conduct.
  7. *Internal Audit:* Review and approve the annual internal audit plan as presented by the internal audit function to ensure that it is appropriate, risk-based and addresses all prioritized auditable entities. Review progress towards completion of the annual plan and performance of the head of the internal audit function.
  8. *Hiring:* Review and approve the Company's policies regarding the hiring of current and past partners and employees of the Company's present or former independent auditor.
  9. *Reporting:* Report to the Board on a quarterly basis on the proceedings of Committee meetings.
  10. *Mandate:* Annually review the Committee's mandate and assess the Committee's functioning and performance relative to the requirements set out within this mandate.

## **CHAIRMAN RESPONSIBILITIES**

The Chairman of the Committee shall:

1. Convene and preside over Committee meetings and ensure they are conducted in an efficient, effective and focused manner.
2. Assist management with the preparation of an agenda and ensure that meeting materials are prepared and disseminated in a timely manner.
3. Ensure that the Committee has sufficient time and information to make informed decisions.
4. Provide leadership to the Committee and management with respect to matters covered by this mandate.

## **AUTHORITY**

The Committee has authority to:

1. Appoint, compensate, and oversee the work of any registered public accounting firm retained by the Company.
2. Conduct or authorize investigations into any matters within its scope of responsibility, including with respect to whistleblower submissions.
3. Retain, at the Company's expense, independent legal, accounting or other advisors to assist the Committee in carrying out its duties or to assist in the conduct of an investigation.
4. Meet with management, the independent auditor and other advisors, as necessary.
5. Obtain full access to the books, records, facilities and personnel of the Company and its subsidiaries.

6. Call a meeting of the Board to consider any matter of concern to the Committee.

**MEETINGS**

The Committee shall meet as often as it deems necessary, but not less frequently than quarterly. A quorum for the transaction of business at all meetings shall be a majority of members. Decisions shall be made by an affirmative vote of the majority of members in attendance and the Committee Chair shall not have a deciding or casting vote.

An in-camera session of independent directors shall take place at least quarterly. The Committee may also request to meet separately with management, internal auditors, independent auditors or other advisors. Meeting minutes shall be recorded and maintained, as directed by the Chair of the Committee.