

CobaltOne **Limited**

ACN: 127 411 796

17 November 2017

CHAIRMAN'S ADDRESS – SCHEME MEETING

In accordance with ASX Listing Rule 3.13, we attach the Chairman's address to be given at today's Scheme Meeting.

For and on behalf of the Board

Michael Naylor

Company Secretary

Proposed Merger between Cobalt One and First Cobalt

Chairman's speech for Scheme Meeting (17 November 2017)

1 Introduction

Good morning ladies and gentlemen. My name is Jason Bontempo and I am an Executive Director of Cobalt One. On behalf of the Board of Directors, it is my pleasure to welcome you all to this Scheme Meeting and to thank you all for your support for Cobalt One.

You should have registered your attendance as you entered the room today. If any member or proxyholder has not registered their attendance at the door with our share register, Advanced Share Registry, could you please do so now. The staff from Advanced Share Registry are here to assist you.

I would like to take the opportunity to introduce Mr Nick Rowley, non-executive Director of Cobalt One, and Mr Mike Naylor, Company Secretary of Cobalt One.

Mr Paul Matysek, a non-executive Director of Cobalt One, has business commitments overseas and sends his apologies.

I would also like to welcome Sarah Turner from Gilbert + Tobin, Cobalt One's legal advisors.

This meeting is being held pursuant to orders of the Federal Court of Australia made on 12 October 2017 (as amended on 13 October and 9 November 2017) and has been convened to consider a proposed scheme of arrangement between Cobalt One and its members. In accordance with those Federal Court orders, I shall Chair this meeting.

I note for the record that I have a relevant interest in 5,000,000 Cobalt One shares and 10,000,000 Cobalt One options. Mr Rowley has a relevant interest in 2,500,000 Cobalt One shares and 13,000,000 Cobalt One options. Mr Matysek has a relevant interest in 1,000,000 Cobalt One shares and 20,000,000 Cobalt One options.

Your directors intend to vote all the Cobalt One shares they control in favour of the Scheme, in the absence of a superior proposal.

Your directors have, and continue to, recommend shareholders vote in favour of the Scheme, in the absence of a superior proposal.

I declare that a quorum is present and, accordingly, that the Scheme Meeting is now open.

2 Reason for the meeting

Before we proceed with the formal business of today's meeting, I would like to provide you with an overview of the transaction and highlight why we believe this transaction is in the best interests of Cobalt One shareholders.

On 14 July 2017, Cobalt One announced that it had entered into a Scheme Implementation Deed with First Cobalt Corp. (**First Cobalt**), under which it is proposed that First Cobalt will acquire 100% of the ordinary shares in Cobalt One by way of a scheme of arrangement.

You would recently have received a Scheme Booklet containing a Notice of Meeting. The Scheme Booklet also contained (among other things):

- details of the proposed transaction and factors relevant to your voting considerations;
- information about First Cobalt;
- the recommendation of your Board; and
- a report from Ernst & Young, the independent expert commissioned by Cobalt One to opine on the transaction and prepare a report for the benefit of shareholders.

We have convened this meeting to consider, and if thought fit, to pass the following Scheme Resolution:

"That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme, the terms of which are contained in and more particularly described in the Scheme Booklet (of which this Notice of Scheme Meeting forms part) is approved (with or without modification as approved by the Court)."

For the Scheme to proceed and become effective, the Scheme Resolution must be approved by:

- a majority in number (more than 50%) of Cobalt One Shareholders present and voting at the Scheme Meeting (whether in person, by proxy, by attorney or, in the case of corporate Cobalt One shareholders, by a corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting.

If the Scheme becomes effective, Cobalt One shareholders will receive 0.145 new First Cobalt CHESS Depository Interests (**CDIs**) quoted on the Australian Securities Exchange (**ASX**) or, alternatively, 0.145 new First Cobalt shares quoted on the TSX Venture Exchange (**TSX-V**), for each

Cobalt One share held on the Scheme Record Date (currently expected to be 7:00pm WST on 1 December 2017).

3 Outline of the Scheme

The Scheme Booklet dated 13 October 2017, which was sent to all Cobalt One shareholders, contains the Board's unanimous recommendation to vote in favour of the Scheme, in the absence of a superior proposal. The Scheme Booklet also contains the Independent Expert's Report prepared by Ernst & Young, which supports the Board's recommendation. Additional copies of the Scheme Booklet have been made available today.

As detailed in the Scheme Booklet, the Scheme is subject to a number of customary conditions and will only be implemented if all those conditions have been met. One of these conditions include that the Scheme Resolution be passed by the Requisite Majorities of Cobalt One shareholders. If Cobalt One shareholders approve the Scheme, then Cobalt One intends to seek Court approval of the Scheme in the Federal Court of Australia in Perth at 2:15pm on 20 November 2017.

If the Scheme becomes effective, all of your Cobalt One shares will be transferred to First Cobalt under the Scheme, and you will receive the Scheme Consideration of 0.145 new First Cobalt shares or CDIs per Cobalt One share. The Scheme is expected to become effective on 21 November 2017.

4 Reasons to vote in favour of Scheme

The Cobalt One Board of Directors believe that the Scheme is in the best interests of Cobalt One shareholders in the absence of a superior proposal. As such, and given no superior proposal has been received, all the Cobalt One Directors continue to recommend that you vote in favour of the Scheme and intend to vote all the Cobalt One shares that they control in favour of the Scheme. As at the date of this Scheme Meeting, the Directors' shares amount to approximately 1.26% of the total number of Cobalt One Shares on issue.

In support of this recommendation, we have taken the following into account (among other things):

- First, the Scheme will give Scheme Shareholders the opportunity to receive the Scheme Consideration and participate in the future performance of a larger and more diversified, TSX-V, OTCQB and ASX-listed company, while retaining exposure to Cobalt One's current asset base.
- Second, while Cobalt One has an attractive portfolio of assets and growth opportunities, your Directors believe that the Cobalt One share price is likely to fall if the Scheme is not

implemented and no superior proposal emerges. Since the announcement of the Scheme, no superior proposal has merged.

- Third, the Independent Expert, Ernst & Young, has concluded that the Scheme is 'reasonable', despite being not 'fair', and has therefore concluded that the Scheme is 'in the best interests' of Cobalt One shareholders, in the absence of a superior proposal.
- Fourth, the merged group will be led by an experienced management team based in Toronto with a proven track record of discovery, development and finance, located in close proximity to the Cobalt Camp in Cobalt, Ontario. Mr Matysek and I will also join the Board of First Cobalt, which will provide continuity for the Company's projects going forward.
- Fifth, the merged group will have a materially stronger balance sheet relative to Cobalt One, which First Cobalt intends to use to advance exploration of Cobalt One's assets.
- Sixth, the Scheme will enhance the scale and growth platform of Cobalt One, including through greater access to global markets and providing access to opportunities otherwise unavailable to Cobalt One as a stand-alone entity.

Further information regarding the Board's considerations in recommending the Scheme can be found in section 2.2 (on pages 34 to 36) of the Scheme Booklet.

5 Voting procedure and call for a vote

I would now like to explain the voting procedure for the Scheme and to call for a vote on the Scheme Resolution.

For the Scheme to proceed and become effective, the Scheme Resolution must be approved by:

- a majority in number (more than 50%) of Cobalt One shareholders present and voting at this Scheme Meeting (whether in person, by proxy, by attorney or, in the case of corporate Cobalt One shareholders, by a corporate representative); and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting.

In order to determine the votes accurately, I will call for a poll to be conducted in respect of the Scheme Resolution. Advanced Share Registry will act as scrutineer and report the results of voting to me.

The Corporations Act requires that before the vote is taken, the Chair must inform the meeting whether any proxy votes have been received and how the proxy votes are to be cast.

As such, the proxy votes received by Cobalt One and how they are to be cast are as follows:

- **For:** 405,771,839;
- **Against:** 19,263; and
- **Abstentions:** Nil.

I would now like to summarise the voting procedure for the Scheme Resolution.

If there is any person present who believes they are entitled to vote but has not registered to vote, would you please raise your hand for assistance. The persons entitled to vote on this poll are all shareholders, representatives and attorneys of shareholders who hold PINK admission cards, and proxyholders who hold GREEN admission cards. On the reverse of your admission cards is your voting paper and instructions.

I will now go through the procedures for filling in the voting papers.

Shareholders need to mark a box beside the motion to indicate how you wish to cast their votes.

Proxyholders have attached to their admission card a Summary of Proxy Votes which details the voting instructions, for business items on the appointment documents in your favour. By completing the voting paper, when instructed to vote in a particular manner, you are deemed to have voted in accordance with those instructions.

In respect of any open votes a proxyholder may be entitled to cast, you need to mark a box beside the motion to indicate how you wish to cast your open votes. Proxies may be given in favour of me as Chairman of the meeting. As Chairman, I will cast any such open proxy votes given to me in favour of the Scheme Resolution.

Proxyholders should refer to the Summary of Proxy Votes form attached to your voting paper for further information.

6 Discussion of the Resolutions

The Scheme Resolution is now open for discussion. Only those holding a GREEN or PINK admission card are able to vote and ask questions at today's meeting. If you wish to speak or ask questions in relation to Scheme Resolution, please raise your admission card and wait for me to acknowledge you. Before you speak, please identify yourself and, if you are a proxy, attorney or representative, state whom you are representing.

Are there any questions or discussion on the Scheme Resolution?

7 Poll

I now put the Scheme Resolution to a vote and call for a poll to be taken.

Please ensure that you print your name where indicated and sign the voting paper. When you have finished filling in your voting paper, please lodge it in a ballot box, to ensure your votes are counted. If you require any assistance, please raise your hand.

(pause whilst voting papers are completed)

Would you please indicate by raising your hand if you require more time to complete and lodge your voting paper. *(read out again if necessary)*

(When no-one has indicated they require more time to complete their voting papers, Chair to close the poll.)

I understand from the returning officer that all the voting cards have now been collected. Is there anyone whose voting card has not been collected?

As all the voting cards have now been collected, I declare the poll closed.

While the votes are being counted, I will suspend this meeting and call the meeting back to order upon finalisation of the vote results.

END