

Annexure A – Scheme Booklet

(attached as a separate document)

Scheme Booklet

For a scheme of arrangement in relation to the proposed acquisition by First Cobalt of all of your Cobalt One Shares for 0.145 New First Cobalt Shares or New First Cobalt CDIs for each Cobalt One Share held by Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders) on the Scheme Record Date

VOTE YES

YOUR DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU APPROVE THE SCHEME BY VOTING IN FAVOUR OF THE SCHEME, IN THE ABSENCE OF A SUPERIOR PROPOSAL

This is an important document and requires your immediate attention. You should read this document carefully and in its entirety before deciding whether or not to vote in favour of the resolution to approve the Scheme. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser

If, after reading this Scheme Booklet, you have any questions about the Scheme, please call Cobalt One on (08) 9212 0104 (within Australia) or +61 8 9212 0104 (outside Australia) Monday to Friday between 9:00am and 5:00pm (Perth time). If you have questions regarding the number of Cobalt One Shares you hold or how to vote, please contact the Cobalt One Registry on (08) 9389 8033 (within Australia) or +61 8 9389 8033 (outside Australia) Monday to Friday between 7:30am and 5:00pm (Perth time).

If you have recently sold all of your Cobalt One Shares, please disregard this document.

Important notices

Date

This Scheme Booklet is dated 13 October 2017.

Defined terms

Capitalised terms used in this Scheme Booklet are defined in the Glossary in Section 12.

This Scheme Booklet

This Scheme Booklet includes the explanatory statement required to be sent to Cobalt One Shareholders in relation to the Scheme under Part 5.1 of the Corporations Act. A copy of the proposed Scheme is set out in Attachment F to this Scheme Booklet.

You should read this Scheme Booklet carefully and in its entirety before making a decision as to how to vote on the resolution to be considered at the Scheme Meeting.

Investment decisions

The information in this Scheme Booklet does not constitute financial product advice. This Scheme Booklet has been prepared without reference to the investment objectives, financial situation or particular needs of any Cobalt One Shareholder or any other person. This Scheme Booklet should not be relied on as the sole basis for any investment decision. Independent legal, financial and taxation advice should be sought before making any investment decision in relation to your Cobalt One Shares.

Responsibility for information

- Except as provided below, the information in this Scheme Booklet has been provided by Cobalt One and is the responsibility of Cobalt One. First Cobalt and its directors, officers, employees and advisors do not assume any responsibility for the accuracy or completeness of any such Cobalt One information.
- First Cobalt has provided, and is responsible for, the First Cobalt Information. Cobalt One and its directors, officers, employees and advisors do not assume any responsibility for the accuracy or completeness of the First Cobalt Information.
- The Independent Expert, Ernst & Young, has provided, and is responsible for, the information contained in Attachment A to this Scheme Booklet. Cobalt One does not assume any responsibility for the accuracy or completeness of the information contained in Attachment A to this Scheme Booklet except in relation to information given by it to the Independent Expert. First Cobalt does not assume any responsibility for the accuracy or completeness of the information contained in Attachment A to this Scheme Booklet except in relation to information given by it to the Independent Expert. The Independent Expert does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than that contained in Attachment A.
- CSA Global Canada Geosciences Ltd has provided, and is responsible for, the information contained in the Cobalt One Technical Report at Attachment B to this Scheme Booklet. None of Cobalt One, First Cobalt nor their respective related bodies corporate (including their respective directors, officers, employees and advisors) assumes any responsibility for the accuracy or completeness of the Cobalt One Technical Report.

- CSA Global Canada Geosciences Ltd has provided, and is responsible for, the information contained in the First Cobalt Technical Report at Attachment C to this Scheme Booklet. None of Cobalt One, First Cobalt nor their respective related bodies corporate (including their respective directors, officers, employees and advisors) assumes any responsibility for the accuracy or completeness of the First Cobalt Technical Report.
- JMK Exploration Consulting & Clark Exploration Consulting Inc. has provided, and is responsible for, the information contained in the CobaltTech Technical Report at Attachment D to this Scheme Booklet. None of Cobalt One, First Cobalt nor their respective related bodies corporate (including their respective directors, officers, employees and advisors) assumes any responsibility for the accuracy or completeness of the CobaltTech Technical Report.
- Gilbert + Tobin has provided, and is responsible for, the information contained in Section 9.1 (Australian tax consequences) and Cassels Brock & Blackwell LLP has provided, and is responsible for, the information contained in Section 9.2 (Canadian federal income tax considerations). Neither Cobalt One nor First Cobalt assume any responsibility for the accuracy or completeness of the information contained in Sections 9.1 nor 9.2. Neither Gilbert + Tobin nor Cassels Brock & Blackwell LLP assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet, other than that contained in Sections 9.1 or 9.2, respectively.

Advanced Share Registry has had no involvement in the preparation of any part of this Scheme Booklet other than being named as the Cobalt One Registry. Advanced Share Registry has not authorised, or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Scheme Booklet.

BDO Audit (WA) Pty Ltd has had no involvement in the preparation of any part of this Scheme Booklet other than being named as Cobalt One's auditor. BDO Audit (WA) Pty Ltd has not authorised, or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Scheme Booklet.

ASIC and ASX involvement

A copy of this Scheme Booklet (including the Independent Expert's Report) has been lodged with, and registered for the purposes of section 412(6) of the Corporations Act by, ASIC. ASIC has been requested to provide a statement in accordance with section 411(17)(b) of the Corporations Act that ASIC has no objection to the Scheme. If ASIC provides that statement, then it will be produced to the Court on the Court Approval Date.

Neither ASIC, nor any of its officers, take any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet will be lodged with ASX. Neither ASX, nor any of its officers, take any responsibility for the contents of this Scheme Booklet.

Important notice associated with Court order under subsection 411(1) of the Corporations Act

The fact that under subsection 411(1) of the Corporations Act the Court has ordered that a meeting be convened and has approved the explanatory statement required to

accompany the notice of the meeting does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how Scheme Shareholders should vote (on this matter, Scheme Shareholders must reach their own decision); or
- has prepared, or is responsible for the content of, the explanatory statement.

Notice to Scheme Shareholders

No action has been taken to register or qualify New First Cobalt Shares or New First Cobalt CDIs or otherwise permit a public offering of such securities in any jurisdiction outside Australia.

Based on the information available to Cobalt One as at the date of this Scheme Booklet, Cobalt One Shareholders whose addresses are shown in the register on the Scheme Record Date for the Scheme as being in the following jurisdictions will be entitled to have New First Cobalt Shares or New First Cobalt CDIs issued to them pursuant to the Scheme subject to the qualifications, if any, set out below in respect of that jurisdiction:

- Australia;
- British Virgin Islands;
- Gibraltar, where (i) the Cobalt One Shareholder is a “qualified investor” or (ii) the number of non-qualified investors is less than 150;
- New Zealand;
- Canada; and
- any other person or jurisdiction in respect of which Cobalt One and First Cobalt are reasonably satisfied that it is not prohibited and not unduly onerous or impractical to implement the Scheme and to issue New First Cobalt Shares or New First Cobalt CDIs to a Cobalt One Shareholder with a registered address in such jurisdiction.

Nominees, custodians and other shareholders who hold ordinary shares on behalf of a beneficial owner resident outside Australia, British Virgin Islands, Canada or New Zealand may not forward this Scheme Booklet (or accompanying documents) to anyone outside these countries without the consent of Cobalt One.

Notice to persons outside Australia

This Scheme Booklet and the Scheme do not constitute an offer of securities in any jurisdiction in which it would be unlawful. This Scheme Booklet may not be distributed, and the New First Cobalt Shares or New First Cobalt CDIs may not be offered, outside Australia except to the extent provided below.

This Scheme Booklet and the Scheme are subject to Australian disclosure requirements, which may be different from the requirements applicable in other jurisdictions. The financial information included in this document is based on financial statements that have been prepared in accordance with International Financial Reporting Standards, which may differ from generally accepted accounting principles in other jurisdictions.

Notice to Cobalt One Shareholders in New Zealand

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under, or in accordance with, the Financial Markets Conduct Act 2013 (or any other relevant New Zealand law).

The offer of New First Cobalt CDIs under the Scheme is being made to existing Cobalt One Shareholders in

reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

The offer of New First Cobalt Shares under the Scheme is being made to existing Cobalt One Shareholders in reliance upon an exemption in the New Zealand Financial Markets Conduct Act 2013. The information in this Scheme Booklet has been prepared on the basis that:

- the offer of New First Cobalt Shares to a Cobalt One Shareholder in New Zealand is a “personal offer” made to (and which may only be accepted by): (i) investors who are likely to be interested in the offer, having regard to previous contact between the issuer and the investor, some professional or other connection between the issuer and the investor, or statements or actions by the investor that indicate that the investor is interested in offers of that kind; or (ii) investors who have an annual gross income of at least NZ\$200,000 for each of their two most recent income years or investors who are controlled by such persons;
- First Cobalt will not, directly or indirectly, advertise the offer or intended offer to any person or entity that does not fit into one of the “personal offer” categories set out above, where the term “advertising” includes any communication made to the public or a section of the public for the purpose of promoting the offer or intended offer; and
- First Cobalt will notify New Zealand Financial Markets Authority within one month after each accounting period (fiscal year end) in which the offers are made, stating: (i) that it has relied on this exclusion; (ii) the type of financial product being offered; (iii) the opening date and closing date of the offer (if known); (iv) whether the issuer has distributed to one or more investors, within that period, a document containing the key terms of the offer and, if so, the date on which the document was first distributed; (v) the number of investors to whom financial products have been issued or sold by the issuer within that accounting period in reliance upon this exclusion; and (vi) the amount raised by the issuer from issuing or selling financial products during that accounting period in reliance upon this exclusion.

Notice to Cobalt One Shareholders in the British Virgin Islands

The New First Cobalt Shares or New First Cobalt CDIs may not be offered in the British Virgin Islands unless Cobalt One or any person offering New First Cobalt Shares or New First Cobalt CDIs on its behalf is licensed to carry on business in the British Virgin Islands. Cobalt One is not licensed to carry on business in the British Virgin Islands. The securities may be offered to British Virgin Islands business companies from outside the British Virgin Islands without restriction.

Notice to Cobalt One Shareholders in Gibraltar

The information in this Scheme Booklet has been prepared on the basis that all offers of New First Cobalt Shares or New First Cobalt CDIs will be made pursuant to an exemption under the Directive 2003/71/EC (“Prospectus Directive”), as amended and implemented in Gibraltar, from the requirement to produce a prospectus for offers of securities.

An offer to the public of New First Cobalt Shares or New First Cobalt CDIs has not been made, and may not be made, in Gibraltar except pursuant to one of the following

exemptions under the Prospectus Directive as implemented in Gibraltar:

- to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000; and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID");
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID;
- to fewer than 150 natural or legal persons (other than qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive); or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of CDIs shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

Notice to Cobalt One Shareholders in Canada

This Scheme Booklet has not been approved or disapproved by any securities regulatory authority in Canada, nor has any securities regulatory authority passed upon the fairness or merits of the Scheme or upon the accuracy or adequacy of the information contained in this Scheme Booklet and any representation to the contrary is unlawful.

The New First Cobalt Shares or New First Cobalt CDIs to be issued to Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders) in connection with the Scheme will be issued by First Cobalt in reliance upon exemptions from the prospectus and registration requirements of the applicable Canadian securities law in each province and territory of Canada. The New First Cobalt Shares or New First Cobalt CDIs issued in connection with the Scheme may (through a registered dealer, unless the dealer registration requirements do not apply) be resold in each province and territory in Canada, including through the TSX-V or OTCQB, subject to the usual conditions that First Cobalt or the Merged Group is, and has been, a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade, the trade is not a control distribution, no unusual effort has been made to prepare the market, or create a demand for, the New First Cobalt Shares or New First Cobalt CDIs, no extraordinary commission or consideration is paid to a person or company in respect of the trade and if the selling security holder is an insider or officer of First Cobalt, such selling security holder has no reasonable grounds to believe that First Cobalt is in default of applicable Canadian securities law.

Small Shareholders

Scheme Shareholders on the Scheme Record Date who are entitled to receive 675 or less New First Cobalt Shares or New First Cobalt CDIs (or such other number as may be agreed between First Cobalt and Cobalt One in writing) under the Scheme (**Small Shareholders**) should refer to Section 4.6 in relation to how their entitlement to the Scheme Consideration may be dealt with if they elect to participate in the regime for Small Shareholders under

clause 4.5 of the Scheme Implementation Deed (**Electing Small Shareholder**).

Disclosure regarding forward-looking statements

This Scheme Booklet contains both historical and forward-looking statements.

The forward-looking statements in this Scheme Booklet are not based on historical facts, but rather reflect the current views of Cobalt One or First Cobalt, held only as at the date of this Scheme Booklet, concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipated", "intending", "foreseeing", "likely", "should", "planned", "may", "estimated", "potential", or other similar words and phrases. Similarly, statements that describe Cobalt One's, First Cobalt's or the Merged Group's objectives, plans, goals or expectations are, or may be, forward-looking statements.

The statements in this Scheme Booklet about the impact that the Scheme may have on the results of Cobalt One, and the advantages and disadvantages anticipated to result from the Scheme, are also forward-looking statements.

Any other forward looking statements included in this Scheme Booklet and made by Cobalt One or First Cobalt have been made on reasonable grounds. Although Cobalt One and First Cobalt believe that the views reflected in any forward-looking statement they respectively make in this Scheme Booklet have been made on a reasonable basis, no assurance can be given that such views or forward-looking statement will prove to have been correct.

These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause either Cobalt One's, First Cobalt's or the Merged Group's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. These factors include, but are not limited to, risks related to: receipt of all necessary regulatory or shareholder approvals required to complete the Scheme and the satisfaction or waiver of the Conditions, exploration, development and production, permitting, markets and marketing, resource estimates being inherently uncertain, environmental concerns, availability of, and access to, drilling equipment, contractual risk, and management of growth. Deviations as to future results, performance and achievements are both normal and to be expected. Cobalt One Shareholders should note that the historical financial performance of Cobalt One and First Cobalt is no assurance of future financial performance of Cobalt One, First Cobalt or the Merged Group (whether the Scheme is implemented or not). Cobalt One Shareholders should review carefully all of the information included in this Scheme Booklet. Any forward-looking statements in this Scheme Booklet are expressly qualified by these cautionary statements and such forward-looking statements are made only as of the date of this Scheme Booklet. None of Cobalt One, First Cobalt, the Merged Group, or any of their directors, give any representation, assurance or guarantee to Cobalt One Shareholders that any forward looking statements will actually occur or be achieved. Cobalt One Shareholders are cautioned not to place undue reliance on such forward looking statements.

Subject to any continuing obligations under law, regulation or the ASX Listing Rules, Cobalt One, First Cobalt and the Merged Group do not give any undertaking to update or revise any forward-looking statements after the date of this Scheme Booklet to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

Privacy and personal information

Cobalt One and First Cobalt may collect personal information to implement the Scheme. The personal information may include the names, contact details and details of holdings of Cobalt One Shareholders, plus contact details of individuals appointed by Cobalt One Shareholders as proxies, corporate representatives or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act. Cobalt One Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and can contact the Cobalt One Registry by calling (08) 9389 8033 (within Australia) or +61 8 9389 8033 (outside Australia).

The information may be disclosed to print and mail service providers, and to Cobalt One, First Cobalt and their respective related bodies corporate and advisers to the extent necessary to effect the Scheme. If the information outlined above is not collected, Cobalt One may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Scheme effectively or at all. Scheme Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet.

Times and dates

Unless otherwise stated, all times referred to in this Scheme Booklet are times in Perth, Australia. All dates following the date of the Scheme Meeting are indicative only and are subject to the Court approval process, ASX approval and the satisfaction or, where applicable, waiver of the Conditions (see Section 1.3).

Currency

All references in this Scheme Booklet to:

- “\$”, “A\$”, “AUD”, “Australian dollars” and “cents” are to Australian currency;
- “C\$”, “CAD” and “Canadian dollars” are to Canadian currency; and
- “US\$”, “USD” and “US dollars” are to the currency of the United States of America

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Letter from Cobalt One Chairman

Dear Cobalt One Shareholder,

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

If the Scheme is implemented, each Scheme Shareholder (other than an Ineligible Foreign Holder or an Electing Small Shareholder), will receive 0.145 New First Cobalt Shares or New First Cobalt CDIs for each Cobalt One Share held on the Scheme Record Date (**Scheme Consideration**).

This Scheme Booklet contains details of the Scheme, including the basis for the Cobalt One Directors recommending the Scheme, and the Independent Expert's Report, together with information on how to cast your vote. I encourage you to read it carefully.

Your directors believe that the Scheme is in the best interests of Cobalt One Shareholders. Accordingly, your directors unanimously recommend you vote in favour of the Scheme, and intend to vote all the Cobalt One Shares they control, amounting to approximately 7.55%¹ of the total number of Cobalt One Shares on issue, in favour of the Scheme, in each case in the absence of a Superior Proposal.

In recommending the Scheme, your directors have taken into account factors including the following:

- **District scale potential and pure-play cobalt exploration and development company:** Your directors believe that the Scheme would create district scale potential with the consolidation of over 100 square kilometres of high-quality exploration assets creating a leading pure-play cobalt exploration and development Merged Group focussed in the historical mining camp Cobalt, Ontario.
- **Greater liquidity and access to capital:** Your directors consider that the Scheme represents an opportunity to expand and allow Cobalt One Shareholders to benefit from being part of the larger Merged Group that is expected to have greater liquidity and access to capital. After the Scheme is implemented, the Merged Group is expected to be the largest listed cobalt exploration company with an estimated pro forma fully diluted market capitalisation of A\$134.5 million² and it is anticipated that First Cobalt will be listed on TSX-V, ASX and OTCQB, subject to regulatory approval.
- **The Scheme is 'in the best interests' of Cobalt One Shareholders:** Following announcement of the Scheme, the Cobalt One Board appointed Ernst & Young as an Independent Expert to review the Transaction and opine on whether the Scheme is in the best interests of Cobalt One Shareholders. The Independent Expert has concluded that the Scheme is 'in the best interests' of Cobalt One Shareholders. The Independent Expert noted that the Scheme is 'reasonable', despite not being 'fair', after considering the significant advantages of the Scheme.
- **Experienced management team:** Your directors believe that 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.
- **Share price likely to fall if the Scheme is not implemented:** If the Scheme does not proceed, and no Superior Proposal emerges, your directors consider that the Cobalt One Share price is likely to fall.
- **No further dilution:** Cobalt One requires additional capital to develop its projects, which could subject Cobalt One Shareholders to significant dilution were it to remain a stand-alone company.

¹ **Note:** On a fully diluted basis and on the assumption the Scheme becomes Effective (refer to Section 11.26(b) of this Scheme Booklet).

² **Note:** Refer to Section 7.4(e) of this Scheme Booklet.

Your directors have decided, having regard to the advantages and disadvantages of the Scheme, to recommend the Scheme in the absence of a Superior Proposal.

Meeting date and contact information

The meeting to consider the Scheme (**Scheme Meeting**) will be held on 17 November 2017 at the offices of Cobalt One at Level 1, 35 Richardson Street, West Perth, Western Australia, at 10:00am WST.

Your vote is important. In order for the Scheme to proceed, the Requisite Majorities of Cobalt One Shareholders (other than Excluded Shareholders) must vote in favour of the Scheme. You can vote either by attending the Scheme Meeting, or by lodging a proxy vote. A proxy form is provided with this Scheme Booklet.

Further information on how to vote is provided on pages 16 to 18 of this Scheme Booklet ("How to Vote").

If you have any questions in relation to the Scheme or this Scheme Booklet, please contact Cobalt One on (08) 9212 0104 (within Australia) or +61 8 9212 0104 (outside Australia) on business days between 9:00am and 5:00pm Perth Time.

On behalf of the Cobalt One Board, I would like to thank you for your support of Cobalt One. Your vote is important and I look forward to your participation at the Scheme Meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'P. Matysek', with a stylized flourish at the end.

Paul Matysek

Non-Executive Chairman of Cobalt One

Letter from First Cobalt Chairman

Dear Cobalt One Shareholder,

On behalf of the First Cobalt Board, I am pleased to present you with the opportunity to participate in the Scheme.

The directors of First Cobalt and Cobalt One have recognised an attractive opportunity to unlock synergies and allow shareholders of both companies to benefit from being part of a larger company, expected to have greater liquidity and access to capital, meaningful land consolidation in a high-grade Canadian cobalt camp, and an industry-leading management team located in close proximity to operations.

First Cobalt is currently focused on its Greater Cobalt Project, which includes the historic Keeley-Frontier mine, Haileybury mine and Bellellen mine. First Cobalt's initial drill program includes 7,000 metres of drilling over a two kilometre strike length designed to test several areas known to be cobalt-rich on the Keeley-Frontier, Haileybury and Bellellen vein systems. Over 30 drill holes, ranging from 30 to 300 metres depths, will aim to establish variable vein orientations and determine the copper-silver-nickel grades in the host rocks to the known copper-silver calcite veins.

First Cobalt has also entered into a conditional agreement for a friendly merger with Canadian TSX-V listed cobalt explorer CobalTech. Upon completion of the mergers with CobalTech and Cobalt One, the Merged Group will control over 10,000 hectares of property in the historic Cobalt Camp, making the Merged Group the 'dominant player' in the mining district.

Upon completion of both merger transactions, First Cobalt is expected to be the largest listed pure-play cobalt exploration and development company with an estimated proforma fully diluted market capitalisation of over A\$134.5 million³ and will have the opportunity to have its share price re-rated at potentially much higher levels through its existing listings on TSX-V and OTCQB, as well as its listing on ASX, assuming early drilling programs are successful.

Following implementation of the Scheme, the Merged Group will be managed by a capable and experienced board of directors, including senior leadership from Cobalt One, as well as an executive management team with the focus and ability to maximise the exploration potential of Cobalt One's existing asset base and those of First Cobalt. Paul Matysek, currently the Chairman of Cobalt One will join the board of the Merged Group, as will Jason Bontempo, currently the Executive Director of Cobalt One. Robert Cross, Chairman of B2 Gold and a founder of First Cobalt, will also join the board of the Merged Group.

The Merged Group is expected to be a leading pure-play cobalt exploration and development company, with a portfolio of high-quality exploration assets, a management team based in Toronto with a proven track record of discovery, development and finance, located in close proximity to the Cobalt Camp, and enhanced capital markets profile. This enhanced profile is in turn expected to increase liquidity and provide greater access to capital across the exchanges, which will allow the Merged Group to execute on its strategy of identifying cobalt-rich open pit opportunities in a well-known historic Canadian mining camp.

The Independent Expert, Ernst & Young, has concluded that the Scheme is in your best interests. The independent Cobalt One Directors unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme.

On behalf of the First Cobalt Board, I encourage you to vote in favour of the Scheme.

I am excited about the opportunities that lie ahead for the Merged Group and believe the timing of the merger coincides with a long term outlook for cobalt and other battery metals. I look forward to welcoming you as a shareholder of the Merged Group.

³ Refer to Section 7.4(e) of this Scheme Booklet.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Ross Phillips". The signature is fluid and cursive, with the first name "Ross" and last name "Phillips" clearly distinguishable.

Ross Phillips
Chairman of First Cobalt

Key dates

DATE	EVENT
10:00am WST 15 November 2017	Scheme Meeting proxies – Last date and time by which proxy forms for the Scheme Meeting must be received by the Cobalt One Registry
7:00pm WST 15 November 2017	Voting Record Date – Date and time for determining eligibility to vote at the Scheme Meeting
10:00am WST 17 November 2017	Scheme Meeting
IF SCHEME SHAREHOLDERS APPROVE THE SCHEME AT THE SCHEME MEETING	
27 November 2017	Second Court Date to approve the Scheme
28 November 2017	Court order lodged with ASIC and announced on ASX
	Effective Date – This is the date on which the Scheme comes into effect and is binding on Scheme Shareholders (other than Excluded Shareholders)
	Cobalt One Shares will be suspended from trading on ASX at the close of trading on the Effective Date on ASX. If the Scheme proceeds, this will be the last day that Cobalt One Shares will trade on ASX
29 November 2017	New First Cobalt CDIs commence trading on ASX, and New First Cobalt Shares commence trading on TSX-V and OTCQB, both on a deferred settlement basis
7:00pm WST 1 December 2017	Scheme Record Date – All Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders) who hold Cobalt One Shares on the Scheme Record Date will be entitled to receive the Scheme Consideration
8 December 2017	Implementation Date – All Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders) will be issued the Scheme Consideration to which they are entitled on or around this date*
	Commencement of despatch of holding statements for New First Cobalt CDIs and despatch of certificates or DRS Advice for New First Cobalt Shares, or as soon as practicable after the Scheme Record Date
	New First Cobalt Shares commence trading on TSX-V and OTCQB
	New First Cobalt Shares and New First Cobalt CDIs commence trading on a normal settlement basis

* Clause 4.2 of the Scheme Implementation Deed obliges First Cobalt to issue, or cause to be issued, the Scheme Consideration to each Scheme Shareholder (other than Ineligible Foreign Holders and Electing Small Shareholders) prior to 12:00pm on the Implementation Date.

All dates are indicative only and are subject to the Court approval process, ASX and TSX-V approval, and the satisfaction or, where applicable, waiver of the Conditions (see Section 1.3). Any changes to the above timetable will be announced to ASX and notified on Cobalt One's website at www.cobaltoneunlimited.com.

Purpose of this Scheme Booklet

The purpose of this Scheme Booklet is to explain the terms of the proposed Scheme under which First Cobalt proposes to acquire all Cobalt One Shares for 0.145 New First Cobalt Shares or New First Cobalt CDIs for each Cobalt One Share held by Scheme Shareholders (i.e. the Scheme Consideration) (other than Ineligible Foreign Holders and Electing Small Shareholders) at the Scheme Record Date.

The Cobalt One Directors intend to vote all Cobalt One Shares they control in favour of the Scheme, in the absence of a Superior Proposal.

The transaction will be effected via a scheme of arrangement, enabling Cobalt One Shareholders (other than Excluded Shareholders) to vote on the Scheme. Voting will take place at the Scheme Meeting to be held at 10:00am WST on 17 November 2017 at the offices of Cobalt One at Level 1, 35 Richardson Street, West Perth, Western Australia.

You should read this Scheme Booklet in full before deciding how to vote. The Scheme has a number of advantages, disadvantages and risks, which may affect Cobalt One Shareholders in different ways depending on their individual circumstances. Cobalt One Shareholders should seek professional advice on their particular circumstances, as appropriate.

This Section is a summary only and is not intended to address all of the relevant considerations for Cobalt One Shareholders.

Reasons to vote in favour of the Scheme

✓	The Cobalt One Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal
✓	If Effective, the Scheme will give Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders) the opportunity to receive New First Cobalt Shares or New First Cobalt CDIs 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
✓	Since the announcement of the Scheme, no Superior Proposal has emerged
✓	If the Scheme does not proceed, and no Superior Proposal emerges, the Cobalt One Share price is likely to fall
✓	The Independent Expert 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 (see the Independent Expert's Report in Attachment A)
✓	The Merged Group would 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
✓	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
✓	If the Scheme is Effective, Paul Matysek and Jason Bontempo will join the First Cobalt Board, which will provide continuity for Cobalt One's projects going forward
✓	If implemented, 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

✓	Cobalt One requires additional capital to develop its projects, which could subject Cobalt One Shareholders to significant dilution were it to remain a stand-alone company
✓	Scheme Shareholders will not be required to pay any brokerage costs
✓	Cobalt One Shareholders who are Australian residents for taxation purposes and receive New First Cobalt Shares or New First Cobalt CDIs should generally be able to obtain CGT scrip-for-scrip roll-over relief on any capital gains

For more information about the reasons to vote in favour of the Scheme, please see Section 2.2.

Reasons not to vote in favour of the Scheme

X	You may disagree with the Cobalt One Board and the opinion of the Independent Expert and consider that the Scheme is not in your best interests
X	The Independent Expert has concluded that the Scheme is not 'fair', but 'reasonable' and is therefore 'in the best interests' of Cobalt One Shareholders
X	If the Scheme is implemented, you will no longer be a Cobalt One Shareholder
X	You may believe there is the potential for a Superior Proposal to be made in the foreseeable future
X	The Merged Group will be subject to a number of risks to which Cobalt One is not currently exposed
X	The exact value of the Scheme Consideration on implementation of the Scheme is not certain
X	The tax consequences of the Scheme may not suit your current financial position
X	You may believe it is in your best interests to maintain your current investment and risk profile
X	You will be exposed to differences between applicable corporate and securities law
X	Dilution of Cobalt One Shareholders' interest in Cobalt One's assets
X	Exposure to movements in foreign exchange rates
X	First Cobalt intends to acquire all of the outstanding share capital of CobalTech, and you may not believe that acquisition is in your best interests

For more information about the reasons to vote against the Scheme, please see Section 2.3 which Cobalt One Shareholders should read carefully and in its entirety.

Next steps

Carefully read this Scheme Booklet

This is an important document and you should read it carefully and in its entirety before making a decision on how to vote at the Scheme Meeting.

Vote on the Scheme

As a Cobalt One Shareholder, you are entitled to vote on whether the Scheme should proceed at the Scheme Meeting (unless you are an Excluded Shareholder).

Please refer to pages 16 to 18 of this Scheme Booklet for details on how to vote at the Scheme Meeting, including by proxy.

Seek further information

If you have any questions in relation to the Scheme or how to vote you can call Cobalt One on (08) 9212 0104 (within Australia) or +61 8 9212 0104 (outside Australia) Monday to Friday between 9:00am and 5:00pm (Perth time). If you have questions regarding the number of Cobalt One Shares you hold or how to vote please contact the Cobalt One Registry on (08) 9389 8033 (within Australia) or +61 8 9389 8033 (outside Australia) Monday to Friday between 7:30am and 5:00pm (Perth time).

If you have any doubts as to the actions you should take or you have further questions, please contact your legal, financial or other professional advisor.

Why you should vote

As a Scheme Shareholder, you have a say in whether First Cobalt will acquire all of the issued shares in Cobalt One. This is your opportunity to play a role in deciding the future of Cobalt One.

How to vote

Who is entitled to vote at the Scheme Meeting?

If you are registered on the Cobalt One Register as a Cobalt One Shareholder at 7:00pm (Perth time) on 15 November 2017, and you are not an Excluded Shareholder, then you will be entitled to attend and vote at the Scheme Meeting.

Voting in person, by attorney or corporate representative

If you wish to vote in person, you must attend the Scheme Meeting.

If you cannot attend the Scheme Meeting, you may vote by proxy, attorney or if you are a body corporate, by appointing a corporate representative.

Attorneys who plan to attend the Scheme Meeting should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the Scheme Meeting.

A body corporate which is a Scheme Shareholder may appoint an individual to act as its corporate representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Scheme Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

If you wish to appoint a proxy to attend and vote at the Scheme Meeting on your behalf, please complete and sign the personalised proxy form accompanying this Scheme Booklet in accordance with the instructions set out on the proxy form. You may complete the proxy form in favour of the Chairman of the Scheme Meeting or appoint up to two proxies to attend and vote on your behalf at the Scheme Meeting.

The form of proxy accompanying this Scheme Booklet confers discretionary authority upon the proxy nominee with respect to any amendments or variations to the matters identified herein and any other matters that may properly come before the Scheme Meeting. On any ballot, the Cobalt One Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Scheme Shareholder as specified in the proxy with respect to any matter to be acted on. If the Scheme Shareholder specifies a choice with respect to any matter to be acted upon, the Cobalt One Shares will be voted accordingly. If a choice is not specified, the Cobalt One Shares represented by a proxy given to the Chairman of the Scheme Meeting are intended to be voted in favour of the Scheme Resolution.

A Scheme Shareholder has the right to appoint a person or company (who need not be a Cobalt One Shareholder) to attend and act for such Scheme Shareholder and on such Scheme Shareholder's behalf at the Scheme Meeting, other than the persons designated in the form of proxy, and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy.

TO BE VALID, PROXY FORMS FOR THE SCHEME MEETING MUST BE RECEIVED BY THE COBALT ONE REGISTRY BY NO LATER THAN 10:00AM WST ON 15 NOVEMBER 2017.

Proxy forms, duly completed in accordance with the instructions set out on the proxy form, may be returned to the Cobalt One Registry:

- by posting them in the reply paid envelope provided;
- by delivering them to Advanced Share Registry, 110 Stirling Highway, Nedlands, Western Australia, Australia, 6009;
- by posting them to C/- Advanced Share Registry, PO Box 1156, Nedlands, Western Australia, 6906; or
- by faxing them to (08) 9262 3723 (within Australia) or +61 8 9262 3723 (outside Australia).

Revocation of proxies

Scheme Shareholders executing and delivering a proxy have the power to revoke it by an instrument in writing executed by such Scheme Shareholder or by his or her or its attorney authorised in writing and delivered either to the registered office of Cobalt One or in any other manner, and by the time, permitted by law.

Scheme Meeting

A copy of the Notice of Scheme Meeting is set out in Attachment H to this Scheme Booklet.

Section 3.4 provides details of the Scheme Resolution and the Requisite Majorities that are required for the Scheme Resolution.

Location and details of Scheme Meeting

The details of the Scheme Meeting are as follows:

Location:	Level 1, 35 Richardson Street, West Perth, Western Australia
Date:	17 November 2017
Time:	10:00am WST

Record date for voting

The Court has fixed 15 November 2017 as the record date for voting, which entitles Scheme Shareholders recorded on the Cobalt One Register at 7:00pm WST on such date to vote at the Scheme Meeting.

Any person who becomes a Scheme Shareholder by acquiring Cobalt One Shares between the record date for notice of the Scheme Meeting and the record date for voting and wishes to vote at the Scheme Meeting by proxy should contact the Cobalt One Registry for further information on how to do so.

Your vote is important

You are not required to vote at the Scheme Meeting, but your vote is important.

In order for the Scheme to be implemented, the Scheme Resolution must be approved by Requisite Majorities at the Scheme Meeting. Cobalt One Shareholders (other than Excluded Shareholders) are entitled to one vote per Cobalt One Share at the Scheme Meeting.

For this reason, the Cobalt One Directors unanimously recommend that you vote in favour of the Scheme Resolution in the absence of a Superior Proposal.

If you are unable to attend the Scheme Meeting, the Cobalt One Directors urge you to complete and return, in the enclosed reply paid envelope, the personalised proxy forms that accompany this Scheme Booklet in accordance with the instructions given there and on pages 16 to 18 of this Scheme Booklet.

Joint holders of Cobalt One Shares

In the case of Cobalt One Shares held by joint holders, only one of the joint holders is entitled to vote. If more than one shareholder votes in respect of jointly held Cobalt One Shares (whether in person or by proxy, attorney or representative), only the vote of the Cobalt One Shareholder whose name appears first in the Cobalt One Register will be counted.

Shareholder splitting or division

If First Cobalt is of the reasonable opinion that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 5.4 of the Scheme Implementation Deed or each of whom holds less than, or equal to, the number of Cobalt One Shares required to classify as a Small Shareholder) have, before the Scheme Record Date, been

party to shareholder splitting or division in an attempt to obtain unfair advantage by reference to such rounding, First Cobalt may give notice to those Scheme Shareholders and, after such notice is given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of the Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and Registered Addresses are set out in the notice will, for the purposes of the Scheme, be taken to hold no Scheme Shares.

First Cobalt, in complying with the other provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to other Scheme Shareholders named in the notice for the purpose of the Scheme.

Frequently asked questions

QUESTION

AN OVERVIEW OF THE SCHEME

What is the Scheme?

The Scheme is a scheme of arrangement between Cobalt One and Cobalt One Shareholders (other than Excluded Shareholders) under which First Cobalt may acquire 100% of Cobalt One Shares by way of a scheme of arrangement for 0.145 New First Cobalt Shares or New First Cobalt CDIs for each Cobalt One Share held by Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders) on the Scheme Record Date. The Scheme Implementation Deed was announced to ASX by Cobalt One on 14 July 2017.

In order for the Scheme to be implemented, all Conditions must be satisfied or waived (where applicable), the Scheme Resolution must be approved by the Requisite Majorities at the Scheme Meeting and the Scheme must be approved by the Court.

Details of this resolution and the Requisite Majorities required to approve the resolution are set out in Section 3.4 and Attachment H.

What is the effect of the Scheme if implemented?

If the Scheme is approved by Scheme Shareholders and the Court, and if all other Conditions are satisfied or waived (where applicable):

- all your Cobalt One Shares held on the Scheme Record Date will be transferred to First Cobalt;
- in exchange you will receive the Scheme Consideration (unless you are an Excluded Shareholder, Ineligible Foreign Holder or Electing Small Shareholder);
- Cobalt One will become a wholly-owned subsidiary of First Cobalt;
- Cobalt One will be delisted from ASX;
- First Cobalt will be admitted to the official list of ASX;
- New First Cobalt Shares will be quoted on TSX-V and OTCQB; and
- New First Cobalt CDIs will be approved for quotation on ASX.

Why have I received this Scheme Booklet?

This Scheme Booklet has been sent to you because you are a Cobalt One Shareholder (and you are not an Excluded Shareholder) and you are being asked to vote on the Scheme which, if approved, will result in First Cobalt acquiring all Cobalt One Shares for 0.145 New First Cobalt Shares or New First Cobalt CDIs for each Cobalt One Share you hold on the Scheme Record Date (unless you are an Ineligible Foreign Holder or Electing Small Shareholder).

This Scheme Booklet is intended to help you to decide how to vote on the Scheme Resolution which needs to be passed at the Scheme Meeting to allow the Scheme to proceed.

Who is First Cobalt?

First Cobalt is a public company incorporated under the laws of the Province of British Columbia, Canada, which is listed on TSX-V under the symbol FCC and OTCQB under the symbol FTSSF. At the date of this Scheme Booklet, First Cobalt has a market capitalisation of approximately C\$35.6 million.⁴

First Cobalt's objective is to create the largest pure-play cobalt exploration and development company

⁴ **Note:** Calculated by multiplying the TSX-V closing price of First Cobalt Shares on 12 October 2017 of C\$0.62 by the total number of First Cobalt Shares on issue on that date, being 57,507,748.

in the world. First Cobalt's primary focus is on its Greater Cobalt Project; almost 3,000 hectares of prospective land in the Cobalt Camp in Ontario, Canada, including an option for the former producing Keeley-Frontier mine, a high-grade mine that produced over 3.3 million pounds of cobalt and 19.1 million ounces of silver from 301,000 tonnes of ore, as well as a joint venture on a fully permitted cobalt refinery in Cobalt, Ontario. As of the date of this Scheme Booklet, First Cobalt does not hold any interests in Cobalt One Shares.

For more information on First Cobalt, please see Section 6.

Who is CobalTech and what is the CobalTech Transaction?

On 21 August 2017, First Cobalt announced that it had signed an Arrangement Agreement, pursuant to which First Cobalt intends to acquire all of the issued and outstanding CobalTech Shares by way of a court approved plan of arrangement under *Business Corporations Act* (British Columbia) (**CobalTech Transaction**).

CobalTech is a North American cobalt company with mill equipment and properties in the Cobalt Camp. CobalTech owns the Duncan Kerr Property and several other past-producing silver-cobalt mines located near the town of Cobalt, Ontario, in an area known for its past production of cobalt and silver.

In consideration for the outstanding share capital of CobalTech, each existing shareholder of CobalTech will be entitled to receive 0.2632 First Cobalt Shares for every CobalTech Share held by that shareholder. A further 8,468,000 common share purchase warrants of CobalTech will also be exchanged for First Cobalt Warrants convertible into First Cobalt Shares, on substantially the same terms and taking into account the same exchange ratio.

The proposed merger between First Cobalt and CobalTech will result in First Cobalt having greater liquidity, a larger capital markets profile and increased access to capital.

Completion of the CobalTech Transaction is subject to a number of conditions, including approval of the transaction by the shareholders of CobalTech and receipt of all required TSX-V and other regulatory approvals. The arrangement cannot complete until these conditions are satisfied and the required approvals are obtained.

If the CobalTech Transaction is approved, it is targeted to close and be implemented on 27 November 2017. This date is indicative only and is subject to change.

For more information on the CobalTech Transaction, please see Section 6.1(d).

What is the legal action threatened by CobalTech against Cobalt One and what will happen if the CobalTech Transaction and Scheme both proceed to completion?

On 4 May 2017, CobalTech announced that it intends to commence legal proceedings against Cobalt One seeking damages and a proprietary interest in a cobalt concentrates refinery located in Ontario, Canada, which was acquired by Cobalt One pursuant to the Asset Purchase Agreement. If the CobalTech Transaction and Cobalt One Scheme both proceed to completion, CobalTech has agreed not to commence any legal proceedings against Cobalt One in respect of the cobalt concentrates refinery. This will avoid Cobalt One incurring any time and cost in respect of court proceedings, and eliminates risk of an adverse outcome to Cobalt One.

What infrastructure is present on the Cobalt One Cobalt Town properties?

Aside from several powerlines, all-weather roads and ATV roads, no infrastructure is present on the Cobalt One properties; however, the properties are located within the wider Cobalt Town area, which is a Tier 1 mining district.

What are the reasons to vote in favour of the Scheme?

The reasons to vote in favour of the Scheme include as follows:

- The Cobalt One Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal, and on the basis that Independent Expert has concluded that the Scheme is 'in the best interests' of Cobalt One Shareholders.
- If Effective, the Scheme will give Scheme Shareholders (other than Ineligible Foreign Holders

and Electing Small Shareholders) the opportunity to receive New First Cobalt Shares or New First Cobalt CDIs 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

- Since the announcement of the Scheme, no Superior Proposal has emerged.
- If the Scheme does not proceed, and no Superior Proposal emerges, the Cobalt One Share price is likely to fall.
- The Independent Expert considers 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.
- The Merged Group will have a stronger balance sheet relative to that of Cobalt One as a stand-alone company.
- The Merged Group will be led by an experienced management team based in Toronto, Canada, with a proven track record of discovery, development and finance, located in close proximity to the Cobalt Camp.
- If the Scheme is Effective, Paul Matysek and Jason Bontempo will be appointed to the board of the Merged Group, which will provide continuity for Cobalt One's projects going forward.
- If implemented, 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.
- Cobalt One requires additional capital to develop its projects, which could subject Cobalt One Shareholders to significant dilution were it to remain a stand-alone company.
- Scheme Shareholders will not be required to pay any brokerage costs.
- Cobalt One Shareholders who are Australian residents for taxation purposes and receive New First Cobalt Shares or New First Cobalt CDIs should generally be able to obtain CGT scrip-for-scrip roll-over relief on any capital gains.

Further details of these reasons are set out in Section 2.2.

What are the reasons to vote against the Scheme?

The reasons to vote against the Scheme are as follows:

- You may disagree with the Cobalt One Board and the opinion of the Independent Expert and consider that the Scheme is not in your best interests.
- The Independent Expert has concluded that the Scheme is not 'fair', but 'reasonable' and is therefore 'in the best interests' of Cobalt One Shareholders.
- If the Scheme is implemented, you will no longer be a Cobalt One Shareholder.
- You may believe there is the potential for a Superior Proposal to be made in the foreseeable future.
- If the Scheme is implemented, you will be subject to a number of new risks to which you are not currently exposed as a Cobalt One Shareholder.
- The exact value of the Scheme Consideration on implementation of the Scheme is not certain.
- The tax consequences of the Scheme may not suit your current financial position.
- You may believe it is in your best interests to maintain your current investment and risk profile by Cobalt One remaining a stand-alone company.
- You will be exposed to differences between applicable corporate and securities law.
- Your interest in Cobalt One's assets will be diluted.
- You may be exposed to movements in foreign exchange rates.

• First Cobalt intends to acquire all of the outstanding share capital of CobalTech, and you may not believe that acquisition is in your best interests. Further details of these reasons are set out in Section 2.3.
Who will form the board of the Merged Group? On implementation of the Scheme, the First Cobalt Board will comprise Trent Mell, Jason Bontempo, Paul Matysek, Robert Cross, John Pollesel, Ross Phillips and Jeffery Swinoga.
What are the prospects of receiving a Superior Proposal and what will happen if a Superior Proposal emerges? Since the entry into the Scheme Implementation Deed was announced on 14 July 2017, and up to the date of this Scheme Booklet, no Superior Proposal has emerged. If Cobalt One receives a Competing Proposal during the Exclusivity Period, Cobalt One must immediately notify First Cobalt of the Competing Proposal. First Cobalt has a matching right in respect of any Superior Proposal. Further details regarding Competing Proposals and Superior Proposals are set out at Section 3.11.
Is there a break fee payable by Cobalt One or First Cobalt? Cobalt One and First Cobalt have agreed to pay a Break Fee equal to 1% of the equity value of Cobalt One, as calculated in accordance with Takeovers Panel Guidance Note 7, to the other within five Business Days of certain events taking place. Further details regarding Break Fees are set out at Section 3.12.
Can the Scheme be terminated? The Scheme Implementation Deed may be terminated in certain circumstances, details of which are summarised in Section 3.10. If the Scheme Implementation Deed is terminated, the Scheme will not proceed.
WHAT YOU WILL RECEIVE UNDER THE TRANSACTION
What will I receive for my Cobalt One Shares? Each Scheme Shareholder (other than an Ineligible Foreign Holder or Electing Small Shareholder) will receive 0.145 New First Cobalt Shares or New First Cobalt CDIs for each Cobalt One Share held by Scheme Shareholders on the Scheme Record Date. If the Scheme becomes Effective, you will be issued the Scheme Consideration on or around the Implementation Date.
Am I eligible to receive the Scheme Consideration? You will be eligible to receive the Scheme Consideration if you are a Scheme Shareholder on the Scheme Record Date, provided you are not an Ineligible Foreign Holder or Electing Small Shareholder.
How do I choose whether to receive New First Cobalt Shares or New First Cobalt CDIs? If you are a Scheme Shareholder (other than Ineligible Foreign Holders and Electing Small Shareholders), you may elect whether to receive New First Cobalt CDIs or New First Cobalt Shares as Scheme Consideration by contacting the Cobalt One Registry on (08) 9389 8033 (within Australia) or +61 8 9389 8033 (outside Australia) and asking them to provide an Election Form. You must complete and return the Election Form to the Cobalt One Registry on or before the Scheme Record Date (expected to be at 7:00pm WST on or around 1 December 2017) in

accordance with the instructions on the Election Form.

If you do not make a valid Election by 7:00pm WST on the Scheme Record Date, you will be issued New First Cobalt CDIs to be quoted on ASX by default.

Please refer to Section 4.1(b) for further details of how to make an Election.

What is a CDI?

A “CDI”, or a “Chess Depository Interest”, is the instrument through which New First Cobalt Shares will trade on ASX if the Scheme is implemented. A New First Cobalt CDI will represent a beneficial interest in one New First Cobalt Share.

What is the difference between a New First Cobalt CDI and New First Cobalt Share?

A CDI is an instrument through which shares of foreign companies can be traded on ASX. A New First Cobalt CDI will represent a beneficial interest in one New First Cobalt Share and will have rights that are equivalent to the rights attaching to a New First Cobalt Share. New First Cobalt CDIs will be quoted and tradeable on ASX in Australian dollars.

A holder of a New First Cobalt CDI will not be a registered First Cobalt Shareholder. Instead, New First Cobalt Shares represented by New First Cobalt CDIs will be held by CDN, a subsidiary of ASX. The holder of a New First Cobalt CDI can direct CDN to vote the New First Cobalt Shares represented by the New First Cobalt CDIs in accordance with the holder’s directions. New First Cobalt CDIs can be exchanged for New First Cobalt Shares at any time (and vice versa).

Refer to Section 4.3 for further information regarding the differences between New First Cobalt Shares and New First Cobalt CDIs.

When will I receive the Scheme Consideration?

If the Scheme becomes Effective, First Cobalt must issue, or cause to be issued, your New First Cobalt Shares or New First Cobalt CDIs prior to 12:00pm on the Implementation Date (unless you are an Ineligible Foreign Holder or Electing Small Shareholder). Holding statements for the New First Cobalt Shares or New First Cobalt CDIs will be sent to you within five Business Days after the Implementation Date, which is expected to be on or around 15 December 2017.

Ineligible Foreign Holders should refer to Section 4.5.

Electing Small Shareholders should refer to Section 4.6.

You should be aware that if the Scheme Meeting is adjourned or the Effective Date is otherwise delayed, the timing of your Scheme Consideration will also be delayed.

What happens if the market price of First Cobalt Shares increases or decreases?

The number of New First Cobalt Shares or New First Cobalt CDIs issued to Scheme Shareholders will not change as a result of any movement in the market price of First Cobalt Shares. However, the implied value of the Scheme Consideration may increase or decrease prior to the Implementation Date based on movements in the First Cobalt Share price.

When can I commence trading my New First Cobalt Shares and New First Cobalt CDIs?

New First Cobalt Shares can be traded on TSX-V and OTCQB following the quotation of New First Cobalt Shares on TSX-V. Trading on TSX-V and OTCQB of New First Cobalt Shares is expected to commence on a normal settlement basis on 8 December 2017.

New First Cobalt CDIs can be traded on ASX following the quotation of New First Cobalt CDIs on ASX. Deferred settlement trading of the New First Cobalt CDIs issued as Scheme Consideration is expected to be available on ASX from the Business Day following the Effective Date. Trading on ASX of New First Cobalt CDIs is expected to commence on a normal settlement basis on 8 December 2017.

What happens if I am entitled to a fraction of a New First Cobalt Share or New First Cobalt CDI?

If you would be entitled to a fraction of a New First Cobalt Share or New First Cobalt CDI under the Scheme Consideration, any fractional entitlement:

- of 0.5 or more will be rounded up to the nearest whole number; and
- of less than 0.5 will be rounded down to the nearest whole number.

Am I an Ineligible Foreign Holder?

You are an Ineligible Foreign Holder if you are a Scheme Shareholder on the Scheme Record Date whose address in the Cobalt One Register is in a jurisdiction outside Australia and its external territories, New Zealand, the British Virgin Islands, Gibraltar and Canada, except where Cobalt One and First Cobalt are reasonably satisfied that the issue of New First Cobalt Shares or New First Cobalt CDIs in that jurisdiction under the Scheme would be neither prohibited by law or unduly onerous.

What will I receive under the Scheme if I am an Ineligible Foreign Holder?

If you are an Ineligible Foreign Holder, you will not be entitled to receive New First Cobalt Shares or New First Cobalt CDIs in connection with the Scheme.

Any New First Cobalt One Shares or New First Cobalt CDIs to which you would otherwise be entitled to under the Scheme will be allotted to a Nominee, who will sell the New First Cobalt Shares or New First Cobalt CDIs on your behalf and at your risk as soon as reasonably practicable following the implementation of the Scheme.

You will receive such proportion of the proceeds (after deducting any applicable brokerage, stamp duty and other taxes and charges, and selling costs) as the number of First Cobalt Shares or First Cobalt CDIs which would have been issued to you (if you were eligible to receive New First Cobalt Shares or New First Cobalt CDIs) as a portion of all New First Cobalt Shares or New First Cobalt CDIs which would have been issued to all Ineligible Foreign Holders (if they were eligible to receive New First Cobalt Shares or New First Cobalt CDIs), in full satisfaction of your rights to the Scheme Consideration.

Refer to Section 4.5 for further information regarding Ineligible Foreign Holders.

Am I a Small Shareholder?

You are a Small Shareholder if you are entitled to receive 675 or less New First Cobalt Shares or CDIs (or such other number as may be agreed between First Cobalt and Cobalt One in writing) under the Scheme.

What happens if I am a Small Shareholder?

If you are a Small Shareholder, you may choose to have the New First Cobalt Shares or New First Cobalt CDIs that you are entitled to under the Scheme issued to the Nominee, who will sell the New First Cobalt Shares or New First Cobalt CDIs on your behalf and at your risk as soon as reasonably practicable following the implementation of the Scheme.

You will receive such fraction of the proceeds (minus any applicable brokerage, stamp duty and other taxes and charges, and selling costs) as is equal to the number of New First Cobalt Shares or New First Cobalt CDIs which would have been issued to you divided by the total number of New First Cobalt Shares or New First Cobalt CDIs issued to the Nominee under clause 4.5(a) of the Scheme Implementation Deed in full satisfaction of your rights to the Scheme Consideration.

Refer to Section 4.6 for further information regarding Small Shareholder entitlements.

What do I need to do to become an Electing Small Shareholder?

If you wish to be an Electing Small Shareholder, you must complete the Small Shareholder Election Form in Attachment K and return it to the Cobalt One Registry before 7:00pm WST on the 1 December

2017. Small Shareholders who wish to be issued New First Cobalt Shares or New First Cobalt CDIs should not complete the Small Shareholder Election Form.
What are the tax implications of the Scheme for me? The tax implications for Scheme Shareholders if the Scheme is approved and implemented will depend on the specific taxation circumstances of each Scheme Shareholder. General information about the likely Australian and Canadian tax consequences of the Scheme are set out in Section 9. For information about your individual financial or taxation circumstances, please consult your financial, legal, taxation or other professional adviser.
Will I have to pay brokerage or stamp duty? You will not have to pay brokerage or stamp duty if your Cobalt One Shares are acquired under the Scheme, unless you are an Ineligible Foreign Holder or an Electing Small Shareholder.
INFORMATION ABOUT THE MERGED GROUP
How will the Merged Group differ from Cobalt One? Following implementation of the Scheme, the Merged Group will have its registered office in Vancouver, British Columbia, Canada. Cobalt One will become a wholly-owned subsidiary of First Cobalt, and will remove itself from the official list of ASX. First Cobalt will remain listed on TSX-V and OTCQB where First Cobalt Shares will be quoted. First Cobalt will also be listed on ASX where New First Cobalt CDIs will be quoted.
What are First Cobalt's intentions in relation to the Merged Group? First Cobalt's intentions for the Merged Group included in this Scheme Booklet represent the current intentions of First Cobalt which have been formed on the basis of facts and information concerning Cobalt One, and the general economic and business environment, known to First Cobalt at the time this Scheme was prepared. Some of First Cobalt's specific intentions for the Merged Group include: • completion of a comprehensive drilling program on its existing Keeley-Frontier project, located in the Province of Ontario, Canada; • expanding its drilling campaign to include past producing properties now owned by Cobalt One and CobalTech (subject to completion of the CobalTech Transaction); • centralisation of management and operations of the Merged Group in Toronto, Ontario, Canada; • acquisition and consolidation of additional property interests in and around the Merged Group's Greater Cobalt Project located in the Province of Ontario, Canada; • completion of the first modern day assessment of the Cobalt Camp for its potential to host one or more open pit cobalt mines; and • becoming the largest pure-play cobalt exploration and development company. First Cobalt's intentions for the Merged Group are described in further detail in Section 7.2.
What are the risks associated with the Scheme? There are various potential risks relating to the Scheme and the Merged Group, which are discussed in detail in Section 8.1.
Why does First Cobalt wish to implement the Scheme?

First Cobalt wishes to consolidate existing land holdings in and around the town of Cobalt, located in the Province of Ontario, Canada, to improve the efficiency of exploration efforts on these properties and improve the chances of achieving production. First Cobalt also believes that the combination of the two companies will result in a stronger board and shareholder base.

What are First Cobalt's intentions in relation to Cobalt One?

First Cobalt intends to centralise management of the Merged Group in Toronto, Ontario, to reduce corporate expenditures and ensure that management is located in the vicinity of the existing operations of both First Cobalt and Cobalt One. First Cobalt anticipates undertaking exploration and drill work on the existing Cobalt One and CobalTech properties upon implementation of the Scheme and completion of the CobalTech Transaction.

SCHEME, VOTING, APPROVALS AND IMPLEMENTATION

What do I need to do?

You should read this Scheme Booklet carefully and in its entirety and then vote at the Scheme Meeting in person or by appointing a proxy to vote on your behalf.

Full details of who is eligible to vote and how to vote are set out in the "How to Vote" Section on pages 16 to 18 of this Scheme Booklet.

What are my options?

You may:

- vote in favour of the Scheme;
- vote against the Scheme;
- sell your Cobalt One Shares so that you are not a Cobalt One Shareholder on the Scheme Record Date; or
- do nothing.

What do the Cobalt One Directors recommend?

The Cobalt One Directors unanimously recommend that you vote in favour of the Scheme Resolution to approve the Scheme, in the absence of a Superior Proposal, and on the basis that the Independent Expert has concluded that the Scheme is 'in the best interests' of Cobalt One Shareholders.

How are the Cobalt One Directors intending to vote?

Each of the Cobalt One Directors intends to vote in favour of the Scheme in respect of all the Cobalt One Shares they control, in the absence of a Superior Proposal.

What is the Independent Expert's opinion of the Scheme?

The Cobalt One Directors engaged Ernst & Young as an Independent Expert to provide a report on the Scheme. The Independent Expert has concluded that the Scheme is not 'fair' but 'reasonable' and therefore has concluded that it is 'in the best interests' of Cobalt One Shareholders, in the absence of a Superior Proposal.

The Independent Expert's Report is included as Attachment A to this Scheme Booklet.

Are there any Conditions that must be satisfied for the Scheme to be Effective?

The Scheme will not become Effective, until and unless all of the conditions precedent are satisfied or waived (if applicable). There are five Conditions that cannot be waived by either Cobalt One or First Cobalt. These conditions are regarding Court approval of the Scheme, Cobalt One Shareholder approval of the Scheme, no restraints being in effect on the Second Court Date and TSX-V and ASX

conditional approval of listing / official quotation of New First Cobalt Shares and CDIs, respectively.
What happens if the Conditions are not satisfied or the Scheme Implementation Deed is terminated? If the Conditions are not satisfied or (where applicable) waived, or the Scheme Implementation Deed is terminated, the Scheme will not proceed and no Cobalt One Shares will be acquired by First Cobalt. In these circumstances, you will retain your Cobalt One Shares, they will not be acquired by First Cobalt and you will not receive the Scheme Consideration. Cobalt One will continue to operate as a stand-alone entity listed on ASX.
What happens if the Scheme is approved, all Conditions are satisfied and it is implemented? If the Scheme becomes Effective, no further action is required on the part of Cobalt One Shareholders in order to implement the Scheme. Pursuant to the Scheme, Cobalt One is given authority to transfer all of your Cobalt One Shares to First Cobalt, and First Cobalt will issue to you 0.145 New First Cobalt Shares or New First Cobalt CDIs for each Cobalt One Share you hold on the Scheme Record Date (unless you are an Excluded Shareholder, Ineligible Foreign Holder or Electing Small Shareholder).
Am I entitled to vote at the Scheme Meeting? If you are registered as a Cobalt One Shareholder (other than an Excluded Shareholder) on the Cobalt One Register at 7:00pm WST (Perth time) on the 15 November 2017, then you will be entitled to attend and vote at the Scheme Meeting. Details of the Scheme Meeting and voting are set out in the “How to Vote” Section on pages 16 to 18 of this Scheme Booklet.
How do I vote? Voting at the Scheme Meeting may be in person, by attorney, by proxy or, in the case of a corporation, by corporate representative. Details on how to vote by proxy, attorney or corporate representative are set out on pages 16 to 18 of this Scheme Booklet. If you wish to vote in person, you must attend the Scheme Meeting. If you cannot attend the Scheme Meeting, you may complete the enclosed personalised proxy forms in accordance with the instructions. The deadline for lodging your proxy form for the Scheme Meeting is 10:00am WST on 15 November 2017.
When and where will the Scheme Meeting be held? The Scheme Meeting will be held at the offices of Cobalt One at Level 1, 35 Richardson Street, West Perth, Western Australia on 17 November 2017 at 10:00am (Perth time). Details of the Scheme Meeting and voting are set out in the “How to Vote” Section on pages 16 to 18 of this Scheme Booklet and in Section 3.4
Is voting compulsory? Voting is not compulsory. However, the Scheme will only be successful if it is approved by the Requisite Majorities, so your vote is important and the Cobalt One Directors encourage you to vote. If the Scheme is approved, you will be bound by the Scheme whether or not you voted and whether or not you voted in favour of it.
What vote is required to approve the Scheme? For the Scheme to proceed, the Scheme Resolution must be passed by: • a majority in number (more than 50%) of Cobalt One Shareholders (other than the Excluded Shareholders) who vote on the Scheme Resolution; and • at least 75% of the votes cast on the Scheme Resolution.

What happens if I do not vote or if I vote against the Scheme?

If you do not vote, or vote against the Scheme, the Scheme may not be approved at the Scheme Meeting by the Requisite Majorities of Scheme Shareholders. If this occurs, and the Court does not exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act, the Scheme will not proceed, you will not receive the Scheme Consideration and you will remain a Cobalt One Shareholder.

However, if the Scheme is approved by the Requisite Majorities (whether or not you have voted in favour of the Scheme) the Scheme will be implemented, your Cobalt One Shares will be transferred to First Cobalt and you will receive 0.145 New First Cobalt Shares or New First Cobalt CDIs for each Cobalt One Share you hold on the Scheme Record Date (unless you are an Ineligible Foreign Holder or Electing Small Shareholder).

Can I sell my Cobalt One Shares now?

You can sell your Cobalt One Shares on-market at any time before the close of trading on ASX on the Effective Date. However, you may be required to pay brokerage.

Can I keep my Cobalt One Shares?

If the Scheme is implemented, your Cobalt One Shares will be transferred to First Cobalt. This is so even if you did not vote at all or you voted against the Scheme at the Scheme Meeting.

When will Cobalt One Shares stop trading on ASX?

If the Scheme is implemented, Cobalt One Shares are expected to stop trading on the Effective Date.

Can I attend Court and oppose the Court approving the Scheme?

If you wish to oppose approval by the Court of the Scheme at the Second Court Hearing, you may do so by filing with the Court, and serving on Cobalt One, a notice of appearance in the prescribed form, together with any affidavit on which you wish to rely at the Second Court Hearing. The notice of appearance and affidavit must be served on Cobalt One at least one day before the Second Court Date.

Refer to Section 3.5 for further information.

What is the timetable of the transaction?

The Scheme Meeting is currently scheduled to be held on 17 November 2017. If Scheme Shareholders approve the Scheme, and Court approval is obtained, the Scheme is expected to be implemented on 8 December 2017. This is based on the current indicative timetable as set out on page 12, which is subject to possible change.

What happens if the Scheme is not approved?

If the Scheme is not approved by the Requisite Majorities of Scheme Shareholders at the Scheme Meeting or by the Court then:

- the Scheme will not proceed;
- no Cobalt One Shares will be acquired by First Cobalt;
- you will retain your Cobalt One Shares;
- you will not receive the Scheme Consideration;
- Cobalt One will continue to operate as a stand-alone entity listed on ASX;
- the current Cobalt One Board and management team will continue to operate Cobalt One;
- the expected benefits of the Scheme will not be realised;

• Cobalt One will have incurred significant costs, and management time and resources, for no outcome; and • the price of Cobalt One Shares is likely to fall.
When will the results of the Scheme Meeting be available? The results of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to ASX. Even if the Scheme Resolution is passed at the Scheme Meeting by the Requisite Majorities, the Scheme will only proceed if it is approved by the Court.
FURTHER INFORMATION
What if I have further questions? If you have any questions about the Scheme or you would like additional copies of this Scheme Booklet, please contact Cobalt One on (08) 9212 0104 (within Australia) or +61 8 9212 0104 (outside Australia) Monday to Friday between 9:00am and 5:00pm (Perth time). If you have questions regarding the number of Cobalt One Shares you hold or how to vote, please contact the Cobalt One Registry on (08) 9389 8033 (within Australia) or +61 8 9389 8033 (outside Australia) Monday to Friday between 7:30am and 5:00pm (Perth time). For information about your individual financial or taxation circumstances, please consult your financial, legal, taxation or other professional adviser.

1 Summary of the Scheme

1.1 Scheme

On 14 July 2017, Cobalt One and First Cobalt entered into a Scheme Implementation Deed which, subject to satisfaction or waiver of certain conditions, if implemented, will deliver to Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders) 0.145 New First Cobalt Shares or New First Cobalt CDIs for each Cobalt One Share held on the Scheme Record Date.

1.2 What will Cobalt One Shareholders receive under the Scheme?

(a) Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders)

If the Scheme is implemented, Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders) will receive 0.145 New First Cobalt Shares or New First Cobalt CDIs for each Cobalt One Share held by them at 7:00pm WST on 1 December 2017 (the Scheme Record Date).

Refer to Section 4.1 for further information.

(b) Ineligible Foreign Holders

Ineligible Foreign Holders will not be entitled to receive New First Cobalt Shares or New First Cobalt CDIs in connection with the Scheme. Any New First Cobalt Shares or New First Cobalt CDIs to which they would otherwise be entitled to receive under the Scheme will be issued to the Nominee who will sell them on their behalf and remit the net proceeds to First Cobalt. First Cobalt will then pay to each Ineligible Foreign Holder such proportion of the net proceeds of sale as the number of New First Cobalt Shares or New First Cobalt CDIs which would have been issued to that Ineligible Foreign Holder (if they were eligible to receive New First Cobalt Shares or New First Cobalt CDIs) as a portion of all New First Cobalt Shares or New First Cobalt CDIs which would have been issued to all Ineligible Foreign Holders (if they were eligible to receive New First Cobalt Shares or New First Cobalt CDIs) in full satisfaction of the First Cobalt's obligations to those Ineligible Foreign Holders under the Scheme in respect of the Scheme Consideration.

Ineligible Foreign Holders should refer to Section 4.5 for further information.

(c) Small Shareholders

Scheme Shareholders who will be entitled to receive 675 or less New First Cobalt Shares or New First Cobalt CDIs will be classified as a Small Shareholder. Small Shareholders may elect to have all the New First Cobalt Shares or New First Cobalt CDIs to which they would otherwise be entitled to receive under the Scheme issued to the Nominee who will sell them on their behalf and remit the net proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) to First Cobalt. First Cobalt will then pay to each Electing Small Shareholder such fraction of the net proceeds of sale as is equal to the New First Cobalt Shares or New First Cobalt CDIs which would have been issued to that Electing Small Shareholder divided by the total number of New First Cobalt Shares or New First Cobalt CDIs issued to the Nominee under clause 4.5(a) of the Scheme Implementation Deed promptly after the last sale of New First Cobalt Shares and New First Cobalt CDIs by the Nominee in full satisfaction of First Cobalt's obligations to those Small Shareholders under the Scheme in respect of the Scheme Consideration.

Small Shareholders should refer to Section 4.6 for further information.

(d) Fractional entitlements

If a Scheme Shareholder would be entitled to a fraction of a New First Cobalt Share or New First Cobalt CDI under the Scheme Consideration, any fractional entitlement:

- of 0.5 or more will be rounded up to the nearest whole number; and
- of less than 0.5 will be rounded down to the nearest whole number.

1.3 Conditions precedent

The Scheme is subject to a number of customary conditions precedent, which must be satisfied or waived (if applicable) by Cobalt One and First Cobalt. If the Conditions are not satisfied or waived (if applicable) by the relevant deadlines specified in the Scheme Implementation Deed, the Scheme will not become Effective.

The Conditions are set out in clause 3.1 of the Scheme Implementation Deed, which is Attachment E to this Scheme Booklet.

The following Conditions are outstanding as at the date of this Scheme Booklet:

- **(Court approval)** The Court approving the Scheme in accordance with section 411(4)(b) of the Corporations Act.
- **(Cobalt One Shareholder Approval)** Cobalt One Shareholders (other than Excluded Shareholders) agreeing to the Scheme at the Scheme Meeting by the Requisite Majorities under section 411(4)(a) of the Corporations Act.
- **(First Cobalt Shareholder approval)** First Cobalt Shareholders approving:
 - any changes to the First Cobalt Constituent Documents required by ASX for admission of First Cobalt to the official list of ASX; and
 - to the extent required by TSX-V, the Transaction contemplated by the Scheme.
- **(Restraints)** No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or Government Agency or other material legal restraint or prohibition preventing the Transaction being in effect at 8:00am on the Second Court Date.
- **(Cobalt One Material Adverse Change)** No Cobalt One Material Adverse Change occurring, being announced or otherwise being discovered by First Cobalt (whether or not it becomes public) between the date of the Scheme Implementation Deed and 8:00am on the Second Court Date.
- **(First Cobalt Material Adverse Change)** No First Cobalt Material Adverse Change occurring, being announced or otherwise being discovered by Cobalt One (whether or not it becomes public) between the date of the Scheme Implementation Deed and 8:00am on the Second Court Date.
- **(Cobalt One Prescribed Occurrence)** No Cobalt One Prescribed Occurrence occurring between the date of the Scheme Implementation Deed and 8:00am on the Second Court Date.
- **(First Cobalt Prescribed Occurrence)** No First Cobalt Prescribed Occurrence occurring between the date of the Scheme Implementation Deed and 8:00am on the Second Court Date.
- **(TSX-V quotation)** The New First Cobalt Shares to be issued pursuant to the Scheme being conditionally approved for listing on TSX-V before 8:00am on the Second Court Date, subject only to the satisfaction of customary listing conditions and to the Scheme becoming Effective, and such approval remaining in full force and effect in all respects and not becoming subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the approval.
- **(ASX quotation)** The New First Cobalt Shares in the form of CDIs to be issued pursuant to the Scheme being approved for official quotation on ASX before 8:00am on the Second Court Date, subject only to any conditions which ASX may reasonably require and to the Scheme becoming Effective, and such approval remaining in full force and effect in all respects and not becoming subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the approval.
- **(Cobalt One Options)** Before 8:00am on the Second Court Date, binding agreements having been entered into for a sufficient number of Cobalt One Options in accordance with clause 4.6 of the Scheme Implementation Deed so as, when taking into account any exercised Cobalt One Options, First Cobalt is permitted to compulsorily acquire the remaining Cobalt One Options in accordance with Chapter 6A of the Corporations Act.
- **(Restricted Securities)** Each holder of Cobalt One Restricted Securities entering into a deed,

in a form acceptable to First Cobalt and Cobalt One (acting reasonably) under which holders of Cobalt One Restricted Securities agree, during the Escrow Period, not to Deal with the New First Cobalt Shares or New First Cobalt CDIs received as Scheme Consideration for the Cobalt One Restricted Securities without the prior written consent of First Cobalt.

Cobalt One and First Cobalt cannot waive certain Conditions.

1.4 Directors' recommendation

The Cobalt One Directors unanimously recommend that Cobalt One Shareholders (other than Excluded Shareholders) approve the Scheme by voting in favour of the Scheme, in the absence of a Superior Proposal.

The Cobalt One Directors intend to vote all the Cobalt One Shares held by them in favour of the Scheme.

In making their recommendation and determining how to vote on the Scheme, the Directors considered:

- the advantages and disadvantages of the Scheme;
- the implications of the Scheme not being approved; and
- the opinion of the Independent Expert contained in the Independent Expert's Report, set out in Attachment A, that the Scheme is 'in the best interests' of Cobalt One Shareholders.

1.5 Independent Expert

Cobalt One has commissioned an Independent Expert, Ernst & Young, to prepare a report to ascertain whether the Scheme is 'in the best interests' of Cobalt One Shareholders.

The Independent Expert has concluded that the Scheme is 'in the best interests' of Cobalt One Shareholders.

The Independent Expert's Report is set out in Attachment A.

1.6 Implementation of the Scheme

The Scheme is proposed to be undertaken pursuant to a court approved scheme of arrangement. A scheme of arrangement is a legal arrangement that shareholders vote on and, if the Requisite Majorities of shareholders vote in favour of it and it is approved by the Court, it binds the company and all of its shareholders upon the Court orders approving the scheme of arrangement being lodged with ASIC. Approval of a scheme of arrangement requires a 50% majority of the number of shareholders voting and 75% of the total votes cast being in favour of the scheme, as well as approval by the Court.

The Scheme Meeting to approve the Scheme is currently scheduled to be held at 10:00am WST on 17 November 2017. Voting eligibility for the Scheme Meeting will be determined as at 7:00pm WST] on 15 November 2017.

If the Scheme is approved at the Scheme Meeting and all other Conditions of the Scheme are satisfied or waived (if applicable), the Court will be asked to approve the Scheme on the Second Court Date. The Second Court Date is expected to be on or around 27 November 2017.

The Scheme will become binding on Cobalt One and Scheme Shareholders only if the Conditions are satisfied or waived (if applicable).

1.7 If the Scheme is approved

If the Scheme is approved by Cobalt One Shareholders (other than Excluded Shareholders) and the Court, and if all other Conditions are satisfied or waived (if applicable):

- the Scheme will bind all Scheme Shareholders, including those who do not vote on the proposal and those who vote against it, meaning that all Cobalt One Shares will be transferred to First Cobalt;

- Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders) will receive 0.145 New First Cobalt Shares or New First Cobalt CDIs for each Cobalt One Share held on the Scheme Record Date;
- Cobalt One will become a wholly-owned subsidiary of First Cobalt;
- Cobalt One will be delisted from ASX;
- First Cobalt will be admitted to the official list of ASX;
- New First Cobalt Shares will be quoted on TSX-V or OTCQB; and
- New First Cobalt CDIs will be approved for quotation on ASX.

1.8 Tax implications

The transfer of Cobalt One Shares to First Cobalt under the Scheme may have tax implications. Cobalt One Shareholders should seek professional advice regarding their tax consequences.

A summary of the relevant Australian tax implications for Scheme Shareholders is outlined in Section 9.1. A summary of the Canadian tax implications is outlined in Section 9.2.

1.9 Indicative timetable

If the Scheme is approved by Cobalt One Shareholders and the Court, and all other Conditions to the Scheme are satisfied or (where applicable) waived, it is expected that the Scheme will be fully implemented on 8 December 2017. The key dates and times in relation to the Scheme are set out on page 12 of this Scheme Booklet.

2 Cobalt One Directors' recommendation and matters relevant to your vote on the Scheme

2.1 Recommendation

The Cobalt One Directors at the date of this Scheme Booklet are Jason Bontempo (Executive Director), Nicholas Rowley (Non-Executive Director) and Paul Matysek (Non-Executive Chairman).

Overall, the Cobalt One Board considers that the potential advantages of the Scheme outweigh any potential disadvantages. Accordingly, the Cobalt One Directors unanimously recommend that Scheme Shareholders approve the Scheme by voting in favour of the Scheme, in the absence of a Superior Proposal. The Cobalt One Directors have formed their conclusion and made their recommendation on the Scheme based on the reasons outlined in Section 2.2 below.

2.2 Reasons for recommendation and advantages of the Scheme

The factors which the Cobalt One Directors have taken into account in recommending the Scheme to you include:

- (a) **Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders) will have the opportunity to receive New First Cobalt Shares or New First Cobalt CDIs and participate in the future performance of a larger, TSX-V, OTCQB and ASX-listed company, while retaining exposure to Cobalt One's current asset base**

The Scheme will merge Cobalt One's assets into a TSX-V, OTCQB and ASX-listed company with an estimated pro forma market capitalisation of \$137 million.⁵

If the Scheme is implemented, the Merged Group will create district scale potential with the consolidation of over 100 square kilometres (approximately 45% of the prospective properties in the Cobalt Camp) of high-quality exploration assets creating a leading pure-play cobalt exploration and development company focussed in the historical mining camp, Cobalt Ontario. In addition, the Merged Group will own the only permitted cobalt extraction refinery in the Cobalt Camp. The Merged Group will also have an interest in the historic Keeley-Frontier mine located in the vicinity of the Cobalt Camp.

- (b) **Since the announcement of the Scheme, no Superior Proposal has emerged**

Since the announcement of the execution of the Scheme Implementation Deed on 14 July 2017 and up to the date of this Scheme Booklet, no Superior Proposal has emerged.

- (c) **If the Scheme does not proceed, and no Superior Proposal emerges, the Cobalt One Share price is likely to fall**

If the Scheme is not implemented, Cobalt One Shares will continue trading on ASX. It is likely that Cobalt One Shares will fall to a lower price.

- (d) **The Independent Expert considers 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**

Cobalt One appointed Ernst & Young to prepare an Independent Expert's Report providing an opinion as to whether the Scheme is fair and reasonable and therefore in the best interests of Cobalt One Shareholders.

The Independent Expert has assessed:

- the general terms and conditions of the Scheme;
- of the amounts paid by Cobalt One, First Cobalt and CobaltTech for their respective interests in the various stages early stage exploration properties, prospects and infrastructure;

⁵ Note: Refer to Section 7.4(e) of this Scheme Booklet.

- the prices at which Cobalt One's Shares have historically traded on ASX;
- the prices at which First Cobalt's Shares have historically traded on TSX-V;
- the pro forma value of New First Cobalt Shares and New First Cobalt CDIs post implementation of the Scheme and the CobalTech Transaction;
- consideration of the respective share prices on ASX and TSX-V since the announcement of the CobalTech Transaction and Cobalt One Scheme;
- the alternatives to the Scheme and the likelihood of an alternative superior transaction;
- the respective shareholder base of Cobalt One pre and post the Scheme and the collective interests held by Cobalt One Shareholders in the Merged Group;
- other qualitative factors which the Independent Expert believes represent either advantages or disadvantages to Cobalt One Shareholders; and
- other significant matters,

and has concluded that the Scheme, despite being not 'fair', is 'reasonable', and therefore 'in the best interests' of Cobalt One Shareholders, in the absence of a Superior Proposal.

The Independent Expert's Report is included in Attachment A to this Scheme Booklet. The Cobalt One Directors encourage Scheme Shareholders to read the Independent Expert's Report carefully and in its entirety.

(e) The Merged Group will be led by an experienced management team based in Toronto, Canada, with a proven track record of discovery, development and finance, located in close proximity to the Cobalt Camp

The Merged Group will be managed and led by an experienced management team based in Toronto, Canada, that has a long and successful track record in creating, financing and growing mining and exploration companies. The strength of the Merged Group's board and management team will be a significant advantage in realising the value of Cobalt One's assets.

(f) The Merged Group will have a stronger balance sheet relative to Cobalt One as a stand-alone company

The Merged Group will have a stronger balance sheet with a pro forma cash position of approximately A\$7,838,410 as at 30 June 2017, which the Merged Group intends to use to advance exploration of the Merged Group's mineral assets in the Cobalt Camp, and to seek and evaluate further resource and growth opportunities.

As a stand-alone company, Cobalt One would be required to undertake further capital raising to fund future development and exploration activities. There is no guarantee Cobalt One would be able to raise such significant additional capital in the future.

(g) If the Scheme is Effective, Paul Matysek and Jason Bontempo will be appointed to the board of the Merged Group, which will provide continuity for Cobalt One's projects going forward

If the Scheme is Effective, Paul Matysek and Jason Bontempo will join the board of the Merged Group, which will provide continuity for Cobalt One's projects going forward. This will also ensure that Cobalt One's experience with all aspects of its asset portfolio will continue to be available.

(h) If implemented, 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

If Effective, the Scheme will provide a superior platform for growth which will enable the pursuit of further development opportunities that are not currently available to Cobalt One as a stand-alone company.

Further, as First Cobalt is a Canadian company listed on TSX-V and OTCQB, the Scheme is expected to provide Cobalt One with increased exposure to Canadian and other international capital markets and investors.

(i) Cobalt One requires additional capital to develop its projects, which could subject Cobalt One Shareholders to significant dilution were it to remain a stand-alone company

Cobalt One's long term planned exploration and production activities, including extensive drilling programs, require significant capital requirements far in excess of Cobalt One's current cash in hand. If Cobalt One were to raise funds via the issue of new Cobalt One securities, existing shareholdings of Cobalt One Shareholders would be subject to considerable dilution (unless they were entitled, and chose to participate in the equity raisings).

(j) Scheme Shareholders will not be required to pay any brokerage costs

Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders) will not be required to pay any brokerage or other costs in connection with the disposal of their Cobalt One Shares under the Scheme.

(k) Cobalt One Shareholders who are Australian residents for taxation purposes and receive New First Cobalt Shares or New First Cobalt CDIs should generally be able to obtain CGT scrip-for-scrip roll-over relief on any capital gains

CGT roll-over relief will enable certain Australian tax resident Scheme Shareholders who receive New First Cobalt Shares or New First Cobalt CDIs under the Scheme to defer any capital gains they would otherwise incur on the disposal of their Cobalt One Shares under the Scheme until the time they dispose of those New First Cobalt Shares or New First Cobalt CDIs.

See Section 9.1 for further details on certain Australian taxation considerations, including the availability of CGT roll-over relief.

2.3 Reasons why you may consider voting against the Scheme and disadvantages of the Scheme

Although the Cobalt One Directors unanimously recommend that you vote in favour of the Scheme Resolution in the absence of a Superior Proposal, factors which may lead you to vote against the Scheme include:

(a) You may disagree with the Cobalt One Board and the opinion of the Independent Expert and consider that the Scheme is not in your best interests

Despite the recommendation of the Cobalt One Board and the opinion of the Independent Expert that the Scheme is 'in the best interests' of Cobalt One Shareholders in the absence of a Superior Proposal, you may believe that the Scheme is not in your best interests or that of other Cobalt One Shareholders.

(b) The Independent Expert has concluded that the Scheme is not 'fair', but 'reasonable' and is therefore 'in the best interests' of Cobalt One Shareholders

The Independent Expert has the fair value of a Cobalt One Share at between \$0.093 and \$0.145 and the fair value of a New First Cobalt Share and New First Cobalt CDI as between \$0.078 to \$0.139. Notwithstanding the considerable overlap between the ranges, due to the more recent lower trading prices of First Cobalt Shares on TSX-V, the fair value of the consideration being offered, in the form of a New First Cobalt Share or New First Cobalt CDI, was considered by the Independent Expert to be at a discount to the value of a Cobalt One Share. Accordingly, the Independent Expert has concluded that the transaction is not 'fair'. However, due to a number of other factors, the Independent Expert nevertheless considers the Scheme 'reasonable' to, and overall 'in the best interests' of, Cobalt One Shareholders, in the absence of a Superior Proposal.

(c) If the Scheme is implemented, you will no longer be a Cobalt One Shareholder

If the Scheme is implemented you will no longer be a Cobalt One Shareholder.

(d) You may believe there is the potential for a Superior Proposal to be made in the foreseeable future

You may believe that there is a potential for a Superior Proposal to be made in the foreseeable future. Since the execution of the Scheme Implementation Deed, and as at the date of this Scheme Booklet, no Superior Proposal has been received by the Cobalt One Directors.

(e) The Merged Group will be subject to a number of risks to which Cobalt One is not currently exposed

If the Scheme is Effective, Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders) will be entitled to receive the Scheme Consideration, being New First Cobalt Shares or New First Cobalt CDIs. The value of the New First Cobalt Shares or New First Cobalt CDIs will be influenced by a range of factors, many of which will be beyond the control of First Cobalt.

Many of the risks associated with being a holder of New First Cobalt Shares or New First Cobalt CDIs are risks to which Cobalt One Shareholders already have exposure given First Cobalt and Cobalt One are both cobalt exploration companies. However, a number of the risks associated with being a holder of First Cobalt Shares or New First Cobalt CDIs may be new, or may be potentially greater in impact, than is currently the case in relation to Cobalt One.

Refer to Section 8.1 for further details regarding these risks.

(f) The exact value of the Scheme Consideration on implementation of the Scheme is not certain

The exact value of the Scheme Consideration that would be realised by Scheme Shareholders upon implementation of the Scheme is not certain, as it is dependent on the price at which First Cobalt Shares trade on or about the Implementation Date. This may fluctuate significantly in the period up to the implementation of the Scheme.

If the price of First Cobalt Shares fall, the value of the securities received by Cobalt One Shareholders as Scheme Consideration will decline in value. Accordingly, there is no guarantee that Cobalt One Shareholders will actually realise the implied value of the Scheme Consideration to be received under the Scheme.

(g) The tax consequences of the Scheme may not suit your current financial position

Implementation of the Scheme may result in financial consequences which are not favourable for you. For example, if you do not choose roll-over relief, you may have a capital gain to the extent the Scheme Consideration received by you exceeds the tax cost base of your Cobalt One Shares. You should read the taxation considerations outlined in Section 9 and seek professional taxation advice with respect to your individual tax situation.

(h) You may believe it is in your best interests to maintain your current investment and risk profile

You may wish to keep your Cobalt One Shares so as to preserve your investment in an ASX-listed company with the specific characteristics of Cobalt One. In particular, you may consider that despite the risk factors relevant to Cobalt One's potential future operations (including those set out in Section 8.2), Cobalt One may be able to return greater value from its assets by remaining independent, or seeking alternative commercialisation strategies.

Implementation of the Scheme may represent a disadvantage for you if you do not want a change in investment profile, as it could be difficult to find other assets with similar risk and return characteristics of Cobalt One, and you may incur transaction costs in undertaking any new investments. You should seek legal, financial or other professional advice in relation to your own circumstances.

(i) You will be exposed to differences between applicable corporate and securities law

Cobalt One is incorporated in Australia and First Cobalt is incorporated in Canada. Cobalt One Shareholders' rights are currently governed by the laws of Australia and the Cobalt One Constitution.

If the Scheme is Effective, Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders) will become entitled to hold New First Cobalt Shares or New First Cobalt CDIs. The rights of holders of New First Cobalt Shares will be governed by Canadian law and the First Cobalt Constituent Documents in the Province of British Columbia, Canada, following implementation

of the Scheme. However, if First Cobalt's planned Continuance to the Canadian federal system is approved by its shareholders and is implemented, the rights of holders of New First Cobalt Shares will then be governed by federal Canadian law and the Proposed First Cobalt Constituent Documents.

Although some of the material differences between applicable laws as they relate to Cobalt One and First Cobalt respectively could be viewed as advantageous to Scheme Shareholders, others could be viewed as disadvantageous.

Refer to Section 10 for further details of the differences between the applicable laws.

(j) Dilution of Cobalt One Shareholders' interest in Cobalt One's assets

Scheme Shareholders that hold New First Cobalt Shares or New First Cobalt CDIs after implementation of the Scheme will have a diluted interest in the current Cobalt One asset portfolio and will share any future development and exploration upside in this portfolio with the existing shareholders of First Cobalt.

Upon implementation of the Scheme, the current Cobalt One Shareholders will hold approximately 57% of the First Cobalt Shares in the fully diluted Merged Group if the CobalTech Transaction is implemented,⁶ or approximately 65% if it does not.⁷

(k) Exposure to movements in foreign exchange rates

First Cobalt Shares are denominated in Canadian dollars on TSX-V and in United States dollars on OTCQB. Accordingly, Scheme Shareholders who receive New First Cobalt Shares (or New First Cobalt CDIs, which are subsequently converted into New First Cobalt Shares), will be exposed to movements in foreign exchange rates between Australian, United States and Canadian currencies, the impact of which cannot be predicted reliably. Accordingly, the Australian dollar value you receive for the future sale of New First Cobalt Shares may be adversely affected by foreign exchange rate movements.

(l) First Cobalt intends to acquire all of the outstanding share capital of CobalTech, and you may not believe that acquisition is in your best interests

On 21 August 2017, First Cobalt announced that it had signed an Arrangement Agreement, pursuant to which First Cobalt intends to acquire all of the issued and outstanding CobalTech Shares by way of a court approved plan of arrangement under Business Corporations Act (British Columbia). You may not consider that this acquisition is in your best interests.

Refer to Sections 6.11(d) and 11.4 for further information regarding the CobalTech Transaction.

2.4 Other relevant considerations

(a) The Scheme is conditional

The Conditions which must be satisfied or waived for the Scheme to become Effective are set out in Section 1.3. As at the date of this Scheme Booklet, neither Cobalt One nor First Cobalt is aware of any matter which they expect will result in a breach of, or lead to non-performance of, any of the Conditions.

(b) All or nothing proposal

If all the Conditions are satisfied or waived (where applicable):

- the Scheme will bind all Scheme Shareholders, including those Scheme Shareholders who do not vote on the proposal and those who vote against it, meaning all Scheme Shareholders will have their Cobalt One Shares transferred to First Cobalt;
- Cobalt One will become a wholly-owned subsidiary of First Cobalt;
- Cobalt One will be delisted from ASX;

⁶ **Note:** Assumes Cobalt One Shareholders will hold 107,666,357 out of a total 189,441,848 First Cobalt Shares.

⁷ **Note:** Assumes Cobalt One Shareholders will hold 107,666,357 out of a total 165,611,605 First Cobalt Shares.

- the New First Cobalt Shares will be listed on TSX-V and OTCQB; and
- First Cobalt will be admitted to the official list of ASX and the New First Cobalt CDIs will be approved for quotation on ASX.

(c) What happens if the Scheme is not implemented?

If any Condition is not satisfied or waived by Cobalt One and First Cobalt by the relevant date, or if the Scheme has not become Effective by the End Date, and the parties are unable to reach an alternative agreement to affect the Transaction in accordance with clause 3.4 of the Scheme Implementation Deed within five Business Days of the earlier of becoming aware of the relevant date or by the End Date, then either party may terminate the Scheme Implementation Deed and the Scheme will not be implemented.

If the Scheme is not implemented:

- Scheme Shareholders will retain their Cobalt One Shares, will not receive the Scheme Consideration, and will continue to be exposed to the risks associated with their investment in Cobalt One as a stand-alone company (see Section 8.2 for further details);
- the existing Cobalt One Board and management will continue to operate Cobalt One's business;
- the expected benefits of the Scheme will not be realised (see Section 2.2 for further details);
- the Cobalt One Share price may fall; and
- Cobalt One will have incurred significant transaction costs (including legal and accounting fees, fees to the Independent Expert, regulatory fees and management time and resources) for no outcome.

(d) Break Fee may become payable

If the Scheme is not implemented due to an event prescribed in clause 9.2 of the Scheme Implementation Deed, Cobalt One will be obliged to pay First Cobalt a Break Fee equal to 1% of the equity value of Cobalt One, as calculated in accordance with Takeovers Panel Guidance Note 7.

Refer to Section 3.12 for further details regarding the Break Fee.

2.5 Your options

(a) Vote in favour of the Scheme at the Scheme Meeting

You may vote in favour of the Scheme at the Scheme Meeting. For directions on how to vote at the Scheme Meeting and important voting information, please refer to pages 16 to 18 of this Scheme Booklet.

(b) Vote against the Scheme at the Scheme Meeting

You may vote against the Scheme at the Scheme Meeting. However, you should note that if all the Conditions to the Scheme are satisfied or waived (where applicable), the Scheme will bind all Cobalt One Shareholders, including those who vote against the Scheme at the Scheme Meeting or those who do not vote at all.

(c) Sell your Cobalt One Shares on ASX before the Effective Date

The existence of the Scheme does not preclude you from selling your Cobalt One Shares on ASX, provided you do so before the close of trading on the Effective Date, which is expected to be on or around 28 November 2017, when trading in Cobalt One Shares will be suspended from trading on ASX.

If you sell your Cobalt One Shares on ASX before the close of trading on the Effective Date, you:

- will not be entitled to receive the Scheme Consideration;
- may incur brokerage fees; and

- will not be able to participate in a Superior Proposal for Cobalt One, if one emerges (although, the Cobalt One Directors note that they have not received notice from any third party of an intention to make any competing proposal).

(d) Do nothing

If, despite the opinion of the Cobalt One Directors and Independent Expert that the Scheme is 'in the best interests' of Cobalt One Shareholders, you decide to do nothing, you should note that if all of the Conditions of the Scheme are satisfied or waived (as applicable), the Scheme will bind all Scheme Shareholders, including those who vote against the Scheme at the Scheme Meeting or those who do not vote at all.

Your vote is important. If the Scheme is not approved by the Requisite Majorities of Cobalt One Shareholders, you will not be entitled to receive any Scheme Consideration.

3 Implementation of the Scheme

3.1 Deed Poll

On 7 October 2017, First Cobalt executed the Deed Poll pursuant to which it agreed, subject to the Scheme becoming Effective, to provide each Cobalt One Shareholder (other than Excluded Shareholders) with, or procure the provision to each Scheme Shareholder of, the Scheme Consideration to which it is entitled under the Scheme.

A copy of the Deed Poll is attached to this Scheme Booklet as Attachment G.

3.2 Scheme Implementation Deed

The Scheme Implementation Deed sets out each of Cobalt One's and First Cobalt's rights and obligations in connection with the implementation of the Scheme.

A copy of the Scheme Implementation Deed is included in this Scheme Booklet as Attachment E.

Cobalt One and First Cobalt have entered into a Deed of Variation dated 22 September 2017, which makes several minor amendments to the Scheme Implementation Deed.

A copy of the Deed of Variation is attached to this Scheme Booklet as Attachment E.

3.3 Conditions precedent

The Scheme will not become Effective, and the obligations of First Cobalt will not become binding, until and unless each Condition is satisfied or waived (where applicable). Refer to Section 1.3 for further information regarding the Conditions of the Scheme.

3.4 Scheme Meeting

The Court has ordered that the Scheme Meeting be held at 10:00am on 17 November 2017 at the offices of Cobalt One at Level 1, 35 Richardson Street, West Perth, Western Australia for the purposes of approving the Scheme Resolution. The Notice of Scheme Meeting for Scheme Shareholders which sets out the Scheme Resolution is included in Attachment H to this Scheme Booklet.

Each Cobalt One Shareholder who is registered on the Cobalt One Register at 7:00pm (Perth time) on 15 November 2017 (other than an Excluded Shareholder) is entitled to attend and vote at the Scheme Meeting, either in person or by proxy or attorney or in the case of a body corporate, by its corporate representative appointed in accordance with section 250D of the Corporations Act.

Instructions on how to attend and vote at the Scheme Meeting in person, or to appoint a proxy to attend and vote on your behalf, are set out on pages 16 to 18 of this Scheme Booklet.

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

- a majority in number (more than 50%) of Cobalt One Shareholders (other than the Excluded Shareholders) present and voting at the Scheme Meeting (whether in person, by proxy, by attorney or, in the case of corporate Scheme Shareholders, by a corporate representative) (the **Headcount Test**); and
- at least 75% of the total number of votes cast on the Scheme Resolution at the Scheme Meeting (unless the Court has ordered otherwise).

If the Scheme is not approved by Scheme Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and:

- either Cobalt One or First Cobalt considers, acting reasonably, that share splitting or some abusive or improper conduct may have caused or materially contributed to the non-satisfaction; and
- Cobalt One's legal advisers opine that an application to the Court to exercise its discretion to disregard the Headcount Test has a not less than 50% prospect of success,

Cobalt One must (subject to the fiduciary duties of the Cobalt One Directors) apply to the Court for the Court to exercise its discretion to disregard the Headcount Test and make orders approving the Scheme.

The Court has discretion under section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and approve the Scheme if it is approved by at least 75% of the votes cast on the Scheme Resolution, but not by a majority in number of Cobalt One Shareholders presenting and voting at the Scheme Meeting.

The Notice of Scheme Meeting is contained in Attachment H to this Scheme Booklet. A Sample Proxy Form is contained in Attachment I.

3.5 Second Court Hearing

In the event that:

- the Scheme Resolution is approved by the Requisite Majorities of Scheme Shareholders at the Scheme Meeting; and
- all Conditions have been satisfied or remain capable of being satisfied, or waived (if applicable),

Cobalt One will apply to the Court for orders approving the Scheme.

The Second Court Date is expected to be on 27 November 2017 and the hearing is open to all Cobalt One Shareholders. The Court will consider things such as whether procedural requirements have been satisfied, whether Cobalt One Shareholders have received adequate information and whether the terms and conditions of the exchange of securities under the Scheme are fair and reasonable to Cobalt One Shareholders. The Court may refuse to grant the orders even if the Scheme is approved by the Requisite Majorities of Scheme Shareholders.

The *Federal Court (Corporations) Rules 2001* (Cth) provide a procedure for Cobalt One Shareholders to oppose the approval of the Court of the Scheme or make representations to the Court in relation to the Scheme. If a Cobalt One Shareholder wishes to oppose approval by the Court of the Scheme at the Second Court Hearing, they can do so by filing with the Court and serving with Cobalt One a notice of appearance in the prescribed form together with any affidavit on which they wish to rely. The notice of appearance and affidavit must be served on Cobalt One at least one day before the Second Court Date, which is currently scheduled for 27 November 2017. Any change to this date will be announced through ASX and will be available on ASX's website (www.asx.com.au). Alternatively, a Cobalt One Shareholder can make representations to the Court in respect of the Scheme by being granted leave of the Court to be heard on the Second Court Date without becoming a party to the proceeding.

If the Scheme is not approved by Scheme Shareholders, the Scheme will not proceed and Cobalt One will not apply to the Court for any orders in connection with the Scheme.

ASIC will be asked to issue a written statement that it has no objection to the Scheme. ASIC will not provide a statement under section 411(17)(b) until the Second Court Date. The Court must not approve the Scheme unless there is produced to the Court a statement in writing by ASIC stating that ASIC has no objection to the Scheme.

3.6 Effective Date

If the Court makes orders approving the Scheme, Cobalt One will lodge with ASIC an official copy of the Court orders given under section 411(4)(b) of the Corporations Act approving the Scheme by 5:00pm WST on the Business Day following the day on which such office copy is received. It is anticipated that this will occur on the Business Day immediately following the Court Approval Date.

Once the Scheme becomes Effective:

- First Cobalt will become bound to issue, or cause to be issued, the Scheme Consideration by 12:00pm on the Implementation Date; and
- subject to the issue of Scheme Consideration by First Cobalt, Cobalt One will become bound to take the steps required for First Cobalt to become the holder of all Cobalt One Shares.

3.7 Implementation of the Scheme – issue of Scheme Consideration

On the Implementation Date, currently anticipated to be 8 December 2017, First Cobalt will:

- accept a transfer of the Scheme Shares from Scheme Shareholders; and

- issue or cause to be issued the Scheme Consideration to each Scheme Shareholder (other than to Ineligible Foreign Holders who will be dealt with in accordance with Section 4.5 and those Small Shareholders who elect to receive cash proceeds instead of CDIs in accordance with Section 4.6).

3.8 Determination of persons entitled to Scheme Consideration

(a) Dealings on or prior to the Scheme Record Date

For the purpose of establishing the persons who are Scheme Shareholders, dealings in Cobalt One Shares will only be recognised if:

- in the case of dealings of the type to be effected by CHESS, the transferee is registered in the Cobalt One Register as a holder of the relevant Cobalt One Shares as at the Scheme Record Date; and
- in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Scheme Record Date at the place where the Cobalt One Register is kept,

and Cobalt One will not accept for registration, nor recognise for the purpose (except a transfer pursuant to this Scheme), any transfer or transmission application or other request received after the Scheme Record Date or received prior to the Scheme Record Date, but not in registrable or actionable form.

(b) Dealings after the Scheme Record Date

If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Scheme Record Date otherwise than pursuant to the Scheme, and any attempt to do so will have no effect and Cobalt One will be entitled to disregard any such disposal, purported disposal or agreement.

For the purposes of determining entitlements to Scheme Consideration, Cobalt One must maintain the Cobalt One Register in accordance with clause 6.2 of the Scheme Implementation Deed until the Scheme Consideration has been provided to the Scheme Shareholders. The Cobalt One Register in this form will solely determine entitlements to the Scheme Consideration.

All statements of holding for Cobalt One Shares (other than statements of holding in favour of First Cobalt or any Ineligible Foreign Holder) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Cobalt One Register (other than entries in respect of any Ineligible Foreign Holder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Cobalt One Shares relating to that entry.

(c) Ineligible Foreign Holders

An Ineligible Foreign Holder is a Scheme Shareholder on the Scheme Record Date whose address in the Cobalt One Register is in a jurisdiction outside Australia and its external territories, New Zealand, the British Virgin Islands, Gibraltar and Canada, except where Cobalt One and First Cobalt are reasonably satisfied that the issue of New First Cobalt Shares in that jurisdiction under the Scheme would be neither prohibited by law or unduly onerous.

(d) Small Shareholders

A Small Shareholder is a Scheme Shareholder on the Scheme Record Date who is entitled to receive 675 or less New First Cobalt Shares or New First Cobalt CDIs (or such other number as may be agreed between First Cobalt and Cobalt One in writing) under the Scheme.

3.9 Cobalt One Options

(a) Existing Cobalt One Options

As at the date of this Scheme Booklet, Cobalt One has 96,500,000 Cobalt One Options on issue, comprising:

- 8,500,000 Class A Options (\$0.02, 5 April 2020);

- 8,000,000 Class D Options (\$0.03, 30 November 2019);
- 15,000,000 Class E Options (\$0.08, 10 February 2020);
- 25,000,000 Performance A Options (\$0.03, 9 February 2020);
- 25,000,000 Performance B Options (\$0.06, 9 February 2020, vesting on Cobalt One releasing a report in respect of the Ophiolite Claims confirming a JORC and NI 43-101 compliant resource on the Ophiolite Claims, or on any subsequent complementary mining asset being acquired by Cobalt One which was introduced by the vendor or the manager of Ophiolite); and
- 15,000,000 Director Performance Options (\$0.001, 15 June 2020, vesting when the Cobalt One Share price is at \$0.20 or more for 10 consecutive trading days).

No Cobalt One Options will lapse prior to, or on, the Implementation Date.

(b) Exercise of certain Cobalt One Options

Alex Passmore, Jason Bontempo and Nicholas Rowley have undertaken to exercise all of the Cobalt One Options held by them so as to receive Scheme Shares prior to the Scheme Record Date.

In addition, it is contemplated that a majority of the holders of all Performance A Options and Performance B Options will enter into a Voluntary Escrow Agreement under which the holders will agree to exercise certain of those options to receive Cobalt One Shares prior to the Scheme Record Date, subject to the conditions of exercise on those options being met. Please refer to Section 11.10 for further details of this agreement.

It is also contemplated that the holders of Class A Options, Class D Options and Director Performance Options will enter into Option Exercise, Transfer and Cancellation Deeds under which they will agree to exercise their respective Options prior to the Scheme Record Date. Please refer to Section 11.12 for further details of this deed.

As a conditional ASX waiver has been granted to permit the exercise of all Cobalt One Options prior to the Scheme Record Date (refer to Section 11.26(b) of this Scheme Booklet), it is expected that the following Cobalt One Options will be exercised, and corresponding Cobalt One Shares issued, prior to the Scheme Record Date:

- 8,500,000 Class A Options;
- 8,000,000 Class D Options;
- 25,000,000 Performance A Options;
- 12,500,000 Performance B Options; and
- 10,000,000 Director Performance Options.

(c) Cancellation or transfer of Cobalt One Options

Under the Scheme Implementation Deed, Cobalt One and First Cobalt agreed to use reasonable endeavours (acting co-operatively and in good faith) to enter into deeds (in a form acceptable to both First Cobalt and Cobalt One, acting reasonably) with a sufficient number of holders of Cobalt One Options so as to permit First Cobalt to compulsorily acquire the remaining Cobalt One Options in accordance with Chapter 6A of the Corporations Act.

The Scheme Implementation Deed provides that under the terms of the transfer or cancellation deeds:

- each Cobalt One Option holder will agree, to the extent that they have not exercised their Cobalt One Options and received Scheme Shares prior to the Scheme Record Date, to the transfer to First Cobalt, or cancellation of, their Cobalt One Options in exchange for the consideration per Cobalt One Option set out in Annexure D of the Scheme Implementation Deed (reproduced in the table below), with such transfer or cancellation to be subject to the Scheme becoming Effective and to take effect on the Implementation Date;
- First Cobalt will agree to provide, or procure the provision of, the consideration to the holder on the Implementation Date; and

- Cobalt One will agree to cooperate with First Cobalt to facilitate the exercise, transfer or cancellation of Cobalt One Options (including, if required the Cobalt One Board making any necessary lawful amendment, consent or determination, and seeking any required shareholder approval for any such thing, for the purposes of the relevant terms and conditions upon which the Cobalt One Options were issued and using reasonable endeavours to procure ASX granting any necessary waivers).

If any Cobalt One Option holder does not exercise their Cobalt One Options and receive the Scheme Shares prior to the Scheme Record Date, all Cobalt One Options as at the date of this Scheme Booklet will be cancelled or transferred in accordance with the proposal set out above and First Cobalt will issue the following as consideration for the cancellation or transfer of the Cobalt One Options:

Class	Total number of Cobalt One Options	Consideration
Performance B Options	25,000,000 exercisable at \$0.06 and expiring 9 February 2020	In respect of any Cobalt One Options not exercised before the Scheme Record Date, New First Cobalt Shares or New First Cobalt CDIs calculated in accordance with the formula below, divided by 2.
Class A Options	8,500,000 exercisable at \$0.02 and expiring 5 April 2020	In respect of any Cobalt One Options not exercised before the Scheme Record Date, New First Cobalt Shares or New First Cobalt CDIs calculated in accordance with the formula: $(0.145 \text{ New First Cobalt Shares} \times Y) - ((X / 0.145) \times (0.145 \text{ New First Cobalt Shares} \times Y))$, rounded down to the nearest whole number, where: Y is the number of Cobalt One Options held by the Cobalt One Option holder on the Scheme Record Date; and X is the exercise price of the Cobalt One Option held.
Class D Options	8,000,000 exercisable at \$0.03 and expiring 30 November 2019	
Performance A Options	25,000,000 exercisable at \$0.03 and expiring 9 February 2020	
Class E Options	15,000,000 exercisable at \$0.08 and expiring 10 February 2020	At the election of the Class E option holder, the consideration outlined in the formula above, or New First Cobalt Options exercisable at \$0.55 and expiring 10 February 2020 at the ratio of 0.145 New First Cobalt Options for every one Class E option held.
Director Performance Options	15,000,000 exercisable at \$0.001 and expiring 15 June 2020	In respect of any Director Performance Option not exercised before the Scheme Record Date and subject to any required TSX regulatory approval, First Cobalt Options exercisable at \$0.0069 and expiring 15 June 2020 at the ratio of 0.145 First Cobalt Options for every Director Performance Option held. For the avoidance of doubt, there are no hurdles attached to the New First Cobalt Options. If any required TSX regulatory approval is not obtained, 0.145 New First Cobalt Shares or New First Cobalt CDIs per Director Performance Option

It is contemplated First Cobalt and Cobalt One will enter into either an Option Cancellation and Transfer Deed, an Option Exercise, Cancellation and Transfer Deed or a Voluntary Escrow Agreement with a sufficient number of holders of Cobalt One Options so as to permit First Cobalt to compulsorily acquire the remaining Cobalt One Options and to formalise the above cancellation and transfer obligations.

The Option Cancellation and Transfer Deeds and the Option Exercise, Cancellation and Transfer Deeds are on substantially identical terms, save that the Option Exercise, Cancellation and Transfer Deeds

provide for the cancellation or transfer of Cobalt One Options only if the exercise of the same is not possible or otherwise does not occur.

Issue of the consideration for the cancellation or transfer of the Cobalt One Options will be made by First Cobalt on the Implementation Date.

Please refer to Sections 11.11 and 11.12 for further details of the terms of these deeds.

See the table in Section 11.8(b) for further details of the Cobalt One Options held by each Cobalt One Director and executive officer, and the consideration they will receive under the cancellation or transfer deeds.

3.10 Termination rights

Termination rights are set out in clause 12 of the Scheme Implementation Deed which is Attachment E to this Scheme Booklet.

In summary:

- either party may terminate the Scheme Implementation Deed if a Condition has not been satisfied or waived, and the parties are unable to agree, in good faith, on a proposed course of action, or if the other party commits a material breach of the deed which is not rectified;
- either party may terminate the Scheme Implementation Deed if the Court refuses to make orders convening the Scheme Meeting or approving the Scheme, and Cobalt One does not appeal the Court's decision because the parties agree otherwise, Cobalt One's Directors reasonably consider it is not consistent with their fiduciary duties, or Cobalt One's legal advisers in relation to the Scheme indicate that, in their opinion, an appeal would have less than a 50% prospect of success;
- either party may terminate the Scheme Implementation Deed if a majority of the other party's directors publicly withdraw or adversely change their recommendation or voting intention in relation to the Scheme, or recommend, promote or otherwise endorse a Competing Proposal, provided that this happens following the occurrence of one of the events referred to in clause 7.5 of the Scheme Implementation Deed and the other party has paid the Break Fee if required to do so; and
- the parties may terminate the Scheme Implementation Deed by the written agreement of the parties, on such terms as the parties agreement.

If the Scheme Implementation Deed is terminated by either party, the deed will cease to have force and effect without any liability or obligation on the part of either party (except that clauses 9, 10, 11, 12, 13, 15, 16.1, 16.2, 16.3 and 16.4 survive termination and each party shall retain any rights and remedies that accrued prior to termination).

3.11 Exclusivity

Under the Scheme Implementation Deed, Cobalt One is subject to exclusivity obligations including no-shop, no-talk and notification and counter proposal rights in respect of Completing Proposals. These provisions are set out in clause 8 of the Scheme Implementation Deed, which is Attachment E to this Scheme Booklet.

In summary, from 9:00am on the date of execution of the Scheme Implementation Deed until the earlier of the valid termination of the Scheme Implementation Deed under clause 12 and the End Date (6 months from the date of execution of the Scheme Implementation Deed or such later date as agreed by Cobalt One and First Cobalt) (**Exclusivity Period**):

- **(No shop)** Subject to the fiduciary exception in clause 8.4 of the Scheme Implementation Deed, Cobalt One and First Cobalt must not, and must take reasonable steps to ensure that its Representatives do not, directly or indirectly:
 - solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal; or
 - communicate to any person any intention to do any of the things referred to above;

- **(No talk)** Subject to the fiduciary exception in clause 8.4 of the Scheme Implementation Deed and matching right in clause 8.6, Cobalt One and First Cobalt must not, and must take reasonable steps to ensure that its Representatives do not, directly or indirectly:
 - participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or participate in or continue any negotiations or discussions with respect to any actual, proposed or potential Competing Proposal;
 - negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal; or
 - disclose or otherwise provide any non-public information about the business or affairs of the Cobalt One Group or the First Cobalt Group to a Third Party with a view to obtaining or which would reasonably be expected to encourage or lead to receipt of, an actual, proposed or potential Competing Proposal;
 - communicate to any person any intention to do any of the things referred to in above;
- **(Notification of approaches)** Subject to the fiduciary exception in clause 8.4 of the Scheme Implementation Deed, Cobalt One or First Cobalt must notify the other party as soon as possible if it or any of its Representatives become aware of any:
 - negotiations or discussions, approach or attempt to initiate any negotiations or discussions, or intention to make such an approach or attempt to initiate any negotiations or discussions in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal;
 - proposal made to it or any of its Representatives, in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Competing Proposal; or
 - provision by it or any of its Representatives of any material non-public information concerning the business or operations of the Cobalt One Group (in the case of Cobalt One) or the First Cobalt Group (in the case of First Cobalt) to any to a Third Party (other than a Government Agency) in connection with an actual, proposed or potential Competing Proposal,

whether direct or indirect, solicited or unsolicited, and in writing or otherwise;
- **(Matching right)** Subject to the fiduciary exception in clause 8.4 of the Scheme Implementation Deed, if Cobalt One receives a Superior Proposal, the following provisions apply:
 - Cobalt One must immediately give First Cobalt notice in writing of that it has received a Superior Proposal and provide all material details of the Superior Proposal;
 - if Cobalt One gives First Cobalt a notice referred to in above, Cobalt One must not, until the end of the day which is three Business Days following the receipt of that notice by First Cobalt, enter into any legally binding agreement with respect to the Superior Proposal;
 - First Cobalt will have the right, but not the obligation, at any time until the end of the day which is three Business Days following receipt of the notice to:
 - offer to amend the terms of the Transaction; or
 - propose any other transaction,

(each a **Counterproposal**), and if First Cobalt does so, the Cobalt One Board must review the Counterproposal in good faith and in what the Cobalt One Board considers is required to comply with its fiduciary and statutory duties, to determine whether the Counterproposal is more favourable to Cobalt One Shareholders than the Superior Proposal;
 - if the Cobalt One Board determines, in good faith and in order to satisfy what the Cobalt One Board considers to be its fiduciary and statutory duties, that the Counterproposal is more favourable to Cobalt One Shareholders than the Superior Proposal, then:

- if the Counterproposal contemplates an amendment to the Transaction, the parties must use best endeavours to enter into a document amending the Scheme Implementation Deed in relation to the Transaction and reflecting the Counterproposal; and
- Cobalt One must make an announcement as soon as reasonably practicable recommending the Counterproposal, in the absence of a more favourable proposal, and the parties must pursue implementation of the Counterproposal in good faith.

3.12 Break Fee

The Break Fee provisions are set out in clause 9 of the Scheme Implementation Deed which is Attachment E to this Scheme Booklet.

Under the Scheme Implementation Deed, Cobalt One must pay to First Cobalt, without set-off or withholding, a Break Fee equal to 1% of the equity value of Cobalt One as calculated in accordance with Takeovers Panel Guidance Note 7, within five Business Days of any of the following events:

- a Competing Proposal for Cobalt One is announced before the date of the Scheme Meeting and a Third Party undertakes any matters comprising, or takes steps towards completion, of a Competing Proposal involving Cobalt One within 12 months after the date of the Scheme Implementation Deed;
- the Cobalt One Board, prior to termination of the Scheme Implementation Deed makes, or authorises, a public statement that it no longer recommends Cobalt One Shareholders vote in favour of Scheme, withdraws or adversely changes their recommendation or own voting intention, or recommends Cobalt One Shareholders vote in favour of, or accept, a Competing Proposal, other than where a Condition has not been, and will not be met (other than by reason of a deliberate act or omission amounting to a breach of the Scheme Implementation Deed by Cobalt One), the Scheme Implementation Deed is terminated in accordance with its terms or the Independent Expert concludes the Scheme is not in the best interests of Cobalt One Shareholders (in the absence of a Competing Proposal); or
- First Cobalt terminates the Scheme Implementation Deed due to a deliberate act or omission amounting to a breach by Cobalt One.

The Break Fee provisions impose obligations on Cobalt One only to the extent that the performance of the obligations do not constitute unacceptable circumstances as declared by the Australian Takeovers Panel, does not breach the fiduciary or statutory duties of any Cobalt One Director and is not otherwise unlawful or held to be unenforceable.

Under the Scheme Implementation Deed, First Cobalt must pay to Cobalt One, without set-off or withholding, a Break Fee equal to 1% of the equity value of Cobalt One, as calculated in accordance with Takeovers Panel Guidance Note 7, within five Business Days of any of the following events:

- a Competing Proposal for First Cobalt is announced before the date of the Scheme Meeting and a Third Party undertakes any matters comprising, or takes steps towards, completion of a Competing Proposal involving First Cobalt within 12 months after the date of the Scheme Implementation Deed;
- a majority of the First Cobalt Board, prior to termination of the Scheme Implementation Deed make, or authorise, a public statement that the directors no longer recommend First Cobalt Shareholders vote in favour of any matter reasonably necessary to implement the Scheme, withdraws or adversely changes their recommendation or own voting intention; or recommends First Cobalt Shareholders vote in favour of, or accept, a Competing Proposal, other than where a Condition has not been and will not be met (other than by reason of a deliberate act or omission amounting to a breach of the Scheme Implementation Deed by First Cobalt), the Scheme Implementation Deed has been terminated in accordance with its terms or the Independent Expert concludes the Scheme is not in the best interests of Cobalt One Shareholders (in the absence of a Competing Proposal); or
- Cobalt One terminates the Scheme Implementation Deed due to a deliberate act or omission amounting to a breach of the Scheme Implementation Deed by First Cobalt.

The Break Fee provisions impose obligations on First Cobalt only to the extent that the performance of the obligations do not constitute unacceptable circumstances as declared by the Australian Takeovers Panel, does not breach the fiduciary or statutory duties of any Cobalt One Director and is not otherwise unlawful or held to be unenforceable.

3.13 Conduct of business and integration

Pursuant to clause 5.4 of the Scheme Implementation Deed, Cobalt One and First Cobalt have agreed to conduct their business and operations in the ordinary course. Each party must advise the other party of any developments that would be considered material from a continuous disclosure perspective.

3.14 Delisting

If the Scheme becomes Effective, Cobalt One will apply for suspension from the close of trading on the Effective Date and for termination of the official quotation of Cobalt One Shares on ASX by the close of trading on the trading day immediately following the Implementation Date.

3.15 End Date

If the Scheme has not become Effective on or before the End Date (being the date that is six months from the date of execution of the Scheme Implementation Deed (i.e. 15 January 2018) or such later date as agreed by Cobalt One and First Cobalt), then Cobalt One and First Cobalt will consult in good faith with a view to determining whether:

- the Scheme or a transaction which results in the acquisition of Cobalt One by First Cobalt may proceed by way of an alternative approach and, if so, to agree on the terms of such an alternative approach;
- to extend the date for satisfaction of the relevant Condition to another date agreed by Cobalt One and First Cobalt;
- to extend the End Date; or
- to adjourn or change the date of an application to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme (as applicable).

If Cobalt One and First Cobalt are unable to reach agreement within five Business Days of the earlier of becoming aware of the relevant occurrence or relevant date or by the End Date, then unless the relevant Condition is waived in accordance with clause 3.3 of the Scheme Implementation Deed, either Cobalt One or First Cobalt are able to terminate the Scheme Implementation Deed. If the Scheme Implementation Deed is terminated, the Scheme will not proceed. A party may not terminate the Scheme Implementation Deed if a Condition was not satisfied as a result of an act or omission by that party or any of its Related Bodies Corporate which results in a material breach of the Scheme Implementation Deed.

4 Scheme Consideration

4.1 Scheme Consideration

If the Scheme becomes Effective, each Scheme Shareholder (other than Ineligible Foreign Holders and Electing Small Shareholders) will be entitled to receive the Scheme Consideration, being 0.145 New First Cobalt Shares or New First Cobalt CDIs (at their election) for each Cobalt One Share held by Scheme Shareholders on the Scheme Record Date.

The indicative Scheme Record Date is 7:00pm WST on 1 December 2017.

The formula for determining the Scheme Consideration was developed by the directors of First Cobalt and Cobalt One having regard to the relative value of First Cobalt Shares and Cobalt One Shares as at the date of executing the Scheme Implementation Deed.

First Cobalt has agreed to procure that the Scheme Consideration will be validly issued, fully paid and rank equally with First Cobalt's other issued common shares or CDIs from their date of issue.

(a) Fractional entitlements

If a Scheme Shareholder would be entitled to a fraction of a New First Cobalt Share or New First Cobalt CDI under the Scheme Consideration, any fractional entitlement:

- of 0.5 or more will be rounded up to the nearest whole number; and
- of less than 0.5 will be rounded down to the nearest whole number.

(b) Election to receive New First Cobalt Shares

(i) Entitlement to make an Election

If the Scheme is Effective, and First Cobalt is admitted to the official list of ASX, each Scheme Shareholder (other than an Ineligible Foreign Holder or Electing Small Shareholder) may elect to receive Scheme Consideration in the form of either New First Cobalt Shares or New First Cobalt CDIs.

Scheme Shareholders should consider their individual circumstances and obtain their own financial, legal and other professional advice before making a decision whether or not to receive Scheme Consideration in the form of New First Cobalt Shares or New First Cobalt CDIs.

(ii) Effect of making an Election

A Scheme Shareholder (other than an Ineligible Foreign Holder or Electing Small Shareholder) may only make an Election in relation to all and not part of their entitlement to receive Scheme Consideration, unless the Scheme Shareholder is a custodian, nominee or trustee (see subparagraph (v) below).

An Election will apply to all of the relevant Scheme Shareholder's Scheme Consideration, notwithstanding that the number of Cobalt One Shares held at the Scheme Record Date may be greater or less than the number held at the time the Election is made.

(iii) Effect of *not* making an Election

A Scheme Shareholder will receive their Scheme Consideration in the form of New First Cobalt CDIs unless an Election to be issued New First Cobalt Shares is received by the Cobalt One Registry on or before the Scheme Record Date.

(iv) How to make an Election

A Scheme Shareholder who wishes to make an election to receive Scheme Consideration in the form of New First Cobalt Shares should contact the Cobalt One Registry on (08) 9389 8033 (within Australia) or +61 8 9389 8033 (outside Australia) and request an Election Form.

Election Forms must be completed in accordance with the instructions on the form and returned to the Cobalt One Registry on or before the Scheme Record Date (currently expected to be 7:00pm WST on 1 December 2017) as follows:

Form of service	Contact Details
By hand	Cobalt One Limited c/- Advance Share Registry 110 Stirling Highway Nedlands, Western Australia AUSTRALIA 6009
By post	Cobalt One Limited c/- Advance Share Registry PO Box 1156 Nedlands, Western Australia AUSTRALIA 6909
By facsimile	Inside Australia – (08) 9262 3723 Outside Australia – +61 8 9262 3723

(v) Election by custodian, nominee or trustee

Scheme Shareholders who hold parcels of Cobalt One Shares as custodian, nominee or trustee for, or on account of, other persons (**Non-Beneficial Holder**) may make separate Elections to receive New First Cobalt Shares in relation to each of those parcels.

A Non-Beneficial Holder must:

- provide reasonable evidence to Cobalt One and First Cobalt to substantiate the relevant custodian, nominee or trustee relationship; and
- establish in the Cobalt One Register separate and distinct holding for each parcel of Cobalt One Shares held on behalf of a beneficiary.

A Non-Beneficial Holder must not seek to make an Election to receive First Cobalt Shares from a beneficiary in relation to the Scheme Consideration which is not attributable to that beneficiary's parcel of Cobalt One Shares held by the Non-Beneficial Holder.

(vi) Withdrawal or variation of Election

A Scheme Shareholder (other than an Ineligible Foreign Holder) may withdraw or vary an Election to receive Scheme Consideration in the form of New First Cobalt Shares in accordance with the instructions set out on the Election Form.

A request to withdraw or vary an Election must be received by the Cobalt One Registry on or before 7:00pm WST on the Scheme Record Date. Requests received after this time will not be actioned and the relevant Scheme Shareholder will be issued in accordance with the then current Election.

4.2 Issuance of Scheme Consideration

A holding statement for the New First Cobalt CDIs will be sent to the Scheme Shareholder within five Business Days after the Implementation Date, unless that Scheme Shareholder has made an Election (see Section 4.1(b)).

Scheme Shareholders who have made an Election under Section 4.1(b) will be sent their certificates or DRS Advices for their New First Cobalt Shares within 10 Business Days after the Implementation Date.

First Cobalt intends to apply to have New First Cobalt CDIs trade on a deferred settlement basis prior to the Implementation Date. However, as the exact number of New First Cobalt CDIs to be issued to each Scheme Shareholder (other than an Ineligible Foreign Holder or Electing Small Shareholder) will not be known until after the Scheme Record Date, any trade in New First Cobalt CDIs during the deferred settlement period is at the New First Cobalt CDI holder's risk.

4.3 Information about New First Cobalt Shares and New First Cobalt CDIs

(a) What is a New First Cobalt Share?

A New First Cobalt Share is a common share in the share capital of the Merged Group, being the equivalent of an “ordinary” share in Australia.

New First Cobalt Shares will be quoted and tradable on TSX-V in Canadian dollars and the OTCQB in US dollars. New First Cobalt Shares will not be quoted or tradable on ASX.

(b) What is a New First Cobalt CDI?

A “CDI” is a financial product quoted on ASX which represents an interest in the underlying security of the Merged Group, a foreign company. CDIs allow investors to trade interests in foreign securities by trading CDIs on ASX.

Each New First Cobalt CDI will represent one New First Cobalt Share and will confer a beneficial interest in that New First Cobalt Share. New First Cobalt Shares represented by New First Cobalt CDIs will be held by CDN, on behalf of the Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders). CDN is a wholly-owned subsidiary of ASX.

Upon First Cobalt being admitted to the official list of ASX, New First Cobalt CDIs will be quoted and tradable on ASX in Australian dollars. New First Cobalt CDIs will not be quoted or tradeable on TSX-V or OTCQB.

If a holder of New First Cobalt CDIs wishes to trade on TSX-V or OTCQB, they must convert their New First Cobalt CDIs into New First Cobalt Shares.

(c) General features of New First Cobalt CDIs

Other than certain differences noted below, the rights attaching to New First Cobalt CDIs are economically equivalent to the rights attaching to New First Cobalt Shares. The Merged Group will generally be required to treat holders of New First Cobalt CDIs as if they were the holders of the New First Cobalt Shares that are represented by the New First Cobalt CDIs. This means that economic benefits, such as dividends, bonus issues and rights issues, will generally flow through to holders of New First Cobalt CDIs as if they were the registered holders of the underlying New First Cobalt Shares.

(d) Ratio

Each New First Cobalt CDI will represent one New First Cobalt Share held by CDN.

(e) Voting

Holders of New First Cobalt Shares and New First Cobalt CDIs will be sent notices of general meetings of the Merged Group shareholders at the same time as other Merged Group shareholders.

Shareholders of First Cobalt will be entitled to vote at a general meeting of shareholders of the Merged Group.

As holders of New First Cobalt CDIs are not the registered holders of the New First Cobalt Shares represented by the First Cobalt CDIs, they will not be automatically entitled to vote in person at a general meeting of shareholders of the Merged Group. However, the holder of a New First Cobalt CDI can direct CDN to cast votes in a particular manner on their behalf, or they can require CDN to appoint the holder (or a person nominated by the holder) as proxy to exercise the votes attaching to the New First Cobalt Shares represented by the New First Cobalt CDIs. If the holder of a New First Cobalt CDI is appointed as proxy, the holder may, as proxy, attend and vote in person at a general meeting of shareholders of the Merged Group.

First Cobalt will fix a record date for determining which holders of New First Cobalt CDIs and New First Cobalt Shares are entitled to receive notice of a general meeting and vote on the matters to be considered at that meeting.

(f) CDIs and takeovers

CDN must not accept a takeover offer in respect of any New First Cobalt Shares representing New First Cobalt CDIs, except to the extent that holders of New First Cobalt CDIs have authorised CDN to accept the takeover offer.

(g) Communications from First Cobalt

The Merged Group will communicate directly with holders of New First Cobalt Shares and New First Cobalt CDIs with respect to corporate actions, and will send all notices and other documents (such as notice of meetings) to holders of New First Cobalt CDIs at the same time as such notices and documents are sent to holders of New First Cobalt Shares.

(h) Trading

New First Cobalt Shares must be traded on TSX-V through a stockbroker that is entitled to trade on TSX-V. Further, trades can occur on OTCQB through a stockbroker that permits over-the-counter trading. Not all Australian stockbrokers are able to trade securities on TSX-V or over-the-counter in the United States.

Similarly, New First Cobalt CDIs must be traded on ASX through an approved market participant stockbroker.

(i) Dividends

Dividend record and payment dates will be the same for New First Cobalt Shares and New First Cobalt CDIs.

Any cash dividends or distributions to holders of New First Cobalt Shares will be paid in Canadian dollars. Such dividends or distributions to holders of New First Cobalt CDIs will be converted by the Merged Group or its agent from Canadian dollars into Australian dollars in accordance with the applicable exchange rate, from time to time, paid by the Merged Group to the First Cobalt CDI Registry (Link Market Services) on trust for the holders of New First Cobalt CDIs (net of any currency conversion costs), and then paid directly to holders of New First Cobalt CDIs by the First Cobalt CDI Registry on the payment date.

Please note that First Cobalt does not currently intend to pay any dividends.

(j) Evidence of ownership – New First Cobalt Shares

Scheme Shareholders who are issued Scheme Consideration in the form of New First Cobalt Shares will be issued with certificates or DRS Advices to evidence legal title. Replacement of certificates for New First Cobalt Shares will be required if the original certificates are lost, damaged or defaced.

(k) Evidence of ownership – New First Cobalt CDIs

New First Cobalt CDIs may be held on an issuer sponsored subregister or on a CHESS subregister. If a Scheme Shareholder receives New First Cobalt CDIs under the Scheme, they will receive them:

- on the New First Cobalt CDI issuer sponsored subregister, to the extent they are issued for New First Cobalt Shares held on the Cobalt One issuer sponsored subregister; and
- on the New First Cobalt CDI CHESS subregister, to the extent they are issued for Cobalt One Shares held on the Cobalt One CHESS subregister.

The holders of New First Cobalt CDIs issued under the Scheme who are not CHESS sponsored will be sent a holding statement in respect of their issuer sponsored New First Cobalt CDIs rather than a holding statement or Canadian DRS Advice for the underlying New First Cobalt Shares.

For those holders who are CHESS sponsored, the First Cobalt CDI Registry will provide a confirmation of issue. Holding statements will be despatched in the first week after the month following a change in the number of New First Cobalt CDIs held by a shareholder of the Merged Group.

(l) The principal differences between holding New First Cobalt CDIs and New First Cobalt Shares

The principal difference between holding a New First Cobalt CDI and holding a New First Cobalt Share is that the holder of a New First Cobalt CDI has, through CDN, an indirect, beneficial interest in the New

First Cobalt Share underlying their New First Cobalt CDI, instead of directly owning that New First Cobalt Share. This means that the holder of the New First Cobalt CDI is not the registered holder of the underlying New First Cobalt Share and, accordingly, cannot directly trade the underlying New First Cobalt Share.

New First Cobalt CDIs will be tradeable on ASX only. This has the advantage that New First Cobalt CDIs can be traded during Australian business hours using Australian brokers in prices quoted in Australian dollars.

As holders of New First Cobalt CDIs are not registered shareholders of First Cobalt, the rights attaching to New First Cobalt Shares which underlie the New First Cobalt CDIs must be exercised by CDN. A holder of New First Cobalt CDIs may instruct CDN to exercise these rights on their behalf.

4.4 Conversion of New First Cobalt CDIs into New First Cobalt Shares

Holders of First Cobalt CDIs may, at any time, convert their First Cobalt CDIs into New First Cobalt Shares, which may then be traded on TSX-V and OTCQB, by contacting:

- the First Cobalt CDI Registry, if their New First Cobalt CDIs are held on the New First Cobalt CDI issuer sponsored subregister; or
- their controlling participant (usually their broker), if their New First Cobalt CDIs are held on a CHESS subregister of New First Cobalt CDIs.

Requests for conversion of New First Cobalt CDIs into New First Cobalt Shares will ordinarily be processed on the same business day.

Conversion is achieved by transferring the underlying New First Cobalt Shares from CDN to the holder of the First Cobalt CDIs. Settlement of a trade of the underlying New First Cobalt Shares cannot take place on TSX-V or OTCQB until the conversion process has been completed.

4.5 Ineligible Foreign Holders

Restrictions in certain foreign countries make it impractical or unlawful for New First Cobalt Shares or New First Cobalt CDIs to be offered, or issued, under the Scheme to Cobalt One Shareholders in those countries.

An Ineligible Foreign Holder means a Scheme Shareholder (other than an Excluded Shareholder) whose address in the Register is in a jurisdiction outside Australia and its external territories, New Zealand, the British Virgin Islands, Gibraltar and Canada, except where Cobalt One and First Cobalt are reasonably satisfied that the issue of New First Cobalt Shares or New First Cobalt CDIs in that jurisdiction under the Scheme would be neither prohibited by law nor unduly onerous.

First Cobalt is under no obligation to issue the Scheme Consideration to any Ineligible Foreign Holder. For each Ineligible Foreign Holder, First Cobalt must issue the New First Cobalt Shares or New First Cobalt CDIs to which the Scheme Shareholder would have been entitled (were they not an Ineligible Foreign Holder) to a Nominee, and procure that the Nominee:

- as soon as reasonably practicable (and, in any event, within 30 Business Days after the Implementation Date) sells those New First Cobalt Shares on TSX-V or New First Cobalt CDIs on ASX in such manner, at such price and on such other terms as the Nominee determines in good faith, and at the risk of the Ineligible Foreign Holders; and
- remits to First Cobalt the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**).

First Cobalt, in consultation with the Nominee, will determine whether to issue to New First Cobalt Shares (which will be sold on TSX-V) or New First Cobalt CDIs (which will be sold on ASX), or both, having regard to the anticipated liquidity for each in the Canadian and the Australian markets, and specifically which market is likely to have the greatest liquidity to enable sale of the New First Cobalt Shares and/or CDIs.

First Cobalt will pay to each Ineligible Foreign Holder such proportion of the Proceeds as the number of New First Cobalt Shares or New First Cobalt CDIs which would have been issued to that Ineligible Foreign Holder (if they were eligible to receive the Scheme Consideration) represents as a portion of all

First Cobalt Shares or First Cobalt CDIs which would have been issued to all Ineligible Foreign Holders (if they were eligible to receive the Scheme Consideration), in full satisfaction of First Cobalt's obligations to those Ineligible Foreign Holders under the Scheme in respect of the Scheme Consideration.

First Cobalt will pay the relevant fraction of the Proceeds to each Ineligible Foreign Holder by either:

- dispatching, or procuring the dispatch, to that Ineligible Foreign Holder by prepaid post to that Ineligible Foreign Holder's Registered Address (at the Scheme Record Date), a cheque in the name of that Ineligible Foreign Holder; or
- making a deposit in an account with any ADI (as defined in the *Banking Act 1959* (Cth)) in Australia notified by that Ineligible Foreign Holder to Cobalt One (or the Registry) and recorded in or for the purposes of the Cobalt One Register at the Scheme Record Date,

for the relevant amount, with that amount being denominated in Australian dollars.

Each Ineligible Foreign Holder appoints Cobalt One as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Nominee is required to provide to Ineligible Foreign Holders under the Corporations Act.

Cobalt One and First Cobalt give no assurance as to the price that will be achieved from the sale of New First Cobalt Shares or New First Cobalt CDIs for Ineligible Foreign Holders by the Nominee.

4.6 Small Shareholders

Scheme Shareholders, who are entitled to receive 675 or less New First Cobalt Shares or New First Cobalt CDIs (or such other number as may be agreed between First Cobalt and Cobalt One in writing) under the Scheme, will be given the option to either:

- receive the New First Cobalt Shares or New First Cobalt CDIs as Scheme Consideration (in which case, a Small Shareholder should refer to Section 4.1(b) above); or, **alternatively**
- have their Scheme Consideration issued to the Nominee in the form of New First Cobalt Shares or New First Cobalt CDIs for sale.

If a Small Shareholder elects to have their Scheme Consideration issued to the Nominee, as opposed to receiving New First Cobalt Shares or New First Cobalt CDIs, the following will occur:

- First Cobalt will procure that the Nominee, as soon as reasonably practicable (and in any event not later than 30 Business Days after the Implementation Date), sells on ASX or TSX-V all of the New First Cobalt Shares or New First Cobalt CDIs issued to the Nominee in such manner, at such a price and on such terms as the Nominee determines in good faith (and at the risk of Electing Small Shareholders), and remits to First Cobalt the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**); and
- First Cobalt will pay to each Electing Small Shareholder such fraction of the Proceeds as is equal to the number of New First Cobalt Shares or New First Cobalt CDIs which would have been issued to that Electing Small Shareholder divided by the total number of New First Cobalt Shares or New First Cobalt CDIs issued to the Nominee promptly after the last sale of the New First Cobalt Shares or New First Cobalt CDIs by the Nominee, in full satisfaction of First Cobalt's obligations to those Electing Small Shareholders under the Scheme in respect of the Scheme Consideration.

First Cobalt, in consultation with the Nominee, will determine whether to issue to New First Cobalt Shares (which will be sold on TSX-V) or New First Cobalt CDIs (which will be sold on ASX), or both, having regard to the anticipated liquidity for each in the Canadian and the Australian markets, and specifically which market is likely to have the greatest liquidity to enable sale of the New First Cobalt Shares and/or CDIs.

First Cobalt will pay the relevant fraction of the Proceeds to each Electing Small Shareholder by either:

- dispatching, or procuring the dispatch, to that Electing Small Shareholder by prepaid post to that Electing Small Shareholder's Registered Address (at the Scheme Record Date), a cheque in the name of that Electing Small Shareholder; or
- making a deposit in an account with any ADI (as defined in the *Banking Act 1959* (Cth)) in Australia notified by that Electing Small Shareholder to Cobalt One (or the Cobalt One Registry) and

recorded in or for the purposes of the Cobalt One Register at the Scheme Record Date, for the relevant amount, with that amount being denominated in Australian dollars.

Electing Small Shareholders who elect to have their New First Cobalt Shares or New First Cobalt CDIs sold on their behalf by the Nominee must complete the Small Shareholder Election Form in Attachment K and return it to the Cobalt One Register before 7:00pm WST on 1 December 2017. Small Shareholders who wish to be issued New First Cobalt Shares or New First Cobalt CDIs should not complete the Small Shareholder Election Form.

Cobalt One, First Cobalt and the Nominee give no assurance as to the price that will be achieved from the sale of New First Cobalt Shares or New First Cobalt CDIs for Electing Small Shareholders by the Nominee.

Each Electing Small Shareholder appoints Cobalt One as its agent to receive on its behalf any financial services guide or other notices that the Nominee is required to provide to Electing Small Shareholders under the Corporations Act.

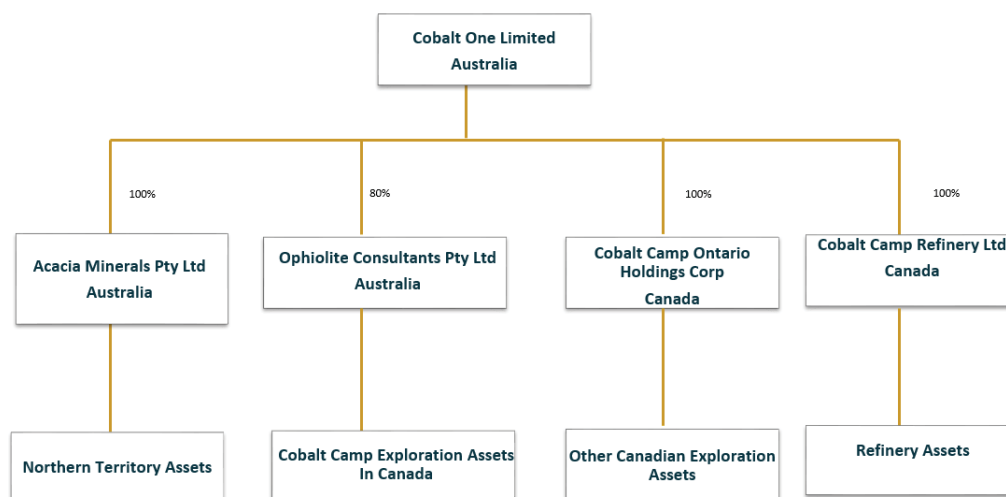
5 Information about Cobalt One

5.1 Background to Cobalt One

Cobalt One (formerly Equator Resources) is an ASX listed company. Cobalt One is an Australian corporation with its head and registered office located at Level 1, 35 Richardson Street, West Perth WA 6005, Australia.

Cobalt One is a cobalt exploration company which heads a group of companies with high grade projects and which holds the only permitted cobalt extraction refinery in a Tier 1 mining jurisdiction (Ontario, Canada). The Cobalt One Group has seven high-grade cobalt properties in Cobalt, Ontario including properties located in the town of Cobalt, Lorrain Valley, Silver Centre and Silverfields, which has four patented mining claims near the town of Cobalt.

The following chart identifies Cobalt One and its material subsidiaries, together with the jurisdiction of incorporation of each such subsidiary, the percentage of voting securities beneficially owned or over which control or direction is exercised by Cobalt One.



5.2 Overview of Cobalt One's operations and main projects and other major landholders

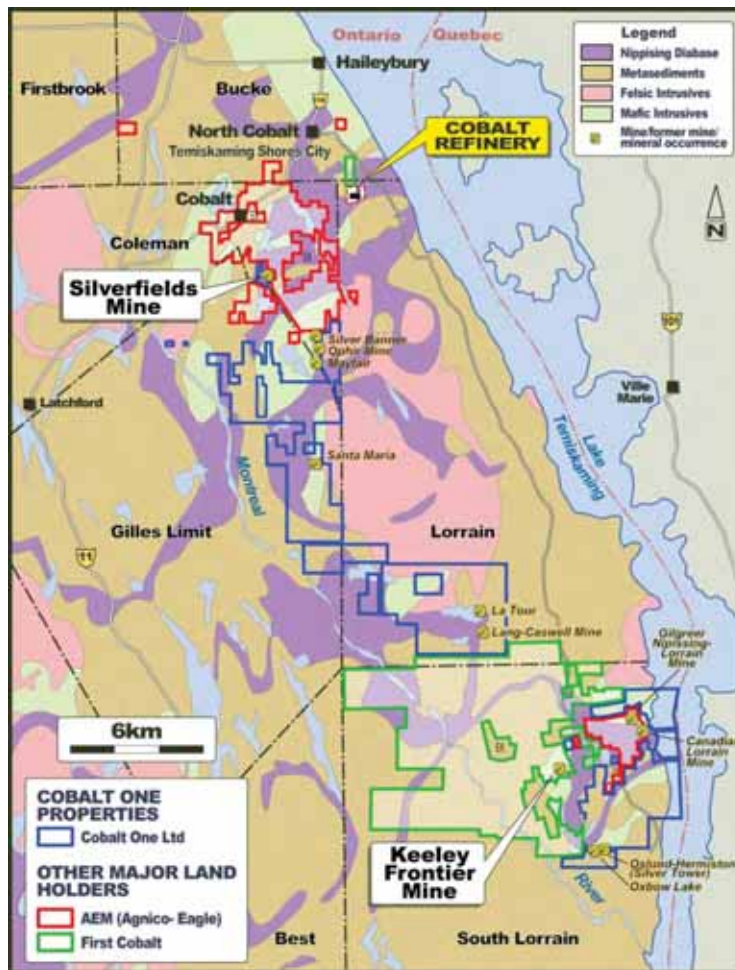


Figure 1 - Location of Exploration Assets

(a) Cobalt One's main exploration assets

In February 2017, Cobalt One acquired high-grade cobalt properties in Cobalt, Ontario through the acquisition of its 80% owned subsidiary Ophiolite Consultants Pty Ltd (**Ophiolite**). These assets comprise both patented and unpatented claims which are 100% owned by Ophiolite. These cobalt projects are in three main areas located in the Cobalt town region of Ontario, Canada. The three existing project areas are as follows:

- **Cobalt Town Claims** - 5,437 acres;
- **Lorrain Valley Cobalt Claims** – 4,257 acres; and
- **Silver Centre Cobalt Claims (South Lorrain)** – 3,776 acres.

Historical sampling from the projects in the Cobalt Camp has reported copper grades of up to 12.3%, with high grade cobalt present in cobaltite, erythrite ("cobalt bloom"), nickel-cobalt arsenides (assays indicate nickel grades of up to 3.74%) as well as the more common silver-cobalt arsenides. (source: *Prospecting Report 1998 2.19051 "MNDM"*)

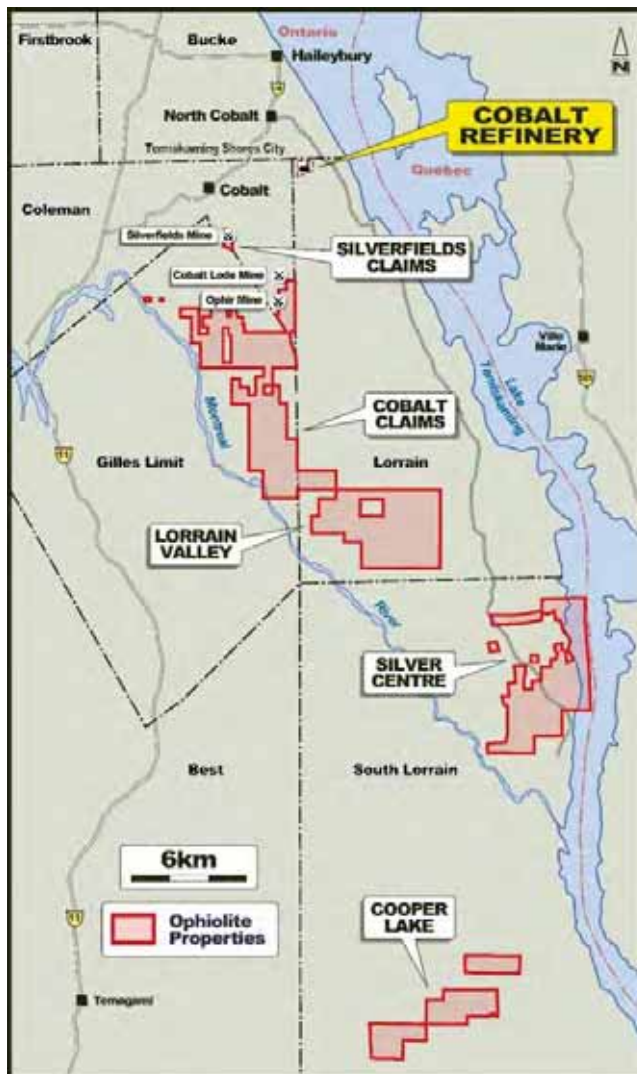


Figure 2: Location of Claims within the Cobalt Camp

While the Cobalt One properties currently have limited infrastructure, the Cobalt Camp area is an established Tier-1 mining district, with extensive road, rail and port infrastructure, able to target future production to key North American, and export markets. The district is a proven mining region with over 600Moz silver and 45Mlbs of copper production from previous operating mines (source: Ontario Ministry of Northern Development and Mines "MNDM"). Much of this silver was extracted in the early 1900s, with minimal focus on copper or on high grade copper regions which were typically left behind or used as a tracer to track silver.

Mineralisation in the area occurs as silver-cobalt arsenides plus other cobalt arsenides such as skutterudite, cobaltite, smaltite hosted within quartz and calcite veins. Historical sampling from some of these veins shows exceptionally high grades of cobalt (4-12%). (source: Ontario Ministry of Northern Development and Mines "MNDM")

Within the assets, the vast majority of cobalt mineralised zones is related to the Nipissing diabase, Huronian sediments and Keewatin volcanics - particularly near contact points between the diabase and the latter two rock types, which is typical regionally. The assets cover over 20 kilometres of highly prospective ground along these contact points.

The Cobalt Camp Project claims include, and are adjacent to, former operating mines with historic silver and cobalt production. Miners in the early 1900s targeted easy to access outcrop due to the lack of

geophysical technology that exists today. There has been minimal modern day exploration carried out to date.

The Cobalt Camp Projects include significant exploration upside and further growth opportunities due to minimal modern exploration techniques applied, structures are relatively shallow and amenable to IP analysis and low cost shallow drilling. Former mines provide a significant database for Cobalt One on production assets and for exploration programs to target along strike.

In February 2017, Cobalt One acquired the historic Silverfields mine property, a mine previously owned by Teck Corporation Ltd, adding it to its extensive portfolio of properties. The operation was historically mined for silver mineralisation with cobalt being an unpaid by-product.

Silverfields was operated by Teck Corporation Ltd from 1964 to 1983 and was one of its key operations in Canada at the time. It was a prolific silver producer producing 18Moz of silver at 12.8 oz / ton (362 g/t silver) (source: Ontario Ministry of Northern Development and Mines "MNDM").

Mineralisation at the mine included silver-cobalt arsenides typical of the Cobalt Camp. At the time cobalt was used as a tracer to target silver mineralisation and not targeted in its own right. Cobalt production was not tracked separately as the mills which received the ore at the time did not pay for cobalt content so there was no economic incentive to target copper-rich or high copper-low silver areas.

The resident geologist from the Kirkland Lake Northern Ontario Mines Department reported in the early 1980s that cobalt was grading 1.0% copper in the ore and historic maps and other notes indicate the presence of cobalt throughout the mine operations (source: Ontario Ministry of Northern Development and Mines "MNDM").

Silverfields comprises four patented mining claims (surface rights included) near the town of Cobalt. The mine, an underground operation, was historically accessed via an adit (known as "Meteor Ramp") and a shaft (known as "Alexandra Shaft").

Underground workings related to silver mining are significant at the operation across six levels down to a depth of approximately 200 metres below surface. Cobalt One believes these underground workings will, following rehabilitation, allow access for modern exploration targeting cobalt mineralisation.

Historical estimates of past production sourced from the Northern Ontario Mines Department indicate that 1.42 megatons of silver ore was mined over 19 years to 1983. This implies an endowment of about 8,500t of mineralised material per vertical metre and an average annualised production rate of 81,400t per annum. (source: Ontario Ministry of Northern Development and Mines "MNDM")

Cobalt One considers this highly encouraging given the principal method of mining employed to recover the silver rich veins was small scale (air leg mining) which may potentially be increased via mechanised methods.

The Silverfields deposit is composed of principal ore veins, cross-veins, masses of mineralised Keewatin interflow rocks, and disseminated minerals in the Coleman Formation. Only the principal ore veins contain silver ore and they occur primarily in the Coleman Formation.

The veins also contain cobalt indicator minerals such as arsenides and native silver (principal metal veins). The arsenides, including nickel, cobalt, and iron varieties, occur as massive lenses and disseminated grains in the carbonate veins. Some massive lenses extend across the entire widths of the veins, others present as irregular bodies in the centres of the veins, and still others occur at the edges of the veins.

Cobalt One has staked further known cobalt occurrences in the Cooper Lake area. The claims include the historic copper-silver mineralised Ogistoh exploration mine with a small past production history where ore was reported to contain 5% copper (source: Ontario Ministry of Northern Development and Mines "MNDM"). The Ogistoh shaft was approximately 80 feet deep and 40 feet of drifting was completed on its northwest side. The Cooper Lake properties also contain the Cunningham and Pubelow copper-silver occurrences.

Claims were also staked in the Gillies Limit and Lorrain Twp effectively tying both major claim groups together which covers more cobalt mineral prospective ground. In the South Lorrain/Silver Centre area, more claims were staked making the two claim groups located in that area contiguous which are nearby the Canadian Lorrain mine. Further claims staked include copper prospective land south of the Oxbow Lake and Oslund-Hermiston copper-silver occurrences. Assays from a historic diamond drilling program adjacent to Oxbow Lake returned results including, 3.25% copper over 3.1 feet DDH 8 yielded, 1.41%

copper over 2.8 feet (source: Ontario Ministry of Northern Development and Mines "MNDM").

Cobalt One has continued exploration on the Acacia-Frazer project in the Northern Territory, located approximately 50 kilometres south of Darwin. This is a non-core asset of Cobalt One.

(b) Cobalt One's refinery

On 26 April 2017, Cobalt One announced that it had entered into a binding asset purchase agreement with 36569 Yukon Inc (**Yukon**) and its parent company, Yukon Refinery AG, (**Asset Purchase Agreement**) pursuant to which Cobalt One would, subject to certain conditions precedent, buy properties, permits, assets and rights, including intellectual property and goodwill, from Yukon relating to or held for use in connection with the operation of the cobalt concentrates refinery located in North Cobalt, Ontario, Canada, on an "as is" basis (**Refinery Assets**).

On 19 June 2017, Cobalt One announced that it had successfully completed the Asset Purchase Agreement. The Refinery Assets are now held by Cobalt Camp Refinery Ltd, a wholly-owned subsidiary of Cobalt One.

On 9 June 2017, Cobalt One Shareholders approved the issue of the consideration shares. On or around 21 July 2017, on delivery of additional Yukon third party documentation, Cobalt One issued 100,000,000 Cobalt One Shares (50,000,000 of which are escrowed for 12 months from the date of issue and 50,000,000 of which are escrowed for 24 months from the date of issue) to Marcor Limited, a nominee of Yukon, as part consideration for the Refinery Assets.

Cobalt One believes the Refinery Assets are an appropriate long term strategic addition to Cobalt One's existing cobalt project portfolio in the Cobalt Camp.

Cobalt One believes the acquisition of the Refinery Assets confirms Cobalt One as a major player in the Cobalt Camp to take advantage of future processing of potential cobalt resources from Cobalt One's own land holdings. In addition, it will also include meeting the potential demand of third parties actively exploring and developing their own cobalt resources in the region, with the potential to result in a significant North American based primary cobalt producing region.

The refinery is not currently operating, and will require upgrades to meet Cobalt One's potential future processing demands.

5.3 Financial information

(a) Basis of preparation

The following section summarises certain historical financial information about Cobalt One for the years ended 30 June 2017, 2016 and 2015. The historical financial information has been extracted from the financial statements contained in the audited annual reports of Cobalt One for years ended 30 June 2017, 2016 and 2015. The financial statements for the years ended 30 June 2017, 2016 and 2015 were audited by BDO Audit (WA) Pty Ltd (**BDO**).

Cobalt One's audited annual financial report 30 June 2017 included a qualified opinion. BDO's report on the audit of the Cobalt One financial report dated 29 September 2017 is Attachment N to this Scheme Booklet.

Cobalt One's audited financial accounts for 30 June 2016 included a qualified opinion. Please refer to Cobalt One's 2016 Annual Report for further information regarding BDO's qualified opinion for 30 June 2016.

Cobalt One's audited financial accounts for 30 June 2015 included a disclaimer of opinion. Please refer to Cobalt One's 2015 Annual Report for further information regarding BDO's disclaimer of opinion for 30 June 2015.

Further detail on Cobalt One's financial performance for the year ended 30 June 2017, 2016 and 2015 is provided in the results announcements to ASX dated 2 October 2017, 4 March 2016 and 30 September 2016. These documents are available as follows from ASX on its website at www.asx.com.au.

(b) Statements of financial statements

Set out below is a summary of Cobalt One's consolidated statements of financial position for the financial years ended 30 June 2017, 2016 and 2015.

	30 June 2017 \$A Audited	30 June 2016 \$A Audited	30 June 2015 \$A Audited
ASSETS			
Current Assets			
Cash and cash equivalents	2,147,481	1,863,444	18,266
Other receivables and prepayments	1,687,157	28,294	22,084
Total Current Assets	3,834,638	1,891,738	40,350
Non-current Assets			
Exploration asset	13,962,174	-	-
Plant and equipment	15,904,805	-	-
Total Non-current Assets	29,866,979	-	-
TOTAL ASSETS	33,701,617	1,891,738	40,350
LIABILITIES			
Current Liabilities			
Trade and other payables	168,094	85,913	674,533
Borrowings – convertible notes	-	-	360,000
Advanced share proceeds	-	-	-
Other liability	729,892	-	-
Total Current Liabilities	897,986	85,913	1,034,533
TOTAL LIABILITIES	897,986	85,913	1,034,533
NET ASSETS/LIABILITIES	32,803,631	1,805,825	(994,183)
EQUITY			
Equity attributable to equity holders			
Contributed equity	47,759,370	15,903,139	13,577,338
Reserves	7,641,000	1,362,000	1,453,943
Accumulated losses	(25,221,739)	(15,459,314)	(16,025,464)
Non-controlling interest	2,625,000	-	-
TOTAL EQUITY/(DEFICIENCY IN EQUITY)	32,803,631	1,805,825	(994,183)

(c) Income statements

Set out below is a summary of Cobalt One's consolidated income statements as at 30 June 2017, 2016 and 2015.

	30 June 2017 \$A Audited	30 June 2016 \$A Audited	30 June 2015 \$A Audited
Revenue from continuing operations	17,302	2,852	107
Gain on sale of subsidiaries	-	-	2,077,335
Gain on creditor settlement	-	774,798	-
Director and employee benefit expense	(398,745)	(52,375)	(118,081)
Compliance costs	(375,591)	(126,624)	(63,273)
Consultants fees	(29,989)	(67,018)	(11,161)
Exploration and evaluation	(22,131)	(32,453)	(169,637)
Insurance expenses	(20,066)	(4,913)	-
Occupancy costs	(11,400)	-	-
Share based payment	(8,706,759)	(1,362,000)	-
Travel	(108,370)	-	-
Other administration expenses	(106,677)	(20,060)	(23,256)
Profit/(Loss) before income tax	(9,762,425)	(887,793)	1,692,034
Income tax benefit	-	-	-
Profit/(Loss) for the year after tax	(9,762,425)	(887,793)	1,692,034
Other comprehensive loss			
<i>Items that will be transferred to profit or loss:</i>			
Exchange differences on translation of foreign operations	-	-	(393,928)
Total comprehensive profit/(loss) for the year attributable to owners of Cobalt One Ltd	(9,762,425)	(887,793)	1,298,106

(d) **Cash Flows statements**

Set out below is a summary of Cobalt One's consolidated cash flows statements as at 30 June 2017, 2016 and 2015.

	30 June 2017 \$A Audited	30 June 2016 \$A Audited	30 June 2015 \$A Audited
Cash flows from operating activities			
Payments to suppliers and employees	(1,133,804)	(340,751)	(89,056)
Interest received	16,674	2,850	107
Net cash used in operating activities	(1,117,130)	(337,901)	(88,949)
Cash flows from investing activities			
Exploration and evaluation	(844,805)	-	-
Purchase of property, plant and	(6,004,694)	-	-

equipment			
Option fee received	729,892	-	-
Net cash used in investing activities	(6,119,607)	-	-
Cash flows from financing activities			
Proceeds from issue of shares	6,287,392	2,050,000	-
Proceeds from exercise of share options	1,420,000	-	-
Share issue costs	(186,618)	(148,921)	-
Proceeds from borrowings	2,521,000	-	-
Repayment of borrowings	(2,521,000)	-	-
Proceeds from convertible notes	-	282,000	60,000
Net cash from financing activities	7,520,774	2,183,079	60,000
Net decrease in cash and cash equivalents	284,037	1,845,178	(28,949)
Cash and cash equivalents at beginning of financial year	1,863,444	18,266	47,215
Cash and cash equivalents at end of financial year	2,147,481	1,863,444	18,266

(e) Material changes in financial position since last balance sheet laid before a Cobalt One general meeting or sent to Cobalt One Shareholders

Cobalt One's latest financial statements laid before a Cobalt One general meeting or sent to Cobalt One Shareholders are the audited financial statements for the year ended 30 June 2017, which were released to ASX on 2 October 2017. Within the knowledge of the Cobalt One Directors, and other than as disclosed in this Scheme Booklet or publicly announced, the financial position of Cobalt One has not materially changed since 30 June 2017.

(f) Forecast financial information

Cobalt One has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. Cobalt One has concluded that, as at the date of this Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

(g) Anticipated future capital requirements

Cobalt One anticipates significant future capital requirements, far in excess of its current cash in hand, for:

- exploration and evaluation; and
- development costs including refurbishment of the cobalt concentrates refinery.

5.4 Directors and senior management

As at the date of this Scheme Booklet, the current directors of Cobalt One are:

- Mr Jason Bontempo (Executive Director);
- Mr Nicholas Rowley (Non-Executive Director); and

- Mr Paul Matysek (Non-Executive Chairman).

Mr Michael Naylor is the Company Secretary of Cobalt One.

Mr Alexander Passmore retired from the Cobalt One Board with effect from the date of the execution of the Scheme Implementation Deed.

(a) Mr Paul Matysek

Mr Paul Matysek is a corporate entrepreneur, professional geochemist and geologist with over 30 years of experience in the mining industry. He is currently a Non-Executive Director of Cobalt One.

Mr Matysek is also currently Executive Chairman of Lithium X Energy Corp. and has previously held senior executive and director positions with several natural resource exploration and development companies and is a proven company builder. Previously he was President and CEO of Goldrock Mines Corp., focused on The Lindero Project in the Argentinian puna, which was sold to Fortuna Silver Mines for \$178 million in July 2016. In the lithium sector, Mr Matysek was previously President and CEO of Lithium One Inc., whose world class lithium development project was in northern Argentina. In 2012, Lithium One merged with Galaxy Resources of Australia via \$112 million plan of arrangement to create an integrated lithium company.

Prior to Lithium One, Mr Matysek was the President and CEO of Potash One Inc. where he was the architect of the \$434 million friendly takeover of Potash One by K+S Ag, which closed in early 2011. Prior to founding Potash One, Mr Matysek was the founder, President and CEO of Energy Metals Corporation ("EMC"), a premier uranium company which traded on the New York and Toronto Stock Exchanges. Mr Matysek led EMC as one of the fastest growing Canadian companies in recent years, increasing its market capitalisation from \$10 million in 2004 to approximately \$1.8 billion when acquired by a larger uranium producer in 2007.

(b) Mr Jason Bontempo

Mr Jason Bontempo has 22 years' experience in public company management, corporate advisory, investment banking and public company accounting, qualifying as a chartered accountant with Ernst & Young. He is currently an Executive Director of Cobalt One.

Prior to Cobalt One, Mr Bontempo held the position of CEO of Glory Resources Limited (ASX), which under his leadership purchased the Sappes Gold Project in Greece. Glory Resources was subsequently acquired by Eldorado Gold Corp in 2013 for approximately A\$46 million.

Mr Bontempo has worked primarily providing corporate advice and obtaining financing for resource companies across multiple capital markets including resource asset acquisitions and divestments. He has also served on the board and the executive management of minerals and resources public companies focusing on advancing and developing mineral resource assets and business development.

(c) Mr Nicholas Rowley

Mr Nicholas Rowley was appointed to the Cobalt One Board on 20 September 2016. Mr Rowley holds a Bachelor of Commerce from the University Of Notre Dame in Western Australia and a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia. Mr Rowley previously worked for Bell Potter Securities Ltd for nine years where he gained widespread experience in corporate advisory, M&A transactions and equities markets, advising domestic and international Institutional sales and high net worth individuals. He also advised on the equity financings of numerous ASX and TSX listed companies predominantly in the mining and resources sector. Mr Rowley currently serves as Director of Corporate Development for ASX listed Galaxy Resources. Mr Rowley is currently a director of Titan Minerals Ltd (formerly Minera Gold Limited) (appointed 9 August 2016) and has held no other listed directorships in the past three years.

5.5 Cobalt One's issued securities

(a) Issued Cobalt One Shares

As at the date of this Scheme Booklet, there are 682,026,602 Cobalt One Shares on issue (672,026,602 Cobalt One Shares are quoted on ASX and 10,000,000 Cobalt One Shares are unquoted). Each Cobalt One Share is entitled to one vote per Cobalt One Share.

Cobalt One does not anticipate that it will be required to issue any Cobalt One Shares before the Implementation Date other than if any Cobalt One Options described below are exercised in accordance with their terms.

(b) Cobalt One Options

The Cobalt One Options on issue as at the date of this Scheme Booklet and Cobalt One's proposal in relation to the Cobalt One Options is described in Section 3.9.

5.6 2017 Annual Report

On 2 October 2017, Cobalt One lodged a copy of its 2017 Annual Report with ASX.

The 2017 Annual Report contains detailed information about the Cobalt One's assets, business and operations, Cobalt One's Directors and senior management, structure and shareholders' profile. It also includes a copy of the audited consolidated financial statements of the Cobalt One for the year ended 30 July 2017.

Cobalt One Shareholders can view the 2017 Annual Report on the Cobalt One website (www.cobaltone.com.au), on the ASX website (www.asx.com.au). Any Cobalt One Shareholder who would like a copy of the 2017 Annual Report can call Cobalt One on (08) 9212 0104 (within Australia) or +61 8 9212 0104 (outside Australia) Monday to Friday between 9:00am and 5:00pm (Perth time) and a copy will be sent to them, free of charge.

5.7 Cobalt One Directors' intentions

Your Cobalt One Directors unanimously recommend that you approve the Scheme by voting in favour of the Scheme Resolution, in the absence of a Superior Proposal. Likewise your Cobalt One Directors intend to vote in favour of the Scheme in respect of all of the Cobalt One Shares they control, in the absence of a Superior Proposal.

5.8 Risks relating to Cobalt One's business

There are existing risks relating to Cobalt One's business and an investment in Cobalt One which will continue to be relevant to Cobalt One Shareholders if the Scheme does not become Effective.

A summary of the key risks relating to Cobalt One's business and an investment in Cobalt One is set out in Section 8.2.

Given Cobalt One and First Cobalt are both cobalt exploration companies, and Cobalt One will become the wholly-owned subsidiary of First Cobalt, many of these risks will nevertheless continue to be relevant if the Scheme becomes Effective.

5.9 Recent Cobalt One Share price performance

As at the date of this Scheme Booklet, Cobalt One has 682,026,602 Cobalt One Shares on issue (672,026,602 Cobalt One Shares quoted on ASX and 10,000,000 Cobalt One Shares unquoted) and 96,500,000 Cobalt One Options on issue. The latest recorded sale price of Cobalt One Shares on ASX on 12 October 2017, the Business Day before the date of this Scheme Booklet, was \$0.125.

The last recorded sale price of Cobalt One Shares on ASX on 13 July 2017 was \$0.125, being the Business Day before the execution of the Scheme Implementation Deed was announced on ASX.

The current price of Cobalt One Shares on ASX can be obtained from the ASX website (www.asx.com.au).

5.10 Litigation

On 4 May 2017, CobarTech announced to TSX-V that it intended to commence legal proceedings seeking damages and a declaration that any interest held by Cobalt One in the cobalt concentrates refinery (which

Cobalt One acquired from Yukon pursuant to the Asset Purchase Agreement – refer to Section 5.2(b) for further information) is held on constructive trust for the benefit of CobalTech.

Each of Cobalt One and Yukon are, or have been, parties to agreement with CobalTech relating to the cobalt concentrates refinery. CobalTech believes that the Asset Purchase Agreement was negotiated and entered into in breach of both Cobalt One's and Yukon's obligations to CobalTech.

The Arrangement Agreement between First Cobalt and CobalTech includes a provision under which CobalTech has agreed not to commence any legal proceedings against Cobalt One in respect of the Refinery Assets. However, there is a risk CobalTech may still commence proceedings against Cobalt One in respect of the Refinery Assets should the CobalTech Transaction not proceed to completion (refer to Section 11.14 for further information regarding the conditions precedent to completion of the CobalTech Transaction).

While Cobalt One believes there is no foundation for the threat of legal action by CobalTech, the Scheme will negate the need for Cobalt One to incur time and cost responding to any court proceedings, and eliminates the risk of an adverse outcome to Cobalt One.

Other than as disclosed above, Cobalt One is not involved in any material legal disputes and is not a party to any material litigation as at the date of this Scheme Booklet.

5.11 Periodic and continuous disclosure

Cobalt One is a disclosing entity for the purposes of the Corporations Act and subject to the periodic and continuous disclosure requirements of the Corporations Act and the ASX Listing Rules. Broadly, these obligations include the requirement, subject to exceptions for certain confidential information, to notify ASX immediately of any information which it becomes aware that a reasonable person would expect to have a material effect on the price or value of Cobalt One Shares. Electronic copies of all of Cobalt One's announcements can be downloaded from Cobalt One's website (www.cobalttonelimited.com) or the ASX website at (www.asx.com.au).

6 Information about First Cobalt

The First Cobalt Information, including the information in this Section has been prepared and provided by First Cobalt and is the responsibility of First Cobalt. Neither Cobalt One nor its directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the First Cobalt Information in this Section.

6.1 Overview of First Cobalt

(a) Background to First Cobalt

First Cobalt is a TSX-V listed company based in Toronto, Ontario. The First Cobalt Shares are also quoted on OTCQB. First Cobalt is organised under the laws of the Province of British Columbia, Canada, and has its head office located at Suite 201, 140 Yonge Street, Toronto, Ontario, M5C 1X6, Canada, and its registered office located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

First Cobalt is an exploration stage developer of mineral assets with a stated objective to create the largest pure-play cobalt exploration and development company in the world. First Cobalt's primary focus is on its Greater Cobalt Project; almost 3,000 hectares of prospective land in the Cobalt Camp in Ontario, Canada. This land position includes an option for the former producing Keeley-Frontier mine, a high-grade mine that produced over 3.3 million pounds of cobalt and 19.1 million ounces of silver from 301,000 tonnes of ore.

First Cobalt has two subsidiaries, being Cobalt Industries of Canada Inc. and Cobalt Projects International Corp., both of which are established under the laws of the Province of Ontario, Canada. First Cobalt is the registered and beneficial owner of all of the outstanding share capital in both subsidiaries.

First Cobalt proposes to transition its jurisdiction of organisation from British Columbia to the federal Canadian system, subject to obtaining approval of First Cobalt Shareholders. Please refer to Section 10 for further information in this regard.

First Cobalt itself has conducted limited exploration activities on its exploration properties to date. None of its properties hosts a delineated mineral resource or ore reserve.

(b) First Cobalt's operations

First Cobalt's operations consist primarily of early and advanced stage exploration properties, including past producing mines in the Cobalt Camp. First Cobalt is in the process of completing a drill program on its existing Keeley-Frontier property located in the Cobalt Camp. As part of this program, First Cobalt is in the process of evaluating its existing assets in the Cobalt Camp with a view to developing a comprehensive exploration program for the Merged Group.

(c) First Cobalt's projects

First Cobalt's primary projects are located in the Cobalt Camp and comprise:

- one group of near contiguous claims in the south of the Cobalt Camp near the historic Silver Centre mining camp (**Silver Centre Property**);
- one group of non-contiguous claims in the north of the Cobalt Camp, near the town of Cobalt Ontario (**Cobalt Area Properties**), approximately 400 kilometres north of Toronto, Ontario. The First Cobalt Camp Properties lie within an 8 kilometres radius of the town of Cobalt, and the Silver Centre Property is approximately 25 kilometres southeast of the town of Cobalt, west of Lake Temiskaming and the Ottawa River which form the Ontario-Quebec provincial border in this area.

The Silver Centre Property, situated in the township of the South Lorrain township, comprises:

- the 619.15 hectare "Keeley-Frontier claim group" comprised of 13 contiguous patented (fee simple) mining claims with surface and mining rights totalling approximately 174.29 hectares and five contiguous mining leases with mining rights only totalling approximately 444.86 hectares;
- the "CSH claim group" comprised of seven contiguous staked mining claims totalling 34 claim units and covering approximately 544 hectares;

- the “CIC claim group” comprised of 17 contiguous and non-contiguous staked mining claims totalling 136 claim units and covering approximately 2176 hectares; and
- the “BMC South claim group” comprised of eight contiguous staked mining claims totalling eight claim units and covering approximately 128 hectares.

First Cobalt holds a 100% interest in the 17 staked mining claims of the CIC claim group and the eight staked mining claims of the BMC South claim group.

First Cobalt also holds an option to earn a 100% interest in the 13 patented mineral claims and 5 mining leases of the Keeley-Frontier claim group, and in the 7 unpatented mineral claims of the CSH claim group. First Cobalt may earn up to a 100% interest in Keeley-Frontier and the CSH claim group as follows:

- 50% interest upon payment of C\$850,000 (of which C\$350,000 has been paid) and incurring expenditures of C\$1,750,000 on the property by January 24, 2020;
- 51% interest upon payment of C\$200,000 within 60 days of having exercised the first option and producing a technical report in compliance with NI 43-101 by January 24, 2021; and
- 100% interest upon payment of C\$750,000 and incurring additional expenditures of C\$1,250,000 by January 24, 2022.

Upon earning a 100% interest, the optionor, Canadian Silver Hunter, shall be granted a 2% net smelter return royalty, subject to First Cobalt having the right to purchase 1% for C\$1 million over the ensuing 10 years. First Cobalt may elect to accelerate the earn-in.

The Cobalt Area Properties include:

- the “BMC North claim group” comprised of 14 unpatented (staked) mining claims totalling 151 units and 2,416 hectares in the townships of Coleman, Gillies Limit and Lorrain; and
- the “Yukon Refinery claim group” comprised of approximately 16.268 hectares (40.2 acres) of surface rights only patents with a tailings management facility and a cobalt-silver extraction refinery.

First Cobalt holds a 100% interest in the 14 staked mining claims.

Please refer to the First Cobalt Title Opinion at Attachment P for further information in relation to legal title and the standing of First Cobalt’s project properties and claims.

(d) CobalTech Transaction

On 18 August 2017, First Cobalt signed an Arrangement Agreement pursuant to which First Cobalt intends to acquire all of the issued and outstanding CobalTech Shares by way of a court approved plan of arrangement under Canadian law. In consideration for the outstanding share capital of CobalTech, First Cobalt will issue 0.2632 First Cobalt Shares for each outstanding CobalTech Share.

CobalTech is a North American cobalt company with mill equipment and properties in the Cobalt Camp. CobalTech owns the Duncan Kerr Property and several other past-producing silver-cobalt mines located near the town of Cobalt, Ontario, in an area known for its past production of cobalt and silver.

As at the date of this Scheme Booklet, there were 90,540,438 CobalTech Shares outstanding. There were also:

- 8,468,000 share purchase warrants of CobalTech outstanding each of which entitle the holders of such warrants to acquire further CobalTech Shares; and
- 2,012,500 stock options of CobalTech outstanding each of which entitles the holders of such options to acquire further CobalTech Shares.

If the CobalTech Transaction completes, it would result in the issuance of approximately 23,830,243 First Cobalt Shares. Completion of the CobalTech Transaction is subject to a number of conditions, including the approval of the transaction by the Supreme Court of British Columbia and the shareholders of CobalTech, as well as receipt of all required TSX-V and other regulatory approvals. The CobalTech Transaction cannot close until these conditions are satisfied and the required approvals are obtained.

If the CobalTech Transaction is approved, it is targeted to close and be implemented on 27 November 2017. This date is indicative only and is subject to change.

Please refer to Section 11.14 for further details of the Arrangement Agreement.

6.2 Corporate structure

First Cobalt was incorporated under the laws of the Province of British Columbia, Canada on 13 July 2011 under the name “Patrone Gold Corp.” On 3 October 2013, First Cobalt changed its name to “Aurgent Gold Corp.” On 11 March 2014, First Cobalt changed its name to “Aurgent Resource Corp.”. Finally, on 22 September 2016 First Cobalt changed its name to “First Cobalt Corp.”

First Cobalt has two subsidiaries, being Cobalt Industries of Canada Inc. and Cobalt Projects International Corp., both of which are established under the laws of the Province of Ontario, Canada. First Cobalt is the registered and beneficial owner of all of the outstanding share capital in both subsidiaries.

6.3 Corporate governance

First Cobalt believes in the importance of a strong board of directors and sound corporate governance policies and practices to direct and manage its business affairs. First Cobalt’s governance framework is evolving as First Cobalt continues to grow and its policies respect the rights of shareholders and comply with applicable Canadian securities laws and the rules and policies of TSX-V and OTCQB.

First Cobalt has adopted a Code of Conduct which sets out the minimum ethical standards expected from employees, officers and directors in the conduct of First Cobalt’s business, including First Cobalt’s commitment to conducting business in accordance with all applicable laws and regulations and the highest ethical standards. The Code of Conduct has been adopted by the First Cobalt Board and applies to every director, officer and employee. In addition, directors, officers and employees must also comply with corporate policies, including First Cobalt’s Insider Trading Policy.

First Cobalt’s reputation for honesty and integrity is integral to the success of its business and no person associated with First Cobalt will be permitted to achieve results through violations of laws or regulations or through unscrupulous dealings. The First Cobalt Board monitors compliance with the Code of Conduct through First Cobalt’s Audit Committee.

Activities that may give rise to conflicts of interest are prohibited unless specifically approved by the First Cobalt Board. To ensure that the First Cobalt 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.

6.4 Directors of First Cobalt

As at the date of this Scheme Booklet, the First Cobalt Board comprises Trent Mell, Bryan Slusarchuk, John Pollesel, Ross Phillips, and Jeffery Swinoga.

Please refer to Section 7.1(d) for biographies of these board members.

6.5 Historical financial information

First Cobalt is a resident of Canada for tax purposes and prepares its annual report in accordance with International Financial Reporting Standards. First Cobalt presents its financial information in Canadian dollars.

The First Cobalt historical financial information provided below has been extracted from the audited consolidated financial statements of First Cobalt for the financial years ended 31 March 2017, 2016 and 2015, as well as reviewed consolidated financial statements for the three months ended 30 June 2017. The information provided in this Section 6.5 is also presented in Australian dollar equivalents, converted by applying the exchange rate at 30 July of C\$1.0000:A\$1.0032.

This information is set out in abbreviated form and does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of First Cobalt as the full consolidated financial statements. Copies of First Cobalt’s annual financial statements for the years ended 31 March 2017, 2016, and 2015, as well as its reviewed consolidated financial statements for the three months ended 30 June 2017, including the independent auditor’s reports, are

available under First Cobalt's profile on SEDAR (www.sedar.com).

(a) Consolidated statements of financial position

Set out below is a summary of First Cobalt's consolidated statement of financial position for the financial years ended 31 March 2017, 31 March 2016, and 31 March 2015, as well as for the three months ended 30 June 2017:

	\$C	\$A
30 June 2017 (reviewed)		
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	4,232,043	4,245,586
Prepaid expenses and deposits	617,029	619,003
Receivables	69,072	69,293
Total	4,918,144	4,933,882
<i>Non-current Assets</i>		
Exploration and evaluation assets	6,291,558	6,311,691
Total	6,291,558	6,311,691
Total Assets	11,209,702	11,245,573
LIABILITIES AND SHAREHOLDERS EQUITY		
<i>Current Liabilities</i>		
Accounts payable and accrued liabilities	420,617	421,963
Due to related party	-	-
Total	420,617	421,963
Total Liabilities	420,617	421,963
<i>Shareholders' Equity</i>		
Common shares	15,950,226	16,001,267
Share issuance costs	(772,212)	(774,683)
Reserve	1,380,566	1,384,984
Deficit	(5,769,495)	(5,787,957)
Total Equity	10,789,805	10,823,610
Total Liabilities and Shareholders' Equity	11,209,702	11,245,573
31 March 2017 (audited)		
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	5,340,136	5,357,224
Prepaid expenses and deposits	292,540	293,476
Receivables	467,880	469,377
Total	6,100,556	6,120,078
<i>Non-current Assets</i>		
Exploration and evaluation assets	2,185,058	2,192,050

Total	2,185,058	2,192,050
Total Assets	8,285,614	8,312,128
LIABILITIES AND SHAREHOLDERS EQUITY		
<i>Current Liabilities</i>		
Accounts payable and accrued liabilities	363,633	364,797
Due to related party	36,064	36,179
Loan payable	-	-
Total Liabilities	399,697	400,976
<i>Shareholders' Equity</i>		
Common shares	10,360,835	10,393,990
Subscriptions received in advance	-	-
Reserve	1,677,704	1,683,073
Deficit	(4,152,622)	(4,165,910)
Total	7,885,917	7,911,152
Total Liabilities and Shareholders' Equity	8,285,614	8,312,128
31 March 2016 (audited)		
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	3,815	3,827
Receivables	2,637	2,645
Total	6,452	6,473
<i>Non-current Assets</i>		-
Exploration and evaluation assets	328,274	329,324
Total	328,274	329,324
Total Assets	334,726	335,797
LIABILITIES AND SHAREHOLDERS EQUITY		
<i>Current Liabilities</i>		
Accounts payable	223,479	224,194
Accrued liability	7,000	7,022
Due to related party	133,785	134,213
Loan payable	31,270	31,370
Total Liabilities	395,534	396,800
<i>Shareholders' Equity</i>		
Share capital	1,628,749	1,633,961
Subscriptions received in advance	12,500	12,540
Reserve	200,000	200,640
Deficit	(1,902,057)	(1,908,144)
Total	(60,808)	(61,003)

Total Liabilities and Shareholders' Equity	334,726	335,797
31 March 2015 (audited)		
ASSETS		
<i>Current Assets</i>		
Cash and cash equivalents	6,577	6,598
Receivables	4,274	4,288
Total	10,851	10,886
<i>Non-current Assets</i>		-
Exploration and evaluation assets	370,274	371,459
Total	370,274	371,459
Total Assets	381,125	382,345
		-
LIABILITIES AND SHAREHOLDERS EQUITY		-
<i>Current Liabilities</i>		-
Accounts payable	56,994	57,176
Accrued liability	102,175	102,502
Due to related party	111,860	112,218
Loan payable	10,459	10,492
Total Liabilities	281,488	282,389
<i>Shareholders' Equity</i>		
Share capital	1,628,749	1,633,961
Subscriptions received in advance	25,000	25,080
Reserve	200,000	200,640
Deficit	(1,754,112)	(1,759,725)
Total	99,637	99,956
Total Liabilities and Shareholders' Equity	381,125	382,345

Please refer to the First Cobalt reviewed condensed consolidated financial statements for the three months ended 30 June 2017 and its Management's Discussion & Analysis at for the same period at Attachment O for further details and information concerning First Cobalt's financial performance and financial position, including information in relation to events occurring between 31 March 2017 and 30 June 2017.

(b) Consolidated statements of operations and comprehensive loss

Set out below is a summary of First Cobalt's statement of operations and comprehensive loss for the years ended 31 March 2017, 31 March 2016 and 31 March 2015:

	\$C	\$A
30 June 2017 (reviewed)		
OPERATING EXPENSES		
Consulting and management fees	181,016	181,595
Exploration and evaluation expenditures	54,874	55,050

General and administrative	292,086	293,021
Professional fees	193,974	194,595
Investor relations	768,020	770,478
Share-based payments	63,570	63,773
Travel and entertainment	68,450	68,669
Total	(1,621,990)	(1,627,180)
		-
OTHER		-
Foreign exchange gain	2,991	3,001
Interest income	2,126	2,133
Total	5,117	5,133
		-
Loss before income tax	(1,616,873)	(1,622,047)
Income tax expense	-	-
Net loss and comprehensive loss	(1,616,873)	(1,622,047)
Basic and diluted loss per share	(0.03)	(0.03)
Weighted average number of shares outstanding	50,410,607	50,571,921
31 March 2017 (audited)		
OPERATING EXPENSES		
Consulting and management fees	336,676	337,753
Exploration and evaluation expenditures	12,700	12,741
General and administrative	122,381	122,773
Professional fees	106,834	107,176
Investor relations	629,208	631,221
Share-based payments	1,013,473	1,016,716
Travel and entertainment	19,679	19,742
Total	(2,240,951)	(2,248,112)
		-
OTHER		-
Foreign exchange gain	1,823	1,829
Interest expense	(1,169)	(1,173)
Write-off of exploration and evaluation assets	(118,179)	(118,557)
Write-off of debt	104,966	105,302
Other non-operating income	2,945	2,954
Total	(10,268)	(10,301)

Loss before income tax	(2,250,565)	(2,257,767)
Income tax expense	-	-
Net loss and comprehensive loss	(2,250,565)	(2,257,767)
Basic and diluted loss per share	(0.14)	(0.14)
Weighted average number of shares outstanding	16,416,339	16,468,871
31 March 2016 (audited)		
EXPENSES		
Consulting and management fees	33,600	33,708
General and administrative	43,505	43,644
Professional fees	10,840	10,875
Total	(87,945)	(88,226)
		-
OTHER		
Write-off of exploration and evaluation assets	60,000	60,192
		-
Comprehensive loss	(147,945)	(148,418)
Basic and diluted loss per share	(0.03)	(0.03)
Weighted average number of shares outstanding – basic and diluted	4,757,750	4,772,975
31 March 2015 (audited)		
EXPENSES		
Consulting and management fees	33,600	33,708
General and administrative	69,560	69,783
Professional fees	4,450	4,464
Total	(107,610)	(107,954)
OTHER		
Interest income	-	-
Other income	-	-
Write-off of exploration and evaluation assets	1,301,904	1,306,070
Comprehensive loss	(1,409,514)	(1,414,024)
Basic and diluted loss per share	(0.30)	(0.03)

Weighted average number of shares outstanding – basic and diluted	4,757,750	4,772,975

(c) Consolidated statements of cash flows

Set out below is a summary of First Cobalt's statement of cash flows for the years ended 31 March 2017, 31 March 2016 and 31 March 2015, as well as for the three months ended 30 June 2017:

	\$C	\$A
30 June 2017 (reviewed)		
Cash provided by (used for):		
OPERATING ACTIVITIES		
Net loss for the period	(1,616,873)	(1,622,047)
Adjustments for items not affecting cash		
Share-based payment expense	63,570	63,773
Total	(1,555,303)	(1,560,280)
Changes in non-cash operating working capital		
Decrease/(increase) in receivables	(36,192)	(36,308)
Decrease/(increase) in prepaid and other current assets	(324,489)	(325,527)
Increase/(decrease) in accounts payable and accrued liabilities	56,984	57,166
Increase/(decrease) in loan payable	-	-
Increase/(decrease) in due to related party	(36,064)	(36,179)
Total	(1,893,064)	(1,899,122)
INVESTING ACTIVITIES		
Acquisition of exploration and evaluation asset, net of cash	(1,135,000)	- 1,138,632
Total	(1,135,000)	(1,138,632)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	1,234,000	1,237,949
Proceeds from exercise of warrants	608,000	609,946
Proceeds from exercise of stock option	115,000	115,368
Share issuance costs	(37,029)	(37,147)
Total	1,919,971	1,926,115
CHANGES IN CASH DURING THE YEAR	(1,108,093)	(1,111,639)
Cash at beginning of period	5,340,136	5,357,224

Cash at end of period	4,232,043	4,245,586
31 March 2017 (audited)		
Cash provided by (used for):		
OPERATING ACTIVITIES		
Net loss for the period	(2,250,565)	(2,257,767)
Adjustments for items not affecting cash		
Write-off exploration and evaluation assets	118,179	118,557
Write-off of debt	104,966	105,302
Share-based payments	1,013,473	1,016,716
Total	(1,013,947)	(1,017,192)
Changes in non-cash operating working capital		
Decrease/(increase) in receivables	(30,243)	(30,340)
Decrease/(increase) in prepaid and other current assets	(192,540)	(193,156)
Increase/(decrease) in accounts payable and accrued liabilities	(56,812)	(56,994)
Increase/(decrease) in loan payable	(31,270)	(31,370)
Increase/(decrease) in due to related party	(97,721)	(98,034)
Total	(1,422,533)	(1,427,085)
INVESTING ACTIVITIES		
Acquisition of exploration and evaluation asset, net of cash	(164,963)	(165,491)
Acquisition of Cobalt Projects International	(535,000)	(536,712)
Total	(699,963)	(702,203)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	7,449,000	7,472,837
Proceeds from exercise of warrants	145,000	145,464
Subscriptions received in advance	-	-
Share issuance costs	(135,183)	(135,616)
Total	7,458,817	7,482,685
CHANGES IN CASH DURING THE YEAR	5,336,321	5,353,397
Cash at beginning of period	3,815	3,827
Cash at end of period	5,340,136	5,357,224
31 March 2016 (audited)		
Cash provided by (used for):		

OPERATING ACTIVITIES		
Net loss for the period	(147,945)	(148,418)
Write-offs of exploration and evaluation assets	(60,000)	(60,192)
Total	(207,945)	(208,610)
Changes in non-cash operating working capital		
Decrease/(increase) in receivables	1,637	1,642
Decrease/(increase) in prepaids	-	#VALUE!
Increase/(decrease) in accounts payable	166,485	167,018
Increase/(decrease) in accrued liability	(74,535)	74,774
Increase/(decrease) in loan payable	20,811	20,878
Increase/(decrease) in due to related party	1,285	1,289
Total	27,738	27,827
INVESTING ACTIVITIES		
Exploration and evaluation assets expenditure	(18,000)	(18,058)
Total	(18,000)	(18,058)
FINANCING ACTIVITIES		
Increase in loan payable	-	-
Subscription funds received in advance	(12,500)	(12,540)
Total	(12,500)	(12,540)
DECREASE IN CASH	(2,762)	(2,771)
Cash at beginning of period	6,577	6,598
Cash at end of period	3,815	3,827
31 March 2015 (audited)		
Cash provided by (used for):		
OPERATING ACTIVITIES		
Net loss for the period	(1,409,514)	(1,414,024)
Write-offs of exploration and evaluation assets	1,301,904	1,306,070
Total	(107,610)	(107,954)
Changes in non-cash operating working capital		
Decrease/(increase) in receivables	(1,846)	(1,852)
Decrease/(increase) in prepaids	1,000	1,003
Increase/(decrease) in accounts payable	123,352	123,747

Increase/(decrease) in accrued liability	(10,328)	(10,361)
Increase/(decrease) in loan payable	10,459	10,492
Increase/(decrease) in due to related party	(16,485)	(16,538)
Total	(1,458)	(1,463)
INVESTING ACTIVITIES		
Short-term investment		
Exploration and evaluation assets expenditure	(18,000)	(18,058)
Total	(18,000)	(18,058)
FINANCING ACTIVITIES		
Share subscription receivable refund	(100,000)	(100,320)
Issuance of shares for cash	-	-
Total	(100,000)	(100,320)
INCREASE (DECREASE) IN CASH	(119,458)	(119,840)
Cash at beginning of period	126,035	126,438
Cash at end of period	6,577	6,598

(d) Material events for the three month period ended 30 June 2017

The following are highlights from First Cobalt's results of operations for the three month period ended 30 June 2017:

- Consulting and management fees were \$181,016 during the period. The increase in consulting and management fees are due to the increased corporate development activity in identifying and acquiring cobalt-related mineral properties.
- Exploration and evaluation expenses were \$54,874 during period. The costs incurred were in relation to the Keely Property, which First Cobalt had not yet acquired.
- General and administrative fees were \$292,086 during the period. The increase in general and administration costs are primarily related to the increased corporate development activity in identifying and acquiring cobalt-related mineral properties and associated fees during the period, travelling expenses, and general office administration.
- Professional fees were \$193,974 during the period. The increase in professional fees are primarily due to the increase in legal costs associated to the Cobalt One, Madini Minerals and CobalTech transactions.
- Investor relations fees were \$768,020 during the period. These costs were incurred in relation to investor awareness campaigns undertaken by First Cobalt.

(e) Emphases of matters

First Cobalt's auditor, MNP LLP, noted in the financial statements for the years ended 31 March 2017, 31 March 2016 and 31 March 2015, without qualifying its opinion, that First Cobalt had incurred significant losses from operations, negative cash flows from operating activities and has an accumulated deficit. This, along with other matters described in those financial statements, indicated the existence of a material uncertainty which may cast significant doubt about the ability of First Cobalt to continue as a going concern.

For further details in this regard, copies of the full financial statements, together with the independent auditor's reports, are available under First Cobalt's profile on SEDAR (www.sedar.com).

6.6 Liquidity and capital resources

First Cobalt defines capital as consisting of shareholder's equity and cash. First Cobalt manages its capital structure to maximise its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. First Cobalt does not presently utilise any quantitative measures to monitor its capital, but rather relies on the expertise of First Cobalt's management to sustain the future development of the business. First Cobalt's CEO and CFO closely monitor cash flow projections on a 12-month rolling basis to ensure that business activities are consistent with cash reserves. First Cobalt's management reviews its capital management approach on an ongoing basis and believes that this, given the relative size of First Cobalt, is appropriate.

As at 31 March 2017, 2016, and 2015, First Cobalt is not subject to any externally imposed capital requirements or debt covenants. There was no change to First Cobalt's approach to capital management during the years ended 31 March 2017, 2016 and 2015.

First Cobalt's objective in managing liquidity risk is to maintain sufficient liquidity in order to meet operational and investing requirements. First Cobalt has historically financed its operations primarily through the issue of share capital by way of private placements.

As at 31 March 2017, First Cobalt had cash of C\$5,340,136 (2016 - C\$3,815; and 2015 - C\$6,577) and working capital of C\$5,700,859 (2016 – C\$(387,082); and 2015 – C\$99,637)).

To maintain liquidity, First Cobalt issued common shares for cash proceeds during the year ended 31 March 2017 as follows:

- On 31 May 2016, First Cobalt closed a non-brokered private placement offering by issuing 1,550,000 units at a price of C\$0.05 per unit, for total gross proceeds of C\$77,500. Each unit consists of First Cobalt Share and one First Cobalt Warrant. Each full First Cobalt Warrant is exercisable at C\$0.06 for period of five years from the date of closing.
- On 13 September 2016, First Cobalt closed a non-brokered private placement offering by issuing 10,000,000 units at a price of C\$0.05 per unit, for total gross proceeds of C\$500,000. Each unit consists of one First Cobalt Share and one First Cobalt Warrant. Each First Cobalt Warrant is exercisable at C\$0.10 for period of five years from the date of closing.
- On 3 November 2016, First Cobalt closed a non-brokered private placement offering by issuing 6,000,000 First Cobalt Shares at a price of C\$0.15 per share, for total gross proceeds of C\$900,000. In connection with the financing, First Cobalt paid cash finders' fees of C\$37,275.
- On 6 March 2017, First Cobalt closed a non-brokered private placement share offering issuing 12,000,000 First Cobalt Shares, at a price of C\$0.50 per share, for total gross proceeds of C\$6,000,000. In connection with the financing, First Cobalt issued 1,200,000 First Cobalt Shares, at a deemed price of C\$0.50 per share, as finders' shares.
- During the year ended 31 March 2017, First Cobalt issued 1,710,000 First Cobalt Shares upon the exercise of First Cobalt Warrants for total gross proceeds of C\$145,000.

There were no share capital transactions during the years ended 31 March 2016 and 2015.

First Cobalt issued the following cash proceeds after the year ended 31 March 2017:

- On 31 May 2017, First Cobalt closed a non-brokered private placement of flow through shares, and issued 2,050,001 First Cobalt Shares, at a price of C\$0.60 per share, for total gross proceeds of C\$1,230,000.
- In the period through until 30 June 2017, First Cobalt issued 6,240,000 First Cobalt Shares on exercise of existing First Cobalt Warrants for total gross proceeds of C\$608,000.

During the year ended 31 March 2017, cash used in operating activities was C\$1,422,533, compared to C\$27,738 and C\$(1,458) from operating activities during the years ended 31 March 2016 and 2015, respectively. The change in working capital is attributed primarily to the loans receivable of C\$435,000, of which C\$300,000 was loaned to Cobalt Projects International Inc., an unrelated third party company which was subsequently acquired by First Cobalt. The existence of the loan receivable is due to the

timing of the acquisition of Cobalt Projects International Inc. by First Cobalt. The loan receivable was subsequently eliminated through the acquisition of the two entities and the amount is attributed to the mineral property.

Cash used in investing activities was C\$699,963 for the year ended 31 March 2017, compared to C\$18,000 and C\$18,000 during the years ended 31 March 2016 and 2015, respectively. During the year ended 31 March 2017 and 2016, cash used in investing activities was primarily related to 2% net smelter royalty payment made towards the Dickens Lake property.

Cash flows from financing activities was C\$7,458,816 during the year ended 31 March 2017, compared to the C\$Nil from financing activities during the years ended 31 March 2016 and 2015.

The development of First Cobalt in the future will depend upon First Cobalt's ability to obtain additional finance. In the past, First Cobalt has relied on the issue of equity securities to meet its cash requirements. Funding for potential future development obligations, in excess of funds on hand, will depend on First Cobalt's ability to obtain financing through joint venturing of projects, debt financing, equity financing or other means. There can be no assurances that First Cobalt will be successful in obtaining any such financing or in joint venturing its property; failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of First Cobalt's properties.

6.7 Information about First Cobalt's securities

(a) First Cobalt Shares

As at the date of this Scheme Booklet, First Cobalt has 57,507,748 First Cobalt Shares on issue.

If the Scheme becomes Effective, it is estimated that a further 107,666,357 New First Cobalt Shares (or CDIs) will be issued as Scheme Consideration in respect of the Cobalt One Shares to be acquired under the Scheme (ignoring the effects of rounding).

The marketable securities issued as Scheme Consideration will be quoted on TSX-V, OTCQB and ASX.

In the three months immediately before the date on which the Scheme Booklet was lodged for registration with ASIC, the greatest number of recorded dealings in First Cobalt Shares were dealings on TSX-V.

(b) First Cobalt Options and First Cobalt Warrants

As at the date of this Scheme Booklet, First Cobalt had 5,015,000 First Cobalt Options and 3,550,000 First Cobalt Warrants on issue, as detailed below:

Number	Exercise price (C\$)	Expiry date
First Cobalt Options		
575,000	0.25	18 September 2021
350,000	0.35	15 December 2021
550,000	0.38	22 December 2021
1,975,000	0.66	2 March 2022
1,565,000	0.69	1 June 2022
First Cobalt Warrants		
400,000	0.06	31 May 2021

3,150,000	0.010	13 September 2021

(c) First Cobalt top shareholders

Based on the information known to First Cobalt from its record and publicly available documents, the top 9 beneficial holders of First Cobalt Shares are, as at the date of this Scheme Booklet, as follows:

Shareholder	Number of First Cobalt Shares held	Percentage of total First Cobalt Shares on issue
Anthony Alvaro	1,817,999	3.2%
Edward Reisner	1,810,000	3.2%
Aaron Keay	1,680,000	2.9%
Paloduro Investments Inc.	1,507,500	2.6%
Kelsi Gayda	1,130,000	2.0%
Rania Al-Naimi	900,000	1.6%
Joe Alvaro	850,000	1.5%
Brant Investments Limited	667,000	1.2%
Laura Maris	660,000	1.2%

Note:

It is common for legal title in securities of Canadian listed companies to be held by custodian or nominee depositories on behalf of beneficial holders. As a result, it can be difficult for Canadian listed companies to ascertain the identities of beneficial holders at a particular time.

(d) Interests of First Cobalt Directors in First Cobalt securities

As at the date of this Scheme Booklet, the First Cobalt Shares and First Cobalt Options held by each First Cobalt Director are as follows:

Director	First Cobalt Shares	First Cobalt Options
Trent Mell	620,000 ¹	1,500,000
Bryan Slusarchuk	40,000	250,000
Jeff Swinoga	70,000	200,000
John Pollesel	Nil	200,000
Ross Philips	100,000	150,000

Notes:

1. 520,000 (of the 620,000) are held by Cienna Capital Corp., a company controlled by Trent Mell.

(e) Recent First Cobalt Share price performance on TSX-V

The closing sale price of First Cobalt Shares traded on TSX-V on 20 June 2017 (Toronto time), being the day before the public announcement of First Cobalt's proposal of a friendly merger with Cobalt One on 21 June 2017 (Toronto time), was C\$0.55.

The closing sale price of First Cobalt Shares traded on TSX-V before the public announcement of the intention of Cobalt One to merge with First Cobalt pursuant to the Scheme was C\$0.76 on 22 June 2017 (Toronto time). Trading in the First Cobalt Shares was subsequently halted on TSX-V subject to completion of certain filings related to the Scheme with TSX-V.

The latest recorded closing price of First Cobalt Shares before the date on which the Scheme Booklet was lodged for registration with ASIC (12 October 2017):

- on TSX-V was C\$0.62; and
- on OTCQB was US\$0.48.

During the three month period immediately preceding the date on which the Scheme Booklet was lodged for registration with ASIC, the highest and lowest recorded sale prices of First Cobalt Shares on TSX-V were, respectively, C\$0.80 on 28 March 2017 and C\$0.42 on 23 May 2017.

The First Cobalt Share prices given above should not necessarily be taken as an indication of the price of New First Cobalt Shares or New First Cobalt CDIs following implementation of the Scheme.

6.8 Litigation

Other than as disclosed in the Scheme Booklet, First Cobalt is not involved in any material legal disputes and is not a party to any material litigation as at the date of this Scheme Booklet.

6.9 First Cobalt and the First Cobalt Directors' interests in Cobalt One securities

(a) First Cobalt interests in Cobalt One securities

At the date of this Scheme Booklet, First Cobalt and its Associates do not have a relevant interest or voting power in any Cobalt One securities.

(b) First Cobalt directors' interests in Cobalt One securities

As at the date of this Scheme Booklet, neither the directors of First Cobalt, nor their Associates have a relevant interest or voting power in any Cobalt One securities.

(c) Acquisition of Cobalt One securities by First Cobalt and their Associates

Other than under the Scheme Implementation Deed and the deeds detailed in Section 3.9, 11.11 and 11.12 in the four months prior to the date of this Scheme Booklet, neither First Cobalt nor any of its Associates have provided or agreed to provide, any consideration for Cobalt One securities under a purchase or an agreement.

(d) Pre-Scheme benefits

Other than as described in this Scheme Booklet, neither First Cobalt nor any of its Associates has given, offered to give or agreed to give, a benefit to another person that was likely to induce that person or an Associate to vote in favour of the Scheme or dispose of their Cobalt One securities during the four month period immediately preceding the date of this Scheme Booklet, where that benefit was not offered to all Scheme Shareholders.

6.10 Transactions with related parties

First Cobalt's related parties include key management personnel and companies related by way of directors or shareholders in common.

During the years ended 31 March 2017, 2016 and 2015, First Cobalt paid and/or accrued the following fees to key management personnel:

	31 March, 2017 \$C	31 March, 2017 \$A	31 March, 2016 \$C	31 March, 2016 \$A	31 March, 2015 \$C	31 March, 2015 \$A
Management	58,849	58,539	30,000	29,842	30,000	29,842
Directors	16,983	16,893	50,450	50,184	21,600	21,486

Please refer to Attachment P for additional details of the First Cobalt Directors' remuneration.

The following table discloses the particulars of the compensation provided to the current First Cobalt Directors for the financial year ended 31 March 2017:

Name	Annual Fees – Cash (C\$)	Share-Based Awards (C\$)	Option-Based Awards ⁽¹⁾ (C\$)	All Other Compensation (C\$)	Total Compensation (C\$)
Trent Mell ⁽²⁾	Nil	Nil	540,000	17,473	557,473
Bryan Slusarchuk ⁽³⁾	Nil	Nil	47,500	Nil	47,500
John Pollesel ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil
Ross Phillips ⁽⁵⁾	Nil	Nil	54,000	Nil	54,000
Jeffrey Swinoga ⁽⁶⁾	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Fair value of incentive stock option grants calculated using the Black-Scholes model.
- (2) Trent Mell was appointed as President and CEO of First Cobalt on 2 March 2017.
- (3) Bryan Slusarchuk was appointed as a director of First Cobalt on 22 December 2016.
- (4) John Pollesel was appointed as a director of First Cobalt on 18 May 2017.
- (5) Ross Phillips was appointed as a director of First Cobalt on 10 February 2017.
- (6) Jeffrey Swinoga was appointed as a director of First Cobalt on 10 May 2017.

At 31 March 2017:

- An amount of C\$Nil (2016 – C\$5,400; and 2015 – C\$1,800) was owing to a former director of First Cobalt and an amount of C\$Nil (2016 – C\$33,885; and 2015 – C\$13,560) was owing to a company controlled by a former director of First Cobalt.
- An amount of C\$Nil (2016 – C\$94,500; and 2015 – C\$63,000) was owing to a company controlled by a former director of First Cobalt.
- An amount of C\$Nil (2016 – C\$50,000; and 2015 – C\$33,500) was owing on a loan to First Cobalt from the former President of First Cobalt. This loan was payable on First Cobalt's statement of financial position, carried an interest rate of 10% per annum, and was due on demand.

An amount of C\$Nil (2016 – C\$11,270; and 2015 – C\$Nil) was loaned to First Cobalt from the former President for the year ended 31 March 2017.

During the year ended 31 March 2017, First Cobalt made share based payments of C\$1,057,815 (2016 – C\$Nil; and 2015 – C\$Nil) to management and directors of First Cobalt.

As at 31 March 2017, First Cobalt had accounts payable due to related parties in the amount of C\$36,064 (2016 – C\$133,785; and 2015 – C\$115,110).

6.11 Regulation of First Cobalt

First Cobalt is incorporated in the Province of British Columbia and exists and is regulated under Canadian law. First Cobalt Shares are listed on TSX-V and OTCQB, and First Cobalt is a “reporting issuer” in the Provinces of British Columbia and Alberta, Canada. As a result, First Cobalt is subject to Canadian securities and corporate law, and the rules and policies of TSX-V and OTCQB.

First Cobalt is scheduled to convene a meeting of First Cobalt Shareholders on 26 October 2017 (**First Cobalt Meeting**) at which it will, among other things, seek approval of a continuance of First Cobalt as a federal company (**Continuance**) under the *Canada Business Corporations Act (CBCA)*. The proposed Continuance is subject to the approval of First Cobalt Shareholders, and implementation by the First Cobalt Board. If the Continuance is approved and implemented, First Cobalt will be governed by the CBCA.

The First Cobalt Board is not of the view that the rights associated with the First Cobalt Shares will be materially impacted by the Continuance. However, certain differences do exist between the CBCA and the laws of the Province of British Columbia.

A summary of these differences, as well as those between holding Cobalt One Shares (under Australian law) and First Cobalt Shares (under Canadian law), are located in Section 10, such as:

- certain voting procedures at shareholder meetings, including the election of directors;
- the regulation and procedures for takeovers;
- disclosure of beneficial interests/ownership in shares; and
- termination benefits to directors and management.

If implemented, the Continuance will allow the First Cobalt to relocate its registered office to the Province of Ontario, and to maintain its corporate records at, or in the immediate vicinity, of its existing head office located in Toronto, Ontario. The First Cobalt Board is of the view that the Continuance will reduce administrative expenses, and simplify recordkeeping. The First Cobalt Board has not set a timeframe for implementation of the Continuance, but does not propose to implement it immediately following approval at the First Cobalt Meeting.

Following implementation of the Scheme, the rights of Cobalt One Shareholders who receive New First Cobalt Shares will be governed principally by the First Cobalt Constituent Documents in the Province of British Columbia, applicable Canadian securities laws and the rules and policies of TSX-V and OTCQB. If First Cobalt’s proposed transition to the federal Canadian system is approved by its shareholders and is implemented, the rights of such Cobalt One Shareholders will be governed by the federal CBCA as well as the Proposed First Cobalt Constituent Documents.

6.12 Rationale for First Cobalt’s proposed acquisition of Cobalt One

Completion of the Scheme and the acquisition of Cobalt One will create a leading pure-play cobalt exploration and development Merged Group with a portfolio of high-quality exploration assets.

The following are the key benefits of the Scheme:

- consolidation of existing land holdings in the Cobalt Camp, creating district scale potential;
- centralisation of management in a location near the Cobalt Camp, reduced general and administrative expenses through synergies and consolidation of management to ensure a coordinated effort to develop assets in the Cobalt Camp; and
- greater liquidity and access to capital as the Merged Group.

6.13 First Cobalt’s intentions if the Scheme is implemented

This Section sets out First Cobalt’s intentions in relation to:

- the continuation of the business of Cobalt One;
- any major changes to be made to the business of Cobalt One; and
- the future employment of the present employees of Cobalt One,

if First Cobalt acquires all of the Cobalt One Shares on issue through implementation of the Scheme.

The intentions set out in this Section have been formed on the basis of facts and information concerning Cobalt One and the general business environment which is known to First Cobalt at the date of this Scheme Booklet and based on publicly available information and certain limited non-public information made available to First Cobalt as part of its due diligence review. Accordingly, the statements set out below are statements of First Cobalt's current intentions which are subject to change as new information becomes available or as circumstances change.

Following implementation of the Scheme, First Cobalt intends to undertake a strategic review of the business, assets and operations of Cobalt One. This review may or may not lead to changes to the business, operations and assets of Cobalt One, including in relation to its employees and offices, which are contrary to the intentions of First Cobalt described in this Section.

Cobalt One has the same intentions and knowledge as First Cobalt in relation to these matters.

(a) Cobalt One to be delisted

If the Scheme is implemented, First Cobalt intends to arrange for Cobalt One to be removed from the official list of ASX after the Implementation Date.

(b) Intentions for the continuation of Cobalt One's business

First Cobalt does not currently have any material operations in Australia and therefore no material overlap exists between First Cobalt and Cobalt One Australian operations.

First Cobalt's current intentions for Cobalt One's business is to continue exploration and development of Cobalt One's existing mineral assets located in the Cobalt Camp, and to centralise management of the Merged Group in Toronto, Ontario.

(c) Future board of the Merged Group

On implementation of the Scheme, the board of the Merged Group will comprise Trent Mell, Jason Bontempo, Paul Matysek, Robert Cross, John Pollesel, Ross Phillips and Jeffery Swinoga.

(d) Future employment of Cobalt One's present employees

If the Scheme is implemented, First Cobalt does not anticipate continuing the employment of any current employees of Cobalt One. It is anticipated that Jason Bontempo, currently the Chief Executive Officer of Cobalt One, will join the board of the Merged Group following implementation of the Scheme, but Mr Bontempo will not be employed by the Merged Group and he will not form part of the Merged Group management team.

6.14 Publicly available information about First Cobalt

A substantial amount of information about First Cobalt is available in electronic form from www.firstcobalt.com, and under First Cobalt's profile on SEDAR (www.sedar.com).

6.15 Other material information

Except as set out in this Section 6, so far as First Cobalt is aware, there is no information relating to:

- First Cobalt; or
- First Cobalt's intentions regarding Cobalt One, Cobalt One's business operations and assets and the issue of the Scheme Consideration,

material to the making of a decision by a Scheme Shareholder in relation to the Scheme, being information that is within the knowledge of any director of First Cobalt at the time of Cobalt One lodging this Scheme Booklet with ASIC for registration, which is not disclosed in this Section 6, or elsewhere in this Scheme Booklet.

As at date of this Scheme Booklet, First Cobalt is not aware of any circumstances that would cause any Condition (as set out in Section 3.3) not to be satisfied.

7 Information about the Merged Group

7.1 Overview of the Merged Group

(a) Summary

On implementation of the Scheme, First Cobalt will continue to be a company existing under the laws of the Province of British Columbia, Canada, and former Cobalt One Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders) will hold New First Cobalt Shares or New First Cobalt CDIs. First Cobalt will have its registered office located in Vancouver, British Columbia, Canada. The New First Cobalt Shares will be quoted on TSX-V and OTCQB, and the New First Cobalt CDIs will be quoted on ASX.

On implementation of the Scheme, the Merged Group will create district scale potential with the consolidation of over 100 square kilometres (approximately 45% of the prospective properties in the Cobalt Camp) of high-quality exploration assets, and a pure-play cobalt exploration and development group focussed in the historic mining camp, Cobalt, Ontario. In addition, the Merged Group will own the only permitted cobalt extraction refinery in the Cobalt Camp. The cobalt extraction refinery was kept on care and maintenance from around 2002 until 2012, when a German listed company invested several million dollars upgrading the facility as part of a brief operating agreement. The refinery's capabilities include three separate circuits within the complex to process various secondary feeds using pressure acid-leach, solvent extraction, and Merrill-Crowe for precious metals. Primary ore feed would require the installation, or acquisition, of a mill to prepare concentrate for processing. The refinery has not operated commercially for some time, needs to be fully evaluated, and will require significant capital expenditure to restart production and meet potential future processing demands.

If the Scheme was implemented on three Business Days prior to the date of this Scheme Booklet, the Merged Group would have had an estimated pro forma market capitalisation of approximately A\$134.5 million).⁸

(b) Ownership of the Merged Group

If the Scheme becomes Effective, Cobalt One Shares will acquire a majority stake in the Merged Group, allowing for greater potential upside if the Merged Group progresses with planned exploration programs. Following implementation of the Scheme, based on the current capital structure of First Cobalt and Cobalt One, former Cobalt One Shareholders will collectively own approximately 57% of the total number of First Cobalt Shares on issue on a fully diluted basis assuming that the CobaltTech Transaction completes,⁹ and approximately 65% if it does not.¹⁰

(c) Future direction of the Merged Group

First Cobalt's strategy for the Merged Group going forward is to continue to focus on the acquisition, exploration and development of prospective mineral resource properties. The Scheme is consistent with this strategy.

(d) Board of the Merged Group

On implementation of the Scheme, the board of the Merged Group will comprise Trent Mell, Jason Bontempo, Paul Matysek, Robert Cross, John Pollesel, Ross Phillips and Jeffery Swinoga.

Biographies of each are summarised below.

(i) Trent Mell – President & CEO

⁸ **Note:** Refer to Section 7.4(e) of this Scheme Booklet.

⁹ **Note:** Assumes Cobalt One Shareholders will hold 107,666,357 out of a total 189,441,848 First Cobalt Shares.

¹⁰ **Note:** Assumes Cobalt One Shareholders will hold 107,666,357 out of a total 165,611,605 First Cobalt Shares.

Mr Trent Mell is a mining executive and capital markets professional with almost 20 years of operating and transactional experience. He has been involved in more than 200 transactions, including \$2.6 billion in equity and debt financings, mergers and acquisitions, offtake agreements and joint ventures.

Mr Mell began his career as a mining and securities lawyer with Stikeman Elliott in Toronto, Canada. He subsequently joined Barrick Gold and was part of the team that completed a US\$10.4 billion hostile takeover of Placer Dome, creating the world's largest gold company. He has also worked with nickel-cobalt producer Sherritt International and Ni-Cu-PGM producer North American Palladium. As an Executive Vice President at AuRico Gold, Mr Mell led the team that completed an all-cash US\$750 million sale of the Ocampo Gold Mine in Chihuahua, Mexico at the peak of the gold market in 2012.

In junior mining, Mr Mell was President and CEO of Falco Resources, which acquired control over one of Canada's most established volcanogenic massive sulfide (VMS) mining districts, the Rouyn Noranda Mining Camp, including the Horne Mine Complex area and 13 other former producers. The Horne 5 Project is in feasibility stage and currently has a 7.1 million ounce gold resource estimate (M&I) plus an additional 1.7 million ounce inferred resource.

Most recently, Mr Mell built a mining team with PearTree Securities to advise issuers and investors on Canadian exploration and development opportunities. In 2016, his team raised \$300 million in equity investments and became the largest provider of flow-through capital to the Canadian resource industry. His passion however prompted his return to the mining industry as the President and CEO of First Cobalt.

Mr Mell holds a B.A., a B.C.L. and LL.B. from McGill University in Montreal, an LL.M from Osgoode Hall (Toronto), as well as an MBA from Northwestern University (Chicago) and Schulich School of Business.

(ii) Jason Bontempo – Executive Director

Please refer to Section 5.4(b) for Mr Bontempo's biography.

(iii) Paul Matysek – Non-Executive Director

Please refer to Section 5.4(a) for Mr Matysek's biography.

(iv) Robert Cross – Non-Executive Director

Mr Robert Cross is an engineer and Harvard MBA with more than 25 years' experience as a financier in the mining as well as the oil and gas sectors.

Mr Cross is co-founder and Chairman of B2Gold, which has a \$3.7 billion market capitalisation and produces almost one million ounces of gold per year. He was also co-founder and Chairman of Bankers Petroleum Ltd., which reached a market capitalisation of more than \$2 billion in 2011, and co-founder and Chairman of Petrodorado Energy Ltd. Mr Cross became Chairman of Northern Orion Resources Inc. and was integral to its transition from a \$15 million-dollar market capitalisation company in 2002 to its sale to Yamana in 2007 for \$1.4 billion.

Mr Cross was Chairman and Chief Executive Officer of Yorkton Securities Inc. Prior to this, he was a Partner, Investment Banking with Gordon Capital Corporation in Toronto from 1987 and 1994. Mr Cross has an Engineering Degree from the University of Waterloo and received his MBA from Harvard Business School in 1987.

(v) John Pollesel – Non-Executive Director

Mr John Pollesel is currently Senior Vice President, Mining at Finning Canada and has 26 years of experience in mining. He is currently a Non-Executive Director of First Cobalt.

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. 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 MBA from Laurentian University and is a CPA and CMA.

(vi) Ross Phillips – Non-Executive Director

Mr Ross Phillips has 18 years' experience in the resource and energy sectors, predominantly working on large-scale resource and energy capital projects. He is currently a Non-Executive Director of First Cobalt.

Mr Phillips is also currently employed with Potash Ridge Corporation, where he has held senior roles including Chief Operating Officer and Chief Financial Officer. He previously served as Senior Manager, Financial Analytics and later Director of Business Development for Capital Power Corporation, as well as various senior roles at Sherritt International Corp., a diversified resource company that produces thermal coal nickel, cobalt oil and electricity.

Mr Phillips holds an MA (Econ) and an MBA from the University of Alberta, is a CFA Charterholder, and is a CPA, CMA.

(vii) Jeffrey Swinoga – Non-Executive Director

Mr Jeffrey Swinoga is a Senior Executive with over 24 years of experience in the mining and public finance industries. He is currently a Non-Executive Director of First Cobalt.

Mr Swinoga is also currently the Chief Financial Officer of Torex Gold, where he led a \$375 million project financing to build the \$800 million ELG mine. Mr Swinoga's experience includes serving as Executive Vice President Finance & CFO of Golden Star Resources Ltd, Vice President Finance & CFO of North American Palladium, Vice President, Finance & CFO of HudBay Minerals Inc., and he was Director, Treasury Finance of Barrick Gold Corporation for seven years.

Mr Swinoga previously served as a Director and Audit Committee Chairman of Tonbridge Power Inc. He is a Chartered Professional Accountant and also holds a Master of Business Administration degree from the University of Toronto and an Honours Economics degree from the University of Western Ontario.

(e) Management of the Merged Group

In addition to the directors above, the key management team of the Merged Group following implementation of the Scheme will include Frank Santaguida, Peter Campbell and Kevin Ma.

Biographies of each are summarised below.

(i) Frank Santaguida – Vice President, Exploration

Dr Frank Santaguida is a geoscientist with over 25 years' experience who has worked globally on a wide range of base and precious metal ore deposits. He is currently the Vice President, Exploration for First Cobalt. Dr Santaguida has extensive experience in world-class base metal mining camps, including the Kidd Creek (Canada), Mt. Isa (Australia), the Central Lapland Greenstone Belt (Finland), and the African Copperbelt (Zambia-DRC). This diverse and unique pedigree makes him the ideal exploration leader for the programs required for a land package of the size the Merged Group will have.

Dr Santaguida started his career with the Ontario Geological Survey before joining Falconbridge Limited where he held various positions in near-mine to regional grassroots exploration and in operating mines in Canada and Australia. He subsequently joined First Quantum Minerals Limited in 2008 as a Senior Geologist exploring for copper-cobalt deposits in Zambia and Democratic Republic of the Congo. He was promoted to Principal Geologist in 2011 where he was responsible for exploration project generation and property evaluations for cobalt, copper, nickel and PGE properties globally. Notably, Dr Santaguida was part of the team that discovered new deposits at the Frontier Mine as well as new copper and cobalt prospects in the Democratic Republic of the Congo.

Dr Santaguida obtained his PhD from Carleton University and his MSc from the University of Waterloo. He also held a research assistant position throughout his MSc and PhD studies with the Geological Survey of Canada in the Mineral Deposits Division. Dr Santaguida has published several peer reviewed papers and speaks often at international geological conferences.

(ii) Peter Campbell – Vice President, Business Development

Mr Peter Campbell is a Professional Engineer with over 35 years' experience in mining operations, mineral exploration and capital markets. He is currently the Vice President, Business Development for First Cobalt.

Mr Campbell spent much of his early career in northern Ontario, after receiving his Engineering degree from Queen's University. He spent more than 10 years working in Sudbury, including with the Ontario

Ministry of Labour and an Associate Professorship with Laurentian University teaching Underground Mine Design. His experience as a mine builder brought him to Falconbridge Limited (now Glencore) where he spent over a decade working in senior engineering roles, culminating with Exploration Manager. As Exploration Manager, he was responsible for global exploration activities as well as prospect valuation and risk management.

In 2006, Mr Campbell moved into the capital markets and earned a reputation as an astute mining analyst, eventually becoming Chairman of Jennings Capital, an independent Canadian broker-dealer. During his career as an analyst, Mr Campbell developed a reputation for being the first to uncover hidden value – he was the first analyst to cover Probe Mines, Integra Gold, and Trelawney Mines, which was eventually sold to IAMGOLD for \$350 million dollars, among other companies he covered. Mr Campbell was the architect of the sale of Jennings Capital to Mackie Research in 2015.

As Vice President, Business Development, Mr Campbell's focus is on building a diversified global portfolio of assets leveraged to the cobalt industry and striving to make First Cobalt a leader and first mover in a market where quality assets are difficult to find.

(iii) Kevin Ma – Chief Financial Officer

Mr Kevin Ma is a Senior Financial Professional specialising in corporate financing, public company reporting and regulatory compliance in Canada and the United States of America, as well as strategic planning, financial management, and capital markets. He is currently the Chief Financial Officer of First Cobalt and a Principal of Skanderbeg Financial Advisory Inc.

Mr Ma started his career with Deloitte LLP and more recently served as Chief Financial Officer for Gatekeeper Systems Inc., where he raised a significant amount of growth capital, and oversaw financial operations. He previously served as Director of Finance for Alexco Resource Corp., where he was a core member of the senior team that put the Bellekeno silver mine into production in the historic Keno Hill Silver District. Kevin is a Chartered Accountant and has a Diploma in Accounting and a B.A. from the University of British Columbia.

(f) Corporate governance of the Merged Group

The corporate governance regime which exists in Canada is a combination of certain mandatory rules on disclosure and compliance, as well as guidelines and recommendations as to best practices.

As a “reporting issuer” (or the equivalent) in the provinces of British Columbia and Alberta in Canada, First Cobalt is required to disclose its corporate governance practices in a prescribed manner and is expected to comply with corporate governance guidelines to the fullest extent possible. Assuming First Cobalt becomes listed on ASX, these guidelines will include recommendations or requirements with regard to the following:

- Board of Directors: regarding independent directors, adoption of a board mandate acknowledging responsibility for the stewardship of First Cobalt, development of clear positions on the board, orientation of new directors and continued education of all directors, adoption of a code of business conduct and ethics, adoption of a process for director nominations, creation of an Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee, and assessment of the board on a regular basis; and
- Audit Committee: regarding its charter, its composition (including independence and financial literacy of directors), disclosure of relevant education and experience of directors, disclosure of exemptions where they have been relied upon, disclosure of board not adhering to recommendations of the committee, description of pre-approval of policies and procedures, and disclosure of external auditor service fees.

First Cobalt's corporate governance disclosure and filings are available on SEDAR (www.sedar.com) and First Cobalt's website (www.firstcobalt.com).

Following the Implementation Date, First Cobalt intends that the Merged Group will continue to comply with all mandatory corporate governance rules in Canada and will endeavour to follow best practices in Canada.

See also Section 10 for material provisions of Australian and Canadian corporations law.

(g) Strategy

The strategy behind the Scheme is to create a leading pure-play cobalt exploration company with a portfolio of high-quality exploration assets and the only permitted cobalt extraction refinery in the Cobalt Ontario Camp. The Merged Group is expected to be the largest listed cobalt exploration company with a proforma fully diluted market capitalisation of approximately \$134.5 million.¹¹ The increased scale of the Merged Group should enhance its capital markets profile, liquidity, provide greater access to capital across the exchanges and provide for strong re-rating potential. It is anticipated that the Merged Group (through First Cobalt) will be listed on TSX-V, ASX and OTCQB, subject to regulatory approval.

The Scheme positions the Merged Group as the dominant landholder in the Cobalt Ontario mining camp, consolidating approximately 45% of the prospective properties in the camp.

7.2 First Cobalt intentions in respect of the Merged Group

The intentions set out below represent the current intentions of First Cobalt in relation to the Merged Group. These intentions have been formed on the basis of facts and information concerning the Merged Group, and the general economic and business environment, known by First Cobalt at the time this Scheme Booklet was prepared.

All statements set out in this Section 7.2 are statements of current intention only and may vary as new information becomes available or circumstances change.

(a) Review of the Merged Group and Cobalt One

The articulation and formulation of First Cobalt's intentions are necessarily limited by virtue of the fact that First Cobalt has only had access to publicly available information and, through the due diligence process, certain non-public information about Cobalt One and its affairs.

Accordingly, after implementation of the Scheme, First Cobalt intends to conduct a targeted review of the Merged Group at a strategic, operational and financial level to:

- gain a more comprehensive understanding of its performance, profitability, prospects, strategy and plans;
- assess possible operational and strategic opportunities; and
- identify possible opportunities for operating synergies;

In the course of the review, it is intended that there will be a focus on a number of key specific areas, including (but not limited to):

- the exploration and development potential of Cobalt One's existing mineral assets in the Cobalt Camp, and in the inclusion of these assets in First Cobalt's existing exploration program being conducted in the Cobalt Camp; and
- the existing management and employees of Cobalt One, with a view to centralising management of the Merged Group in Toronto, Ontario.

(b) Corporate matters in relation to Cobalt One

If the Scheme is implemented, it is intended that:

- Cobalt One will apply for termination of the official quotation of Cobalt One Shares on, and to have itself removed from the official list of, ASX;
- Cobalt One will become a wholly-owned subsidiary of First Cobalt;
- First Cobalt will be listed on TSX-V, ASX and OTCQB; and
- Mr Jason Bontempo, Mr Paul Matysek and Mr Robert Cross will be appointed as directors of the Merged Group.

(c) Principal activities and assets of the Merged Group

If the Scheme is implemented, the Merged Group will hold a diverse portfolio of assets at varying stages of exploration principally located in the Cobalt Camp. Assuming completion of the CobalTech

¹¹ **Note:** Refer to Section 7.4(e) of this Scheme Booklet.

Transaction, the Merged Group will be a larger company, which will have a diversified risk profile. The Merged Group's assets will include:

- a mill with a 100 tonne-per-day capacity;
- a refinery situated on 40 acres of permitted property;
- Keeley-Frontier, Silverfields and Duncan-Kerr – the flagship past producing silver and cobalt mines deemed by First Cobalt as the starting point for district scale exploration of open pit cobalt target;
- more than a dozen other known past producing mines that historically produced silver and cobalt but on a smaller scale than the three flagship mines; and
- over 10,000 hectares of land in the Cobalt Camp.

(d) Strategic direction

If the Scheme is implemented, the strategy of the Merged Group will be to:

- aggressively advance its exploration strategy on the mineral assets of the Merged Group, through an additional 10,000 metres or more of drilling plus additional regional compilation, mapping, sampling, structural geology and 3D modelling;
- assess additional opportunities and potential targets for further exploration;
- to generally continually review all aspects of the Merged Group's assets and operations to identify ways to maximise shareholder value; and
- review of opportunities for strategic acquisitions and consolidation of additional mineral assets within the Cobalt Camp or elsewhere.

(e) Name of the Merged Group

The Merged Group will be called First Cobalt Corp.

(f) Dividend policy

It is currently intended that the Merged Group will retain any future earnings to fund the development and growth of its business. First Cobalt does not anticipate paying any cash dividends on New First Cobalt Shares or New First Cobalt CDIs in the near future. First Cobalt anticipates using its cash resources to advance development of the mineral properties of the Merged Group and for potential strategic acquisitions in the Cobalt Camp.

(g) Management and employees

First Cobalt does not anticipate hiring any additional corporate office personnel to manage the Merged Group. Management does, however, contemplate that it will engage additional personnel (employees and contractors) in the Cobalt Camp to advance its strategic plans. This will result in an overall reduction of corporate costs currently incurred by the two companies, as duplication can be eliminated where it is strategically and economically efficient to do so. As a result, it is anticipated that such rationalisation will result in the positions of most Cobalt One employees becoming redundant. Employment decisions will, however, be made in the context of the expected continuing growth of the Merged Group.

(h) Continuation of First Cobalt's and Cobalt One's business

If the Scheme is implemented, First Cobalt intends that the business of Cobalt One will be integrated into First Cobalt's existing business, but will otherwise be continued substantially in the same manner as it is presently being conducted.

The Merged Group will continue to review all aspects and operations of the Merged Group to identify ways to maximise value for all shareholders.

Other than as disclosed in this Scheme Booklet, First Cobalt does not intend to make any major changes to the current business of Cobalt One.

(i) Redeployment of fixed assets of Cobalt One

As at the date of this Scheme Booklet, the First Cobalt Board does not intend to redeploy any of the fixed assets of Cobalt One.

7.3 Ownership

As at the date of this Scheme Booklet there are 57,507,748 First Cobalt Shares, 3,550,000 First Cobalt Warrants and 5,015,000 First Cobalt Options on issue.

First Cobalt will issue approximately 107,666,357 New First Cobalt Shares or New First Cobalt CDIs pursuant to the Scheme (ignoring the effects of rounding). Immediately following implementation of the Scheme, existing First Cobalt Shareholders will hold approximately 30% of the First Cobalt Shares on issue and Scheme Shareholders will hold approximately 57% of the First Cobalt Shares on issue if the CobalTech Transaction completes,¹² and 35% and 65% respectively if it does not.¹³

7.4 Pro forma financial information in relation to the Scheme

(a) Introduction

This Section 7.4 contains the pro forma historical statements of financial position for the Merged Group (**Merged Group Financials**).

The Merged Group Financials have been prepared to illustrate to Scheme Shareholders the hypothetical financial position of the Merged Group if the Scheme had been implemented at 30 June 2017. They show the effect of acquiring Cobalt One and CobalTech, both separately and together.

The information they contain has been prepared, and is set out in, abbreviated form which **does not** contain all of the information and disclosures that would ordinarily be included in financial statements pursuant to International Financial Reporting Standards (IFRS) or the Australian Accounting Standards (AAS). Accordingly, the information should be considered in conjunction with the rest of this Scheme Booklet and the consolidated financial statements for each Merged Group Entity, together with related notes and other information, available at:

- for Cobalt One – the ASX announcements platform (www.asx.com.au) using the code 'CO1'; or
- for First Cobalt and CobalTech – the Canadian Provincial Securities Regulators' SEDAR website (www.sedar.com).

The Merged Group Financials are not intended to reflect the financial position of the Merged Group that would have resulted had the Scheme been implemented on 30 June 2017, nor possible future results for the Merged Group. The actual financial position of the Merged Group had the Scheme been implemented on 30 June 2017 may have been different from the Merged Group Financials.

(b) Basis of preparation

The Merged Group Financials have been:

- prepared based on:
 - First Cobalt's reviewed financial statements for the 3 months ended 30 June 2017;
 - Cobalt One's audited financial statements for the financial year ended 30 June 2017; and
 - CobalTech's unaudited financial statements for the 9 months ended 30 June 2017;
- prepared by adjusting the First Cobalt statement of financial position for the year ended 31 March 2017 (see Section 6.5(a)) to show the effect of acquiring each of Cobalt One and CobalTech, separately and together, as if the transactions occurred on 30 June 2017;
- presented in Canadian dollars (C\$) unless expressly stated otherwise, with information that was originally prepared in Australian dollars (i.e. Cobalt One's financial information) being converted to Canadian dollars by applying the exchange rate at 30 June 2017 of C\$1.0000:A\$1.0032; and

¹² **Note:** Assumes existing First Cobalt Shareholders will hold 57,507,748, and Cobalt One Shareholders will hold 189,441,848, out of a total 189,441,848 First Cobalt Shares

¹³ **Note:** Assumes existing First Cobalt Shareholders will hold 57,507,748, and Cobalt One Shareholders will hold 107,666,357, out of a total 165,611,605 First Cobalt Shares.

- prepared in accordance with IFRS and otherwise by using significant accounting policies which are consistent with those used to prepare First Cobalt's financial statements for the financial year ended 31 March 2017 and the financial statements for the three months ended 30 June 2017.

First Cobalt proposes to continue preparing financial statements for the Merged Group in accordance with IFRS. Further, it proposes that the Generally Accepted Auditing Standards in Canada will be the auditing standards that will be applied by First Cobalt's auditor in relation to the Merged Group.

The Merged Group Financials do not reflect projections or forecasts by Cobalt One or First Cobalt as to the financial position or financial performance of the Merged Group in the future.

(c) Pro forma assumptions and adjustments

The Merged Group Financials have been prepared adopting the following assumptions and adjustments:

- The consolidated statement of financial position of Cobalt One as at 30 June 2017 has been converted into Canadian dollars from Australian dollars, or vice versa, applying the exchange rate at 30 June 2017 of C\$1.0000:A\$1.0032.
- First Cobalt will issue 107,666,357 New First Cobalt Shares or New First Cobalt CDIs to Scheme Shareholders as consideration for the acquisition of 100% of the Cobalt One Shares under the Scheme, valued at approximately C\$37,739,805 (A\$37,860,572). This reflects the difference between the estimated fair value of First Cobalt Shares to be issued to Scheme Shareholders, less the fair value of net assets of First Cobalt acquired pursuant to the Scheme. The preliminary allocation of estimated consideration transferred is subject to change and is summarised as follows:

Purchase Price	Amount (C\$)	Amount (A\$)
57,507,748 common shares of First Cobalt	43,705,888	43,845,747
Exercise of 60,500,000 stock options of Cobalt One	6,667,100	6,688,435
Total Purchase Price	50,372,988	50,534,182
Allocation of Purchase Price	Amount (C\$)	Amount (A\$)
Cash and cash equivalents	6,076,142	6,095,586
Receivables and prepayments	686,101	688,297
Exploration and evaluation assets	44,031,363	44,172,263
Accounts and accrued liabilities	(420,617)	(421,963)
TOTAL	50,372,988	50,534,182

- Approximately 60,500,000 Cobalt One Options, which have an exercise price which is less than the price of Cobalt One Shares traded on ASX immediately prior to the date of the Scheme Booklet (i.e. are 'in-the-money'), will be exercised after the Scheme becomes Effective, for estimated gross proceeds of C\$1,844,099 (A\$1,850,000).
- An adjustment has been made to eliminate First Cobalt's share capital, reserves and accumulated deficit within shareholders' equity.
- First Cobalt will issue 23,830,243 First Cobalt Shares to the shareholders of CobalTech as consideration for the acquisition of 100% of the CobalTech Shares under the CobalTech Transaction, valued at approximately C\$10,754,270 (A\$10,788,684). This reflects the difference between the estimated fair value of First Cobalt Shares to be issued to CobalTech shareholders, less the fair value of net assets of CobalTech acquired pursuant to the CobalTech Transaction. The preliminary allocation of estimated consideration transferred is subject to change and is summarised as follows:

Purchase Price	Amount (C\$)	Amount (A\$)

23,830,243 common shares of First Cobalt	18,110,985	18,168,940
Total Purchase Price	18,110,985	18,168,940
Allocation of Purchase Price	Amount (C\$)	Amount (A\$)
Cash and cash equivalents	862,583	865,343
Receivables and prepayments	471,777	473,287
Exploration and evaluation assets	17,363,371	17,418,934
Property, plant and equipment	5,387	5,404
Accounts and accrued liabilities	(592,133)	(594,028)
TOTAL	18,110,985	18,168,940

- An adjustment has been made to eliminate CobalTech's share capital, reserves and accumulated deficit within shareholders' equity.

The pro-forma adjustments and allocations of the estimated consideration transferred under the Scheme and the CobalTech Transaction are based in part on estimates of the fair value of assets to be acquired and liabilities to be assumed under each of those transactions. The final determination of the consideration transferred and the related allocation of the fair value of the First Cobalt net assets to be acquired pursuant to the Scheme and CobalTech net assets to be acquired pursuant to the CobalTech Transaction will ultimately be determined after the closing of the transactions. It is likely that the final determination of the consideration transferred and the related allocation of the fair value of the assets acquired and liabilities assumed will vary from the amounts present in the Merger Group Financials, and that those differences may be material.

(d) Merged Group pro forma historical statement of financial position

PRO-FORMA CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017 (UNAUDITED)

	FIRST COBAL T CORP. C\$	COBAL T ONE LIMITED C\$	Note 1	Note 2	Note 3	PRO FORMA ADJUSTMENTS C\$	PRO FORMA COMBINED (FCC+CO1) C\$	COBAL TECH MINING INC. C\$	PRO FORMA ADJUSTMENTS C\$	Note 5	Note 6	Note 7	PRO FORMA COMBINED (FCC + CO1 + CSK) A\$
ASSETS													
Current Assets													
Cash and cash equivalents	\$4,232,043	\$2,140,631		\$0	\$1,844,099	-	\$8,216,773	\$596,583	-	\$266,000	-	-	\$9,108,410
Receivables and prepayments	686,101	1,681,775					2,367,876	471,777	-	-	-	-	2,848,740
	4,918,144	3,822,406		-	1,844,099	-	10,584,649	1,068,360	-	266,000	-	-	11,957,150
Non-Current Assets													
Investments	-	-	-	43,705,888	4,823,001	(48,528,890)	-	-	17,350,863	494,122	(17,844,985)	-	-
Exploration and evaluation assets	6,291,558	13,917,638		-	-	-	57,949,000	6,609,101	-	-	10,754,270	75,312,371	75,553,371
Property, plant and equipment	-	15,854,072		-	-	-	15,854,072	5,387	-	-	-	-	15,910,209
Total Assets	\$11,209,702	\$33,594,116	\$43,705,888	\$6,667,100	(10,789,085)	\$84,387,721		\$7,682,848	\$17,350,863	\$760,122	-\$ 7,090,715	\$103,090,839	\$103,420,730
LIABILITIES AND SHAREHOLDERS' EQUITY													
Current Liabilities													
Accounts payable and accrued liabilities	\$420,617	\$167,558		-	-	-	\$588,175	\$592,133	-	-	-	-	\$1,184,085
Prepayment received	-	727,564		-	-	-	727,564	-	-	-	-	-	729,892
Total Liabilities	\$420,617	\$895,122	\$0	\$0	\$0	\$0	\$1,315,739	\$592,133	\$0	\$0	\$0	\$0	\$1,913,977
Shareholders' Equity													
Common shares	15,950,226	47,607,028	43,705,888	6,667,100	(15,950,226)	97,980,016		14,999,838	17,350,863	760,122	(14,999,838)	116,091,001	116,462,492
Share issuance costs	(772,212)	-	-	-	772,212	-	-	-	-	-	-	-	-
Reserves	1,380,566	7,616,627	-	-	(1,380,566)	7,616,627		1,107,145	-	-	(1,107,145)	7,616,627	7,641,000
Deficit	(5,769,495)	(25,141,287)	-	-	5,769,495	(25,141,287)		(9,016,268)	-	-	9,016,268	(25,141,287)	(25,221,739)
Non-controlling interest	-	2,616,627	-	-	-	2,616,627		-	-	-	-	2,616,627	2,625,000
	\$10,789,085	32,698,994	\$43,705,888	\$6,667,100	-\$10,789,085	\$83,071,983		\$7,090,715	\$17,350,863	\$ 760,122	-\$ 7,090,715	101,182,968	101,506,753
Total Liabilities and Shareholders' Equity	\$11,209,702	\$33,594,116	\$43,705,888	\$6,667,100	-\$10,789,085	\$84,387,721		\$7,682,848	\$17,350,863	\$ 760,122	-\$ 7,090,715	\$103,090,839	\$103,420,730

Notes:

- Note 1** Represents the consolidated statement of financial position of Cobalt One extracted from the audited consolidated financial statements for the financial year ended 30 June 2017, converted into Canadian dollars the exchange rate at 30 June 2017 of C\$:1.0000:A\$:1.0032.
- Note 2** The issue of New First Cobalt Shares or New First Cobalt CDIs as Scheme Consideration and consideration for the acquisition of Cobalt One Options. The share based payment has been calculated based upon First Cobalt's last trading price of C\$0.76 on 22 June 2017 (Toronto time), prior to release of the announcement of First Cobalt's intention to merge with Cobalt One on 26 June 2017 (Toronto time) Refer to Section 6.7(e) for further information about First Cobalt's share price history. .
- Note 3** Assumed exercise of Cobalt One's options which have an exercise price which is less than the price of Cobalt One Shares traded on ASX immediately prior to the date of the Scheme Booklet (i.e. are 'in-the-money'), after the Scheme becomes Effective.
- Note 4** Elimination of pre-acquisition net assets of First Cobalt.
- Note 5** The issuance of First Cobalt Shares in consideration of the acquisition of CobalTech.
- Note 6** Assumed exercise of CobalTech warrants which have an exercise price which is less than the price of CobalTech Shares traded on TSX-V immediately (i.e. are 'in-the-money') prior to the date the Scheme becomes Effective.
- Note 7** Elimination of pre-acquisition net assets of CobalTech.

(e) Estimated market capitalisation of the Merged Group

The pro forma market capitalisation of the entities that will comprise the Merged Group is estimated to be as follows, if the Scheme was implemented on the Business Day prior to the date of the Scheme Booklet (12 October 2017):

Information	First Cobalt	Cobalt One	CobalTech	Merged Group
Number of shares on issue	57,507,748	682,026,602	90,540,437	-
Closing price of shares on market	C\$0.62 (A\$0.64)	C\$0.1216 (A\$0.125)	C\$0.135 (A\$0.1387)	-
Market capitalisation	C\$35,654,804 (A\$36,628,180)	C\$82,925,909 (A\$85,253,325)	C\$12,222,959 (A\$12,556,646)	C\$130,803,672 (A\$134,438,151)

Notes:

- Note 1** First Cobalt and CobalTech closing prices were the closing prices of their respective shares traded on TSX-V on 12 October 2017.
- Note 2** The Cobalt One closing price was the closing price of its shares traded on ASX on 12 October 2017.
- Note 3** Currency conversion was calculated by applying the Australian dollar to Canadian dollar exchange rate on 12 October 2017 of C\$:1.00:A\$:1.0273 (A\$:1.00:C\$:0.9727).
- Note 4** The figures in the table above have been rounded to the nearest whole number.

7.5 Financial forecasts

First Cobalt has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. The directors of First Cobalt have concluded that, as at the date of this Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

The financial performance of the Merged Group will be influenced by various factors that will be outside the control of the directors of the Merged Group and that cannot, at this time, be predicted with a high level of confidence. In particular, the financial performance of the Merged Group will be materially affected by:

- drilling results;
- geological surveys;
- successful project development;
- project and other financing cost and availability;
- tax regime changes;
- environmental regime changes;

- commodity prices;
- grades of ore;
- recovery rates at processing plants;
- exchange rates;
- weather conditions;
- political stability; and
- labour stability.

7.6 Capital structure of the Merged Group

If the Scheme is Effective, First Cobalt will be the ultimate holding company of the Merged Group. First Cobalt's capital structure will remain unchanged as a result of the Scheme, other than for the issue of New First Cobalt Shares or New First Cobalt CDIs to Scheme Shareholders in accordance with the Scheme and Deed Poll. It may also grant New First Cobalt Options for the cancellation or transfer to it of Cobalt One Options.

Accordingly, assuming that none of the existing First Cobalt Options are exercised or lapse, the Merged Group's capital structure is expected to comprise approximately:

Security type	Current position	Following Scheme	Following CobalTech Transaction	Merged Group
Shares				
First Cobalt Shares	57,507,748	57,507,748	57,507,748	57,507,748
First Cobalt Shares to be issued under Scheme	Nil	107,666,357	Nil	107,666,357
First Cobalt Shares to be issued to holders of Cobalt One Options	Nil	437,500	Nil	437,500
First Cobalt Shares under CobalTech Transaction	Nil	Nil	23,830,243	23,830,243
TOTAL	57,507,748	165,611,605	81,337,991	189,441,848
Share purchase warrants				
First Cobalt Warrants – exercise price of C\$0.06 and expiry date of 31 May 2021	400,000	400,000	400,000	400,000
First Cobalt Warrants – exercise price of C\$0.10 and expiry date of 13 September 2021	3,150,000	3,150,000	3,150,000	3,150,000
First Cobalt Warrants under Scheme	Nil	Nil	Nil	Nil
First Cobalt Warrants under CobalTech Transaction	Nil	Nil	2,228,778	2,228,778
TOTAL	3,550,000	3,550,000	5,778,778	5,778,778
Stock options				
First Cobalt Options – exercise price of C\$0.25 and expiry date of 18 September 2021	575,000	575,000	575,000	575,000

First Cobalt Options –exercise price of C\$0.35 and expiry date of 15 December 2021	350,000	350,000	350,000	350,000
First Cobalt Options –exercise price of C\$0.38 and expiry date of 22 December 2021	550,000	550,000	550,000	550,000
First Cobalt Options –exercise price of C\$0.66 and expiry date of 2 March 2022	1,975,000	1,975,000	1,975,000	1,975,000
First Cobalt Options –exercise price of C\$0.69 and expiry date of 1 June 2022	1,565,000	1,565,000	1,565,000	1,565,000
First Cobalt Options to holders of Cobalt One Options	Nil	2,900,000	Nil	2,900,000
First Cobalt Options under CobalTech Transaction	Nil	Nil	Nil	Nil
TOTAL	5,015,000	7,915,000	5,015,000	7,915,000

Notes:

1. The figures in the table above are current as at the date of this Scheme Booklet. They assume that no other securities are issued or converted (e.g. exercise of stock options) prior to implementation of the Scheme or the CobalTech Transaction.
2. All or part of the First Cobalt Shares to be issued under the Scheme may be represented in New First Cobalt CDIs.
3. Warrants to be granted under the CobalTech Transaction will be exercisable at C\$1.14 each on or before 23 December 2017.
4. Number of stock options to be granted to the holders of Cobalt One Options may reduce to 2,175,000 or nil. If this occurs, the number of First Cobalt Shares may increase by 975,000 or 1,700,000 respectively. Please refer to Section 3.9 for further details.

8 What are the risks?

8.1 What if the Scheme is implemented?

If the Scheme is implemented, Cobalt One will become a wholly-owned subsidiary of First Cobalt and Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders) will, subject to the terms of the Scheme, be entitled to receive the Scheme Consideration, being New First Cobalt Shares or New First Cobalt CDIs.

If the Scheme becomes Effective, Scheme Shareholders will become members of a larger and more diversified, TSX-V, OTCQB and ASX-listed company. The scale and stage of development of First Cobalt will change from that of Cobalt One on a stand-alone basis. Accordingly, Scheme Shareholders will potentially be exposed to certain risks in respect of First Cobalt if the Scheme is Effective. Many of these risk factors will be beyond the control of First Cobalt and include risks associated with financial matters, business and operations of Cobalt One, First Cobalt and the Merged Group (and exploration companies generally), acquisitions and being a holder of New First Cobalt CDIs or New First Cobalt Shares.

These risk outlined in this Section are not exhaustive and do not take into account the investment objectives, financial situation, position or particular needs of Scheme Shareholders. You should carefully consider the following risks as well as the other information contained in this Scheme Booklet before determining how to vote on the Scheme. Each Scheme Shareholder should consult his or her professional adviser if he or she has any doubts about an investment in First Cobalt.

(a) Operational risks

(i) Commodity price volatility

Mineral exploration companies are affected by the market prices and availability of commodities which are consumed or otherwise used in connection with mineral exploration operations and development projects, such as diesel, fuel, electricity, steel, concrete and cyanide. Prices of such commodities can also be subject to volatile price movements, which can be material and can occur over short periods of time, and are affected by factors that are beyond a company's control. Operations consume significant amounts of energy, and are dependent on suppliers to meet these energy needs. In some cases, no alternative source of energy is available. An increase in the cost, or decrease in the availability, of construction materials, such as steel and concrete, affects the timing and cost of development projects. If the costs of certain commodities consumed or otherwise used in connection with the Merged Group's exploration and development projects were to increase significantly, and remain at such levels for a substantial period of time, the Merged Group may determine that it is not economically feasible to continue exploration at some or all of their operations or the development of some or all of their projects, which could have a material adverse effect on the Merged Group. The Merged Group's ability to acquire critical resources, such as input commodities, drilling equipment and skilled labour, due to increased worldwide demand, may cause unanticipated cost increases and delays in delivery times, thereby impacting operating costs and capital expenditures.

(ii) Exploration risks

The Merged Group may be exposed to exploration risk. Resource exploration is highly speculative in nature, involves many risks and is frequently not productive. There can be no assurance that the Merged Group's exploration efforts will be successful.

Success in increasing mineral reserves is a result of a number of factors, including the quality of the Merged Group's management, level of geological and technical expertise, quality of land available for exploration and other factors. Once resources are discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change.

Substantial expenditures are required to establish proven and probable mineral reserves through drilling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. As a result of these uncertainties, no assurance

can be given that exploration programs undertaken by the Merged Group will result in the expansion of any future mineral reserves.

(iii) Environmental hazards and risks

Environmental hazards may exist on, or adjacent to, the Merged Group's projects. The Merged Group may be liable for losses associated with such hazards, may be forced to undertake extensive remedial clean-up action or to pay for governmental remedial clean-up actions, even in cases where such hazards have been caused by previous, or existing owners or operators of project land, or by past or present owners of adjacent properties or natural conditions. The costs of such clean-up actions may have a material adverse impact on the Merged Group's operations and profitability.

(iv) Insurance risk

In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks because of, for example, exclusions and limitations on coverage. Additionally, coverage may not be available or the Merged Group may decide not to take out insurance against such risks as a result of high premiums or for other reasons.

Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the securities of the Merged Group. The Merged Group will not be insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Merged Group will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Merged Group becomes subject to environmental liabilities, the payment of such liabilities would reduce, or eliminate, its available funds or could exceed the funds the Merged Group has to pay such liabilities and result in bankruptcy. Should the Merged Group be unable to fully fund the remedial cost of an environmental problem, it might be required to enter into interim compliance measures pending completion of the required remedy.

(v) Competition risk

The Merged Group will operate in a competitive industry and compete with other more well-established companies which have greater financial resources than it does. The Merged Group will face strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, resources. Many of these companies will have greater financial resources, operational experience and technical capabilities than the Merged Group. As a result of this competition, the Merged Group may be unable to maintain, or acquire, attractive mining properties on terms that it considers acceptable, or at all. Consequently, the Merged Group's revenues, operations and financial condition could be materially adversely affected.

(vi) Key personnel risk

The Merged Group will be dependent upon the services of key executives, including the directors of the Merged Group and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Merged Group, the loss of these persons or the inability of the Merged Group to attract and retain additional highly-skilled employees may adversely affect its business and future operations. In such event, the Merged Group will seek satisfactory replacements, but there can be no guarantee that appropriate personnel may be found.

(vii) Litigation risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs associated with litigation can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process and dealings with the regulatory bodies, there can be no assurance that the resolution of any particular legal or regulatory proceeding will not have a material adverse effect on the Merged Group's future cash flow, results of operations or financial condition.

Neither Cobalt One, nor First Cobalt are currently parties to any legal proceedings.

On 4 May 2017, CobalTech announced its intention to commence legal proceedings seeking damages and a declaration that any interest held by Cobalt One in the cobalt concentrates refinery (which Cobalt One acquired from Yukon pursuant to the Asset Purchase Agreement – refer to Section 5.2(b) for further information) is held on constructive trust for the benefit of CobalTech.

Clause 4.10 of the Arrangement Agreement between First Cobalt and CobalTech includes a provision under which CobalTech has agreed not to commence any legal proceedings against Cobalt One in respect of the Refinery Assets. However, there is a risk CobalTech may still commence proceedings against Cobalt One in respect of the Refinery Assets should the CobalTech Transaction not proceed to completion (refer to Section 11.14 for further information regarding the conditions precedent to completion of the CobalTech Transaction).

(viii) Risks relating to the global economy

Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede the Merged Group's access to capital or increase the cost of capital. Failure to raise capital when needed, or on reasonable terms, may have a material adverse effect on the Merged Group's operations.

Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the Merged Group's operations could be adversely impacted and the trading price of New First Cobalt Shares may be adversely affected. The Merged Group may also be exposed to liquidity risks in meeting its operating and capital expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Merged Group's ability to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to them. As a result of recent global financial conditions, numerous financial institutions have gone into bankruptcy or have been rescued by government authorities. As such, the Merged Group will be subject to the risk of loss of their deposits with financial institutions that hold their cash.

(ix) Risks relating to community action

All industries, including the mining industry, are subject to community actions. In recent years, communities and non-governmental organisations have become more vocal and active with respect to mining activities at, or near, their communities. These parties may take actions, such as road blockades, applications for injunctions seeking work stoppage and lawsuits for damages.

(x) Potential conflicts of interest risks

The directors of the Merged Group will devote only a portion of their time to the business and affairs of the Merged Group and some of the individuals who will be directors or officers of the Merged Group will also be directors, officers and/or promoters of other reporting and non-reporting issuers, including those engaged in mineral exploration and development.

Situations may arise where the directors and/or officers of the Merged Group may be in competition with Merged Group. Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of Merged Group's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Merged Group will be required to act honestly, in good faith and in the best interests of Merged Group.

As of the date of this Scheme Booklet, and to the knowledge of the directors and officers of First Cobalt and Cobalt One, there will be no conflicts of interest between First Cobalt and any of its directors or officers.

(xi) Risks relating to laws and regulatory requirements risks

The Merged Group will conduct operations in a number of jurisdictions, including Canada. The laws in each of these countries differ significantly and may change. The business of mineral exploration and development is subject to various national and local laws and plans relating to permitting and maintenance of title, environmental consents, taxation, employee relations, health and safety, royalties, land acquisitions, land use, waste disposal, environmental protection and remediation, protection of

endangered and protected species, mine safety, toxic substances and other matters. Although First Cobalt currently complies with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration and development. New laws and regulations, amendments to existing laws and regulations, administrative interpretation of existing laws and regulations, or more stringent enforcement of existing laws and regulations, whether in response to changes in the political or social environment in which the Merged Group operates or otherwise, could have a material adverse effect on Merged Group.

Failure to comply with applicable laws and regulations may result in enforcement actions or corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mineral exploration may be required to compensate those suffering loss or damage by reason of the exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

(xii) Infrastructure risks

Mineral exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The lack of availability on acceptable terms, or the delay in the availability of any one or more of these items, could prevent or delay the development of Merged Group's projects. If adequate infrastructure is not available in a timely manner, there can be no assurance that the development of Merged Group's projects will be commenced or completed on a timely basis, if at all, or that construction costs and ongoing operating costs will not be higher than anticipated. In addition, unusual or infrequent weather phenomena, sabotage or other interference in the maintenance or provision of such infrastructure could adversely affect Merged Group's operations.

(xiii) Standards for reporting minerals material

The disclosure in this Scheme Booklet concerning the Merged Group uses terms that comply with reporting standards in Canada and certain estimates are made in accordance with NI 43-101. In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in, and required to be disclosed by, NI 43-101. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a significant amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of the measured mineral resources, indicated mineral resources, or inferred mineral resources will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility studies, pre-feasibility studies or other economic studies, except in rare cases.

Accordingly, information within this booklet containing descriptions of the Merged Group's mineral deposits may not be comparable to similar information made public by Australian companies subject to Australian reporting and disclosure requirements.

The Merged Group's disclosure of mineral reserve and mineral resource information is governed by NI 43-101 and CIM Definition Standards, while Cobalt One's disclosure of exploration results is based on the reporting requirements of the JORC Code. CIM definitions of the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are substantially similar to the JORC Code corresponding definitions of the terms "ore reserve", "proved ore reserve", "probable ore reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource", respectively. Estimates of mineral resources and mineral reserves prepared in accordance with the JORC Code would not be materially different if prepared in accordance with the CIM definitions applicable under NI 43-101. There can be no assurance that mineral resources that are not mineral reserves will ultimately be converted into mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

(xiv) Risks relating to exploration licences

Mineral exploration companies require licences and permits from various governmental authorities. Subject to the matters noted in sections 4.5 of both the First Cobalt Technical Report and the Cobalt One Technical Report, First Cobalt and Cobalt One believe that the Merged Group will hold all necessary

licences and permits under applicable laws and regulations in respect of their properties and that they are presently complying in all material respects with the terms of such licences and permits. Such licences and permits, however, are subject to change in various circumstances. Further, the Merged Group will need to submit additional exploration plans and apply for exploration permits with the Ministry of Northern Development and Mines (Ontario) in order to conduct more advanced exploration activities. These permits are to enable exploration work to be conducted and are not permits for the grant or title or tenure. As part of this process, the Merged Group will need to notify and engage in consultation with Aboriginal communities that may be affected by the proposed exploration activities before an exploration permit is granted (refer to Section 8.1(a)(xv)). There is a risk that the necessary permits, consents, authorisations and agreements to implement planned exploration and development may not be obtained under conditions or within the time frames that make such plans economic, that applicable laws, regulations or the governing authorities will change or that such changes will result in additional material expenditures or time delays.

(xv) First Nations/native title risk

The Merged Group will operate in, and in the future may operate in or explore additional, areas currently or traditionally inhabited or used by indigenous peoples of Canada which may be subject to indigenous rights or claims. The Merged Group will be required to consult with indigenous communities as part of the exploration permit application process. The position of indigenous communities is considered by the Ministry of Northern Development and Mines (Ontario) in its determination whether or not to grant an exploration permit and what terms/conditions it may apply in any grant. Accordingly, the Merged Group is subject to the risk that one or more indigenous groups may oppose the continued operation, further development or new development (including exploration activities) of the Merged Group's current or future properties. Such opposition may be directed through legal or administrative proceedings, or through protests or other campaigns against the Merged Group's activities. Any such actions may have an adverse impact on operations, such as the rejection of exploration permit applications or the grant of such permits subject to onerous conditions. Although the Merged Group will attempt to develop and maintain good working relationships with all stakeholders, there can be no assurance that any such relationships can be successfully managed.

(xvi) Project development risks

Many factors are involved in the determination of the economic viability of a deposit, including the achievement of satisfactory mineral reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and the estimate of future commodity prices. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involves uncertainties and, as a result, First Cobalt cannot give any assurance that their development or exploration projects will become operating mines. If a mine is developed, actual operating results may differ from those anticipated in a feasibility study.

Any of the following events, among others, could affect the profitability or economic feasibility of a project:

- unanticipated changes in grade and tonnage of ore to be mined and processed;
- unanticipated adverse geotechnical conditions;
- incorrect data on which engineering assumptions are made;
- costs of constructing and operating a mine in a specific environment;
- availability of labour;
- availability and costs of processing and refining facilities;
- availability of economic sources of power;
- adequacy of water supply;
- availability of surface tenure on which to locate processing and refining facilities;
- adequate access to the site, including competing land uses (such as agriculture and illegal mining);
- unanticipated transportation costs;

- government regulations (including regulations with respect to prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals, as well as the costs of protection of the environment and agricultural lands);
- fluctuations in commodity prices; and
- accidents, labour actions and force majeure events.

It is not unusual in new mining operations to experience unexpected problems during the start-up phase, and delays can often occur at any stage.

(xvii) Outside contractor risks

It is common for certain aspects of mineral exploration activities, such as drilling and blasting, to be conducted by an outside contractor. Certain aspects of the Merged Group's operations will be undertaken by a contractor and, as a result, the Merged Group will be subject to a number of risks, including reduced control over the aspects of the operations that are the responsibility of the contractor, failure of a contractor to perform under its agreement, inability to replace the contractor if either party terminates the contract, interruption of operations in the event the contractor ceases operations due to insolvency or other unforeseen events, failure of the contractor to comply with applicable legal and regulatory requirements and failure of the contractor to properly manage its workforce resulting in labour unrest or other employment issues.

(xviii) Mineral title risk

Mineral exploration companies require licences and permits from various governmental authorities. The validity of ownership of property holdings can be uncertain and may be contested. Risk always exists that some titles, particularly titles to undeveloped properties, may be defective or subject to prior unregistered agreements or transfers.

(xix) Integration risks

There are risks that any integration between the businesses of First Cobalt and Cobalt One may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups and the potential loss of key personnel.

(xx) Risks in relation to the Cobalt Camp

The majority of the Merged Group's assets will be located in the historic Cobalt Camp in Ontario, Canada. There is a risk that this area will not contain economically viable mineral reserves. As such, the Merged Group may be exposed to risks associated with having limited asset diversification.

(b) Risks relating to New First Cobalt CDIs or New First Cobalt Shares

The Merged Group may require additional funds to fund its exploration and development programs and potential acquisitions. If the Merged Group raises additional funding by issuing additional equity securities, this may substantially dilute the interests of shareholders of the Merged Group. Issuances of substantial numbers of First Cobalt securities, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Merged Group's securities. A decline in the market price of the Merged Group's securities could impair its ability to raise additional capital through the sale or issue of securities should it desire to do so.

(i) Issue of New First Cobalt Shares or New First Cobalt CDIs as Consideration

The Scheme Consideration proposed to be issued to Scheme Shareholders consists of a specified number of New First Cobalt Shares or New First Cobalt CDIs. The value of the Scheme Consideration will fluctuate depending upon the market value of New First Cobalt Shares. Under the Scheme, First Cobalt will issue a significant number of New First Cobalt Shares and New First Cobalt CDIs. Some Scheme Shareholders may not intend to continue to hold their New First Cobalt Shares and may wish to sell them. There is a risk that if a significant number of Scheme Shareholders seek to sell their New First Cobalt Shares or New First Cobalt CDIs, this may adversely impact their price.

(ii) Uncertainty about the market value of New First Cobalt Shares or New First Cobalt CDIs

Although the Cobalt One Board believes that the Scheme, if implemented, will enhance value for Scheme Shareholders, it is not possible to predict the value or performance of New First Cobalt CDIs or New First Cobalt Shares if the Scheme is Effective.

(iii) New First Cobalt Shares or New First Cobalt CDIs may experience price and volume fluctuations

The market price of a publicly traded stock is affected by many variables, not all of which are directly related to the success of the company. In recent years, the securities markets have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly those considered to be exploration stage companies, has experienced wide fluctuations which have not necessarily been related to the operating performance or underlying asset values of such companies. There can be no assurance that such fluctuations will not affect the price of the Merged Group's securities.

In the past, following periods of volatility in the market price of a company's securities, shareholders have sometimes instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm the Merged Group's profitability and reputation.

(iv) New First Cobalt CDIs may trade at a discount

If the number of New First Cobalt CDIs quoted on ASX is less than the number of New First Cobalt Shares listed on TSX-V or OTCQB, it is possible that the market for New First Cobalt CDIs may be less liquid than the market for New First Cobalt Shares on TSX-V and OTCQB. This may have the effect of reducing the volume of New First Cobalt CDIs that can be bought and sold on ASX and the speed with which they can be bought and sold.

This reduced liquidity may also result in New First Cobalt CDIs trading at a discount to New First Cobalt Shares on TSX-V, OTCQB and ASX. However, a holder of New First Cobalt CDIs can convert their New First Cobalt CDIs into New First Cobalt Shares tradeable on TSX-V or OTCQB at any time, should the holder wish to access the market in New First Cobalt Shares on TSX-V and OTCQB.

(v) Exposure to movements in foreign exchange rates

New First Cobalt Shares are denominated in Canadian dollars on TSX-V and in United States dollars on OTCQB. Accordingly, Scheme Shareholders who receive New First Cobalt Shares or who receive New First Cobalt CDIs, and elect to convert the CDIs into New First Cobalt Shares, will be exposed to movements in foreign exchange rates between Australian and Canadian currencies, the impact of which cannot be predicted reliably. Consequently, the Australian dollar value you receive or pay, for the future sale or acquisition of New First Cobalt Shares or New First Cobalt CDIs, respectively, may be adversely affected by foreign exchange rate movements.

(vi) First Cobalt does not expect to pay dividends on New First Cobalt Shares or New First Cobalt CDIs in the foreseeable future

First Cobalt does not anticipate paying any cash dividends on New First Cobalt Shares or New First Cobalt CDIs for the foreseeable future. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on investment in New First Cobalt Shares or New First Cobalt CDIs in the foreseeable future. Furthermore, First Cobalt may, in the future, become subject to contractual restrictions on, or prohibitions against, the payment of dividends.

(vii) The Merged Group will follow foreign corporate governance, corporate and securities laws

Investors should be aware that First Cobalt, as the holding company of the Merged Group, will be incorporated under the laws of Canada, is a reporting issuer in Canada and is listed on TSX-V and OTCQB. Accordingly, the Merged Group will follow foreign corporate governance requirements and securities laws, which may differ from corporate governance requirements under laws applicable in an investor's place of residence (including Australia). Further details of the differences between relevant laws as applicable to First Cobalt and Cobalt One can be found in Section 10.

(viii) Risks to shareholders arising from the fact that First Cobalt's assets are primarily foreign

Most of the assets of the Merged Group are, or will be, located in jurisdictions outside of Australia. As a result, it may be difficult for shareholders resident in Australia to enforce judgments obtained against the Merged Group in Australia if the damages awarded exceed the realisable value of the First Cobalt's Australian assets.

(ix) Risks to shareholders arising from the fact that First Cobalt is a foreign company

First Cobalt, as the holding company of the Merged Group, will be incorporated under the laws of the Canada and listed on TSX-V and OTCQB. The foreign aspects of the organisation, management and offices of the Merged Group may make it more difficult for shareholders to enforce their legal rights than if the Merged Group was organised, managed and resident solely in Australia. The common law and statutory rights of shareholders under the laws of Canada may be less extensive than statutory rights available to shareholders under the laws of Australia. Although Canada has enjoyed a stable political climate for many years, there can be no assurance that changing social and political conditions will not adversely affect the operations of the Merged Group in the future.

(x) Uncertainty about the market value of New First Cobalt Shares or New First Cobalt CDIs

Although the Cobalt One Board believes that the Scheme, if implemented, will enhance value for Scheme Shareholders, it is not possible to predict the value or performance of New First Cobalt Shares or New First Cobalt CDIs if the Scheme is Effective.

(c) Risks related to acquisitions

(i) Risks relating to the CobalTech Transaction

The CobalTech Transaction is subject to a number of conditions, including approval by the shareholders of CobalTech and receipt of all required regulatory approvals, including the approval of the TSX-V. The arrangement cannot close until these conditions are satisfied and the required approvals are obtained, and there is no guarantee that the CobalTech Transaction will proceed to completion.

(ii) Risks inherent in acquisitions could adversely affect the Merged Group's growth and financial conditions

The Merged Group may actively pursue the acquisition of exploration, development or production assets, as well as to acquire securities or other interests in other companies consistent with its investment and growth strategy. Such acquisitions involve inherent risks including, but not limited to:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities, and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of its key employees or the key employees of any company or the business it acquires;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of any acquired properties, business, assets or securities.

Any one or more of these factors could cause the Merged Group to not realise the anticipated benefits of the relevant acquisition and could have a material adverse on its ability to grow and on its financial conditions.

In addition, the Merged Group may be required to use available cash, incur debt, issue securities, or a combination of these in order to complete an acquisition. This could affect the Merged Group's future flexibility and ability to raise capital, operate or develop its business and could dilute its existing shareholders' holdings, as well as decrease the trading price of the New First Cobalt Shares or New First

Cobalt CDIs. There is no assurance that when evaluating a possible acquisition, the Merged Group will correctly identify and manage the risks and costs inherent in the business or asset to be acquired.

(iii) There may be no right for shareholders to evaluate the merits or risks of any future acquisition undertaken by the Merged Group

There may be no right for shareholders of the Merged Group to evaluate the merits or risks of any future acquisition undertaken by the Merged Group, except as required by applicable laws and stock exchange rules.

(iv) The Merged Group may not successfully identify and complete an acquisition transaction and, if completed, that the business acquired will be successfully integrated into its operations

The Merged Group's success in its acquisition, divestment and consolidation activities depends on its ability to identify suitable opportunities, implement them on acceptable terms and have the operations of any acquired companies successfully integrated with those of the Merged Group. There can be no assurance that the Merged Group will be successful in overcoming these risks or any other problems encountered in connection with any future acquisitions, divestments or consolidations. While First Cobalt continues to seek acquisition opportunities consistent with its acquisition and growth strategy, First Cobalt cannot be certain that it will be able to identify additional suitable acquisition candidates available for sale at reasonable prices, to consummate any acquisition or to integrate any acquired business into its operations successfully.

(v) Integration risks

The success of the Merged Group will depend, in large part, on the success of management in integrating the operations of Cobalt One after the Effective Date. The failure of First Cobalt to achieve such integration could result in the failure of the Merged Group to realise any of the anticipated benefits of the Scheme and could impair the results of operations. In addition, the overall integration of Cobalt One's operations into First Cobalt may result in unanticipated operational problems, expenses, liabilities and diversion of management's attention.

(vi) The Merged Group may not realise the benefits of its growth projects

As part of its strategy, the Merged Group will continue existing efforts and initiate new efforts to develop new mineral exploration projects and will have more such projects as a result of the Scheme, if Effective. There are a number of risks and uncertainties that are associated with the development of these types of projects. The failure to develop one or more of these initiatives successfully could have an adverse effect on the Merged Group's operations.

(vii) Other risks

Additional risks and uncertainties not currently known to First Cobalt or Cobalt One may also have a material adverse effect on the business of the Merged Group and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting the companies.

(d) Financial risks

(i) Commodity price risk

The value of the Merged Group's assets may be significantly affected by changes in the market price of resources. The price of commodities may fluctuate, and is affected by numerous factors that will be beyond the control of the Merged Group including, without limitation, forward sales by producers and speculators, inflation and expectations with respect to the rate of inflation, world supply of resources, stability of exchange rates (the strength of the US dollar and other currencies), global and regional political and economic conditions or events, industrial and retail demand, sales by central banks and other holders, interest rates, and speculator and producer responses to any of the foregoing factors. Future production, if any, will be dependent upon the prices of these commodities being adequate to make these properties economic.

Future serious price declines in the market value of resources could render First Cobalt's projects

uneconomic. There is no assurance that, even if commercial quantities of resources are produced, a profitable market will exist for them. Declining resource prices could also impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

(ii) Risk in relation to access to finance

The Merged Group's capital requirements will depend on numerous factors. Any additional equity financing will dilute shareholdings, and debt financing may involve covenants restricting financing and operating activities. There can be no assurance that the Merged Group will be able to obtain the necessary financing in a timely manner, on acceptable terms or at all.

If the Merged Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration and development programs. A failure to raise capital if, and when needed, could delay or suspend the Merged Group's business strategy and could have a material adverse effect on the Merged Group's activities.

(iii) Foreign currency fluctuation risk

International prices of various commodities are denominated in United States dollars. First Cobalt's expenditure and other results are reported in Canadian dollars (Cobalt One's expenditure and other results are currently reported in Australian dollars, but will be reported in Canadian dollars following implementation of the Scheme), exposing the Merged Group to the fluctuations and volatility of the rate of exchange between these currencies as determined in international markets. Foreign currencies are affected by a number of factors that are beyond the control of the Merged Group. These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors.

(iv) No production revenue

There can be no assurance that significant losses will not occur in the near future or that the Merged Group will be profitable in the future. The Merged Group's operating expenses and capital expenditures may increase in subsequent years as additional consultants, personnel and equipment associated with advancing exploration and development of projects are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which will be beyond the Merged Group's control. The development of the Merged Group's projects will require the commitment of substantial resources to conduct the time-consuming exploration and development. There can be no assurance that the Merged Group will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

(v) Market risk

The value of the Merged Group's financial instruments may be affected by changes in interest rates, foreign exchange rates and equity and commodity prices. First Cobalt is exposed to market risk in its cash and cash equivalents. If First Cobalt were unable to manage its exposure to market risk, the value of its cash and cash equivalents may fall which could have a negative effect on First Cobalt's financial condition. First Cobalt currently does not hedge against market risk, including foreign exchange rate and interest rate risk, although it may do so from time to time in the future.

(vi) Tax risk

If the Scheme is implemented, you will not receive franking credits from Cobalt One as you will now hold shares and CDIs in First Cobalt, a Canadian company.

There is a risk that implementation of the Scheme may cause the Merged Group to incur additional tax. Further, the Merged Group's tax profile may be different from that of Cobalt One.

There is a risk that changes in Australian or foreign tax laws or administrative practices may adversely affect the Merged Group (such as by increasing the amounts of tax payable and the cost of operating its business).

An investment in New First Cobalt Shares and CDIs and implementation of the Scheme involves tax considerations which may differ for each Scheme Shareholder. Each Scheme Shareholder is encouraged to seek professional tax advice in connection with any investment in New First Cobalt Shares and CDIs.

8.2 What if the Scheme is not implemented?

If the Scheme is not implemented, there will be no change to Cobalt One and it will continue to operate on a stand-alone basis. As such, Cobalt One will remain listed on ASX and you will retain your Cobalt One Shares and they will not be acquired by First Cobalt. While it is not possible to predict the future performance of Cobalt One, in deciding whether or not to vote in favour of the Scheme, you should have regard to the prospects of Cobalt One on a stand-alone basis (i.e. if the Scheme is not approved and implemented).

The following are some possible implications of the Scheme not being implemented:

- Cobalt One will continue as an independent entity listed on ASX;
- Scheme Shareholders (other than Ineligible Foreign Holders and Electing Small Shareholders) will not receive 0.145 New First Cobalt Shares per Cobalt One Share held on the Scheme Record Date;
- Cobalt One Shareholders will continue to hold their Cobalt One Shares and will be exposed to the risks associated with an investment in Cobalt One set out below; and
- if the Scheme is not implemented and no alternative proposal emerges, the Directors consider that the market price of Cobalt One Shares is likely to fall.

The risks described below are not to be taken as exhaustive. The specific risks considered and others not specifically referred to may in the future materially affect the financial performance of Cobalt One and the value of Cobalt One Shares.

(a) Operational risks

(i) Commodity prices

A sustained decline in the prices of these commodities could adversely affect Cobalt One's financial position, financial results, access to capital and ability to grow.

The economics of exploration may change as a result of lower prices. Cobalt One might also elect not to produce from certain mines at lower prices. All of these factors could result in a material decrease in Cobalt One's expected net revenue and a reduction in Cobalt One's development and exploration activities.

(ii) Drilling and production risk

Drilling for and producing resources are high-risk activities with many uncertainties that could cause Cobalt One's expenses to increase or its cash flows and production volumes to decrease.

Cobalt One's future financial condition and results of operations will depend on the success of its exploration, development and production activities. Cobalt One's exploration and future production activities are subject to numerous risks, including the risk that drilling will not result in commercially feasible production.

(iii) Market conditions, operation impediments and third party arrangements

Market conditions, operational impediments or availability of adequate processing or transportation arrangements with third parties may hinder Cobalt One's access to resource markets, delay its production or increase operating costs.

Market conditions or the availability of resource processing or transportation arrangements may hinder Cobalt One's access to markets or delay production.

The availability of a ready market for Cobalt One's resources depends on a number of factors, including the demand for and supply of resources, the proximity of resources to facilities, the rates and terms of services associated with the use of those facilities, competition for potentially limited access to or capacity in such facilities and the inability of such facilities to gather, transport, process or store Cobalt One's production due to shutdowns or curtailments arising from mechanical, operational or weather-related matters.

Cobalt One's ability to market its production depends in substantial part on the availability and capacity of gathering and transportation equipment and systems, and processing facilities owned and operated by third parties. A failure to obtain such services on acceptable terms could have a material adverse effect on Cobalt One's business, financial condition and results of operations. Cobalt One may be required to shut in or otherwise curtail production due to lack of a market or inadequacy or unavailability of gathering, transportation or processing capacity.

(iv) Risks in relation to the Cobalt Camp

Cobalt One's primary assets are located in the historic Cobalt Camp in Ontario, Canada. There is a risk that this area will not contain economically viable mineral reserves. As such, Cobalt One may be exposed to risks associated with having limited asset diversification.

(b) General risks

(i) Share price risk

The market price of Cobalt One Shares will be determined by the share market and will be influenced by a range of factors outside the control of Cobalt One including fluctuations in the Australian and international share markets, economic activity, interest rates, exchange rates and trading liquidity.

(ii) Ability to fund capital expenditures

Cobalt One's business requires substantial capital expenditures and the timing of the occurrence of these capital expenditures can be unpredictable. Cobalt One may be unable to obtain the capital or financing required to develop its projects on satisfactory terms or at all, which could lead to a loss of acreage and a decline in Cobalt One's resources.

Cobalt One may not be able to obtain capital expenditure funding on acceptable terms, or at all, due to a deterioration of credit and capital markets. This may hinder or prevent Cobalt One from meeting its future capital expenditure requirements and from refinancing its existing indebtedness.

Cobalt One's financing needs may require it to alter or increase its capitalisation substantially through the issuance of additional equity or the incurrence of additional indebtedness. Additional borrowings will require that a greater portion of Cobalt One's cash flow from current operations be used for debt service, which will reduce Cobalt One's ability to use cash flow to fund working capital, capital expenditures and acquisitions.

(iii) Competitive industry

Competition in the resource industry is intense, making it more difficult for Cobalt One to acquire properties and market its resources.

The industry is competitive in all its phases. Cobalt One competes with numerous other organisations in the search for, and the acquisition of resource properties and in the marketing of resources. Cobalt One's competitors include resource companies that have substantially greater financial resources, staff and facilities than it. Cobalt One's ability to increase its resources in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire other suitable producing properties or prospects for exploratory drilling.

(iv) Future acquisitions, joint ventures and investments

Cobalt One may be unable to make attractive acquisitions, joint ventures or investments, or successfully integrate acquired business or assets, and any inability to do so may disrupt its business, add additional costs to its operations and hinder its ability to grow.

(v) Reliance on key personnel

The loss of key personnel may negatively impact Cobalt One's business. The loss of the services of such key personnel may have a material adverse effect on Cobalt One's business, financial condition, results of operations and prospects.

(vi) Environmental matters and costs may be significant

The mining industry in Canada is subject to extensive environmental regulation. A breach of such regulation may result in the imposition of civil or criminal fines, natural resource damages, remedial orders, permit revocations, operational shutdowns or other penalties. A violation of environmental laws or an inability to fully fund the cost of remedying an environmental problem could require Cobalt One to suspend its operations or enter into interim compliance measures pending completion of the required remedy. Although Cobalt One believes that it is in material compliance with current applicable environmental regulations, no assurance can be given that current or future requirements under environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect Cobalt One's financial condition, results of operations or prospects.

(vii) Impact of laws and regulations

Cobalt One is subject to complex Canadian regulations that could adversely affect the cost, timing, manner or feasibility of conducting its operations. Cobalt One's exploration, development and future production and related operations are subject to complex and stringent laws and regulations. In order to conduct its operations in compliance with these laws and regulations, Cobalt One (directly or through the operator of its producing properties) must obtain and maintain numerous permits, approvals and certificates from various federal, provincial, local and governmental authorities in Canada. The areas of regulation with more significant risks of impact to Cobalt One's operations include safety, climate change and greenhouse gases, water use and air emissions.

(viii) Tax risk

There is a risk that changes in Australian or foreign tax laws or administrative practices may adversely affect Cobalt One (such as by increasing the amounts of tax payable and the cost of operating its business).

An investment in Cobalt One Shares and implementation of the Scheme involves tax considerations which may differ for each Scheme Shareholder. Each Scheme Shareholder is encouraged to seek professional tax advice in connection with any investment in Cobalt One Shares.

(ix) Level of indebtedness

Cobalt One has debt, as disclosed in Section 5.3(b), which may adversely affect its cash flows and ability to operate its business and remain in compliance with and repay its debt.

(x) Ability to generate cash

To service its indebtedness, Cobalt One requires a significant amount of cash, and Cobalt One's ability to generate cash will depend on many factors beyond its control. Cobalt One may not be able to generate sufficient cash flows to meet its obligations, including its obligations in respect of its indebtedness. Cobalt One's earnings and cash flows may vary significantly from year to year due to the cyclical nature of the resource industry. As a result, the amount of debt that Cobalt One can manage in some periods may not be appropriate for it in other periods. In addition, Cobalt One's future cash flows may be insufficient to meet its debt obligations and commitments. Any insufficiency could negatively impact Cobalt One's business.

(xi) No record of dividends

Any determination to pay dividends in the future will be at the discretion of the Cobalt One Board and will

depend upon, among other things, Cobalt One's results of exploration and future production operations, financial condition, contractual restrictions, capital expenditure and working capital requirements, restrictions imposed by applicable law and other factors the Board deems relevant.

(xii) Dilution

Cobalt One may make future acquisitions or enter into financings or other transactions involving the issuance of Cobalt One securities which may be dilutive.

9 Taxation implications for Scheme Shareholders

9.1 Australian tax consequences

This Section provides a broad summary of the Australian income tax, GST and stamp duty implications for Australian tax resident Scheme Shareholders if the Scheme proceeds.

This summary is based on the existing tax law and administrative practice as at the date of this Scheme. The relevant law may subsequently be amended which may impact the tax implications of the Scheme.

Being general and limited in nature, this Section does not take into account the individual circumstances of each Scheme Shareholder. All Scheme Shareholders should consult their own tax advisers regarding the tax consequences of participating in the Scheme.

The comments contained in this Section are only relevant to those Scheme Shareholders who are Australian tax residents and hold their shares on capital account for income tax purposes. The comments in this Section do not apply to Scheme Shareholders who:

- are subject to the taxation of financial arrangement rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth);
- acquired their Cobalt One Shares in return for services or as the result of an employee share plan or employee share option plan; or
- are a bank, insurance company or tax exempt organisation.

(a) CGT scrip for scrip roll-over relief on disposal of Cobalt One Shares

Eligible Scheme Shareholders who receive either New First Cobalt Shares or New First Cobalt One CDIs may choose CGT roll-over to disregard any capital gain from the disposal of Cobalt One Shares. Instead, they may be taxed on a subsequent disposal of the New First Cobalt Shares or New First Cobalt One CDIs. The treatment of such a disposal is discussed below.

Roll-over relief does not apply automatically. Scheme Shareholders who wish to apply the roll-over must choose to do so, which can be evidenced in the way they prepare their tax return.

(b) CGT on disposal of Cobalt One Shares

If Scheme Shareholders do not choose CGT roll-over, a CGT event will happen on the Implementation Date on disposal of their Cobalt One Shares. A Scheme Shareholder will:

- make a capital gain if the capital proceeds from the disposal exceed the cost base of the Cobalt One Shares; or
- make a capital loss if the capital proceeds are less than the cost base of the Cobalt One Shares.

The capital proceeds will be equal to the market value of the New First Cobalt Shares or New First Cobalt CDIs received under the Scheme, as determined on the Implementation Date. The cost base of the Cobalt One Shares will broadly be equal to the consideration paid by a Scheme Shareholder to acquire the Cobalt One Shares, plus other incidental costs incurred (such as brokerage fees).

A Scheme Shareholder who is an individual or trust and has held their Cobalt One Shares for at least 12 months may be eligible to reduce their capital gain from the disposal (after application of capital losses) by 50% discount. Similarly, a complying superannuation fund may be able to discount its capital gain by 33 $\frac{1}{3}$ % (after the application of capital losses). Companies are not entitled to the CGT discount.

A Scheme Shareholder's net capital gain for an income year, which includes the capital gains for an income year reduced by any capital losses and the CGT discount, should be included in their assessable income.

Any capital losses made on the disposal of the Cobalt One Shares may be applied by a Scheme Shareholder against capital gains in the same income year, or carried forward to future income years to offset capital gains in those years (subject to the satisfaction of loss utilisation tests).

(c) Receipt of future dividend income

Dividend income received in relation to the New First Cobalt Shares and New First Cobalt CDIs will be assessable to the Scheme Shareholders.

First Cobalt is expected to withhold tax from dividends paid to Australian resident Scheme Shareholders. The rate of dividend withholding tax under the Australia-Canada Double Tax Agreement is capped at:

- 5% if the Scheme Shareholder controls and is entitled to at least 10% of the voting power and dividends in First Cobalt;
- otherwise, 15%.

The Scheme Shareholder must include the tax deducted, together with the cash amount of the dividend received, in the Scheme Shareholder's assessable income. The Scheme Shareholder should generally be entitled to reduce the Australian tax liability by the amount of the tax withheld.

In addition, where the Scheme Shareholder is a company that holds a greater than 10% participation interest in First Cobalt, dividends received may be treated as 'non-assessable non-exempt' income for Australian tax purposes.

(d) Future disposal of New First Cobalt Shares or New First Cobalt CDIs

A Scheme Shareholder who subsequently sells their New First Cobalt Shares or New First Cobalt CDIs will be subject to CGT. The calculation of the capital gain or loss is as outlined above in Section 9.1(b).

In calculating whether a Scheme Shareholder has held their New First Cobalt Shares or New First Cobalt CDIs for at least 12 months (for the purposes of the CGT discount), Scheme Shareholders who chose roll-over relief should take into consideration the period of time they held their Cobalt One Shares.

The capital gain of a Scheme Shareholder that is a company may be reduced in certain circumstances where the Scheme Shareholder holds a direct voting percentage of at least 10% in First Cobalt, throughout a 12 month period within two years of disposal, and First Cobalt carries on an active business.

If the capital gain is subject to foreign tax, the Scheme Shareholder should generally be entitled to an offset against Australian tax for any foreign tax paid.

(e) Tax implications for Electing Small Shareholders

Electing Small Shareholders who have validly elected to have their New First Cobalt Shares or New First Cobalt CDIs issued to the Nominee for sale will be subject to the same tax consequences as other Scheme Shareholders, firstly on the disposal of their Cobalt One Shares, and then on the disposal of their New First Cobalt Shares or New First Cobalt CDIs.

(f) GST

No Australian GST will be payable by the Scheme Shareholders in relation to the transfer of Cobalt One Shares and the acquisition of the New First Cobalt Shares or New First Cobalt CDIs.

Subject to certain requirements, there may be a restriction on the entitlement of Scheme Shareholders to claim an input tax credit for any GST paid on costs associated with the acquisition of New First Cobalt Shares or New First Cobalt CDIs.

(g) Stamp Duty

No stamp duty should be payable in Australia by Scheme Shareholders in relation to the transfer of Cobalt One Shares or the acquisition of the New First Cobalt Shares or New First Cobalt CDIs.

9.2 Canadian Federal Income Tax Considerations**(a) Overview**

The following summary describes the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (**Canadian Tax Act**) generally applicable to a Scheme Shareholder who exchanges Scheme Shares for New First Cobalt Shares pursuant to the Scheme and who, for purposes of the Canadian Tax Act and at all relevant times, is neither resident nor deemed to be resident in

Canada, deals at arm's length with, and is not affiliated with, First Cobalt, holds such shares as capital property, and does not use or hold and is not deemed to use or hold Scheme Shares or New First Cobalt Shares in carrying on a business in Canada (**Holder**).

Special rules, which are not discussed in this summary, may apply to a non-resident that is an insurer carrying on business in Canada and elsewhere. Generally, Scheme Shares would be considered to be capital property to a Holder provided that the Holder does not hold such shares in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade.

This summary is based upon the current provisions of the Canadian Tax Act and the regulations (**Canadian Tax Regulations**) thereunder. It takes into account all specific proposals to amend the Canadian Tax Act and the Canadian Tax Regulations publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof (**Proposed Amendments**) and assumes that all Proposed Amendments will be enacted in the form proposed. However, there can be no assurance that the Proposed Amendments will be enacted in their current form or at all. This summary does not otherwise take into account or anticipate any changes in the law or administrative or assessing practice or policy of the Canada Revenue Agency whether by legislative, regulatory, administrative, or judicial action, nor does it take into account tax legislation or considerations of any province, territory, or foreign jurisdiction, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Holder. It is not exhaustive of all federal income tax considerations. Accordingly, Holders should consult their own tax advisors having regard to their own particular circumstances.

The comments below regarding a Scheme Share generally apply equally to a New First Cobalt CDI.

For the purposes of the Canadian Tax Act, all amounts relating to the acquisition, holding or disposition of Scheme Shares or New First Cobalt Shares (including proceeds of disposition, dividends and adjusted cost base) must be determined in Canadian dollars based on the single rate quoted by the Bank of Canada for the applicable day or such other rate of exchange that is acceptable to the Minister of National Revenue (Canada).

(b) Exchange of Scheme Shares for New First Cobalt Shares

Holders who exchange their Scheme Shares for New First Cobalt Shares under the Scheme will not be subject to tax under the Canadian Tax Act on any capital gain realised on the exchange unless such Scheme Shares:

- are, or are deemed to be, "taxable Canadian property" (as described below) of the Holder at the time of the exchange; and
- the shares are not "treaty protected property", as defined in the Canadian Tax Act, of the Holder at the time of exchange.

The cost of any New First Cobalt Share received in exchange for a Scheme Share will be equal to the fair market value of the New First Cobalt Share received in exchange immediately after the Scheme becomes Effective.

(c) Dispositions of New First Cobalt Shares

Any capital gain realised by a Holder on the disposition or deemed disposition of New First Cobalt Shares will not be subject to tax under the Canadian Tax Act unless such New First Cobalt Shares:

- are, or are deemed to be, "taxable Canadian property" of the Holder at the time of disposition; and
- are not "treaty protected property", as defined in the Canadian Tax Act, of the Holder at the time of disposition.

Generally, a Scheme Share or New First Cobalt Share owned by a Holder will not be taxable Canadian property of the Holder at a particular time provided that the Scheme Shares or New First Cobalt Shares, as applicable, are listed on a "designated stock exchange" (as defined in the Canadian Tax Act) (which includes ASX and TSX-V Tiers 1 and 2) at that time, and the Holder, persons with whom the Holder did not deal at arm's length, partnerships in which the Holder or a person with whom the Holder did not deal

at arm's length hold a membership interest directly or indirectly through one or more partnerships, or the Holder together with all such persons, has not owned 25% or more of the shares of any class or series of Cobalt One or First Cobalt, as the case may be.

Even if Scheme Shares or New First Cobalt Shares are taxable Canadian property to a Holder at a particular time, such holder may be exempt from tax on any capital gain realised on the disposition of such shares by virtue of an applicable income tax treaty or convention to which Canada is a signatory.

Holders whose Scheme Shares or New First Cobalt Shares may be taxable Canadian property should consult their tax advisor for advice as to the Canadian taxation implications of their particular circumstances.

(d) Dividends on New First Cobalt Shares

Dividends paid, deemed to be paid, or credited on New First Cobalt Shares to a Holder will be subject to non-resident withholding tax under the Canadian Tax Act at a rate of 25% of the gross amount of the dividend unless the rate is reduced by an applicable income tax treaty. In the case of a beneficial owner of dividends who is a resident of the Australia for purposes of the *Australia-Canada Income Tax Convention*, as amended, and who is entitled to the benefits of that treaty, the rate of withholding tax on dividends will generally be reduced to 15%.

10 Comparison of relevant Australian and Canadian laws

10.1 Overview

Cobalt One is a public company registered in Australia and is subject to Australian law. Cobalt One Shares are admitted to the official list of ASX.

First Cobalt is incorporated in the Province of British Columbia, Canada and is subject to the laws of that Province, as well as applicable Canadian federal laws. First Cobalt Shares are listed on TSX-V and OTCQB. If the Scheme is implemented, the rights of Cobalt One Shareholders who receive New First Cobalt Shares will, in respect of those securities, be governed principally by Canadian law, First Cobalt Constituent Documents in the Province of British Columbia and the rules and policies of the TSX-V.

As outlined in Section 6.11, First Cobalt will, among other things, seek approval of the First Cobalt Proposed Provincial Constituent Documents under British Columbian law, attached to this Scheme Booklet as Attachment L at the upcoming First Cobalt Meeting. The Scheme is conditional upon approval and adoption of these documents (refer to Section 1.3).

Further, the First Cobalt Board is currently considering implementation of the Continuance such that First Cobalt will continue as a federal company under CBCA. This will effectively mean that First Cobalt will transition from British Columbia to the federal Canadian system in relation to the jurisdiction under which it is organised.

The proposed Continuance is subject to the approval of First Cobalt Shareholders which will also be sought at the First Cobalt Meeting. If approved and implemented by the First Cobalt Board, it is proposed that the existing First Cobalt Constituent Documents will be replaced with the Proposed First Cobalt Constituent Documents substantially in the form of those at Attachment M.

However, the First Cobalt Board has not set a timeframe for implementation of the Continuance, but does not propose to implement it immediately following approval at the First Cobalt Meeting. Accordingly, the First Cobalt Proposed Provincial Constituent Documents, if approval, will apply immediately following the First Cobalt Meeting.

The rights of Cobalt One Shareholders who receive New First Cobalt CDIs will also be governed by the ASX Settlement Operating Rules and the ASX Listing Rules but, other than in certain limited situations, not by the Corporations Act.

First Cobalt is applying for a full listing of the New First Cobalt CDIs on ASX (as opposed to an exempt foreign listing). A foreign company with a full listing on ASX must comply with all of the ASX Listing Rules, subject to any specific waivers granted by ASX.

A comparison of some of the material provisions of Australian company law and Canadian company law as they relate to Cobalt One and First Cobalt respectively is set out below, along with a description of the rights and liabilities attaching to New First Cobalt Shares and a description of certain securities laws and stock exchange rules where applicable.

Canadian company law is essentially embodied in the provisions of the relevant federal or provincial corporate statutes pursuant to which companies are incorporated or continued. In the case of First Cobalt, the relevant statute is the BCBCA. In the event the Continuance is implemented, the relevant statute will be the CBCA. If the Continuance is not implemented, the affairs of First Cobalt will not be governed by the CBCA. References to “Australian law” where they appear in this section are references to the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and Australian common law, as applicable. References to “Canadian law” are references to the BCBCA, the CBCA, the TSX-V Corporate Finance Manual, applicable Canadian securities laws and Canadian common law, as applicable.

The comparison below is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only. Cobalt One Shareholders should consult with their own legal adviser, if they require further information.

10.2 Meetings of shareholders

(a) Calling meetings

(i) Cobalt One

Under Australian law, the annual general meeting of Cobalt One is required to be held at least once in each calendar year and within 5 months after the end of its financial year, unless ASIC agrees to an extension of time.

A general meeting of Cobalt One Shareholders may be called from time to time by the Cobalt One Board, individual directors or Cobalt Shareholders in certain circumstances. When requested to do so by Cobalt One Shareholders holding at least 5% of the votes that may be cast at the meeting, the Cobalt One Directors must call a general meeting within 21 days after the request is given to Cobalt One, and the meeting must be held not later than 2 months after the request is given.

Alternatively, Cobalt One Shareholders holding at least 5% of the votes that may be cast at the meeting may themselves call, and arrange to hold, a general meeting at their own expense.

(ii) First Cobalt

Under the BCBCA and CBCA, an annual meeting of shareholders must be held at least once in each calendar year and not more than 15 months after the last preceding annual meeting.

The BCBCA and CBCA, as well as the First Cobalt Constituent Documents, provide that the First Cobalt Board may call a meeting of shareholders at any time. The BCBCA and the CBCA further provide that the holders of not less than 5% of the issued First Cobalt Shares that carry the right to vote at general meetings may requisition the directors of First Cobalt to call a meeting of First Cobalt Shareholders for the purposes stated in the requisition.

(b) Notice of meetings

(i) Cobalt One

A notice of a general meeting of Cobalt One must be given at least 28 days before the date of the meeting. Cobalt One must give notice to Cobalt Shareholders entitled to vote at the meeting as well, as its directors and auditors.

The quorum for a general meeting under the Cobalt One Constitution is two or more Cobalt One Shareholders present at the meeting and entitled to vote on a resolution at the meeting. However, if within 30 minutes after the time appointed for a general meeting a quorum is not present, the meeting:

- if called by, or upon the requisition of, Cobalt One Shareholders, is dissolved; and
- in any other case, stands adjourned to the same day in the next week at the same time and place or such other day, time and place as the directors present decide. At a meeting so adjourned, if no quorum is present within 30 minutes after the time for the meeting, the meeting is dissolved.

(ii) First Cobalt

The BCBCA, the CBCA and the First Cobalt Constituent Documents require that notice of a meeting of shareholders for public companies must be provided not less than 21 days, but not more than 2 months before, the meeting. However, public companies incorporated under the BCBCA and the CBCA are also subject to the requirements of National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (NI 54-101) which provides for minimum notice periods of greater than the minimum 21 day period in the statute.

Under NI 54-101, the record date for determining the registered shareholders that are entitled to receive notice of the meeting may not be less than 30 days, nor more than 60 days, prior to the date for the meeting, subject to certain exceptions. In addition, as a “reporting issuer” under NI 54-101, First Cobalt is required, subject to certain exemptions, to notify certain intermediaries at least 25 days prior to the record date.

Under the BCBCA and the CBCA, First Cobalt is required to give notice only to registered shareholders entitled to vote at the meeting, as well as its directors. Under applicable Canadian securities laws, First Cobalt is also required to give notice to certain beneficial shareholders.

Notice of a meeting at which special business is to be transacted must state the nature of that business in sufficient detail to permit a shareholder to form a reasoned judgement on that business, as well as the text of any special resolution to be submitted to the meeting. In addition, First Cobalt is also required to provide, or make available to shareholders, any document to be approved in connection with the special business at the meeting. Management proxy circulars, in the required form, are required to be provided under applicable Canadian securities law, for any solicitation of proxies by management.

Under the First Cobalt Constituent Documents, the chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

The First Cobalt Constituent Documents provide that, subject to any special rights attaching to shares (of which there are presently none), the presence of at least two shareholders present in person or represented by proxy at any meeting of shareholders will constitute a quorum for the transaction of business at that meeting. A quorum need not be present throughout the meeting provided a quorum is present at the opening of the meeting.

(c) Voting requirements

(i) Cobalt One

Unless the Corporations Act or the Cobalt One Constitution requires a special resolution, ordinary resolutions are passed by a simple majority of votes cast on the resolution. Under the Corporations Act, a special resolution may be passed by Cobalt One if not less than 28 days' notice of a general meeting is given, the notice specifies the intention to propose the special resolution and states the resolution to be proposed. A special resolution must be passed by at least 75% of the votes cast by Cobalt One Shareholders entitled to vote.

The Corporations Act requires certain matters to be resolved by a company by special resolution, including:

- a change of company name;
- a selective reduction of capital or selective share buy-back;
- the giving by the company of financial assistance in connection with the acquisition of shares in the company;
- the conversion of the company from one type or form to another;
- a decision to wind up the company voluntarily (subject to section 491 of the Corporations Act); and
- a decision to modify or repeal the Cobalt One Constitution.

The Cobalt One Constitution also stipulates certain matters to be resolved by special resolution, including capitalising profits and the exercise of certain powers by a liquidator on a winding up.

Each Cobalt One Share (subject to any specific terms of issue) confers a right to vote at all general meetings. On a show of hands, each Cobalt One Shareholder present in person, or by proxy, attorney or representative, has one vote. If a poll is held:

- the holders of Cobalt One fully paid shares present in person or by their proxy, attorney or representative will have one vote for every Cobalt One fully paid share held at the record date for the meeting; and
- the holders of Cobalt One partly paid shares present in person or by their proxy, attorney or representative will have a fraction of one vote which the amount paid (not credited) on the share bears to the total amounts paid and payable (excluding amounts credited) on the share.

A proxy or attorney may not vote at a general meeting or adjourned meeting or on a poll unless the instrument appointing the proxy or attorney, and the authority under which the instrument is signed, or a certified copy of the authority, are received by Cobalt One at least 48 hours before a meeting.

The Cobalt One Constitution provides that a poll may be demanded by the chairperson of the general meeting, at least five Cobalt One Shareholders entitled to vote on the resolution or Cobalt One Shareholders holding at least 5% of the votes that may be cast on the resolution on a poll.

(ii) First Cobalt

Under the BCBCA and the CBCA, certain extraordinary corporate actions, such as amalgamations, continuances, reorganisations and other extraordinary corporate actions such as liquidations (winding-ups) and arrangements, require approval of shareholders by special resolution.

The BCBCA and the CBCA permits amalgamations with companies not incorporated under their respective legislation. Under the BCBCA and CBCA, a resolution passed by a special majority at a general meeting for which proper notice has been provided constitutes a special resolution. A special majority is a majority of votes, as specified by the First Cobalt Articles of Incorporation, that is at least three quarters of the votes cast on the resolution, or two thirds in the case of the CBCA. The BCBCA, the CBCA and the First Cobalt Constituent Documents provide that a special majority of votes is required for First Cobalt to pass a special resolution at a meeting of shareholders. Unless the BCBCA, the CBCA (in the event the Continuance is implemented) or First Cobalt's Constituent Documents require a special resolution, ordinary resolutions of First Cobalt's shareholders are passed by a simple majority of votes cast on the resolution.

Additionally, under the BCBCA and the CBCA, a resolution consented to in writing by all of the shareholders holding shares that carry the right to vote at general meetings constitutes a special resolution.

The BCBCA and the CBCA provide that, unless the First Cobalt Constituent Documents provide otherwise, each First Cobalt Share entitles the holder to one vote at a meeting of shareholders. Furthermore, the BCBCA, CBCA and the First Cobalt Constituent Documents state that voting is to be conducted by a show of hands, unless a poll is demanded.

Under both the BCBCA and the CBCA, on a show of hands, each holder of First Cobalt Shares present in person or by proxy and entitled to vote has one vote. If a poll is called, each holder of First Cobalt Shares present in person or by proxy will have one vote for each First Cobalt Share held.

The First Cobalt Constituent Documents provide that a poll may be demanded by any shareholder or proxyholder entitled to vote at the meeting. The BCBCA and the CBCA also provide that holders of shares of a class or a series are entitled to vote separately as a class or series on certain proposals to amend the First Cobalt Articles of Incorporation that affect the rights of such holders, whether or not such shares carry the right to vote.

The First Cobalt Constituent Documents allow the First Cobalt Board to specify in a notice calling a meeting of shareholders any time, or if not specified, a time not exceeding 2 business days (excluding Saturdays, Sundays and statutory holidays) preceding the meeting or an adjournment of the meeting, before which time proxies to be used at the meeting must be deposited with the company or its agent.

Authorisation to amalgamate a CBCA company requires that a special resolution in respect of the amalgamation be passed by the holders of each class or series of shares entitled to vote thereon. The holders of a class or series of shares of an amalgamating company, whether or not they are otherwise entitled to vote, are entitled to vote separately as a class or series in respect of an amalgamation if the amalgamation agreement contains a provision that, if contained in a proposed amendment to the articles, would entitle such holders to vote separately as a class or series under section 176 of the CBCA.

(d) Shareholders' rights to bring resolution before a meeting

(i) Cobalt One

Cobalt One Shareholders holding at least 5% of the votes that may be cast at a general meeting or at least 100 Cobalt One Shareholders who are entitled to vote at the meeting may, by written notice to Cobalt One, propose a resolution for consideration at the next general meeting occurring more than 2 months after the date of the notice.

(ii) First Cobalt

A shareholder proposal (**Shareholder Proposal**) is a document setting out a matter that the submitter wishes to have considered at the next annual general meeting of First Cobalt.

Under the BCBCA and the CBCA, Shareholder Proposals may be submitted by both registered and beneficial shareholders who are entitled to vote at an annual shareholders' meeting who, in the aggregate, constitute at least one percent of the First Cobalt Shares or have First Cobalt Shares with a fair market value more than C\$2,000, provided that the shareholder has been a registered owner or beneficial owner of one or more First Cobalt Shares for an uninterrupted period of at least two years in the case of the BCBCA, or six months, in the case of the CBCA, before the date of the signing of the Shareholder Proposal. Such entitled shareholder may not submit a Shareholder Proposal if within two years in the case of the BCBCA, or five years in the case of the CBCA, of the date of signing the Shareholder Proposal, the person failed to present, in person or by proxy, at an annual general meeting, an earlier Shareholder Proposal of which they were the submitter and in response to which First Cobalt had complied with the technical requirements for Shareholder Proposals under the BCBCA or the CBCA.

A Shareholder Proposal must be received at the registered office of First Cobalt at least three months before the anniversary of the previous year's annual reference date.

If a Shareholder Proposal has been submitted in accordance with the BCBCA or the CBCA, First Cobalt would then be required to set out the text of the Shareholder Proposal in its management proxy circular (and, if requested by the person submitting the Shareholder Proposal, include or attach in its management proxy circular a statement by the shareholder in support of the Shareholder Proposal not exceeding 1,000 words in the case of the BCBCA, or 500 words, in the case of the CBCA).

The BCBCA and the CBCA provide for exemptions from the requirements to include a Shareholder Proposal in First Cobalt's management proxy circular in certain circumstances.

10.3 Directors

(a) Power of directors

(i) Cobalt One

Under the Cobalt One Constitution (subject to the Corporations Act and to any other provisions of the Cobalt One Constitution), the management and control of the business of Cobalt One is vested in the Cobalt One Directors who may exercise all the powers of Cobalt One that are not required by the Corporations Act, ASX Listing Rules or the Cobalt One Constitution to be exercised in general meeting.

(ii) First Cobalt

According to the BCBCA, the CBCA and the First Cobalt Constituent Documents, First Cobalt Directors shall manage or supervise the management of the business and affairs of First Cobalt.

The First Cobalt Directors may appoint officers of First Cobalt and specify their duties. The First Cobalt Directors may also appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate and may delegate to such committee any of the Directors' powers, except:

- the power to fill vacancies in the board of directors;
- the power to remove a director;
- the power to change the membership of, or fill vacancies in, any committee of the directors; and
- the power to appoint or remove officers appointed by the directors, in the case of the BCBCA.

(b) Number and election of directors

(i) Cobalt One

Under the Cobalt One Constitution, Cobalt One must have no less than three directors nor, unless otherwise determined at a general meeting, more than nine directors. Under the Corporations Act, two directors must ordinarily be resident in Australia.

Under the Cobalt One Constitution, a Cobalt One Director must retire from office at the third annual general meeting after the director was elected or most recently re-elected. The directors to retire are those who wish to retire and not offer themselves for re-election and, so far as is necessary to obtain the number required, those who have been longest in office since their last election or appointment. The directors to retire is also decided having regard to the composition of the board at the date of calling the annual general meeting.

A Cobalt One Director retiring from office is eligible for re-election and, subject to the ASX Listing Rules, if the office vacated by that director is not filled by a resolution of the company, that director (if offering himself or herself for re-election) is to be taken as having been re-elected to that office unless it is expressly resolved not to fill the vacated office or a resolution for the re-election of that director is put and lost.

Casual vacancies between annual general meetings may be filled by the Cobalt One Board, and the Cobalt One Board has the power to appoint additional directors, but so that the total number of directors does not at any time exceed nine directors. A director appointed by the Cobalt One Directors to fill a casual vacancy or as an addition to the Cobalt One Board (who is not a managing director) holds office until the conclusion of the next annual general meeting following his or her appointment.

(ii) First Cobalt

According to the BCBCA, the CBCA and the First Cobalt Constituent Documents, because First Cobalt is a public company, it must have a minimum of three directors. The First Cobalt Constituent Documents provide shareholders with the right to set the number of directors by ordinary resolution.

The BCBCA does not contain any Canadian residency requirements in respect of the composition of the First Cobalt Board. The First Cobalt Constituent Documents provide that the election of directors shall take place at each annual meeting of shareholders and all the directors then in office shall cease to hold office immediately before the election or appointment of directors, but are eligible for re-election or re-appointment. The number of directors to be elected must be the number set under in the First Cobalt Articles of Incorporation, unless First Cobalt Shareholders determine otherwise.

Casual vacancies between annual meetings may be filled by the First Cobalt Board, and the First Cobalt Board has the power to appoint additional directors up to one-third of the number of directors elected at the previous annual meeting.

If First Cobalt continues under the CBCA, as a 'distributing' company with shares held by more than one person, it must continue to have a minimum of three directors, at least two of whom are not officers or employees of First Cobalt. Further, at least one-quarter of the directors be resident in Canada.

(c) Removal of directors

(i) Cobalt One

Cobalt One Shareholders may remove a Cobalt One Director before their period of office ends by passing a resolution to do so. The resolution must be passed by a majority of the votes cast by Cobalt One Shareholders present and voting. Cobalt One Directors cannot themselves remove a director from his or her office or require a director to vacate his or her office.

(ii) First Cobalt

The BCBCA, the CBCA and the First Cobalt Constituent Documents provide that the First Cobalt Shareholders may remove one or more directors by a special resolution, in the case of the BCBCA, and by ordinary resolution in the case of the CBCA.

The First Cobalt Directors cannot themselves remove a director from his or her office or require a director to vacate his or her office. Under the BCBCA, the First Cobalt Directors can remove a director if they are convicted of an indictable offence, or if the director ceases to be qualified to act as a First Cobalt Director and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

(d) Amendments to constituent documents**(i) Cobalt One**

Any amendment to the Cobalt One Constitution must be approved by a special resolution passed by Cobalt One Shareholders present and voting on the resolution.

(ii) First Cobalt

The First Cobalt Constituent Documents consist of the “First Cobalt Notice of Articles”, which sets forth the name of the company and the amount and type of authorised capital, and the “First Cobalt Articles of Incorporation” which govern the management of First Cobalt. The Notice of Articles is filed with the registrar of companies and the Articles of Incorporation are filed with First Cobalt’s registered and records office. In the event the Continuance is implemented, the First Cobalt Constituent Documents will consist of “Articles of Continuation”, which sets forth the name of the company, the authorised capital and the number of directors, and “By-laws” which govern the affairs of First Cobalt. The Articles of Continuation are filed with the registrar of companies and the By-laws are filed with First Cobalt’s registered and records office.

Subject to the BCBCA, the First Cobalt Articles of Incorporation regulate the business and affairs of First Cobalt and provide for matters including the allotment and issuance of shares, the calling of, and voting at, shareholders’ and directors’ meetings and the quorum requirements for such meetings, elections of the First Cobalt Board and appointment of officers, the payment of dividends, the borrowing powers and restrictions on a corporation, filling of vacancies, notices, types and duties of officers, the appointment of committees and other routine conduct. In the event the Continuance is effected, and subject to the CBCA, the First Cobalt By-laws will regulate the business and affairs of First Cobalt and provide for matters including the issuance of shares, the calling of, and voting at, shareholders meetings, and the election of the First Cobalt Board.

The required authorisation to amend the First Cobalt Constituent Documents under the BCBCA will be specified in the BCBCA or the First Cobalt Articles of Incorporation based on the type of resolution. In many instances, including a change of name or amendments to the First Cobalt Articles of Incorporation, the BCBCA or the First Cobalt Articles of Incorporation may provide for approval solely by a resolution of the First Cobalt Directors or by ordinary resolution of the shareholders.

If the Continuance is implemented, the required authorisation to amend the Proposed First Cobalt Constituent Documents under the CBCA will be specified in the CBCA or the Proposed First Cobalt Constituent Documents based on the type of resolution. In many instances, including a change of name or amendments First Cobalt By-laws, the CBCA or the First Cobalt By-Laws may provide for approval solely by a resolution of the First Cobalt Directors or by ordinary resolution of the shareholders.

If the type of resolution is not specified in the BCBCA, the CBCA or the First Cobalt Constituent Documents, most amendments will require a special resolution of First Cobalt’s shareholders to be approved by not less than two-thirds of the votes cast by the shareholders voting on the resolution. Under the BCBCA, amendments to the special rights and restrictions attached to issued shares require, in addition to any resolution provided for by the First Cobalt Articles of Incorporation, consent by a special resolution of the holders of the class or series of shares affected.

Under the CBCA, most fundamental changes to the articles of a company require a special resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorising the amendment at a special meeting of shareholders and, in certain instances, where the rights of the holders of a class or series of shares are affected differently by the amendment than those of the holders of other classes or series of shares, a special resolution passed by not less than two-thirds of the votes cast by the holders of shares of each class or series so affected, whether or not they are otherwise entitled to vote.

(e) Issue of new shares**(i) Cobalt One**

Subject to specified exceptions (eg pro rata issues), the ASX Listing Rules apply to restrict Cobalt One from issuing, or agreeing to issue, more equity securities than the number calculated as follows in any 12 month period unless Cobalt One has shareholder approval:

15% of the total of:

- the number of fully paid ordinary securities on issue 12 months before the date of the issue or agreement to issue; plus
- the number of fully paid ordinary securities issued in the 12 months under a specified exception in ASX Listing Rule 7.2; plus
- the number of partly paid ordinary securities that became fully paid in the 12 months; plus
- less the number of fully paid ordinary securities issued in the 12 months with shareholder approval under ASX Listing Rule 7.1 and 7.4,
minus the number of equity securities issued or agreed to be issued in the 12 months before the issue date or date of the agreement to issue that are not issued:
 - under a specified exception in ASX Listing Rule 7.2;
 - under ASX Listing Rule 7.1A.2; or
 - with shareholder approval under ASX Listing Rule 7.1 or 7.4.

In addition, Cobalt One (as an “eligible entity” for the purposes of the ASX Listing Rules with a market capitalisation of less than A\$300 million) may seek approval from its ordinary shareholders by special resolution passed at an annual general meeting to potentially issue an additional 10%, as calculated in accordance with ASX Listing Rule 7.1A, subject to certain conditions.

Subject to certain exceptions, ASX Listing Rules 10.11 and 10.14 require the approval of Cobalt One Shareholders by ordinary resolution in order for Cobalt One to issue equity securities to the Cobalt One Directors.

(ii) **First Cobalt**

The BCBCA and the CBCA permit shares with or without par value. According to the First Cobalt Constituent Documents, First Cobalt is authorised to issue an unlimited number of First Cobalt Shares without par value. First Cobalt Shares may be issued for such consideration as the First Cobalt Directors may determine. Shares, such as issued by a company governed by the BCBCA or the CBCA, are non-assessable and may only be issued if consideration for such shares is fully paid.

As a TSX-V listed company, issuances of securities by First Cobalt require the approval of TSX-V. TSX-V may impose conditions on a transaction or grant exemptions from its own requirements. TSX-V will consider various factors, including the involvement of insiders in the transaction, whether the transaction materially affects control of the issuer, and whether a court or administrative body has considered the interest of First Cobalt security holders.

The TSX-V will generally require security holder approval for:

- any transaction which results in the creation of a new Control Person (defined below);
- any transaction where the number of securities issued or issuable to non-arm's length parties as a group as payment of the purchase price for an acquisition, exceeds 10% of the number of outstanding securities of the company; and
- the sale of more than 50% of the company's assets, business or undertaking.

The TSX-V defines “Control Person” as any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of a company so as to affect materially the control of that company, or that holds more than 20% of the outstanding voting shares of a company except where there is evidence showing that the holder of those securities does not materially affect the control of the company.

For distributions of listed securities in reliance on a prospectus exemption (known as private placements), TSX-V may require security holder approval if the transaction results in the creation of a new Control Person. The TSX-V may also require security holder approval for a private placement that appears to be undertaken as a defensive tactic to a takeover bid or if the issuance of securities pursuant to the private placement is a related party transaction.

The TSX-V also requires security holder approval of any stock option plan that, together with all of the company's other previously established stock option plans or grants, could result at any time in the number of listed shares reserved for issuance under stock options exceeding 10% of the issued shares. Rolling plans must receive shareholder approval yearly, at the company's annual general meeting. Fixed number plans must receive shareholder approval at the time the plan is to be implemented, and at such time the number of shares reserved for issuance under the plan is amended.

Certain substantive requirements are imposed that must be complied with:

- exercise prices may not be lower than the last closing price of the listed shares before the date of the stock option grant (less the applicable discount);
- options can be exercisable for a maximum of 10 years from the date of grant;
- there must be a maximum number or percentage of securities issuable; and
- most amendments also require security holder approval.

(f) Variation of class rights

(i) Cobalt One

Under the Cobalt One Constitution (subject to the Corporations Act), rights attaching to different classes of shares may be varied or cancelled:

- by ordinary resolution passed at a meeting of the holders of the issued shares of the affected class; or
- with the written consent of holders of a majority of the issued shares of the affected class.

(ii) First Cobalt

In accordance with the BCBCA, amendments to the special rights and restrictions attached to any issued shares of First Cobalt require, in addition to any resolution provided for by the First Cobalt Articles of Incorporation, consent by a special resolution of the holders of the class or series of shares affected. Such consent may be required under the CBCA depending upon the nature of such special rights or restrictions.

(g) Protection of minority shareholders/oppression remedy

(i) Cobalt One

Under the Corporations Act, any Cobalt One Shareholder can bring an action in cases of conduct which is contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholder(s), whether in their capacity as a shareholder or in any other capacity. Former shareholders of Cobalt One can also bring an action if it relates to the circumstances in which they ceased to be a shareholder.

A statutory derivative action may also be instituted by a Cobalt One Shareholder, former Cobalt One Shareholder, person entitled to be registered as a Cobalt One Shareholder or an officer or former officer of Cobalt One. In all cases, leave of the court is required, which will be granted if the court is satisfied that:

- it is probable that Cobalt One will not itself bring the proceedings or properly take responsibility for them or for the steps in them;
- the applicant is acting in good faith;
- it is in the best interests of Cobalt One that the applicant be granted leave;
- if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and
- either at least 14 days before making the application, the applicant gave written notice to Cobalt One of the intention to apply for leave and the reasons for applying, or it is otherwise appropriate to grant leave.

In addition to the above, a Cobalt One Shareholder may be able to bring a claim against Cobalt One based on the general laws of contract, tort or other laws applicable in Australia.

(ii) First Cobalt

Under the BCBCA, a shareholder of a company and any other person whom the court considers an appropriate person to make an application has the right to apply to court on the grounds that:

- the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant; or
- some act of the company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

On such an application, the court may make such order as it sees fit, including an order to prohibit any act proposed by the company.

Under the BCBCA, a shareholder or director of a company and any person who, in the discretion of the court, is a proper person to make an application to court to bring an action on behalf of a company (**Derivative Action**) may, with judicial leave:

- bring an action in the name and on behalf of the company to enforce an obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such an obligation; or
- defend, in the name and on behalf of the company, a legal proceeding brought against the company. Shareholder approval of the alleged breach of right, duty, or obligation owed to the company is not determinative but will be taken into account.

To bring a Derivative Action, it is first necessary to obtain the leave of the court. The granting of leave is not automatic, but requires the court to exercise judicial discretion. The court may grant leave if:

- the complainant has made reasonable efforts to cause the directors of the company to prosecute or defend the legal proceeding;
- notice of the application for leave has been given to the company and to any other person the court may order;
- the complainant is acting in good faith; and
- it appears to the court that it is in the best interests of the company for the legal proceeding to be prosecuted or defended.

The court has broad powers to direct the conduct of any such legal proceeding.

In addition to the above, a First Cobalt Shareholder may be able to bring a claim against First Cobalt based on the general laws of contract, tort or other laws applicable in Canada.

The BCBCA provides that First Cobalt Shareholders entitled to vote on certain matters may exercise dissent rights and demand payment for the fair value of their shares (as of the last business day before the day the resolution on which the shareholder dissent was adopted), provided that they comply strictly with the requirements in the BCBCA.

Dissent rights exist when there is a vote upon matters such as:

- any adoption of an amalgamation agreement or an amalgamation in certain instances;
- an alteration to the First Cobalt Articles of Incorporation to alter restrictions on the powers of First Cobalt or on the business it is permitted to carry on;
- an arrangement, the terms of which arrangement permit dissent;
- a resolution, if dissent is authorised by the resolution;
- a continuance under the laws of another jurisdiction; or
- a sale, lease or other disposition of all or substantially all the undertaking of First Cobalt.

The CBCA also provides for an oppression remedy, but will only allow a court to grant relief if the effect actually exists (i.e. it must be more than merely threatened). Other than this distinction, the oppression remedy under the CBCA is largely similar to that under the BCBCA.

The CBCA also provides Derivative Action rights which extend to a registered shareholder, former registered shareholder, beneficial owner of shares, former beneficial owner of shares, director, former director, officer and a former officer of a company or any of its affiliates, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. It also permits Derivative Actions to be commenced in the name and on behalf of a company or any of its subsidiaries.

Leave may not be granted under the CBCA Derivative Action right unless the court is satisfied that:

- the complainant has given at least 14 days' notice to the directors of the company or its subsidiary of the complainant's intention to apply to the court if the directors of the company or its subsidiary do not bring, diligently prosecute, defend or discontinue the action;
- the complainant is acting in good faith; and
- it appears to be in the interests of the company or its subsidiary that the action be brought, prosecuted, defended or discontinued.

(h) Source and payment of dividends

(i) Cobalt One

Under the Cobalt One Constitution, Cobalt One Directors may pay any interim and final dividends that, in their judgment, the financial position of the company justifies.

Under the Corporations Act, Cobalt One must not pay a dividend unless:

- Cobalt One's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- the payment of the dividend is fair and reasonable to Cobalt One Shareholders as a whole; and
- the payment of the dividend does not materially prejudice Cobalt One's ability to pay its creditors.

(ii) First Cobalt

The BCBCA and the CBCA provide that First Cobalt may pay a dividend by issuing fully paid shares or in money or property. However, First Cobalt may not declare or pay a dividend if there are reasonable grounds for believing that First Cobalt is insolvent, or the payment of the dividend would render First Cobalt insolvent. Dividends may be subject to withholding taxes.

(i) Remuneration of directors and officers

(i) Cobalt One

Under the ASX Listing Rules, the maximum amount to be paid to directors for their services as directors (other than the salary of an executive director) is not to exceed the amount approved by shareholders in general meeting.

The latest approval was at Cobalt One's 2016 annual general meeting, at which Cobalt Shareholders approved aggregate remuneration to non-executive directors of A\$300,000 per year.

Legislation gives Cobalt One Shareholders the right to participate in a non-binding vote, to be held at the annual general meeting, on the adoption of the remuneration report of Cobalt One. The remuneration report is included in the directors' report and is required to contain a discussion of the board's policy in relation to remuneration of key management personnel of Cobalt One.

If at least 25% of the votes cast are against adoption of the remuneration report at two consecutive annual general meetings, Cobalt One will be required to put a resolution to the second annual general meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Cobalt One Shareholders vote in favour of the Spill Resolution, Cobalt One must then convene a Spill

Meeting within 90 days of the second annual general meeting. All of the Cobalt One Directors who were in office when the applicable directors' report was approved, other than the managing director, will need to stand for re-election at the Spill Meeting if they wish to continue as Cobalt One Directors.

(ii) First Cobalt

Under the First Cobalt Constituent Documents, the First Cobalt Directors may fix the remuneration of the directors, officers and employees of First Cobalt. Additional remuneration may be paid above this fixed amount to directors providing professional or other services to First Cobalt outside the ordinary duties of a director. Under applicable Canadian securities law, a report on executive compensation is required to be included in the management proxy circular in connection with the annual meeting each year.

(j) Retirement benefits

(i) Cobalt One

Formerly, the Corporations Act allowed a company to pay benefits to directors and officers on their retirement or termination of up to seven times the director's or officer's total annual remuneration. Benefits above that limit could only be paid on shareholder approval.

Under reforms effected by the *Corporations Amendment (Improving Accountability on Termination Payments) Act 2009* (Cth) (**Corporations Amendment Act**), retirement or termination benefits that can be paid to company directors, senior executives and key management personnel without shareholder approval have been significantly reduced. The threshold above which shareholder approval is required is the equivalent of one year's base salary. The Corporation Amendment Act provides a mechanism for calculating that threshold, including by averaging salary over the past three years. The changes affect only benefits under contracts of employment that are executed on or after the commencement date of the Corporations Amendment Act (24 November 2009), or where a contract is varied or extended on or after that date. In addition, the ASX Listing Rules provide that Cobalt One must ensure that no officer is entitled to termination benefits (or any increase in them) if a change occurs in the shareholding or control of Cobalt One. Further, Cobalt One Shareholder approval is required if the value of the termination benefits that may become payable to all officers together exceeds 5% in aggregate of Cobalt One equity interests.

(ii) First Cobalt

Other than as determined by ordinary resolution of its shareholders, First Cobalt is not subject to any restrictions on the quantum of retirement benefits that it may pay to its directors and officers.

(k) Fiduciary duties of directors and officers

(i) Cobalt One

The Cobalt One Directors and officers of Cobalt One are subject to duties to:

- act in good faith in the interests of Cobalt One;
- act for a proper purpose;
- not fetter their discretion (in the case of directors only);
- exercise care, skill and diligence;
- avoid conflicts of interest; and
- not use their position to their advantage or the advantage of somebody else.

(ii) First Cobalt

In accordance with applicable Canadian law, every First Cobalt Director and other officer, in exercising their powers and discharging their duties, must:

- act honestly and in good faith with a view to the best interests of First Cobalt (commonly referred to as the "duty of loyalty");
- exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances (commonly referred to as the "duty of care");

- comply with the BCBCA, or the CBCA (as applicable) and their respective underlying regulations and the First Cobalt Constituent Documents;
- act for a proper purpose;
- not fetter their discretion;
- avoid conflicts of interest;
- not use their position to their advantage;
- not misappropriate property belonging to the company, or use property belonging to the company for the director's or officer's benefit; and
- not take advantage of or misappropriate a corporate opportunity that the director or officer of a corporation comes across in the course of discharging his or her duties to First Cobalt.

(I) Release from liability and indemnification of directors and officers

(i) Cobalt One

Cobalt One cannot:

- exempt an officer from liability to it incurred in his or her capacity as an officer;
- indemnify an officer against a liability owed to it or a related body corporate; or
- indemnify an officer against the cost of legal proceedings, including where such proceedings result in them being found to have a liability to Cobalt One or a Related Body Corporate.

However, Cobalt One may indemnify an officer against a liability owed to someone other than Cobalt One or a Related Body Corporate (and also the cost of any related legal proceedings), provided the liability does not arise out of conduct involving a lack of good faith or the liability is not a penalty or compensation order made under the Corporations Act. For the purposes of these provisions, an "officer" includes a Cobalt One Director, secretary or senior manager of Cobalt One.

The Cobalt One Constitution contains a provision indemnifying every Cobalt One Director, alternate director and executive officer, such other officers or former officers of Cobalt One or a Related Body Corporate as the Cobalt One Directors determine and, if the Cobalt One Directors so determine, any auditor or former auditor of Cobalt One or a Related Body Corporate, on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses, incurred by the relevant company officer as an officer of Cobalt One or a Related Body Corporate. This indemnity does not operate in respect of any liability of the officer to the extent that liability is covered by insurance.

(ii) First Cobalt

The BCBCA provides that a First Cobalt Director will not be liable if the director relies, in good faith, on:

- financial statements of First Cobalt represented to the director by an officer of First Cobalt or in a written report of the auditor of First Cobalt to fairly reflect the financial position of First Cobalt;
- a written report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by that person;
- a statement of fact represented to the director by an officer of First Cobalt to be correct; or
- any record, information or representation that the court considers provides reasonable grounds for the actions of the director, whether or not:
 - the record was forged, fraudulently made or inaccurate; or
 - the information or representation was fraudulently made or inaccurate.

A First Cobalt Director will similarly not be liable if the director did not know and could not reasonably have known that the act done by the director or authorised by the resolution voted for or consented to by the director was contrary to the BCBCA.

The First Cobalt Constituent Documents provide that, subject to the BCBCA, First Cobalt must indemnify a director, former director or alternate director of First Cobalt (including his or her heirs and legal personal

representatives) against all eligible penalties to which such person is or may be liable, and First Cobalt must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding.

According to the BCBCA and the CBCA, whether or not payment of expenses or indemnification has been sought, authorised or declined under the BCBCA, on the application of First Cobalt or an eligible party, the court may do one or more of the following:

- order First Cobalt to indemnify an eligible party against any liability incurred by the eligible party in respect of an eligible proceeding;
- order First Cobalt to pay some or all of the expenses incurred by an eligible party in respect of an eligible proceeding;
- order the enforcement of, or any payment under, an agreement of indemnification entered into by First Cobalt;
- order First Cobalt to pay some or all of the expenses actually and reasonably incurred by any person in obtaining an order; or
- make any other order the court considers appropriate.

The BCBCA, the CBCA and the First Cobalt Constituent Documents also authorise First Cobalt to purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- is or was a director, alternate director, officer, employee or agent of First Cobalt;
- is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of First Cobalt;
- at the request of First Cobalt, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity; or
- at the request of First Cobalt, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity,

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

(m) Transaction involving directors, officers or other related parties

(i) Cobalt One

The Corporations Act prohibits a public company such as Cobalt One from giving a related party a financial benefit unless it:

- obtains the approval of shareholders and gives the benefit within 15 months after approval; or
- the financial benefit is exempt.

A related party is defined to include any entity which controls the public company, directors of the public company, directors of any entity which controls the public company and, in each case, spouses and certain relatives of such persons. Exempt financial benefits include indemnities, insurance premiums and payments for legal costs which are not otherwise prohibited by the Corporations Act and benefits given on arm's length terms.

The ASX Listing Rules prohibit a listed company such as Cobalt One from acquiring a substantial asset (an asset the value or consideration for which is 5% or more of the entity's equity interests) from, or disposing of a substantial asset to, certain related parties of the company, unless it obtains the approval of shareholders. The related parties include (but are not limited to):

- directors of the entity or an entity that controls the entity;
- a subsidiary of the entity;
- a person who has or has had in the prior six month period an interest in 10% or more of the shares in the company; and
- any associates of the above.

The provisions apply even where the transaction may be on arm's-length terms.

The ASX Listing Rules also prohibit a listed company such as Cobalt One from issuing or agreeing to issue equity securities to a Cobalt One Director unless it obtains the approval of Cobalt One Shareholders or the issue is exempt. Exempt issues include issues made pro rata to all Cobalt One Shareholders, under an underwriting agreement in relation to a pro rata issue or under a dividend plan or approved employee incentive plan.

(ii) First Cobalt

In accordance with the policies of the TSX-V, First Cobalt is subject to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**) which imposes valuation, minority approval and disclosure requirements on entities involved in certain related party transactions.

A related party transaction includes a transaction between an issuer and a person that is a related party to the issuer at the time that the transaction is agreed to, whether or not there are also other parties to the transaction, as a consequence of which, either through the transaction itself or together with a connected transaction, the issuer directly or indirectly, among other things:

- purchases or acquires an asset from the related party for valuable consideration;
- sells, transfers or disposes of an asset to the related party;
- leases property to or from the related party;
- acquires the related party or combines with the related party through an amalgamation, arrangement or otherwise;
- issues a security to, or subscribes for a security of the related party;
- materially amends the terms of an outstanding debt or liability owed by or to the related party, or the terms of an outstanding credit facility with the related party;
- provides a guarantee or collateral security for a debt or liability of the related party, or materially amends the terms of the guarantee or security; or
- borrows money from, lends money to the related party, or enters into a credit facility with the related party.

With respect to business combinations, MI 61-101 has two principal requirements:

- that the issuer obtain a formal valuation in respect of the transaction; and
- that the issuer obtain minority approval of the transaction (ie approval by a majority of the affected security holders, excluding the votes attached to affected securities held by parties interested in the business combination, related parties of an interested party, and persons acting jointly with interested parties).

First Cobalt is exempted from the requirement of obtaining a formal valuation because it is not listed on any of the specified exchanges listed in section 4.4(1)(a) of MI 61-101.

MI 61-101 also requires an issuer to include certain detailed disclosure regarding related party transactions in a material change report that is required to be filed under MI 61-101 and in the management proxy circular that is sent to a company's security holders to obtain minority approval in respect of the related party transaction.

(n) Directors' declaration of interest

(i) Cobalt One

The Corporations Act generally requires a Cobalt One Director who has a material personal interest in a matter that relates to the affairs of Cobalt One to give the other directors notice of that interest. That director must not be present at a meeting where the matter is being considered or vote on the matter unless the other Cobalt One Directors or ASIC approve, or the matter is not one which requires disclosure under the Corporations Act. Under the Corporations Act, failure of a director to disclose a material personal interest, or voting despite a material personal interest, does not affect the validity of any act in which the director has an interest. Cobalt One Directors, when entering into transactions with Cobalt One, are subject to the common law and statutory duties to avoid conflicts of interest.

(ii) First Cobalt

According to the BCBCA, the CBCA and the First Cobalt Constituent Documents, a director or senior officer of First Cobalt holds a disclosable interest in a contract or transaction if:

- the contract or transaction is material to First Cobalt;
- First Cobalt has entered or proposes to enter into the contract or transaction; and
- either the director or senior officer has a material interest in the contract or transaction, or the director or senior officer is a director or senior officer, or has a material interest in, a third party which has a material interest in the contract or transaction,

subject to certain exceptions relating to contracts between related parties and for directors or senior officers who are the sole shareholder of First Cobalt or its parent.

A director or senior officer with a disclosable interest is typically liable to account for any profit that accrues to the director or senior officer under the related contract or transaction.

If the contract or transaction is properly disclosed, the contract or transaction may be approved by the directors or by a special resolution, but the director or senior officer with a disclosable interest must not vote unless all directors have a disclosable interest in the contract or transaction.

A contract or transaction with First Cobalt is not invalid merely because a director or senior officer has an interest in the contract or transaction, a director or senior officer has not disclosed an interest that he or she has in a contract or transaction, or the directors or shareholders of First Cobalt have not approved the contract or transaction in which the director or senior officer has an interest.

Under the BCBCA, a director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with their duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required.

(o) Takeover bids

(i) Cobalt One

Australian law places restrictions on a person acquiring relevant interests in the voting shares of a public company such as Cobalt One where, as a result of the acquisition, that person's or someone else's voting power in the company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%. This prohibition is subject to a number of exceptions including the acquisition of not more than 3% of the voting shares in Cobalt One in the six month period before the acquisition, the acquisition is made with Cobalt One Shareholder approval or the acquisition is made under a scheme of arrangement or takeover bid in accordance with Australian law.

Takeover bids must not involve any collateral benefits and must remain open for a certain period of time. The takeover bid rules contain various additional requirements, such as restrictions on conditional offers and withdrawal, amendment or suspension of offers.

(ii) First Cobalt

Under applicable Canadian securities legislation, a "takeover bid" occurs when there is an "offer to acquire" outstanding voting or equity securities made to any person in any province or territory where the securities subject to the offer, together with the securities owned or controlled by the offeror and its affiliates and associates, constitute 20% or more of the outstanding securities.

Unless an exemption is available, a takeover bid must be made to all holders of each class of voting or equity securities being purchased, at the same price per security – that is, identical consideration – must be offered to each holder of securities. These provisions require, among other things, the production, filing and mailing of a takeover bid circular to shareholders of the target company.

Takeover bids must treat all security holders alike and must not involve any collateral agreements, with certain exceptions for employment compensation arrangements. A bid must remain open for a minimum of 35 days from the date of the mailing of the circular, after which time all securities deposited under the offer may be taken up.

For the protection of target security holders, the takeover bid rules contain various additional requirements, such as restrictions applicable to conditional offers and the withdrawal, amendment or

suspension of offers. Securities regulators also retain a general “public interest jurisdiction” to regulate takeovers and may intervene to halt or prevent activity that is abusive. Issuer bids are regulated similarly to takeover bids.

There are extensive disclosure requirements associated with takeover bids, beginning with “early warning” disclosure required when an acquirer crosses the 10% ownership threshold. Generally, further disclosure is required for additional purchases of 2% or more of the outstanding security for which such early warning disclosure is required. Purchases outside the bid, before, during, and after the bid, are also restricted.

Following a bid, second step transactions where the acquirer brings its percentage ownership to 100% are governed by the BCBCA or the CBCA. No shareholder approval of the acquisition would be required if the acquirer obtained 90% of the outstanding securities owned by minority security holders during the bid. Otherwise, a meeting must be called and associated regulations complied with for an acquisition, including obtaining a two-thirds majority approval. The acquirer is generally permitted to vote the shares acquired pursuant to the bid at such meeting. Appraisal (or dissent) rights are available for objecting shareholders who fulfil certain procedural requirements.

Canadian securities laws allow certain exemptions to the formal bid requirements, on specified conditions. For example, private agreements to purchase securities from up to five persons are permitted if the purchase price does not exceed 115% of the market price. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12-month period if there is a published market for the relevant class and the consideration paid does not exceed the market price at the date of acquisition. A *de minimis* exemption also exists in circumstances where less than 50 beneficial shareholders are subject to the bid, and those shareholders collectively represent less than 2% of a class of securities.

(p) Takeover defence mechanisms

(i) Cobalt One

Under Australian takeovers law and policy, boards of target companies are limited in the defensive mechanisms that they can put in place to discourage or defeat a takeover bid. For example, undertaking significant liabilities or changing the terms of debt, making a significant change to a company’s share plan or significant issuing or repurchasing of shares, convertible securities or options may give rise to a declaration of unacceptable circumstances by the Australian Takeovers Panel as a “frustrating action”.

(ii) First Cobalt

The Canadian securities regulatory authorities (**CSA**) have recognised that takeover bids play an important role in the economy by acting as a discipline on corporate management and as a means of reallocating economic resources to their best uses. In considering the merits of a takeover bid, there is a possibility that the interests of management of the target company will differ from those of its shareholders. The CSA considers the primary objective of the takeover bid provisions of Canadian securities legislation to be the protection of the bona fide interests of the shareholders of the target company. As certain defensive measures taken by management of a target company may have the effect of denying shareholders the ability to make a fully formed decision and frustrating an open takeover bid process, the CSA will therefore examine target company defensive tactics in specific cases to determine whether they are abusive of shareholder rights.

Without limiting the foregoing, defensive tactics that may come under scrutiny if undertaken during the course of a bid, or immediately before a bid (if the board of directors has reason to believe that a bid might be imminent) include:

- the issuance of or granting of an option on or the purchase of, securities representing a significant percentage of the outstanding securities of the target company;
- the sale or acquisition or granting of an option, on or agreeing to sell or acquire assets of a material amount; and
- the entering into a contract or taking corporate action other than in the normal course of business.

Shareholder approval of corporate action may be a factor in the decision as to whether the tactics are appropriate.

Notwithstanding the above, defensive tactics may be taken by a board of directors of a target company in a genuine attempt to obtain a better bid; however, tactics that are likely to deny or limit severely the ability of the shareholders to respond to a takeover bid or a competing bid may result in action by the CSA.

(q) Disclosure of substantial shareholdings

(i) Cobalt One

Under the Corporations Act, if a person acquires a “substantial holding” in a company included in the official list of ASX, that person will be required to publicly disclose certain prescribed information relating to the acquisition, including the person’s name, address, details of the relevant interest and the name of each associate who has a relevant interest in the voting shares.

A person who already has a substantial holding must make a subsequent public disclosure if they cease to have a substantial holding or if there is a change of at least 1% in their holding. The information must be given to ASX and the relevant company.

(ii) First Cobalt

Under applicable Canadian securities law, a person who acquires ownership and control of more than 10% of the outstanding First Cobalt Shares will be required to publically disclose their holdings, and to file an early warning report with the applicable Canadian securities regulator. The early warning report discloses the person’s name, address, and certain details of surrounding their ownership of First Cobalt Shares and securities of First Cobalt convertible into First Cobalt Shares.

(r) Right to inspect register of shareholders

(i) Cobalt One

The register of shareholders of an Australian company is usually kept at the registered office or principal place of business in Australia and must be available for inspection to shareholders free of charge at all times when the registered office is open to the public. If a person asks Cobalt One for a copy of the register (or any part of the register) and pays the requested fee (up to a prescribed amount), Cobalt One must give that person the copy within seven days of the date on which Cobalt One receives such payment.

A person who is not a Cobalt One Director does not have a right to inspect any of the board papers, books, records or documents of Cobalt One, except as provided by law, the Cobalt One Constitution, as authorised by the Cobalt One Directors or by a resolution passed by Cobalt One Shareholders. Under the Corporations Act, a Cobalt One Shareholder must obtain a court order to obtain access to the corporate books. The applicant must be acting in good faith and be making the inspection for a proper purpose.

(ii) First Cobalt

Under the BCBCA any person may, and under the CBCA shareholders and creditors may, without charge, inspect all of the records that it is required to keep under the BCBCA, other than the minutes of the meetings of directors, consent resolutions of directors or written dissents received, at First Cobalt’s registered office or such other place where such records are kept during statutory business hours.

A person may apply to First Cobalt, or to the person who has custody or control of its central securities register, for a list of shareholders of First Cobalt setting out the last known addresses of the shareholders and the number of shares held by each of those shareholders. The application must include an affidavit of the person seeking the list and payment of a reasonable fee charged by First Cobalt.

Promptly after receipt of the application for the list, First Cobalt or the person who has custody or control of its central securities register must provide to the applicant the requested list made up to and including a date, specified in the list that is not more than 14 days before the date on which the application was received, in the case of the BCBCA, or 10 days, in the case of the CBCA.

(s) Winding Up

(i) Cobalt One

Under Australian law, a company, creditor, contributory, director, liquidator, ASIC or a prescribed agency may apply to the court for a company to be wound up. Generally speaking, directors cannot use their powers after a liquidator has been appointed to wind up a company. If there are funds left over after

payment of the costs of the liquidation, and payments to other priority creditors, including employees, the liquidator will pay these to unsecured creditors as a dividend. The shareholders rank behind the creditors and are, therefore, unlikely to receive any dividend in an insolvent liquidation.

Under Australian law, shareholders of a solvent company may decide to wind up the company if the directors are able to form the view that the company will be able to pay its debts in full within 12 months after the commencement of the winding-up. A meeting at which a decision is made to wind up a solvent company requires at least 75% of votes cast by the shareholders present and voting.

The Cobalt One Constitution provides that on winding-up, the liquidator may, with sanction of a special resolution divide among members the whole or any part of Cobalt One's property and decide how the division is to be carried out as between Cobalt One Shareholders or different classes of members. Such division need not accord with the legal rights of the members and, in particular, any class may be given preferential or special rights or may be excluded altogether or in part. When a division does not accord with the legal rights of the members, a member is entitled to dissent and exercise the same rights as if the special resolution sanctioning that division were a special resolution passed under section 507 of the Corporations Act.

(ii) First Cobalt

The BCBCA provides that, subject to the notices and rights of remedy set out below, the Registrar of Companies may dissolve First Cobalt if it:

- has in two consecutive years failed to file with the Registrar its annual report or any other record as required by the BCBCA;
- fails to comply with an order of the Registrar, including an order to change its name or assumed name;
- fails, without reasonable excuse, to return an erroneous record to the Registrar within 21 days after a request; or
- tenders a cheque for fees which is dishonoured, or otherwise fails to pay a fee required.

In the event the Continuation is implemented, the CBCA provides that the Director of Corporations may dissolve First Cobalt if it:

- has not carried on business for three consecutive years;
- is in default for a period of one year in sending any fee, notice or document required by the CBCA; or
- does not have any directors.

Under the BCBCA, First Cobalt may apply to be voluntarily dissolved if:

- it is authorised to do so by an ordinary resolution;
- it does not have any assets; and
- it does not have any liabilities or has made adequate provision for the payment of each of its liabilities.

Liquidation is the process by which a company with assets and liabilities is "wound up", as its debts and liabilities are satisfied (or adequate provision made for their satisfaction), and any remaining assets distributed to the shareholders.

Under the CBCA, First Cobalt may apply to be voluntarily dissolved if it is authorised to do so by a special resolution, and it has distributed any property and discharged any liabilities before applying.

The liquidation process can be voluntary or under a court order:

- a voluntary liquidation is initiated by the shareholders of the company; and
- a court ordered liquidation can be made on application of any one of a number of "appropriate" persons.

For the most part, the process of liquidation is the same regardless of whether the liquidation is voluntary or court ordered. The same powers and responsibilities are attached to the role of the liquidator, for instance.

Proceedings taken under the BCBCA or the CBCA to dissolve, or liquidate and dissolve, a company must be stayed if the company is at any time found, in a proceeding under the *Bankruptcy and Insolvency Act* (Canada), to be insolvent under that legislation.

First Cobalt may voluntarily liquidate under the BCBCA or the CBCA if it has been authorised to do so by a special resolution. Under the BCBCA, at the time that the special resolution is passed, First Cobalt, by an ordinary resolution:

- must appoint as liquidator one or more persons qualified in accordance with the BCBCA; and
- may set, or may authorise the directors to set, each liquidator's remuneration.

An appointment of a liquidator takes effect on the commencement of the liquidation.

Under the BCBCA and the CBCA, a court ordered liquidation may be initiated by an application made by First Cobalt, a registered or beneficial shareholder, a director or any other person (including a creditor of First Cobalt) whom the court considers an appropriate person to make such an application. Under the BCBCA, the court may order that First Cobalt be liquidated and dissolved if an event occurs which triggers liquidation according to First Cobalt's Articles of Incorporation, or if the court otherwise considers it "just and equitable" to order the liquidation and dissolution of First Cobalt.

11 Additional information

11.1 Deed of Variation dated 22 September 2017

On 14 July 2017, Cobalt One and First Cobalt executed the Scheme Implementation Deed. During the preparation of this Scheme Booklet, the parties agreed that it was necessary to amend the Scheme Implementation Deed to:

- correct several minor drafting errors, such as errors in cross-references;
- update the Scheme Implementation Deed and Scheme for non-material changes which have occurred since the parties executed the Scheme Implementation Deed, for example, updating the number of Cobalt One Shares on issue; and
- introduce a formal election process for Scheme Shareholders to elect to receive New First Cobalt Shares, rather than New First Cobalt CDIs by default.

Cobalt One and First Cobalt have entered into a Deed of Variation dated 22 September 2017, which makes several minor amendments to the Scheme Implementation Deed.

The Deed of Variation is attached to the Scheme Implementation Deed, which is Attachment E to this Scheme Booklet.

11.2 Scheme Implementation Deed and due diligence process

On 26 June 2017, Cobalt announced to ASX that it had entered into a binding Letter of Intent with First Cobalt, which contained confidentiality provisions to allow the parties to conduct due diligence. The due diligence conducted by the parties involved both a review of confidential information and documents, as well as discussions with senior management. The due diligence was conducted pursuant to the Letter of Intent.

The Scheme Implementation Deed was entered into by Cobalt One and First Cobalt on 14 July 2017. Under the Scheme Implementation Deed, the confidentiality provisions under the Letter of Intent continue to apply with full force and any information provided under the Scheme Implementation Deed is subject to those confidentiality provisions.

The Independent Expert has had access to the confidential information provided by each party to the other for the purpose of its due diligence.

Neither First Cobalt nor Cobalt One are aware of any material information that is material to a decision by a Scheme Shareholder on how to vote in relation to the Scheme and which:

- has not been made available to the Independent Expert in the manner referred to above for the purpose of preparing the Independent Expert's Report;
- is not set out or referred to in this Scheme Booklet; or
- has not otherwise been made available publicly by that party.

11.3 Conditions to the Scheme that have already been satisfied or waived

As at the date of this Scheme Booklet, no Conditions to the Scheme have been satisfied or waived.

11.4 Cobalt One Shares and Cobalt One Options held by Cobalt One Directors and executive officers

The number of Cobalt One Shares and Cobalt One Options in which individuals who have been Cobalt One Directors or executive officers of Cobalt One since the beginning of the financial year ended 30 June 2016 have a relevant interest in, as at the date of this Scheme Booklet, are set out in the table below:

Director/executive officer	Number of Shares		Number of Options	
	Direct	Indirect	Direct	Indirect
Jason Bontempo	0	5,000,000 ¹	0	10,000,000 ²

Nicholas Rowley	0	2,500,000 ³	0	13,000,000 ⁴
Paul Matysek	1,000,000 ⁵	0	15,000,000 ⁶	5,000,000 ⁷
Alexander Passmore	5,600,000 ⁸	0	0	0

Notes:

1. 5,000,000 fully paid ordinary Cobalt One Shares held by Mr Jason Bontempo and Mrs Tiziana Battista <Morrison Super Fund A/C>.
2. 5,000,000 Director Performance Options exercisable at \$0.001 each on or before 15 June 2020, vesting when the Cobalt One Share price on ASX is at \$0.20 or more for 10 consecutive trading days and 5,000,000 Class A Cobalt One Options exercisable at \$0.02 on or before 5 April 2020. These are held by Ms Tiziana Battista <Morrison Trust>.
3. 2,500,000 fully paid ordinary Cobalt One Shares held by Jet Capital Pty Ltd <The Jet Capital A/C>, a company in which Mr Nicholas Rowley is a director.
4. 8,000,000 Class D Cobalt One Options exercisable at \$0.03 on or before 30 November 2019 held by Jet Capital Pty Ltd <The Jet Capital A/C>, a company in which Mr Nicholas Rowley is a director, and 5,000,000 Director Performance Options exercisable at \$0.001 each on or before 15 June 2020, vesting when the Cobalt One Share price on ASX is at \$0.20 or more for 10 consecutive trading days, held by Jet Capital Pty Ltd <The Osgrow Family A/C>, a company in which Mr Nicholas Rowley is a director.
5. 1,000,000 fully paid ordinary Cobalt One Shares.
6. 15,000,000 Class E Cobalt One Options exercisable at \$0.08 on or before 10 February 2020.
7. 5,000,000 Director Performance Options exercisable at \$0.001 on or before 15 June 2020, vesting when the Cobalt One Share price on ASX is at \$0.20 or more for 10 consecutive trading days held by Bedrock Capital Corporation, a company in which Mr Paul Matysek is a director.
8. Verde Trading Pty Ltd, a company in which Mr Alexander Passmore is a director and sole shareholder, converted Class D Cobalt One Options into Cobalt One Shares on 22 August 2017 – refer to Cobalt One's Appendix 3B released to ASX on 22 August 2017.

Other than as outlined above, no Cobalt One Director acquired or disposed of a Relevant Interest in any Cobalt One Shares in the 4 month period ending on the date immediately before the date of this Scheme Booklet.

11.5 Interests in First Cobalt held by Cobalt One Directors

No Cobalt One Director holds any interest in First Cobalt.

No Cobalt One Director acquired or disposed of a Relevant Interest in any New First Cobalt Shares in the four month period ending on the date immediately before the date of this Scheme Booklet.

11.6 Interests held by Cobalt One Directors in contracts of First Cobalt

No Cobalt One Director has an interest in any contract entered into by First Cobalt.

11.7 Other interests of Cobalt One Directors

Other than as disclosed in Section 11.16, or elsewhere in this Scheme Booklet, no Cobalt One Director has any other interest, whether as a director, member or creditor of Cobalt One or otherwise, which is material to the Scheme, other than in their capacity as a holder of Cobalt One Shares or Cobalt One Options, or as set out in this Scheme Booklet.

11.8 Agreements or arrangements with Cobalt One Directors and executive officers**(a) Cobalt One Options**

As set out in Section 3.9, it is anticipated that First Cobalt and Cobalt One will enter into deeds with a sufficient number of holders of Cobalt One Options so as to permit First Cobalt to compulsorily acquire the remaining Cobalt One Options in accordance with Chapter 6A of the Corporations Act.

The holders of Cobalt One Options will be issued consideration for the cancellation or transfer (at First Cobalt's election) in the amounts set out in Attachment D to the Scheme Implementation Deed and reproduced in Section 3.9.

(b) Cobalt One Options held by Alex Passmore, Jason Bontempo and Nicholas Rowley

Under the Scheme Implementation Deed, Alex Passmore, Jason Bontempo and Nicholas Rowley have undertaken to exercise all of the Cobalt One Options held by them so as to receive Scheme Shares prior to the Scheme Record Date.

The table below sets out the Cobalt One Options held (on the date this Scheme Booklet was lodged with ASIC) by each individual who has been a Cobalt One Director or executive officer of Cobalt One since the beginning of the financial year ended 30 June 2016, and the consideration they will receive in relation to the Option Exercise, Cancellation and Transfer Deeds or the Option Cancellation and Transfer Deeds (as applicable):

Director/executive officer	Number of Cobalt One Options for which consideration will be provided	Consideration to be received for cancellation or transfer of Cobalt One Options
Jason Bontempo	5,000,000 ¹	725,000 New First Cobalt Shares
	5,000,000 ²	625,000 New First Cobalt Shares
Nicholas Rowley	8,000,000 ³	920,000 New First Cobalt Shares
	5,000,000 ⁴	725,000 New First Cobalt Shares exercisable at \$0.0069 and expiring 15 June 2020
Paul Matysek	15,000,000 ⁵	2,175,000 New First Cobalt Shares exercisable at \$0.55 and expiring 10 February 2020 or 975,000 New First Cobalt Shares
	5,000,000 ⁶	725,000 New First Cobalt Shares exercisable at \$0.0069 and expiring 15 June 2020
Alex Passmore	0 ⁷	Nil

Notes:

- 5,000,000 Director Performance Options exercisable at \$0.001 each on or before 15 June 2020, vesting when the Cobalt One Share price on ASX is at \$0.20 or more for 10 consecutive trading days held by Tiziana Battista <Morrison Trust>.
- 5,000,000 Class A Cobalt One Options exercisable at \$0.02 on or before 5 April 2020 held by Tiziana Battista <Morrison Trust>.
- 8,000,000 Class D Cobalt One Options exercisable at \$0.03 on or before 30 November 2019 held by Jet Capital Pty Ltd <The Jet Capital A/C>, a company in which Mr Nicholas Rowley is a director.
- 5,000,000 Director Performance Options exercisable at \$0.001 each on or before 15 June 2020, vesting when the Cobalt One Share price on ASX is at \$0.20 or more for 10 consecutive trading days, held by Jet Capital Pty Ltd <The Oscrow Family A/C>, a company in which Mr Nicholas Rowley is a director.
- 15,000,000 Class E Options exercisable at \$0.08 on or before 10 February 2020.
- 5,000,000 Director Performance Options exercisable at \$0.001 on or before 15 June 2020, vesting when the Cobalt One Share price on ASX is at \$0.20 or more for 10 consecutive trading days held by Bedrock Capital Corporation, a company in which Mr Paul Matysek is a director.
- Verde Trading Pty Ltd, a company in which Mr Alexander Passmore a director and sole shareholder, converted Class D Cobalt One Options into Cobalt One Shares on 22 August 2017 – refer to Cobalt One's Appendix 3B released to ASX on 22 August 2017.

(c) Retention payments

Save as noted in this Scheme Booklet, there are no agreements or arrangements made between any Cobalt One Director and any other person, including First Cobalt, in connection with or conditional upon the outcome of the Scheme.

11.9 Agreements or arrangements with First Cobalt Directors and executive directors

(a) Executive employment agreement – Trent Mell

First Cobalt has entered into an executive employment agreement with Mr Trent Mell under which Mr Mell is employed by First Cobalt on a full time basis as its President and Chief Executive Officer.

The material terms of the agreement are as follows:

- Mr Mell is entitled to receive the following remuneration during the term of his employment:
 - an annual salary of C\$260,000 plus reimbursement of reasonable out-of-pocket expenses;
 - 1,500,000 options issued pursuant to First Cobalt's incentive stock option plan on the date of the agreement, and annual performance-based stock options thereafter in accordance with First Cobalt's incentive stock option plan; and
 - an annual discretionary cash performance bonus of between 50% and 100% of Mr Mell's salary, based upon the achievement of certain corporate objectives and at the absolute discretion of the First Cobalt Board; and
- the agreement may be terminated:
 - immediately by First Cobalt for cause (including misconduct, breach of confidentiality or inability to perform duties);
 - by First Cobalt without cause, in which case Mr Mell will be entitled to termination payments and entitlements as follows:
 - if such termination occurs within 3 months of the employment commencing, payment of all amounts due and owing up to the date of termination (including accrued but unpaid salary, unused vacation and unreimbursed expenses);
 - if such termination occurs at any time after 3 months of the employment commencing but prior to 12 months, payment of all amounts due and owing up to the date of termination (including accrued but unpaid salary, unused vacation and unreimbursed expenses) as well as a lump sum payment equal to 12 months salary; or
 - if such termination occurs at any time after 12 months of the employment commencing:
 - payment of all amounts due and owing up to the date of termination (including accrued but unpaid salary, unused vacation and unreimbursed expenses);
 - payment of a lump sum payment equal to twice Mr Mell's salary and twice the average of Mr Mell's annual bonus paid by First Cobalt to him in the preceding 2 years; and
 - entitlement to continue participation for 3 months under the terms of any stock option plan in which Mr Mell is a participant at that time; or
 - by Mr Mell providing two months' written notice.

The agreement is otherwise on the same terms as the executive employment agreements between First Cobalt and each of Mr Campbell and Mr Santaguida (refer to the summary of these agreements set out below).

(b) Executive employment agreements – Frank Santaguida and Peter Campbell

First Cobalt has entered into an executive employment agreement with each of Mr Frank Santaguida and Mr Peter Campbell on substantially the same terms.

The material terms of the agreements are as follows:

- First Cobalt employs:
 - Mr Santaguida on a full time basis as its Vice President, Exploration; and
 - Mr Campbell on a full time basis as its Vice President, Business Development;
- the employment of;
 - Mr Santaguida commences on 10 April 2017; and
 - Mr Campbell commences on 29 March 2017, and continues until the agreement is terminated in accordance with its terms;
- each executive is entitled to receive the following remuneration during the term of their employment:
 - an annual salary of C\$180,000 plus reimbursement of reasonable out-of-pocket expenses;
 - 500,000 options issued pursuant to First Cobalt's incentive stock option plan on the date of the agreement, and annual performance-based stock options thereafter in accordance with First Cobalt's incentive stock option plan; and
 - an annual discretionary cash performance bonus of between 35% and 70% of the executive's salary, based upon the achievement of certain corporate objectives and at the absolute discretion of the First Cobalt Board;
- each executive will be covered by a directors' and officers' insurance policy taken out by First Cobalt in accordance with the terms of the agreement;
- the agreement may be terminated:
 - immediately by First Cobalt for cause (including misconduct, breach of confidentiality or inability to perform duties);
 - by First Cobalt without cause, in which case the executive will be entitled to termination payments as follows:
 - if such termination occurs within 3 months of the employment commencing, payment of all amounts due and owing up to the date of termination (including accrued but unpaid salary, unused vacation and unreimbursed expenses);
 - if such termination occurs at any time after 3 months of the employment commencing but prior to 12 months, payment of all amounts due and owing up to the date of termination (including accrued but unpaid salary, unused vacation and unreimbursed expenses) as well as a lump sum payment equal to 6 months salary; or
 - if such termination occurs at any time after 12 months of the employment commencing:
 - payment of all amounts due and owing up to the date of termination (including accrued but unpaid salary, unused vacation and unreimbursed expenses);
 - payment of a lump sum payment equal to the executive's salary and annual bonus paid by First Cobalt to him in the preceding 2 years; and
 - entitlement to continue participation for 3 months under the terms of any stock option plan in which the executive is a participant at that time; or
 - by the executive providing four weeks' written notice;
- each executive must keep information regarding First Cobalt confidential except if disclosure is required by law; and

- each executive is subject to a 12 month post-employment restraint on soliciting First Cobalt's employees, suppliers or clients.

The agreements otherwise contain terms and conditions considered standard for executive employment agreements of this nature.

(c) Change of control agreements – Trent Mell, Frank Santaguida and Peter Campbell

First Cobalt has entered into change of control agreements with each of Mr Trent Mell, Mr Frank Santaguida and Mr Peter Campbell on substantially the same terms, for the purpose of affording each executive fair treatment in the event that First Cobalt undergoes a change in control.

The material terms of the agreements are as follows:

- a “change in control” is deemed to occur in the following circumstances:
 - a person or entity acquires beneficial ownership to 30% or more of the common shares or voting power of First Cobalt;
 - First Cobalt undergoes a reorganisation pursuant to which all or substantially all of the assets of First Cobalt are disposed of to another person or entity in a single transaction or a series of linked transactions (subject to certain exceptions);
 - the sale of assets in First Cobalt in a single transaction or a series of linked transactions which have an aggregate value of more than 50% of the aggregate net asset value of First Cobalt's consolidated assets, or generated in aggregate more than 50% of First Cobalt's net income from continuing operations or net cash flow from operating activities of First Cobalt in a financial year; or
 - approval by the shareholders of the complete liquidation or dissolution of First Cobalt;
- an executive must not solicit, initiate or encourage proposals or offers from any person in relation to a change in control without the approval of First Cobalt, the First Cobalt Board, or First Cobalt's Chief Executive Officer;
- upon the occurrence of a change in control, First Cobalt must continue the employment of an executive on the same terms and conditions which were in effect immediately prior to the change in control, or on terms otherwise agreed between First Cobalt and the executive;
- if an executive's employment is terminated by First Cobalt within 12 months' after a change in control, all options or other security entitlements are immediately vested and exercisable, and the executive is entitled to, subject to certain terms and conditions:
 - the executive's unpaid annual salary for the current financial year of First Cobalt for the period up to and including the date of termination of the executive's employment;
 - an amount equal to the maximum bonus that would be payable to the executive by First Cobalt for the financial year during which the termination of the executive's employment occurs; and
 - an amount equal to two times the executive's annual salary (which comprises the executive's annual salary and certain bonus entitlements); and
- each executive is subject to a two year post-termination restraint on soliciting First Cobalt's employees.

(d) Chief Financial Officer services contact – Skanderbeg Financial Advisory Inc.

On 22 December 2016, First Cobalt entered into a consulting agreement with Skanderbeg Financial Advisory Inc., (**Skanderbeg Financial**) pursuant to which First Cobalt agreed to retain Skanderbeg Financial as an independent contractor to provide chief financial officer consulting services (including accounting and administrative services) to First Cobalt.

The key terms of the agreement are as follows:

- the agreement commenced on 22 December 2016 and continues until terminated in accordance with its terms;

- Mr Kevin Ma, a principal of Skanderbeg Financial, will provide the consulting services to First Cobalt on behalf of Skanderbeg Financial;
- Skanderbeg Financial is entitled to a monthly fee of C\$5,500, plus reimbursement of reasonable out-of-pocket expenses, a 5% administration charge and applicable taxes for provision of the services, and is eligible to receive stock options in accordance with First Cobalt's incentive stock option plan;
- either party may terminate the agreement by providing 30 days' written notice to the other party; and
- First Cobalt may terminate the agreement at any time for cause, including misconduct, conviction of a criminal offence or the appropriation of a material business opportunity of First Cobalt.

The agreement otherwise contains terms and conditions considered standard for a services contract of this nature.

(e) Corporate Advisory Services Contract – Skanderbeg Capital Advisors Inc.

On 1 October 2016, First Cobalt entered into a consulting agreement with Skanderbeg Capital Advisors Inc. (**Skanderbeg Capital**) pursuant to which First Cobalt agreed to retain Skanderbeg Capital as an independent contractor to provide capital markets advisory services to First Cobalt.

The key terms of the agreement are as follows:

- the agreement commenced on 1 October 2016, continues for an initial term of 12 months' and will then continue on a month-to-month basis until terminated in accordance with its terms;
- Skanderbeg Capital is entitled to a monthly fee of C\$7,000 plus GST and reimbursement of reasonable out-of-pocket expenses (including travel expenses);
- Skanderbeg Capital is also entitled to receive bonuses at the discretion of First Cobalt, and a finder's fee, if it introduces contacts to First Cobalt that participate in any debt or equity financing conducted by First Cobalt during the term of the agreement, on the gross proceeds received by First Cobalt from those contacts;
- either party may terminate the agreement by providing 30 days' written notice to the other party; and
- First Cobalt may terminate the agreement at any time for cause, including the Skanderbeg Capital's failure to perform its obligations under the agreement.

The agreement otherwise contains terms and conditions considered standard for a services contract of this nature.

11.10 Voluntary Escrow Agreements

It is contemplated that First Cobalt and Cobalt One will enter into a Voluntary Escrow Agreement with the following holders of Cobalt One Options or restricted Cobalt One Shares:

- Brett Mitchell <Mitchell Spring Family A/C>, Michelle Mitchell <Mitchell Spring Family A/C>, Brett Mitchell <Lefthanders Superfund A/C>, Michelle Mitchell <Lefthanders Super Fund A/C>, <Brett Anthony Mitchell>;
- Joke Pty Ltd < Kenny Family A/C> and Anthony Kenny;
- Helmet Nominees Pty Ltd <Tim Weir Family Fund A/C> and Timothy Weir;
- Sonja Louise Newman Heath;
- Mr James Thompson + Mrs Sonja Heath <T H Capital Super Fund A/C>;
- Cheiftain Securities Pty Ltd;
- YCAGAGF Investments Pty Ltd; and
- RZJ Capital Management LLC.

The material terms of these deeds are as follows:

- Cobalt One shares issued on exercise of Performance A Options and Performance B Options and New First Cobalt Shares offered as consideration under the Scheme for Cobalt One shares subject to escrow, Cobalt One shares issued on exercise of Performance A Options and Performance B Options or the transfer/cancellation of Performance A Options and Performance B Options must not be sold, dealt in, assigned, transferred, disposed of or encumbered for 12 months from 9 February 2017 except as permitted by the deed;
- the holders will agree to exercise their Performance A Options and 50% of their Performance B Options on a cashless exercise or paid up basis to receive Cobalt One shares prior to the Scheme Record Date if an ASX waiver is granted to waive the conditions of exercise on the Performance A Options or Performance B Options or the conditions of exercise are met;
- the remaining 50% of the Performance B Options which have not been exercised will be cancelled for no consideration;
- if a waiver outlined above is not granted or the Performance A Options and Performance B Options cannot otherwise be exercised,
 - the option holder will deliver a transfer form and option certificates to Cobalt One; and
 - First Cobalt may elect whether the Performance A Options and Performance B Options will be transferred to First Cobalt or cancelled; and
- on the day following Cobalt One shareholder approval of the Scheme, all Cobalt One Options under the Ophiolite Binding Terms Sheet will be deemed and treated as having vested for the purposes of the Ophiolite Binding Terms Sheet and on that day Cobalt One requires the transfer of the remaining 20% in Ophiolite to Cobalt One.

The deeds for Mr James Thompson + Mrs Sonja Heath <T H Capital Super Fund A/C>, Cheiftain Securities Pty Ltd, YCAGAGF Investments Pty Ltd and RZJ Capital Management LLC do not contain clauses relating to the exercise of Performance A Options and Performance B Options as those holders only hold restricted Cobalt One Shares.

11.11 Option Cancellation and Transfer Deeds

It is contemplated that First Cobalt and Cobalt One will enter into an Option Cancellation and Transfer Deed with Ninety Three Pty Ltd as trustee for the One Mile Super Fund, Paul Matyssek and his related company, Bedrock Capital Corporation, in relation to their respective Cobalt One Options.

The material terms of these deeds are as follows:

- each option holder will agree to cancel or transfer to First Cobalt, at First Cobalt's election, all Cobalt One Options held by that holder after the Scheme Record Date;
- First Cobalt will provide each holder with the relevant consideration for the cancellation or transfer of their Cobalt One Options as set out in Section 3.9 of this Scheme Booklet;
- the holder must not sell, assign, transfer, dispose of or otherwise encumber any Cobalt One Options without First Cobalt's prior consent. However, the holder may exercise their Cobalt One Options to be issued Cobalt One Shares on or before the Scheme Record Date;
- the cancellation or transfer of Cobalt One Options not exercised before the Scheme Record Date such that Cobalt One Shares are issued on or before the Scheme Record Date, and the issue of consideration is conditional upon:
 - the Scheme becoming Effective;
 - all necessary ASX approvals to effect the cancellation or transfer being obtained; and
 - the holder not dealing with (e.g. transferring) their Cobalt One Options contrary to the deed; and
- if the conditions precedent to the cancellation or transfer of the Cobalt One Options are not satisfied or waived within 6 months of the deed, then certain parties may terminate the deed by notice in writing to the other parties.

These deeds otherwise contain various provisions (including warranties) that are considered standard for documents of this nature.

11.12 Option Exercise, Cancellation and Transfer Deeds

It is contemplated that First Cobalt and Cobalt One will enter into an Option Exercise, Cancellation and Transfer Deed with the following holders of Cobalt One Options – Jet Capital Pty Ltd as trustee for the Jet Capital Trust and as trustee for the Oscrow Family Trust and Tiziana Battista as trustee for the Morrison Trust.

The material terms of these deeds are as follows:

- subject to Cobalt One receiving shareholder approval for the Scheme, the holders will agree to exercise their Cobalt One Options on a cashless exercise or paid up basis to receive Cobalt One shares before the Scheme Record Date (refer Section 3.9 of this Scheme Booklet);
- if the holder elects to proceed on a cashless exercise basis, the number of Cobalt One Shares issued on exercise of the Cobalt One Options is reduced by the number of Cobalt One Shares whose value is equal to the total exercise price, where the “value” of the Cobalt One Shares is, at the holders’ election:
 - the ratio for determining “Scheme Consideration” under the Scheme, being 0.145; or
 - the closing price of Cobalt One Shares traded on ASX on the trading day prior to the date that those Cobalt One Options are exercised;
- to the extent that any Cobalt One Options cannot be, or are not, exercised, each holder agrees to cancel or transfer to First Cobalt, at First Cobalt’s election, all such Cobalt One Options held by that holder;
- First Cobalt will provide each holder of Cobalt One Options with the relevant consideration for the cancellation or transfer of their Cobalt One Options set out in Section 3.9 of this Scheme Booklet;
- if a holder is granted options by First Cobalt as part of the consideration under the deed, the holder will agree to exercise those options within 120 days of them being granted;
- the holder must not sell, assign, transfer, dispose of or otherwise encumber any Cobalt One Options without First Cobalt’s prior consent. However, the holder may exercise their Cobalt One Options to be issued Cobalt One Shares on or before the Scheme Record Date;
- the cancellation or transfer of Cobalt One Options not exercised before the Scheme Record Date such that Cobalt One Shares are issued on or before the Scheme Record Date, and the issue of consideration is conditional upon:
 - the Scheme becoming Effective;
 - all necessary ASX approvals to effect the cancellation or transfer being obtained; and
 - the holder not dealing with (e.g. transferring) their Cobalt One Options contrary to the deed; and
- if the conditions precedent to the cancellation or transfer of the Cobalt One Options are not satisfied or waived within 6 months of the deed, then certain parties may terminate the deed by notice in writing to the other party.

The deeds otherwise contain various provisions (including warranties) that are considered standard for documents of this nature.

11.13 Other payments and benefits to directors, secretaries or executive officers of Cobalt One

Other than as disclosed in Section 11.16, or elsewhere in this Scheme Booklet, no payment or other benefit is proposed to be made or given to a director, secretary or executive officer of Cobalt One as compensation for loss of, or as consideration for, or in connection with, their retirement from, office in Cobalt One as a result of the Scheme.

11.14 Arrangement Agreement for CobalTech Transaction

On 18 August 2017, First Cobalt entered into the Arrangement Agreement with CobalTech in respect of the CobalTech Transaction.

The material terms of the Arrangement Agreement are as follows:

- First Cobalt has agreed to purchase all of the outstanding securities of CobalTech, by way of court approved plan of arrangement, under Division 5, Part 9 of the BCBCA;
- in relation to the existing CobalTech securities:
 - each existing CobalTech shareholder (other than a CobalTech shareholder that has objected to the CobalTech Transaction in accordance with Section 238 of the BCBCA (**Dissenting Shareholder**) will receive 0.2632 First Cobalt Shares for every one CobalTech Share held by the existing CobalTech shareholder, with any fractional entitlement being rounded down to the nearest whole First Cobalt Share;
 - each Dissenting Shareholder will receive either fair value from CobalTech for their CobalTech Shares (if it is determined that the Dissenting Shareholder is entitled to be paid fair value for their CobalTech Shares), or 0.2632 First Cobalt Shares for every one CobalTech Share held by the existing CobalTech shareholder, with any fractional entitlement being rounded down to the nearest whole First Cobalt Share;
 - each holder of a share purchase warrant (which entitles the holder to acquire CobalTech Shares upon exercise of the warrant on the basis of one CobalTech Share for each warrant) will receive 0.2632 First Cobalt Shares, with any fractional entitlement being rounded down to the nearest whole First Cobalt Share; and
 - all options to acquire CobalTech Shares granted pursuant to CobalTech's Stock Option Plan which are outstanding and unexercised (whether vested or unvested) will be cancelled for no consideration;
- the CobalTech Transaction is subject to conditions precedent being satisfied or waived by the benefiting party, including:
 - (**interim order**) CobalTech receiving, from the Supreme Court of British Columbia, an interim order providing for, among other things, the calling and holding of a meeting of the CobalTech shareholders for the purpose of considering and, if thought fit, approving, the CobalTech Transaction, and such order not being set aside or modified in any manner unacceptable to CobalTech or First Cobalt;
 - (**shareholder approval**) CobalTech receiving shareholder approval to undertake the CobalTech Transaction;
 - (**regulatory approval**) CobalTech complying with the requirements of the TSX-V and receiving all necessary regulatory approvals;
 - (**final order**) CobalTech receiving, from the Supreme Court of British Columbia, a final order approving the CobalTech Transaction, and such order not being set aside or modified in any manner unacceptable to CobalTech or First Cobalt;
 - (**payment of share consideration**) First Cobalt having deposited into escrow sufficient certificates representing First Cobalt Shares to be issued pursuant to the CobalTech Transaction;
 - (**U.S. Securities Act exemption**) the First Cobalt Shares which will be issued pursuant to the CobalTech Transaction being exempt from registration under section 3(a)(10) of the U.S. Securities Act;
 - (**compliance with Arrangement Agreement**) First Cobalt and CobalTech having complied in all material respects with the terms and conditions of the Arrangement Agreement;
 - (**no change in law**) there being no laws enacted, enforced or applied which result in the CobalTech Transaction being unlawful, or directly or indirectly restrain or prohibit completion of the CobalTech Transaction;
 - (**no material adverse effect**) there being no event or circumstance which has or would be expected to have a material and adverse effect on CobalTech or its subsidiaries (including any changes in the price of cobalt, or a change in the market price of CobalTech Shares as a result of the announcement of the CobalTech Transaction);

- **(no more than 5% Dissenting Shareholders)** no more than 5% of the Cobalt Shareholders having objected to the CobalTech Transaction in accordance with section 238 of the BCBCA;
- **(working capital surplus)** the aggregate of the current assets of CobalTech, less CobalTech's current liabilities (as reflected in CobalTech's accounts) being a positive amount; and
- **(legal opinion)** First Cobalt having received an opinion from counsel to CobalTech, in a form satisfactory to First Cobalt, regarding title to CobalTech's properties and assets;
- each party gives warranties in favour of the other party, which are generally considered standard for this type of agreement, including warranties in relation to incorporation, required approvals, compliance with laws and regulations, capital structure, financial statements and undisclosed liabilities;
- CobalTech provides various covenants to First Cobalt in relation to the conduct of its business during the CobalTech Transaction, which are generally considered standard for this type of agreement;
- CobalTech agrees to cause, and cause any of its subsidiaries to cause, all directors and officers of CobalTech and its subsidiaries to provide resignations, or in the alternative, agrees to terminate these officers effective on completion of the CobalTech Transaction;
- CobalTech agrees not to solicit or accept alternative acquisition proposals, however, if CobalTech receives a superior proposal to the CobalTech Transaction prior to the approval of the CobalTech Transaction by the CobalTech shareholders, the board of CobalTech:
 - may modify, qualify or change the terms of CobalTech Transaction, if CobalTech has given written notice to First Cobalt of the superior acquisition proposal and five business days have elapsed from the date of the relevant notice;
 - must review in good faith any offer made by First Cobalt to amend the terms of the CobalTech Transaction, and if the offer from First Cobalt is such that the superior proposal ceases to be superior proposal, must accept First Cobalt's offer to amend the terms of the CobalTech Transaction; and
 - may accept the terms of the superior proposal if CobalTech has provided First Cobalt with the required notice of the superior proposal, terminates the Arrangement Agreement in accordance with its terms and pays a termination fee of C\$500,000 to First Cobalt; and
- the Arrangement Agreement may be terminated:
 - by mutual consent;
 - by either party if CobalTech does not receive shareholder approval to undertake the CobalTech Transaction, in which case CobalTech must pay the termination fee to First Cobalt, and reimburse First Cobalt for incurred expenses of up to C\$50,000;
 - by either party if a law results in the CobalTech Transaction or the Arrangement Agreement becoming unlawful;
 - by either party if the other party fails to fulfil any of its obligations or breaches of any of its representations or warranties under the Arrangement Agreement;
 - by First Cobalt if CobalTech fails to make a recommendation that CobalTech shareholders vote in favour of the CobalTech Transaction, refuses to reaffirm such recommendation when requested to do so by First Cobalt, accepts or recommends an alternative acquisition proposal other than as permitted by the agreement or a material adverse effect occurs in respect of CobalTech; and
 - by CobalTech if the board of CobalTech approves the entering into of a definitive agreement in relation to a superior proposal to the CobalTech Transaction, in which case CobalTech must pay the termination fee to First Cobalt.

The agreement otherwise contains terms and conditions that are standard for agreements of this

nature.

11.15 Keeley Option Agreement

On 10 April 2017, First Cobalt acquired all of the outstanding share capital of Cobalt Projects International Corp. (**Cobalt Projects**), a privately held Ontario-based mineral exploration company.

On 3 January 2017, Cobalt Projects entered into the mining option agreement with Canadian Silver Hunter Inc. (**Canadian Silver Hunter**) (**Keeley Option Agreement**), pursuant to which Cobalt Projects may acquire up to a 100% interest in various mining leases, patent claims and staked claims at the Keeley-Frontier project (**Keeley Property**). The Keeley Property is located in the southern portion of the historic Cobalt Camp and borders on First Cobalt's existing South Lorrain cobalt claim blocks.

The material terms of the Keeley Option Agreement are as follows:

- Cobalt Projects is granted the following exclusive options:
 - an option to acquire an undivided fifty percent (50%) interest in and to the Keeley Property (**First Option**);
 - an option to acquire an undivided one percent (1%) interest in and to the Keeley Property, in addition to the undivided fifty percent (50%) interest that may be acquired under the First Option (**Second Option**); and
 - an option to acquire an undivided forty-nine (49%) interest in and to the Keeley Property in addition to the undivided fifty-one percent (51%) interest that may be acquired under the First and Second Options (**Third Option**);
- Cobalt Projects may exercise:
 - the First Option by:
 - receiving TSX-V approval for the First Option prior to 24 January 2017 (**Relevant Date**) – this approval has been received;
 - making payments of C\$350,000 prior to the Relevant Date – this payment has been made;
 - making further payments of C\$300,000 within five Business Days of the Relevant Date, C\$300,000 on the first anniversary of the Relevant Date, and C\$200,000 on the second anniversary of the Relevant Date – this payment has been made; and
 - incurring expenditures of C\$1,750,000 on the Keeley Property by the third anniversary of the Relevant Date;
 - the Second Option, provided that Cobalt Projects has exercised the First Option, by:
 - receiving TSX-V approval for the Second Option;
 - making payment of an additional C\$200,000 within 60 days following the exercise of First Option; and
 - on or before the fourth anniversary of the Relevant Date, producing a report in compliance with the standards of NI 43-101 on the Keeley Property;
 - the Third Option, provided that Cobalt Projects has exercised the Second Option, by:
 - making payment of an additional C\$750,000 within 60 days following the exercise of Second Option; and
 - on or before the fifth anniversary of the Relevant Date, having incurred additional expenditures of C\$1,250,000;
- following the valid exercise of all three options, the parties will enter into a royalty agreement, pursuant to which Canadian Silver Hunter will receive a 2% net smelter return royalty on the gross value received by Cobalt Projects from the sale or other disposition of minerals naturally occurring in the Keeley Property, net of costs including treatment, marketing and transportation costs and net of sales taxes;

- Cobalt Projects may elect to accelerate the exercise of the options by making cash payments and incurring expenditures at a faster rate than specified above; the options will be effectively exercised when the applicable cash payments have been made and the relevant expenditures have been incurred by Cobalt Projects;
- if Cobalt Projects exercises the First Option and Second Option but does not elect to exercise the Third Option, the parties will associate as a joint venture as follows:
 - the purpose of the joint venture will be the development and mining of any commercially exploitable ore body on the Keeley Property;
 - the joint venture will initially be owned 50% or 51% (as the case may be) by Cobalt Projects, and 50% or 49% by Canadian Silver Hunter (as the case may be);
 - the deemed expenditure of Cobalt Projects in relation to the Joint Venture will be C\$850,000 (if Cobalt Projects has a 50% interest) or C\$1,050,000 (if Cobalt Projects has a 51% interest);
 - the deemed expenditure of Canadian Silver Hunter will be calculated by multiplying Cobalt Projects' percentage interest by Cobalt Projects' deemed expenditure, and dividing the result Cobalt Projects' percentage interest;
 - the initial operator of the joint venture will be Cobalt Projects, however if Cobalt Projects' interest falls below 50%, the party with the greatest interest will assume operatorship of the joint venture;
 - the operator of the joint venture will be entitled to a management fee, if a mine is brought into commercial production and operation, commensurate with accepted customary or usual industry practice;
 - both parties must contribute their proportionate share of expenditures and in the event that a party fails to pay such expenditures within 30 days, the defaulting party's interest in the joint venture will be diluted;
 - if a party's interest in the joint venture reaches 10% or less, the joint venture will terminate, 100% of the joint venture will vest in the continuing party, and the defaulting party will be entitled to a 2% net smelter return royalty on the gross value received from the sale or other disposition of minerals naturally occurring in the Keeley Property, net of costs including treatment, marketing and transportation costs and net of sales taxes; and
 - the parties may (but are not required to) enter into a formal joint venture agreement, however any joint venture agreement must preserve the principles of the joint venture as set out in the Keeley Option Agreement;
- Cobalt Projects will act as operator of the Keeley Property during the option period, and as operator, will be responsible in its sole discretion for carrying out and administering exploration, development and mining work on the Keeley Property, maintaining the Keeley Property in good standing, and performing any and all obligations required by law;
- Cobalt Projects agrees to indemnify Canadian Silver Hunter against and in respect of all losses incurred by Canadian Silver Hunter arising out of operations conducted on the Keeley Property by Cobalt Projects as operator or its agents;
- each party indemnifies the other party against and in respect of any losses actually incurred by the other party, in any way connected with:
 - any loss of life, injury or damage to persons or property, caused by an act or omission on the part of the indemnifying party or its agents, up to and including 24 January 2017, in connection with the indemnifying party's operations on the Property;
 - any clean up and remediation associated with the clean-up and remediation of hazardous substances released, disposed of or discharged by the Indemnifying Party or its agents in connection with the indemnifying party's operations on the Keeley Property; and
 - any breach or non-fulfilment of any representation, warranty, covenant or agreement on the part of the indemnifying party.

- the Keeley Option Agreement may be terminated:
 - by Cobalt Projects at any time upon 30 days written notice; and
 - by Canadian Silver Hunter as a result of Cobalt Projects failing to meet the payment or expenditure requirements to exercise an option, if within 90 days of receipt of a termination notice from Canadian Silver Hunter, Cobalt Projects fails to make the relevant payments or incur the relevant expenditures; and
- either party may transfer its interest in the Keeley Property to an associate or an affiliate of that party upon 15 days' prior written notice to the other party, provided that if such associate or affiliate ceases to be an associate or affiliate of the relevant party during the option period, the interest must be re-transferred back to the original transferor.

11.16 Option to terminate the Matysek Agreement

On 13 June 2017, Cobalt One entered into a management services agreement (Matysek Agreement) with Bedrock Capital Corporation (Bedrock), a company controlled by Mr Paul Matysek. This transaction was announced to ASX on 15 June 2017.

Under the terms of the Matysek Agreement, Bedrock agreed to provide Cobalt One with guidance and advice in relation to its operation, strategy, corporate development, communication with shareholders and capital markets, and any other mutually agreed services. These services were to be, and have been, performed by the designated representative of Bedrock, Mr Paul Matysek.

In return for these services provided by Bedrock, Cobalt One agreed to pay Bedrock C\$12,000 per month payable monthly on the last day of every month (**Base Fee**) and a signing bonus of C\$42,000 plus GST in recognition of the work progressing the Asset Purchase Agreement and Refinery Assets.

Pursuant to clause 6.1(e) of the Matysek Agreement, Bedrock or Cobalt One may elect to terminate the Matysek Agreement at any time within 60 days following a material diminution in Mr Paul Matysek's status as a key executive of Cobalt One due to:

- a material diminution in his authority, duties or responsibility in respect of the business of mineral resources exploration and production or any other business undertaken by Cobalt One; or
- a material reduction in the Base Fees,

(in either case, a **Material Diminution**).

Pursuant to clause 7.1(d) of the Matysek Agreement, if the Matysek Agreement is terminated, or deemed to be terminated, in accordance with clause 6.1(e), Cobalt One's obligation to compensate Bedrock shall, in all respects, cease, except that within 30 days after the date of termination, Cobalt One must pay to Bedrock:

- the accrued Base Fee and reimbursable expenses incurred under clause 5 of the Matysek Agreement as at the date of termination;
- a termination fee equal to 24 months Base Fee; and
- an amount that is equivalent to all cash bonuses owed by Cobalt One to Bedrock in the 24 months prior to the Material Diminution,

subject to the approval of Cobalt One Shareholders (if required) with the exception of the Signing Bonus.

If the Scheme is implemented, there will be a Material Diminution in Mr Paul Matysek's status as a key executive of Cobalt One. Accordingly, if the Scheme is Effective, and Cobalt One elects to terminate the Matysek Agreement, Cobalt One will be obliged to pay to Bedrock:

- any accrued Base Fee, and reimbursable expenses incurred under clause 5 of the Matysek Agreement, as at the date of termination; and
- a termination fee of C\$288,000, being a termination fee equal to 24 month times the Base Fee payable.

11.17 Restricted Securities

A condition precedent to the Scheme being implemented is that each holder of Restricted Securities enters into a deed (in a form acceptable to First Cobalt and Cobalt One, acting reasonably), under which the Restricted Securities holder agrees, during the Escrow Period, not to Deal with the New First Cobalt Shares or New First Cobalt CDIs received as Scheme Consideration or under the agreements contemplated by clause 3.1(k) of the Scheme Implementation Deed for the Restricted Securities without the prior written consent of Bidder.

First Cobalt has agreed not to unreasonably withhold their consent to the terms of the deed to be entered into in respect of the Restricted Securities and to the Dealing with the New First Cobalt Shares and New First Cobalt CDIs.

Restricted Securities are the performance and facilitation shares and options set out in Attachment E to the Scheme Implementation Deed and reproduced in the table below.

Securities	Total number on issue	Location of holders	Date Escrow Period ends
Performance shares issued pursuant to Ophiolite Binding Terms Sheet	115,000,000	Various holders in Australia, NZ and Canada	9 February 2018
Ordinary shares to be issued as consideration for refinery acquisition	50,000,000	Gibraltar	24 months from date of issue
Ordinary shares to be issued as consideration for refinery acquisition	50,000,000	Gibraltar	12 months from date of issue
Performance A Options	25,000,000	Various holders in Australia, NZ and Canada	9 February 2018
Performance B Options	25,000,000	Various holders in Australia, NZ and Canada	9 February 2018

It is contemplated that First Cobalt and Cobalt One will enter into a Voluntary Escrow Agreement with a number of Restricted Securities holders. The details of the Restricted Securities holders and the terms of the agreements are outlined in Section 11.10.

11.18 Interests of certain persons in the matters to be considered at the Scheme Meeting and in material transactions

Except as otherwise disclosed in this Scheme Booklet, no Cobalt One Director or Cobalt One executive officer, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at the Scheme Meeting, except for any interest arising from the direct or indirect ownership of Cobalt One Shares or Cobalt One Options held by such Cobalt One Directors, Cobalt One executive officers, associates or affiliates.

11.19 Ophiolite Binding Terms Sheet dated 25 November 2016

On 28 November 2016, Cobalt One announced that it had signed a binding terms sheet to acquire up to 100% of Ophiolite (**Ophiolite Binding Terms Sheet**). Pursuant to the Ophiolite Binding Terms Sheet, Cobalt One agreed to purchase an initial 80% interest in Ophiolite with an option to acquire the remaining 20% interest.

(a) Call option for remaining 20% of Ophiolite

Under clause 3 of the Ophiolite Binding Terms Sheet, Sonja Louise Newman Heath, the sole shareholder of Ophiolite, granted Cobalt One a call option to acquire the remaining 20% of the issued share capital of Ophiolite.

In consideration for the grant of the call option, Cobalt One issued to the vendor (or the vendor's nominees) and the facilitators 25,000,000 Performance A Options and 25,000,000 Performance B Options. Cobalt One has the option (but not obligation) to require the transfer of the remaining 20%

of shares in Ophiolite on vesting of both the Performance A Options and Performance B Options. The transfer will be for no additional consideration. If only one tranche of the performance options vest, Cobalt One has the option (but not obligation) to require the transfer of a 10% interest in Ophiolite, and to enter into good faith discussions to acquire the remaining 10% of issued Ophiolite shares at a price to be agreed. If no tranches vest, then the parties agree to enter into good faith discussions regarding the acquisition of the remaining 20% of issued Ophiolite shares.

The Performance A Options vested on Cobalt One being provided by the vendor with a report on certain claims held by Ophiolite in Larder Lake District, Ontario (**Ophiolite Claims**) that was equivalent to, and compliant as, a NI 43-101 report on the Ophiolite Claims. The Performance B Options will vest on Cobalt One being provided by the vendor with a report in respect of the Ophiolite Claims confirming a JORC and/or NI 43-101 compliant resource on the Ophiolite Claims or on any subsequent complementary mining assets acquired by Cobalt One as introduced by the vendor or the Manager. As at the date of this Scheme Booklet, the vesting condition of the Performance B has not been satisfied and, consequently, Cobalt One cannot exercise the call option to acquire the remaining 20% of Ophiolite.

On 5 October 2017, ASX granted Cobalt One a conditional waiver of ASX Listing Rule 6.23.3 to:

- accelerate the vesting condition of 50% of each holders' Performance B Options so as to allow the holders to exercise 50% of their Performance B Options prior to the Scheme Record Date and participate in the Scheme on the same terms as other Scheme Shareholders (the remaining 50% of Performance B Options will be cancelled for no consideration); or, otherwise
- accelerate the vesting condition of all Performance B Options so as to allow the holders to transfer all of their Performance B Options to First Cobalt in accordance with clause 4.6 of the Scheme Implementation Deed and receive the consideration outlined in Section 3.9(c) of this Scheme Booklet.

If the Scheme become Effective, Cobalt One may accelerate the vesting condition of the Performance B Options. If the vesting condition of the Performance B Options is accelerated, both tranches of Cobalt One Shares issued in connection with the grant of the call option under the Ophiolite Binding Terms Sheet will have vested and Cobalt One will have the option (but not obligation) to require the transfer of the remaining 20% of shares in Ophiolite.

It is contemplated that the holders of Cobalt One Options and Cobalt One Shares, issued under the Ophiolite Binding Terms Sheet, agree under the Voluntary Escrow Agreements that on the day following Cobalt One shareholder approval of the Scheme, all Cobalt One Options under the Ophiolite Binding Terms Sheet will be deemed and treated as having vested for the purposes of clause 3(d) of the Ophiolite Binding Terms Sheet and on that day Cobalt One requires the transfer of the remaining 20% in Ophiolite to Cobalt One under clause 3(d) of the Ophiolite Binding Terms Sheet.

Refer to Section 11.26(b) for more information regarding the ASX waivers sought in connection with the Scheme.

(b) **Change of control provision in Ophiolite Binding Terms Sheet**

As consideration for the initial 80% shareholding of Ophiolite, Cobalt One agreed to (among other things) issue to:

- Sonja Louise Newman Heath (or her nominees) 75,000,000 Cobalt One Shares (**Vendor Consideration Shares**);
- third parties nominated by the Sonja Louise Newman Heath (being Vonross Nominees Pty Ltd or its nominees and an entity nominated by Brett Mitchell) 25,000,000 performance shares on the terms and conditions specified in Annexure 6 of the Ophiolite Binding Terms Sheet on completion as a facilitation fee (**Facilitation Performance Shares**); and
- Sonja Louise Newman Heath (or her nominees) 25,000,000 performance shares on the terms and conditions specified in Annexure 6 of the Ophiolite Binding Terms Sheet on completion (**Vendor Performance Shares**).

Performance shares issued pursuant to the Ophiolite Binding Terms Sheet are subject to certain contractual restrictions, including restrictions on the transferability of the shares. The contractual restrictions will remain in place unless and until the relevant performance hurdle is achieved:

- in respect of the Vendor Performance Shares – a new transaction being completed by Cobalt One and Sonja Louise Newman Heath, or a third party introduced by Sonja Louise Newman Heath or James Thompson (the Manager), in respect of a new project; and
- in respect of the Facilitation Performance Shares – Vonross Nominees Pty or any other entity nominated by Brett Mitchell continuing to provide corporate services to the Ophiolite, Cobalt One, or services in respect of the assets, up to 31 December 2017.

The Ophiolite Binding Terms Sheet provides, if prior to the expiry date (being, in respect of the Vendor Performance Shares, on or before the date that is three years after issue, and, in respect of the Facilitation Performance Shares, 31 December 2017) a "change of control event" occurs and, as at the date of the change of control event, the satisfaction of performance shares will result in the conversion of less than or equal to 10% of the total number of Cobalt One Shares on issue, each nominated performance hurdle will be automatically lifted.

The Scheme constitutes a change of control event prior the expiry date. As at the date of this Scheme, Cobalt One has a total of 682,026,602 Cobalt One Shares on issue. The maximum number of performance shares converted to Cobalt One is 50,000,000, representing 7.27% of the total number of Cobalt One Shares on issue. Accordingly, if the Scheme is Effective, it will result in the automatic lifting of the performance hurdles prior to the:

- the satisfaction of the relevant milestone; or
- 5:00pm on the expiry date.

This will allow the holders to transfer their performance shares to First Cobalt and participate in the Scheme on the same terms as other Scheme Shareholders.

11.20 Waiver of any restrictions on transfer of Cobalt One Shares

On 22 September 2017, the Cobalt One Directors resolved to waive any restriction preventing the transfer of any Cobalt One ordinary shares from the Scheme Record Date so as to allow the shareholders to transfer their Cobalt One Shares to First Cobalt, and participate in the Scheme on the same terms as other Scheme Shareholders, subject to any required shareholder approval under the ASX Listing Rules and *Corporations Act 2001* (Cth) or any ASX waiver. Refer to Section 11.10 in for further information.

11.21 Top 20 Cobalt One Shareholders

As at the date two days before the date of this Scheme Booklet, the top 20 Cobalt One Shareholders in the Cobalt One Register held approximately 63.45% of all issued Cobalt One Shares, as indicated in the following table.

Name	Number of Cobalt One Shares	Percentage of issued Cobalt One Shares
Marcor Ltd	100,000,000	14.66%
JP Morgan Nominees Australia Limited	60,441,470	8.88%
Citicorp Nominees Pty Limited	36,378,396	5.4%
RZJ Capital Management LLC	35,000,000	5.13%
Tazga Two Pty Ltd <Tazga Two A/C>	31,585,726	4.63%
UBS Nominees Pty Ltd	24,293,237	3.64%
Sonja Louise Newman Heath	28,000,000	3.23%

Vonross Nominees Pty Ltd <Vonross Family A/C>	15,596,000	2.29%
Vonross Nominees Pty Ltd <Vonross Family A/C>	11,525,000	1.69%
Clipper Group Limited	11,240,000	1.65%
Onswitch Investments Pty Ltd <Foxfirst A/C>	10,000,000	1.47%
Merriwee Pty Ltd <Merriwee Super Fund A/C>	10,000,000	1.47%
Joke Pty Ltd <AC Kenny Family A/C>	9,000,000	1.32%
Helmet Nominees Pty Ltd <Tim Weir Family Fund A/C>	9,000,000	1.32%
Raven Hill Investments Pty Ltd <House of Equity A/C>	8,000,000	1.17%
HSBC Custody Nominees (Australia) Limited	7,191,716	1.05%
Vonross Nominees Pty Ltd <Vonross Family A/C>	7,000,000	1.03%
Australian Executor Trustees Limited <No 1 Account>	6,751,545	0.99%
Mr Brett Mitchell & Mrs Michelle Mitchell <Mitchell Spring Family A/C>	6,750,000	0.99%
Golden Oaks Nominees Pty Ltd <K W Lee Family A/C>	6,500,000	0.95%

11.22 Cobalt One's substantial holders

The substantial holders of Cobalt One Shares as at the date immediately before the date of this Scheme Booklet are as follows:

Name	Person's votes	Voting power
RZJ Capital Management LLC	70,000,000	12.9% ¹
Canaccord Financial Group (Australia) Pty Ltd and its associates	60,000,000	11.9% ¹
Ross Francis Stanley	26,875,666	10.75% ¹
Tribeca Investment Partners Pty Ltd as investment manager managing equities on behalf of individually managed clients	54,202,474	8.01% ¹
Terry Stanley	8,650,000	6.81% ¹
Terra Capital Natural Resources Fund Pty Ltd	33,222,558	6.60% ¹
Kenneth Alfred Ross III	5,788,929	5.24% ¹

Australian Heritage Group Pty Ltd	6,510,628	5.12% ¹

Note:

1. The voting power of the substantial holder is as disclosed in the substantial holder's notice released on ASX. Cobalt One has not updated the voting power for any subsequent change to the issued share capital of Cobalt One.

Cobalt One has relied on substantial holder notices provided to it up to the date of this Scheme Booklet, which are available on the ASX website, to compile the above table. Information in regard to substantial holdings arising, changing or ceasing after this time or in respect of which the relevant announcement is not available on the ASX website is not included above.

11.23 Suspension of trading of Cobalt One Shares

If the Court approves the Scheme, Cobalt One will immediately notify ASX. It is expected that suspension of trading on ASX in Cobalt One Shares will occur at the close of trading on the Effective Date.

11.24 Warranty by Scheme Shareholders about their Cobalt One Shares

The effect of clause 8.2(b) of the Scheme is that all Scheme Shareholders, including those who vote against the Scheme and those who do not vote, will be deemed to have warranted to First Cobalt and Cobalt One on the Scheme Implementation Date (and appointed Cobalt One as its attorney and agent to warrant to First Cobalt on the Scheme Implementation Date) that their Cobalt One Shares are fully paid, not subject to any of the encumbrances specified in that clause and that they have full power and capacity to transfer their Scheme Shares to Cobalt One together with any rights attaching to those shares.

Clause 8.2(b) of the Scheme is set out in Attachment F to this Scheme Booklet.

11.25 Status of regulatory conditions

The regulatory approvals that are Conditions are set out in Section 1.3. As at the date of this Scheme Booklet, the following regulatory approvals that are Conditions are outstanding:

- **(Court approval)** The Court approving the Scheme in accordance with section 411(4)(b) of the Corporations Act;
- **(Cobalt One Shareholder approval)** Cobalt One Shareholders (other than Excluded Shareholders) agreeing to the Scheme at the Scheme Meeting by the Requisite Majorities under section 411(4)(a) of the Corporations Act.
- **(First Cobalt Shareholder approval)** First Cobalt Shareholders approving any changes to the First Cobalt Constituent Documents required by ASX for the admission of First Cobalt to the official list of ASX, and to the extent required by the TSX-V, the Transaction.
- **(TSX-V quotation)** The New First Cobalt Shares to be issued pursuant to the Scheme having been conditionally approved for listing on TSX-V before 8:00am on the Second Court Date.
- **(ASX quotation)** The New First Cobalt CDIs to be issued pursuant to the Scheme, having been approved for official quotation on ASX before 8:00am on the Second Court Date, subject only to any conditions which ASX may reasonably require and to the Scheme becoming Effective and such approval remaining in full force and effect in all respects and not becoming subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

11.26 ASX waivers and ASIC relief

(a) ASIC relief

In connection with the Scheme, Cobalt One has been granted an extension of time by which it must hold its 2017 annual general meeting, pursuant to section 250P of the Corporations Act. The relief permits Cobalt One to hold its 2017 annual general meeting no later than 31 January 2018. Without

the relief, Cobalt One would have been required to hold its 2017 annual general meeting no later than 30 November 2017.

The Cobalt One Directors considered it was in the interests of Cobalt One Shareholders, and Cobalt One itself, for the 2017 annual general meeting to be delayed until after the outcome of the Scheme is known. If the Scheme is implemented, Cobalt One will become a wholly-owned subsidiary of First Cobalt on or around 8 December 2017. As the sole member of Cobalt One, First Cobalt would not be required to hold an annual general meeting under section 250N(4) of the Corporations Act.

(b) ASX waivers and confirmations

On 25 September 2017, ASX advised First Cobalt that, upon receipt of an application from First Cobalt for admission to the official list of ASX, ASX would be likely to grant the waivers and provide the confirmations set out in the table below:

ASX Listing Rule	Confirmation / waiver
1.1 (Condition 2)	A waiver to the extent necessary to allow First Cobalt's Articles of Incorporation not to comply with the ASX Listing Rules where there is any inconsistency with the rules of the TSX-V or Canadian corporate law, on the condition that First Cobalt provides ASX with an undertaking (which must be executed in the form of a deed) not to do any of the following without first obtaining shareholder approval: • issue any non-voting shares or preference shares; • charge fees for the registration or transfer of its New First Cobalt CDIs quoted on ASX; or • increase the aggregate fees payable to non-executive directors.
1.1 (Condition 3)	ASX confirmation that ASX will permit First Cobalt to issue an information memorandum instead of a prospectus (Information Memorandum).
1.1 (Condition 6)	A waiver to the extent necessary for First Cobalt to be permitted to apply for quotation of only those New First Cobalt CDIs issued over its shares to be traded in the Australian market, subject to the following conditions: • First Cobalt applies for quotation of new fully paid common shares issued into the Australian market on a monthly basis, and First Cobalt provides to the market in a form acceptable to ASX a monthly update of the net changes in the number of its common shares over which CDIs are issued; and • First Cobalt releases details of this waiver as pre-quotation disclosure.
1.1 (Condition 10)	ASX confirmation that ASX will not impose any escrow restrictions on any of: • the New First Cobalt CDIs to be issued under the Scheme; • the securities to be issued as consideration under the CobalTech Transaction; or • the existing securities in First Cobalt.
1.1 (Condition 11)	ASX confirmation that ASX will not impose any escrow restrictions on any of: • the New First Cobalt CDIs to be issued under the Scheme; or • the securities to be issued as consideration under the CobalTech Transaction.
1.1 (Condition 12) 1.7 (Item 26 of the ASX Information Form and	A waiver to the extent necessary for First Cobalt to be admitted to the official list of ASX having warrants on issue with an exercise price of less than A\$0.20.

Checklist (Listing Checklist)	
1.3.5(c) 1.7 (Item 61 of the Listing Checklist)	ASX confirmation that First Cobalt is not required to provide a reviewed pro forma statement of financial position (and the review) on the basis that the relevant information will be included in the pro forma financial information to be included in the Scheme Booklet.
1.4.1	A waiver to the extent necessary to permit First Cobalt not to include a statement in the Information Memorandum that it contains all information that would be required if it were a prospectus on the condition that: • the information memorandum incorporates the Scheme Booklet; and • First Cobalt releases all of the documents incorporated by reference into the Scheme Booklet to the market as pre-quotation disclosure.
1.4.3	ASX confirmation that First Cobalt may comply with the requirements of ASX Listing Rule 1.4.3 by having the Information Memorandum signed by a director, company secretary or local agent under section 351 of the Corporations Act, on the condition that every director and proposed director has consented to the Information Memorandum being signed on their behalf.
1.4.7 (bullet point 4)	A waiver the extent necessary to permit First Cobalt to include in the Information Memorandum a statement that it has not raised any capital in Australia for the 3 months before the date of issue of the Information Memorandum and will not need to raise any capital in Australia for the 3 months after the date of issue of the Information Memorandum, on the condition that any fundraising document released by First Cobalt in the 3 months before the date of the Information Memorandum is released to ASX as pre-quotation disclosure.
1.7 (Item 22 of the Listing Checklist)	ASX confirmation that First Cobalt is not required to provide the details of all securities issued and the consideration for the same in the last five years.
1.7 (Item 23 of the Listing Checklist)	ASX confirmation that First Cobalt is not required to provide a copy of each prospectus, information memorandum or other disclosure document issued in the last five years.
1.7 (Item 25 of the Listing Checklist)	ASX confirmation that First Cobalt is not required to include in the Information Memorandum a statement confirming the issue price of all securities for which it seeks quotation on ASX is at least A\$0.20.
1.7 (Item 66 of the Listing Checklist)	A waiver to the extent necessary such that First Cobalt is not required to disclose the key terms on which “classified assets” have been acquired by it, by Cobalt One or by CobalTech in the 2 years prior to First Cobalt’s admission to the official list of ASX.
1.7 (Item 67 of the Listing Checklist)	ASX confirmation that First Cobalt is not required to comply with the requirements of this ASX Listing Rule (i.e. complete an Annexure I to the Listing Checklist) by making reference to the relevant sections of the Information Memorandum and Scheme Booklet.
2.4	A waiver to the extent necessary to permit First Cobalt to initially apply for quotation of only those New First Cobalt CDIs to be issued to Cobalt One security holders and to be traded in the Australian market on the condition that: • First Cobalt applies for quotation of fully paid common shares and warrants

	issued into the Australian market on a monthly basis, and First Cobalt provides monthly updates on the net changes in the number of New First Cobalt CDIs issued over its common shares and warrants; and • First Cobalt releases details of this waiver as pre-quotation disclosure.
2.8	A waiver to the extent necessary such that First Cobalt is not required to apply for quotation of New First Cobalt CDIs issued as a result of holders of common shares converting their shares to CDIs within 10 business days on the condition that: • First Cobalt applies for quotation of common shares or warrants transferred to the Australian subregister on a monthly basis, and First Cobalt provides monthly updates on the net changes in the number of New First Cobalt CDIs issued over its common shares and warrants; and • First Cobalt releases details of this waiver as part of its pre-quotation disclosure.
4.2A.2	A waiver to the extent necessary to permit it to give ASX a copy of its half year financial statements and interim management discussions & analyses (MD&A) (not audited and not reviewed) which are lodged with the Canadian securities regulatory authorities, in lieu of the information required by ASX under Listing Rule 4.2A on condition that: • First Cobalt lodges these reports with ASX at the same time as they are lodged with the Canadian securities regulatory authorities; and • at the same time First Cobalt lodges these reports with ASX, it must also provide a cover sheet under the heading “Results for Announcement to the Market” which contains the information required by paragraph 2 of Appendix 4D.
4.2B	In conjunction with the waiver sought in relation to Listing Rule 4.2A, a waiver to the extent necessary to permit First Cobalt to give ASX copies of its interim financial statements and MD&As (not audited and not reviewed) in accordance with the timeframes specified under Canadian securities laws.
4.7.3	In conjunction with the waiver sought for Listing Rule 1.1 (condition 16), a waiver to the extent necessary to permit First Cobalt not to lodge an Appendix 4G.
5.3	A waiver to the extent necessary to permit First Cobalt to: • give ASX a copy of its interim and annual financial statements and MD&As for each quarter in lieu of the information set out in Appendix 5B to the ASX Listing Rules; • lodge its report for the first, second and third quarters in accordance with the timetable for filing its interim financial statements and MD&As in Canada (which can be up to 45 days after the end of the quarter); and • lodge its report for the 4th quarter in accordance with the timetable for filing its annual financial statements and annual MD&A in Canada (which can be up to 90 days after the end of the quarter), on condition that First Cobalt lodges these documents with ASX at the same time as they are lodged with the Canadian securities regulatory authorities.
5.45	ASX confirmation that First Cobalt is permitted to be admitted to the official list of ASX whilst it or CobalTech is party to exploration joint venture agreements which do not contain provisions which require the operator of the venture to provide such information as is required to comply with the ASX Listing Rules and that such information may be released to the market if required.

6.10.3	A waiver to the extent necessary to permit First Cobalt to set the “specified time” for determining shareholder entitlements to vote at a shareholder meeting in accordance with the rules of the TSX-V and Canadian securities laws.
6.16, 6.19, 6.21, 6.22, 6.23.3 and 6.23.4	A waiver of these ASX Listing Rules necessary to permit First Cobalt to: • have in place the First Cobalt Option Plans that do not comply with Listing Rules 6.16, 6.19, 6.21, 6.22, 6.23.3 and 6.23.4; and • have the options on issue and shares issued pursuant to options issued under the First Cobalt Option Plans that do not specifically comply with ASX Listing Rules 6.16, 6.19, 6.21, 6.22, 6.23.3 and 6.23.4. These waivers have been granted on the condition that: • the full terms of the First Cobalt Option Plans are released to the market as pre-quotation disclosure; • First Cobalt undertakes to obtain ASX approval for the implementation of any future employee or director option plans; and • First Cobalt undertakes not to issue any further options under the First Cobalt Option Plans.
10.18	A waiver to the extent necessary to permit First Cobalt to pay, on a change of control, termination benefits to existing officers or employees pursuant to the terms of their existing employment or other contracts with First Cobalt.
14.2.1	A waiver to the extent necessary that First Cobalt be permitted not to include a provision for security holders (including First Cobalt CDI holders) to vote against resolutions, for the appointment of directors or the appointment of auditors, in accordance with Canadian securities law, on the condition that: • First Cobalt complies with the relevant Canadian laws as to the content of proxy forms applicable to resolutions for the election of directors and the appointment of an auditor; • the notice given by First Cobalt to CDI holders under the ASX Settlement Operating Rule 13.8.9 makes it clear that holders are only able to vote for the resolutions or abstain from voting, and the reasons why this is the case; • First Cobalt releases details of these waivers to the market as pre-quotation disclosure and the terms of this waiver are set out in the management proxy circular provided to all holders of CDIs; and • this waiver only applies for so long as the relevant Canadian laws prevent First Cobalt from permitting shareholders to vote against a resolution to elect a director or appoint an auditor.
14.3	A waiver to the extent necessary to permit First Cobalt to comply with the requirements of Canadian securities laws and the rules of the TSX-V for nominations of directors in lieu of Listing Rule 14.3, on condition that: • First Cobalt releases the terms of this waiver to the market as pre-quotation disclosure; and • the terms of this waiver are set out in the management proxy circular provided to all holders of CDIs.
15.7	A waiver to the extent necessary to permit First Cobalt to provide market announcements to TSX-V and ASX at the same time.
15.12	A waiver to the extent necessary that the First Cobalt Articles of Incorporation be permitted not to include a provision regarding the disposal of restricted

	securities, on the condition that First Cobalt undertakes not to acquire a classified asset in circumstances where ASX would require the issue of restricted securities.

On 5 October 2017, ASX granted Cobalt One a waiver to do each of the following:

ASX Listing Rule	Waiver
6.23.3	A waiver of ASX Listing Rule 6.23.3 to allow Cobalt One to waive the vesting condition¹ of either: 50% of each holders' Performance B Options so as to allow each holder to exercise 50% of their Performance B Options prior to the Scheme Record Date and participate in the Scheme on the same terms as other Scheme Shareholders (the remaining 50% of each holders' Performance B Options will be cancelled for no consideration); or, otherwise - all of each holders' Performance B Options so as to allow each holder to transfer all of their Performance B Options to First Cobalt in accordance with clause 4.6 of the Scheme Implementation Deed. The waiver of ASX Listing Rule 6.23.3 is conditional on: - the Scheme becoming Effective (ie approved by the Requisite Majorities of Cobalt One Shareholders and the Court, and lodgement of the Court's orders with ASIC); and - full details of the proposed treatment of all Cobalt One Options being set out in the Scheme Booklet to ASX's satisfaction. It is contemplated under the terms of the Voluntary Escrow and Option Exercise Agreements that are being negotiated between Cobalt One, First Cobalt and each holder of Performance B Options that, if a holder elects to exercise 50% of their Performance B Options all Cobalt One Shares received on exercise, and all Scheme Consideration received under the Scheme, will be subject to resale restrictions on substantially the same terms as those imposed on issue of the Performance B Options. Alternatively, if a holder elects to transfer their Performance B Options, all Scheme Consideration received as consideration under clause 4.6 of the Scheme Implementation Deed will be subject to resale restrictions on substantially the same terms as those imposed on issue of the Performance B Options. Please refer to Section 11.19 in regards to the implications of waiving the vesting conditions of the Performance B Options under the Ophiolite Binding Terms Sheet. Under the terms of the Scheme Implementation Deed, First Cobalt and Cobalt One agreed, on arms-length terms, that Jason Bontempo, Nicholas Rowley and Alex Passmore would undertake to exercise all of their Cobalt One Options, including any Director Performance Options, prior to the Scheme Record Date so as to receive Scheme Shares, subject to receipt of any required shareholder approval. To give effect to the parties agreement, Cobalt One sought a waiver of ASX Listing Rule 6.23.3 to allow Cobalt One to waive the vesting condition² of the Director Performance Options. If the Scheme is Effective, the waiver allows Jason Bontempo, Nicholas Rowley and Paul Matysek to participate in the Scheme on the same terms as other Scheme Shareholders and receive

	Scheme Consideration which is substantially the same as the consideration that they would have been entitled to receive on transfer or cancellation of their Director Performance Options in accordance with clause 4.6 of the Scheme Implementation Deed. The waiver of ASX Listing Rule 6.23.3 is conditional on: - the Scheme becoming Effective (ie approved by the Requisite Majorities of Cobalt One Shareholders and the Court, and lodgement of the Court's orders with ASIC); and - full details of the proposed treatment of all Cobalt One Options being set out in the Scheme Booklet to ASX's satisfaction.
6.23.4	A conditional waiver of ASX Listing Rule 6.23.4 has been granted by ASX to permit Cobalt One to amend the terms of the Class A Options, Class D Options, Performance A Options, Director Performance Options and Performance B Options to introduce a cashless exercise mechanism, without shareholder approval. Under the mechanism, the number of Cobalt One Shares issued by Cobalt One on exercise of the Cobalt One Options is reduced by the number of Cobalt One Shares whose value is equal to the total exercise price, where the "value" of the Cobalt One Shares is determined by, at the holder's election: - the value of the Cobalt One Shares under the Scheme (ie 0.145 New First Cobalt Shares or CDIs for each Cobalt One Share); or, alternatively - the market price of Cobalt One Shares on ASX at the close of trading on the day prior to the date the holder makes an election to exercise, (Cashless Exercise Mechanism). The Cashless Exercise Mechanism allows the holders to off-set the exercise price and receive Cobalt One Shares and, accordingly, Scheme Shares and Scheme Consideration. The Cashless Exercise Mechanism is comparable, and produces a commercially consistent outcome, to the formula set out in Attachment D of the Scheme Implementation Deed for determining the number of New First Cobalt Shares or New First Cobalt CDIs received on transfer or cancellation of the Cobalt One Options. The waiver of ASX Listing Rule 6.23.4 is conditional on: - the Scheme becoming Effective (ie approved by the Requisite Majorities of Cobalt One Shareholders and the Court, and lodgement of the Court's orders with ASIC); and - full details of the proposed treatment of all Cobalt One Options being set out in the Scheme Booklet to ASX's satisfaction.

Notes:

1. *The Performance B Options vest on Cobalt One releasing a report in respect of the Ophiolite Claims confirming a JORC and/or NI 43-101 compliant resource on certain claims held by Ophiolite in Ontario, or on any subsequent complementary mining asset being acquired by Cobalt One which was introduced by the vendor or the manager of Ophiolite.*
2. *The Director Performance Options are only exercisable if Cobalt One's share price on ASX is at \$0.20 or more for 10 consecutive trading days.*

In addition to the conditional ASX waivers granted above, Cobalt One has sought a waiver of Listing Rule 6.23.2 to cancel any Cobalt One Options which are not exercised before the Scheme Record Date for the consideration set out in Attachment D of the Scheme Implementation Deed (refer to 3.9(c) of this Scheme Booklet).

11.27 Consents

The following parties have given, and have not withdrawn before the date of this Scheme Booklet, their consent to be named in this Scheme Booklet in the form and context in which they are named:

- Canaccord Genuity Group Inc. as financial advisors to First Cobalt.
- Advanced Share Registry as the manager of the Cobalt One Registry.
- AST Trust Company as the Canadian share registry for First Cobalt.
- Link Market Services Limited as the Australian share registry for First Cobalt.
- Gilbert + Tobin as Australian legal advisor to Cobalt One in relation to the Scheme. Gilbert + Tobin also consents to the inclusion of Section 9.1 relating to the Australian tax consequences on the Scheme for Scheme Shareholders.
- Jackson McDonald as Australian legal advisors to First Cobalt in relation to the Scheme.
- Fasken Martineau DuMoulin LLP as Canadian legal advisor to Cobalt One in relation to the Scheme.
- Cassel Brock & Blackwell LLP as Canadian legal advisors to First Cobalt in relation to the Scheme. Cassel Brock & Blackwell LLP also consents to the inclusion of Section 9.2 relating to the Canadian tax consequences of the Scheme for Scheme Shareholders.
- Kevin Griener (Professional Corporation), as Canadian legal advisors to First Cobalt in relation to the First Cobalt Title Opinion. Kevin Griener also consents to the inclusion of the First Cobalt Title Opinion.
- BDO Audit (WA) Pty Ltd as Cobalt One's auditors. BDO Audit (WA) Pty Ltd also consents to the inclusion of the financial information extracted from the audited annual financial statements of Cobalt One for the financial years ended 30 June 2017, 30 June 2016 and 30 June 2015, respectively, as set out in Section 5.3(b) to Section 5.3(d) of the Scheme Booklet.
- MNP LLP as First Cobalt's auditors. MNP LLP also consents to the inclusion in Sections 6.5 and 7.4 of First Cobalt's audited financial statements for the financial years ended 31 March 2015, 31 March 2016 and 31 March 2017, as well as reviewed financial statements for the three months ended 30 June 2017.
- Ernst & Young Transaction Advisory Services Limited as the Independent Expert. Ernst & Young also consents to the inclusion of the Independent Expert Report as set out in Annexure A of the Scheme Booklet, any other statements made by, or based on statements by Ernst & Young, in the Scheme Booklet in the form and context in which they are included, and all references to the Independent Expert Report in the form and context in which such references are included.
- CSA Global Canada Geosciences Ltd has given and not with withdrawn its consent to the inclusion of the First Cobalt Technical Report and the Cobalt One Technical Report in this Scheme Booklet and to the references to each of those reports in this Scheme Booklet being made in the form and context in which each such reference is included.
- JMK Exploration Consulting & Clark Exploration Consulting Inc. has given and not with withdrawn its consent to the inclusion of the CobalTech Technical Report in this Scheme Booklet and to the references to the CobalTech Technical Report in this Scheme Booklet being made in the form and context in which each such reference is included.
- First Cobalt has given and has not withdrawn its consent to be named in this Scheme Booklet and to the inclusion of the First Cobalt Information in this Scheme Booklet in the form and context in which that information is included.

- CobalTech has given and has not withdrawn its consent to be named in this Scheme Booklet and to the inclusion of statements in relation to CobalTech and CobalTech Group, CobalTech's intentions in relation to the CobalTech Group and its business (including the CobalTech Group's employees and assets) and the Arrangement Agreement and the transactions which it contemplates (including the CobalTech Transaction).
- Mr Ian Trinder M.Sc., P.Geo. (ON, MB) has given and has not withdrawn his consent to be named in the Scheme Booklet and to the inclusion of exploration results compiled by them in respect of Cobalt One, as well as in respect of the First Cobalt Information and the Merged Group Information.
- Messrs Joerg M. Kleinboeck (P.Geo) and Garry J. Clark (P.Geo) have given and have not withdrawn their consents to be named in the Scheme Booklet and to the inclusion of the exploration results compiled by them in respect of the CobalTech Information.

Each person named in this Section 11.27:

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than as specified in this Section 11.27; and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet, other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this Section 11.27.

11.28 Fees to professional advisors

Each person named in Section 11.27 as performing a function in a professional or advisory capacity in relation to the Scheme or the preparation of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their standard basis of charging.

Cobalt One has or will be required to pay for professional services as follows:

- to Advanced Share Registry in relation to management of the Cobalt One Registry and printing and dispatch of this Scheme Booklet – A\$36,000;
- to Gilbert + Tobin in relation to Australian legal services – A\$250,000; and
- to BDO Audit (WA) Pty Ltd in relation to auditing services – A\$7,500.

First Cobalt has or will be required to pay for professional services as follows:

- to Canaccord Genuity Group Inc. in relation to financial advisory services – C\$800,000 to \$1,000,000;
- to CSA Global Canada Geoscientists Ltd in relation to preparation of the First Cobalt Technical Report – C\$22,000;
- to AST Trust Company in relation to management of its Canadian share registry – C\$5,000;
- to Link Market Services Limited in relation to management of its Australian share registry – A\$10,000;
- to Jackson McDonald in relation to Australian legal services – A\$150,000;
- to Cassels Brock & Blackwell LLP in relation to Canadian legal services – C\$195,000; and
- to MNP LLP in relation to auditing services – C\$7,000.

The fees above are exclusive of GST or equivalent taxes and disbursements, except where stated.

11.29 Information relating to exploration results and mineral resources

(a) Reporting standard – NI 43-101

The information in this Scheme Booklet that relates to exploration results reported by Cobalt One,

First Cobalt and CobalTech (or any of them) has been prepared in accordance with NI 43-101 published by the Canadian Securities Administrators. NI 43-101 is different from the reporting standard ordinarily applicable to Australian publicly listed companies, the JORC Code.

NI 43-101 requires that mineral resource estimates be prepared in accordance with, and have the meaning ascribed by, the Canadian Institute of Mining and Petroleum (CIM) Definition Standards. NI 43-101 Companion Policy identifies the Australian JORC Code as an “acceptable foreign code” for the estimation of mineral resources and that it is substantially similar to CIM Definition Standards as both are based on and are consistent with the International Reporting Template, published by the Committee for Mineral Reserves International Reporting Standards (CRIRSCO Template).

(b) Competent Person’s statement – Cobalt One and First Cobalt

The information in this Scheme Booklet that relates to exploration results in respect of Cobalt One, as well in respect of the First Cobalt Information and Merged Group Information, is based on information compiled by Mr Ian Trinder M.Sc., P.Geo. (ON, MB), a Competent Person (as defined in the JORC Code) who is registered with the Association of Professional Engineers and Geoscientists of Manitoba as well as with the Association of Professional Geoscientists of Ontario (each being a ‘Recognised Professional Organisation’ for the purposes of the ASX Listing Rules).

Mr Trinder is employed on a full-time basis as a Principal Geologist by CSA Global Canada Geoscientists Ltd. He has sufficient experience that is relevant to the style of mineralisation, the type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code.

Mr Trinder consents to the inclusion in this Scheme Booklet of the matters based on his information, in the form and context in which it appears.

(c) Competent Person’s statement – CobalTech

The information in this Scheme Booklet that relates to exploration results in respect of the CobalTech Information is based on information compiled by Messrs Joerg M. Kleinboeck (P.Geo) and Garry J. Clark (P.Geo), each being a Competent Person (as defined in the JORC Code) who is registered with the Association of Professional Geoscientists of Ontario (being a ‘Recognised Professional Organisation’ for the purposes of the ASX Listing Rules).

Messrs Kleinboeck and Clark are both independent consulting geologists who have sufficient experience that is relevant to the style of mineralisation, the type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the JORC Code.

Messrs Kleinboeck and Clark consents to the inclusion in this Scheme Booklet of the matters based on their information, in the form and context in which it appears.

11.30 Lodgement of Scheme Booklet with ASIC

This Scheme Booklet was lodged with ASIC on 22 September 2017 in accordance with section 411(2)(b) of the Corporations Act.

11.31 No unacceptable circumstances

As at the date of this Scheme Booklet, the Cobalt One Directors are not aware of any declaration of “unacceptable circumstances” in relation to the Scheme for the purposes of section 657A of the Corporations Act.

11.32 Documents Available

An electronic version of this Scheme Booklet including the Independent Expert’s Report and the Scheme Implementation Deed are available for viewing and downloading online at Cobalt One’s website at www.cobaltoneunlimited.com and on the ASX website www.asx.com.au.

11.33 Continuous disclosure

Cobalt One is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. Cobalt One has an obligation (subject to limited exceptions) to notify ASX immediately upon becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of Cobalt One Shares. Copies of documents filed with

ASX may be obtained from ASX's website www.asx.com.au and on Cobalt One's website at www.cobalttonelimited.com.

In addition, Cobalt One is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC in relation to Cobalt One may be obtained from, or inspected at, an ASIC office.

Financial information is provided in Cobalt One's 2017 Annual Report.

In addition to copies of documents as otherwise contemplated herein, Cobalt One will provide to any person, upon request to the Company Secretary, one copy of its 2017 Annual Report and one copy of the comparative financial statements of Cobalt One filed with the applicable securities regulatory authorities for Cobalt One's most recently completed period in respect of which such financial statements have been issued.

Copies of the above documents will be provided free of charge to Cobalt One Shareholders.

Requests can be made by contacting Cobalt One on (08) 9212 0104 (within Australia) or on +61 8 9212 0104 (outside Australia) between 9:00am and 5:00pm (Perth time) Monday to Friday, prior to the Effective Date. Cobalt One may require the payment of a reasonable charge by any person or company who is not a Cobalt One Shareholder, and who requests a copy of such document.

Additionally, copies of publicly filed information concerning Cobalt One can be found under Cobalt One's profile at the ASX website at www.asx.com.au.

11.34 Other material information

Otherwise than as contained or referred to in this Scheme Booklet, including the Independent Expert's Report and the information that is contained in the Attachments to this Scheme Booklet, there is no other information that is material to the making of a decision by a Scheme Shareholder whether or not to vote in favour of the Scheme Resolution to approve the Scheme, being information that is known to any Cobalt One Director and which has not previously been disclosed to Scheme Shareholders.

11.35 Supplementary information

If Cobalt One becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration with ASIC and the Court Approval Date:

- a material statement in this Scheme Booklet is false or misleading;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter in this Scheme Booklet; or
- a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if known about at the date of lodgement with ASIC,

Cobalt One intends to publish any supplementary material by:

- posting the supplementary material on Cobalt One's website at www.cobalttonelimited.com and lodging the material with ASX; and
- depending on the nature and the timing of the changed circumstances and the supplementary material, Cobalt One may also post the supplementary material to all Cobalt One Shareholders, subject to obtaining any necessary regulatory approvals.

THE ISSUE OF THIS SCHEME BOOKLET IS AUTHORISED BY THE DIRECTORS OF COBALT ONE LIMITED AND THIS SCHEME BOOKLET HAS BEEN SIGNED BY OR ON BEHALF OF THE DIRECTORS OF COBALT ONE LIMITED ON 13 OCTOBER 2017



Jason Bontempo
Executive Director

12 Glossary

In this Scheme Booklet unless the context otherwise requires:

\$, AUD or Australian dollars means Australian dollars.

2017 Annual Report means the Cobalt One annual report for the 2016-2017 financial year, released to ASX on 2 October 2017.

ADI means an Authorised Deposit-taking Institution as defined in the *Banking Act 1959* (Cth).

Advanced Share Registry means Advanced Share Registry Ltd ACN 127 175 946.

Announcement Date means the date on which the proposed merger under this Scheme was first announced, being 23 June 2017.

Arrangement Agreement means the Arrangement Agreement between First Cobalt and CobalTech dated 18 August 2017.

Asset Purchase Agreement means the binding asset purchase agreement between Yukon and its parent Yukon Refinery AG pursuant to which Cobalt One acquired the Refinery Assets, which was completed on 19 June 2017.

ASIC means the Australian Securities Investments Commission.

Associate has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the ASX Listing Rules and on the basis that the company is the “designated body” for the purposes of that section. A related party of a director or officer of the company or of a Child Entity of the company is to be taken to be an associate of the director or officer unless the contrary is established.

AST Trust Company means AST Trust Company (Canada) of 1 Toronto St, Suite 1200, Toronto, Ontario, M5C 2V6.

ASX means ASX Limited (ABN 98 008 624 691) or, where the context requires, the financial market operated by it known as the “Australian Securities Exchange”.

ASX Corporate Governance Principles and Recommendations means the corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this Scheme Booklet.

ASX Listing Rules means the official listing rules, from time to time, of ASX.

ASX Settlement Operating Rules means the operating rules, from time to time, of ASX Settlement Pty Ltd ACN 008 504 532.

Australia-Canada Double Tax Agreement means the Convention between Australia and Canada for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (as amended from time to time).

Australian Takeovers Panel means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

Base Fee means the base fee payable under the Matysek Agreement, being C\$12,000 per month payable monthly on the last day of every month.

BCBCA means the *Business Corporations Act* (British Columbia).

Bedrock means Bedrock Capital Corporation, a company incorporated under the laws of British Columbia and having its office at 3275 Dickinson Crescent, West Vancouver, British Columbia V7V 2L4.

Break Fee means a fee equal to 1% of the equity value of Cobalt One, as calculated in accordance with Takeovers Panel Guidance Note 7.

Business Day means any day that is each of the following:

- (a) a business day as defined in the ASX Listing Rules; and

(b) a day that banks are open for business in Perth, Western Australia.

C\$, CAD and Canadian dollars means Canadian dollars.

Canadian Silver Hunter means Canadian Silver Hunter Inc., a corporate organised under the laws of the Province of Ontario, Canada.

Canadian Tax Act has the meaning given to that term on page 116.

Canadian Tax Regulations has the meaning given to that term on page 117.

Cashless Exercise Mechanism has the meaning given to that term on page 163.

CBCA means the Canada Business Corporations Act (Canada).

CDI means CHESS Depository Interests.

CDN means CHESS Depository Nominees Pty Limited (ACN 071 346 506).

CGT means capital gains tax.

CHESS means the Clearing House Electronic Subregister System, which provides for electronic share transfers in Australia.

Chess Depository Interest means a security interest as defined in the ASX Settlement Operating Rules.

Child Entity has the meaning given to that term in the ASX Listing Rules.

CIM means the Canadian Institute of Mining and Petroleum.

CIM Definition Standards means the CIM Definition Standards on Mineral Resources and Mineral Reserves.

Closely Related Party has the meaning given to that term in the Corporations Act.

Cobalt Area Properties has the meaning given to that term on page 170.

Cobalt Camp means the historic silver-cobalt mining camp in Ontario, Canada, including mineral properties and past producing mines in and around the town of Cobalt, Ontario to the north and the former town of Silver Centre, Ontario to the south.

Cobalt Camp Exploration Assets means the assets in Cobalt Camp held by Cobalt One Group via its 80%-owned subsidiary, Ophiolite.

Cobalt Camp Projects means high-grade cobalt properties in the Cobalt Camp held by the Cobalt One Group.

Cobalt One means Cobalt One Limited ACN 127 411 796.

Cobalt One Board means the board of directors of Cobalt One.

Cobalt One Constitution means the constitution of Cobalt One, as varied from time to time.

Cobalt One Director means a director of Cobalt One.

Cobalt One Group means Cobalt One and each of its Related Bodies Corporate.

Cobalt One Insolvency Event means:

- (a) a member of the Cobalt One Group resolving that it be wound up or the making of an application or order for the winding up or dissolution of that company other than where the application or order (as the case may be) is set aside within 14 days;
- (b) a liquidator or provisional liquidator of a member of the Cobalt One Group being appointed;
- (c) a court making an order for the winding up of a member of the Cobalt One Group;
- (d) an administrator of a member of the Cobalt One Group being appointed under the Corporations Act or other applicable law;
- (e) a member of the Cobalt One Group is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the

Corporations Act unless that company has, or has access to, committed financial support from its parent entity such that it is able to pay its debts;

- (f) a member of the Cobalt One Group executing a deed of company arrangement;
- (g) a receiver, or a receiver and manager, being appointed in relation to the whole, or a substantial part, of the property of a member of the Cobalt One Group; or
- (h) anything having a substantially similar effect to any event or circumstance referred to in subparagraphs (a) to (b) above happens in respect of a member of the Cobalt One Group under the law of any jurisdiction.

Cobalt One Material Adverse Change means one or more changes, events, occurrences or matters which (whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind) has had or is reasonably likely to have a material adverse effect on the business, liabilities, assets, financial or trading position of the Cobalt One Group, taken as a whole, other than changes, events, occurrences or matters:

- (a) required or permitted by the Scheme Implementation Deed or the Scheme;
- (b) Fairly Disclosed in the Disclosure Materials or in any announcement to or filing with ASX or ASIC prior to the date of the Scheme Implementation Deed;
- (c) consented to in writing by Cobalt One;
- (d) arising from:
 - (i) changes in commodity prices, exchange rates or interest rates;
 - (ii) general economic, political or business conditions in Australia, Canada, the United States or elsewhere, including material adverse changes or major disruptions to, or fluctuations in, domestic or international financial markets, and acts of terrorism, war (whether or not declared), natural disaster or the like; or
 - (iii) changes to accounting standards, laws or policies of a Government Agency in Australia, Canada, the United States or elsewhere; or
 - (iv) which comprise a change in the market trading price of Cobalt One Shares, either: (i) related to the Scheme Implementation Deed and the Scheme or the announcement thereof; or (ii) related to such a change in the market trading price primarily resulting from a change, effect, event or occurrence excluded from this definition of Cobalt One Material Adverse Change.

Cobalt One Material Permits means:

- (a) Cobalt One Group's exploration and mining permits, other than the Refinery Permits, listed in schedule 4 of the Scheme Implementation Deed; and
- (b) any and all other exploration and mining permits applied for or granted in renewal, substitution, variation or extension, in whole or in part, of those permits.

Cobalt One Options means the options set out in Schedule 2 of the Scheme Implementation Deed.

Cobalt One Prescribed Occurrence means the occurrence of any of the following:

- (a) Cobalt One converting all or any of its shares into a larger or smaller number of shares;
- (b) Cobalt One resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) Cobalt One:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) a member of the Cobalt One Group issuing shares, securities convertible into shares (including performance rights) or debt securities or granting an option over its shares, or agreeing to make such an issue or grant such an option other than:

- (i) as agreed between the parties;
 - (ii) any plan as agreed between the parties; or
 - (iii) the issue of shares upon exercise of an option or performance right;
 - (e) Cobalt One paying any distribution to holders of Cobalt One Shares;
 - (f) the termination or non-renewal of a Material Contract;
 - (g) one or more members of the Cobalt One Group disposing, or agreeing to dispose, of any asset of the Cobalt One Group other than disposals in the ordinary course or for less than \$250,000;
 - (h) one or more members of the Cobalt One Group creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over any asset of the Cobalt One Group with a value of more than \$250,000, other than in the ordinary course of business or a lien which arises by operation of law or legislation;
 - (i) a member of the Cobalt One Group altering its constitution or constituent documents;
 - (j) notice of any material investigation, prosecution, arbitration, litigation or dispute threatened against a member of the Cobalt One Group which could reasonably be expected to give rise to a liability for the Cobalt One Group in excess of \$250,000 and for the avoidance of doubt which is not frivolous or vexatious, or circumstances arising which could reasonably be expected to give rise to any liability in excess of \$250,000. For the avoidance of doubt, this does not include any liability relating to an investigation, prosecution, arbitration, litigation or dispute to the extent that an insurer has agreed to cover the liability under an insurance policy maintained by a member of the Cobalt One Group;
 - (k) Cobalt One being deregistered as a company or otherwise dissolved except in the case of a company with less than \$10,000 in net assets as at the date of the Scheme Implementation Deed; or
 - (l) a Cobalt One Insolvency Event occurs,
- but does not include any matter:
- (m) relating to vesting or exercise of existing options or performance rights;
 - (n) required or permitted by the Scheme Implementation Deed or the Scheme;
 - (o) agreed to in writing by First Cobalt; or
 - (p) Fairly Disclosed in the Disclosure Materials or in an announcement to or filing with ASX or ASIC before the date of the Scheme Implementation Deed.

Cobalt One Register means the register of Cobalt One Shareholders kept by Cobalt One and **Cobalt One Registry** means the manager from time to time of the Register (currently Advanced Share Registry).

Cobalt One Share means a fully paid ordinary share in the capital of Cobalt One.

Cobalt One Shareholder means a holder of one or more Cobalt One Shares, as shown in the register of members maintained by (or on behalf of) Cobalt One in accordance with the Corporations Act.

Cobalt One Technical Report means the report prepared by CSA Global Canada Geosciences Ltd entitled "Technical Report on the Cobalt Project, Larder Lake Mining Division, Ontario" and dated 31 January 2017, at Attachment B.

Cobalt Projects means the wholly-owned subsidiary of First Cobalt, Cobalt Projects International Corp., a corporation organised under the laws of the Province of Ontario, Canada.

Cobalt Town Claims means the 5,437 acres of property held by Cobalt One in Cobalt, Ontario, referred to in Section 5.2(a).

CobalTech means CobalTech Mining Inc. of Suite 808, 1090 West Pender Street, Vancouver, British Columbia, V6E 2N7, Canada.

CobalTech Group means CobalTech and each of its Related Bodies Corporate.

CobalTech Information means information regarding the CobalTech Group provided by First Cobalt to Cobalt One in writing for inclusion in the Scheme Booklet, which includes information in relation to CobalTech and First Cobalt's intentions in relation to the CobalTech Group and its business (including the CobalTech Group's employees and assets), as well any information contained in the Scheme Booklet that is solely based on any information so provided by First Cobalt.

CobalTech Share means a common share in the capital of CobalTech.

CobalTech Technical Report means the report prepared by JMK Exploration Consulting & Clark Exploration Consulting Inc. entitled "NI 43-101 Technical Report on the Duncan Kerr Property, Larder Lake Mining Division, Northeastern Ontario for Big North Graphite Corp." and dated 14 October 2016, at Attachment D.

CobalTech Transaction means the proposed acquisition by First Cobalt of all of the issued and outstanding shares of CobalTech pursuant to a plan of arrangement or in a manner as contemplated in the Arrangement Agreement.

Competent Person has the meaning given in the JORC Code.

Competing Proposal means any proposed or potential transaction or arrangement (including any takeover bid, scheme of arrangement, share or asset sale, capital reduction or buy back, joint venture or dual listed company structure) in relation to a party to the Scheme Implementation Deed under which a Third Party would, if completed:

- (a) directly or indirectly acquire Control of, or merge with, the relevant party;
- (b) directly or indirectly acquire or obtain an economic interest in 50% or more of the fair market of the assets or business of the relevant party and its Related Bodies Corporate as a whole; or
- (c) directly or indirectly acquire a Relevant Interest in, become the holder of or obtain an economic interest in 50% or more of the relevant party shares;
- (d) directly or indirectly acquire or obtain an economic interest in a material part of the business of the relevant party and its Subsidiaries as a whole;
- (e) otherwise acquire or merge with relevant party through a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, purchase of main undertaking or other business combination; or
- (f) be issued 50% of the shares or other securities in on the relevant party (on a fully diluted basis) as consideration for cash or the assets or securities of another person,

but does not include the CobalTech Transaction or any matter contemplated by the CobalTech Transaction.

Condition means a condition precedent to the Scheme, as set out in clause 3.1 of the Scheme Implementation Deed.

Continuance has the meaning given to that term in Section 6.11.

Control has the meaning given in section 50AA of the Corporations Act.

Control Person has the meaning given to that term on page 126.

Corporations Act means the *Corporations Act 2001* (Cth), as amended from time to time.

Corporations Amendment Act means the *Corporations Amendment (Improving Accountability on Termination Payments) Act 2009* (Cth).

Counter Proposal has the meaning given to it in clause 8.6(d) of the Scheme Implementation Deed.

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Cobalt One and First Cobalt.

Court Approval Date means the date when the Court grants its approval to the Scheme under section 411(4) of the Corporations Act.

CRIRSCO means the Committee for Mineral Reserves International Reporting Standards.

CRIRSCO Template means the International Reporting Template, published by the CRIRSCO.

CSA means Canadian securities regulatory authorities.

Deal means in respect of any Cobalt One Restricted Share, means to:

- (a) sell, assign, transfer or otherwise dispose of, or agree or offer to sell, assign, transfer or otherwise dispose of, that Scheme Consideration or any legal, beneficial or economic interest in that Scheme Consideration;
- (b) create, or agree or offer to create, any security interest in that Scheme Consideration or any legal, beneficial or economic interest in that Scheme Consideration;
- (c) enter into any option which, if exercised, enables or requires the relevant security holder to sell, assign, transfer or otherwise dispose of that Scheme Consideration; or
- (d) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of that Scheme Consideration or any legal, beneficial or economic interest in that Scheme Consideration.

Deed of Variation means the replacement deed dated 10 October 2017 between Cobalt One and First Cobalt varying the terms of the Scheme Implementation Deed.

Deed Poll means the deed poll entered into by First Cobalt under which First Cobalt covenants in favour of Scheme Shareholders to provide the Scheme Consideration in accordance with the terms of the Scheme, in Attachment G.

Derivative Action has the meaning given to it on page 128.

Disclosure Materials means material provided by Jason Bontempo or Trent Mell to the other, respectively, after the Letter of Intent was signed and before the date of the Scheme Implementation Deed.

Dissenting Shareholder has the meaning given to it on page 148.

Director Performance Options means 15,000,000 Cobalt One Options granted to the Cobalt One Directors described in Schedule 2 of the Scheme Implementation Deed.

DRS Advice means a direct registration system advice evidencing ownership of securities in the First Cobalt Canadian Registry's registration system.

Duncan Kerr Property means the 94 acres of property held by CobalTech, referred to in Section 6.1(d).

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) (and, if applicable, section 411(6)) of the Corporations Act in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

Electing Small Shareholders means a Small Shareholder that has validly elected to have all New First Cobalt Shares or New First Cobalt CDIs they would be entitled to receive under the Scheme issued to the Nominee for sale.

Election means an election for the purposes of a Scheme Shareholder (other than an Ineligible Foreign Holder or Electing Small Shareholder) making an election to receive Scheme Consideration in the form of New First Cobalt Shares, in accordance with clause 5.8(b) of the Scheme.

Election Form means an election form for the purposes of a Scheme Shareholder making an Election.

End Date means the date 6 months from the date of execution of the Scheme Implementation Deed or such later date as agreed by Cobalt One and First Cobalt.

Equator Resources means Equator Resources Limited, now known as Cobalt One.

Ernst & Young means Ernst & Young Transaction Advisory Services Limited ABN 87 003 599 844, being the Independent Expert, holder of Australian Financial Services Licence No. 240585.

Escrow Period means the period prior to and including the date set out in Attachment E to the Scheme Implementation Deed for which the Cobalt One Restricted Securities are escrowed.

Excluded Shareholder means First Cobalt and any Cobalt One Shareholder who is an associate of First Cobalt.

Exclusivity Period means the period from 9:00am on the date of execution of the Scheme Implementation Deed to the earlier of:

- (a) the valid termination of the Scheme Implementation Deed under clause 12 of the Scheme Implementation Deed; and
- (b) the End Date.

Facilitation Performance Shares has the meaning given to it in the Ophiolite Binding Terms Sheet.

Fairly Disclosed means any information disclosed by one party to the other which made, or which could reasonably be expected to have made the other party (acting reasonably) aware of the nature of the matter concerned and the fact it may have financial, operational or other consequences.

First Cobalt means First Cobalt Corp. of Suite 201, 140 Yonge Street, Toronto, Ontario, M5C 1X6, Canada.

First Cobalt Articles of Incorporation means the articles of incorporation of First Cobalt, included in the First Cobalt Constituent Documents.

First Cobalt Board means the board of directors of First Cobalt.

First Cobalt Canadian Registry means First Cobalt's Canadian securities registry, AST Trust Company.

First Cobalt CDI Registry means First Cobalt's Australian registry for New First Cobalt CDIs, Link Market Services Limited (ACN 083 214 537).

First Cobalt Constituent Documents means the constituent documents of First Cobalt, including (as the context requires):

- if approved and adopted by First Cobalt Shareholders at the First Cobalt Meeting, the First Cobalt Proposed Provincial Constituent Documents; or
- if the Continuance is approved by First Cobalt Shareholders at the First Cobalt Meeting and subsequently implemented, the First Cobalt Proposed Federal Constituent Documents.

First Cobalt Directors means a director of First Cobalt.

First Cobalt Group means First Cobalt and each of its Related Bodies Corporate.

First Cobalt Information means information regarding the First Cobalt Group provided by First Cobalt to Cobalt One in writing for inclusion in the Scheme Booklet, which includes information in relation to First Cobalt, the funding of the Scheme Consideration and First Cobalt's intentions in relation to the Cobalt One Group and its business (including the Cobalt One Group's employees and assets), as well as any information contained in the Scheme Booklet that is solely based on any information so provided by First Cobalt.

First Cobalt Insolvency Event means:

- (a) a member of the First Cobalt Group resolving that it be wound up or the making of an application or order for the winding up or dissolution of that company other than where the application or order (as the case may be) is set aside within 14 days;
- (b) a liquidator of a member of the First Cobalt Group being appointed under the BCBCA or the OBCA as the case may be;
- (c) a court making an order for the winding up of a member of the First Cobalt Group;

- (d) a member of the First Cobalt Group making an assignment in bankruptcy or a proposal to creditors, or filing a notice of intention to make a proposal, or a court granting a bankruptcy order in relation to First Cobalt pursuant to the *Bankruptcy and Insolvency Act* (Canada);
- (e) a member of the First Cobalt Group is or becomes unable to pay its debts when they fall due within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or is otherwise presumed to be insolvent under the *Bankruptcy and Insolvency Act* (Canada) or has committed an act of bankruptcy;
- (f) any proceedings concerning a member of the First Cobalt Group are commenced under the *Companies Creditor Arrangement Act* (Canada);
- (g) a receiver, or a receiver and manager, being appointed in relation to the whole, or a substantial part, of the property of a member of the First Cobalt Group; or
- (h) anything having a substantially similar effect to any event or circumstance referred to in subparagraphs (a) to (g) above happens in respect of First Cobalt under the law of any jurisdiction.

First Cobalt Material Adverse Change means one or more changes, events, occurrences or matters which (whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind) has had or is reasonably likely to have a material adverse effect on the business, liabilities, assets, financial or trading position of the First Cobalt Group, taken as a whole, other than changes, events, occurrences or matters:

- (a) required or permitted by the Scheme Implementation Deed or the Scheme;
- (b) Fairly Disclosed in the Disclosure Materials or in any public announcement or filing with SEDAR prior to the date of the Scheme Implementation Deed;
- (c) consented to in writing by Cobalt One;
- (d) arising from:
 - (i) changes in commodity prices, exchange rates or interest rates;
 - (ii) general economic, political or business conditions in Australia, Canada, the United States or elsewhere, including material adverse changes or major disruptions to, or fluctuations in, domestic or international financial markets, and acts of terrorism, war (whether or not declared), natural disaster or the like; or
 - (iii) changes to accounting standards, laws or policies of a Government Agency in Australia, Canada, the United States or elsewhere; or
 - (iv) which comprise a change in the market trading price of First Cobalt Shares, either: (i) related to the Scheme Implementation Deed and the Scheme or the announcement thereof; or (ii) related to such a change in the market trading price primarily resulting from a change, effect, event or occurrence excluded from this definition of First Cobalt Material Adverse Change.

First Cobalt Meeting means the proposed meeting of First Cobalt Shareholders scheduled to be convened on 26 October 2017, referred to in Sections 6.11 and 10.1.

First Cobalt Option means an unquoted option to subscribe for a First Cobalt Share pursuant to a First Cobalt Option Plan.

First Cobalt Option Plans means:

- (a) the Stock Option Plan operated by First Cobalt pursuant to which First Cobalt may grant to employees, directors and consultants First Cobalt Options representing up to 5,725,770 First Cobalt Shares on issue, approved by the First Cobalt Board on 25 August 2017; and
- (b) the Rolling Long Term Incentive Plan operated by First Cobalt pursuant to which First Cobalt may grant to employees, directors and consultants First Cobalt Options representing up to 10% of the First Cobalt Shares on issue, anticipated to be approved by First Cobalt's shareholders on 26 October 2017.

First Cobalt Notice of Articles means the notice of articles of First Cobalt, included in the First Cobalt Constituent Documents.

First Cobalt Prescribed Occurrence means the occurrence of any of the following:

- (a) First Cobalt converting all or any of its shares into a larger or smaller number of shares;
 - (b) First Cobalt resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
 - (c) First Cobalt:
 - (i) entering into an issuer bid or buy-back agreement; or
 - (ii) resolving to approve the terms of an issuer bid or buy-back agreement with any shareholder of the First Cobalt;
 - (d) a member of the First Cobalt Group issuing shares, securities convertible into shares (including performance rights) or debt securities or granting an option over its shares, or agreeing to make such an issue or grant such an option other than:
 - (i) as agreed between the parties;
 - (ii) any plan and as agreed between the parties; or
 - (iii) the issue of shares upon exercise of an option or performance right;
 - (e) First Cobalt paying any distribution to holders of First Cobalt Shares;
 - (f) the termination or non-renewal of a Material Contract;
 - (g) one or more members of the First Cobalt Group disposing, or agreeing to dispose, of any asset of the First Cobalt Group other than disposals in the ordinary course or for less than C\$250,000;
 - (h) one or more members of the First Cobalt Group creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over any asset of the First Cobalt Group with a value of more than C\$250,000, other than in the ordinary course of business or a lien which arises by operation of law or legislation;
 - (i) a member of the First Cobalt Group altering its Constituent Documents;
 - (j) notice of any material investigation, prosecution, arbitration, litigation or dispute threatened against a member of the First Cobalt Group which could reasonably be expected to give rise to a liability for the First Cobalt Group in excess of C\$250,000 and for the avoidance of doubt which is not frivolous or vexatious, or circumstances arising which could reasonably be expected to give rise to any liability in excess of C\$250,000. For the avoidance of doubt, this does not include any liability relating to an investigation, prosecution, arbitration, litigation or dispute to the extent that an insurer has agreed to cover the liability under an insurance policy maintained by a member of the First Cobalt Group;
 - (k) a member of the First Cobalt Group being deregistered as a company or otherwise dissolved except in the case of a company with less than C\$10,000 in net assets as at the date of the Scheme Implementation Deed; or
 - (l) a First Cobalt Insolvency Event occurs,
- but does not include any matter:
- (m) relating to vesting or exercise of existing options or warrants;
 - (n) required or permitted by the Scheme Implementation Deed or the Scheme;
 - (o) agreed to in writing by Cobalt One;
 - (p) pursuant to the CobalTech Transaction; or
 - (q) Fairly Disclosed in the Disclosure Materials or in a public announcement to or filing with the TSX-V or a Canadian securities regulatory authority before the date of the Scheme Implementation Deed.

First Cobalt Proposed Federal Constituent Documents means the proposed constituent documents of First Cobalt if its continuance to the CBCA referred to in Sections 6.11 and 10 is approved and implemented, including the proposed Articles of Continuance and By-Laws at Attachment M.

First Cobalt Proposed Provincial Constituent Documents means the proposed constituent documents of First Cobalt under the BCBCA to be approved and adopted at the meeting of First Cobalt Shareholders to be held on 26 October 2017, including the proposed Articles of Incorporation and Notice of Articles at Attachment L.

First Cobalt Shareholder means a holder of First Cobalt Shares.

First Cobalt Shares means a common share in the capital of Cobalt One.

First Cobalt Technical Report means the report prepared by CSA Canada Global Geoscientists Ltd entitled "Technical Report on the Greater Cobalt Project, Larder Lake Mining Division, Ontario" and dated 31 July 2017, at Attachment C.

First Cobalt Title Opinion means the legal opinion as to title of First Cobalt's Canadian mining claims and properties prepared by Kevin Griener (Professional Corporation) dated 21 August 2017, at Attachment Q.

First Cobalt Warrants means an unquoted option to subscribe for a First Cobalt Share, issued in connection with various financing transaction completed by First Cobalt.

First Court Date means the first day on which an application made to the Court for an order under section 411(1) of the Corporations Act directing Cobalt One to convene the Scheme Meeting is heard, with such hearing being the **First Court Hearing**.

First Option has the meaning given on page 150.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian (including ASX and TSXV as applicable).

Greater Cobalt Project means all the properties held by First Cobalt in the Cobalt Camp.

GST means the tax levied under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution is passed at the Scheme Meeting by a majority in number of Cobalt One Shareholders present and voting, either in person or by proxy.

Holder has the meaning given to that term on page 117.

Implementation Date means the fifth Business Day after the Scheme Record Date or such other day as the parties agree in writing.

Independent Expert means Ernst & Young, the independent expert appointed by Cobalt One to prepare the Independent Expert's Report in accordance with clause 5.1(a) of the Scheme Implementation Deed.

Independent Expert's Report means the report prepared by the Independent Expert at Attachment A.

Ineligible Foreign Holders means a Scheme Shareholder whose address in the register of Cobalt One's Shareholders is in a jurisdiction outside Australia and its external territories, New Zealand, the British Virgin Islands, Gibraltar and Canada, except where Cobalt One and First Cobalt are reasonably satisfied that the issue of New First Cobalt Shares or CDIs in that jurisdiction under the Share Scheme would be neither prohibited by law nor unduly onerous.

Information Memorandum means the proposed information memorandum to be issued by First Cobalt for the purposes of applying for admission to the official list of ASX, referred to in 11.26(b).

International Financial Reporting Standards means the International Financial Reporting Standards and interpretations issued by the International Accounting Business Standards Board from time to time.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition) published by the Joint Ore Reserves Committee of the Australian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia.

Keeley Option Agreement means the option agreement referred to in Section 11.15.

Keeley Property has the meaning given to that term on page 150.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Letter of Intent means the letter of intent between First Cobalt and Cobalt One dated 23 June 2017, as announced on 26 June 2017.

Listing Checklist means the ASX Information Form and Checklist (ASX Listing).

Lorrain Valley Cobalt Claims means the 3,776 acres of property held by Cobalt One located in the Lorrain Valley near the former town of Silver Camp, Ontario, Canada, as referred to in Section 5.2(a).

Material Contract means a contract with a value greater than \$1,000,000 or a contract that is price sensitive.

Material Diminution has the meaning given to that term on page 152.

Matysek Agreement means the agreement between Cobalt One and Bedrock dated 13 June 2017.

MD&As means Management Discussions & Analyses.

Merged Group means the corporate group, following implementation of the Scheme, of which First Cobalt will be the ultimate holding company of Cobalt One.

Merged Group Information means information regarding the Merged Group provided by First Cobalt in Section 7.

MI 61-101 means the *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions*.

National Policy 58-201 means the *National Policy 58-201 – Corporate Governance Principles* published by the British Columbia Securities Commission.

New First Cobalt Shares means a fully paid common share in the capital of First Cobalt to be issued under the Scheme.

New First Cobalt CDIs means a New First Cobalt Share in the form of a CDI to be issued under the Scheme.

New First Cobalt Options means a unquoted stock option to subscribe acquire for a New First Cobalt Share, to be granted in relation to the Scheme Implementation Deed.

NI 43-101 means Canadian Securities Administrators, National Instrument 43-101.

NI 43-101 Companion Policy means Companion Policy 41-101CP to NI 43-101.

NI 54-101 means the *National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer*.

Nominee means the person chosen by Cobalt One and First Cobalt and approved by ASIC (or any other applicable regulatory authority in Canada) to sell the New First Cobalt Shares or New First Cobalt CDIs that are attributable to Ineligible Foreign Holders and Electing Small Shareholders under the terms of this Scheme (or any nominee of such person).

Non-Beneficial Holder has the meaning given to that term on pages 51.

Northern Territory Assets means the assets in the Northern Territory held by Cobalt One Group via its wholly-owned subsidiary, Acacia Minerals Pty Ltd.

Notice of Scheme Meeting means the notice of scheme meeting of Cobalt One Shareholders pursuant to section 411(1) of the Corporations Act, which is Attachment H to this Scheme Booklet.

OBCA means the *Business Corporations Act* (Ontario).

Ophiolite means Ophiolite Consultants Pty Limited ACN 092 694 490.

Ophiolite Binding Terms Sheet means the binding terms sheet between Cobalt One, Ophiolite, Sonja Louise Newman Heath and James Thompson dated 25 November 2016.

Option Cancellation and Transfer Deed means an option cancellation and transfer deed referred to in Section 11.11.

Option Exercise, Cancellation and Transfer Deed means an option exercise, cancellation and transfer deed referred to in Section 11.12.

OTCQB means the OTCQB venture market of the OTC Market Group.

Other Canadian Exploration Assets means the assets held by Cobalt One Group via its wholly-owned subsidiary, Cobalt Camp Ontario Holdings Crop.

Performance A Options means the tranche 1 Cobalt One Options issued on the terms and conditions set out in schedule 3 to Cobalt One's notice of general meeting released to ASX on 3 January 2017.

Performance B Options means the tranche 2 Cobalt One Options issued on the terms and conditions set out in schedule 3 to Cobalt One's notice of general meeting released to ASX on 3 January 2017.

Proceeds has the meaning given to that term on page 54 and 55, as applicable.

Proposed Amendments has the meaning given to that term on page 117.

Recognised Professional Organisation means a professional organisation, included in a list promulgated by ASX and JORC from time to time.

Refinery Assets has the meaning given to that term on page 61.

Refinery Permits means all permits acquired or to be acquired by Cobalt One under the Asset Purchase Agreement.

Registered Address means, in relation to a Scheme Shareholder, the address of the Scheme Shareholder shown in the Cobalt One Register.

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Relevant Date has the meaning given to it on page 150.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Representatives means, in respect of a party, an employee, agent, officer, director, adviser or financier of that party (or a Related Body Corporate of that party), and, in the case of advisers and financiers, includes employees, officers and agents of the adviser or financier (as applicable).

Requisite Majorities means the threshold for approval of the Scheme Resolution, being votes in favour of the resolution received from:

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

Resolution means a resolution contained in the Notice of Scheme Meeting.

Restricted Securities means the performance and facilitation shares and options set out in Attachment E of the Scheme Implementation Deed.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

Second Option has the meaning given to that term on page 150.

Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between Cobalt One and Cobalt One Shareholders (other than an Excluded Shareholder), on the terms described in Attachment F to this Scheme Booklet, and as amended by the Deed of Variation, together with any alterations or conditions made or required pursuant to section 411(6) of the Corporations Act and agreed or consented to in writing by Cobalt One and First Cobalt.

Scheme Booklet means this scheme booklet in relation to the Scheme.

Scheme Consideration means 0.145 common shares or CDIs of First Cobalt for each Cobalt One Share held by Scheme Shareholders on the Scheme Record Date.

Scheme Implementation Deed means the Scheme Implementation Deed dated 14 July 2017 between Cobalt One and First Cobalt in the form set out in Attachment E of this Scheme Booklet, and as amended by the Deed of Variation.

Scheme Meeting means the meeting of Cobalt One Shareholders (other than Excluded Shareholders) ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in relation to the Scheme, and includes any adjournment of that meeting.

Scheme Record Date means 7:00pm on the third Business Day after the Effective Date.

Scheme Resolution means a resolution of Scheme Shareholders (other than Excluded Shareholders) to approve the Scheme, the form of which is set out in the Notice of Scheme Meeting in Attachment H to this Scheme Booklet.

Scheme Share means a Cobalt One Share held by a Scheme Shareholder as at the Scheme Record Date.

Scheme Shareholders means a Cobalt One Shareholder (other than an Excluded Shareholder) as at the Scheme Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard, with such hearing being the **Second Court Hearing**.

SEDAR means the system for electronic document analysis and retrieval in use in Canada.

Shareholder Proposal has the meaning given to that term on page 123.

Silver Centre Cobalt Claims means the group of near contiguous claims held by the First Cobalt Group in the south of the Cobalt Camp near the historic Silver Centre mining camp, referred to in Section 6.1(c).

Silver Centre Property has the meaning given to that term on page 65.

Skanderberg Financial means Skanderbeg Financial Advisory Inc.

Small Shareholder means a Scheme Shareholder who are entitled to receive 675 or less First Cobalt CDIs under the Scheme on the Scheme Record Date.

Spill Meeting means a general meeting to be held to consider resolutions in relation to the election or re-election of Cobalt One Directors, which Cobalt One is required to and will only hold if the Spill Resolution is passed.

Spill Resolution means a resolution which Cobalt One is required to put to a general meeting if at least 25% of the votes cast are against the adoption of Cobalt One's remuneration report at two consecutive annual meetings.

Superior Proposal means a bona fide Competing Proposal that the Cobalt One Board determines, acting in good faith:

- (a) is reasonably capable of being implemented taking into account all aspects of the Competing Proposal, including its proponent(s), conditionality, structure and financing; and

- (b) would, if completed in accordance with its terms, produce an outcome for Cobalt One Shareholders (other than Excluded Shareholders) (as a whole) that is superior to the outcome that would be produced by the Scheme.

Third Option has the meaning given to that term on page 150.

Third Party means a person other than Cobalt One, First Cobalt and their associates.

TOFA are subject to the rules relating to the taxation of financial arrangement (**TOFA**) in Division 230 of the *Income Tax Assessment Act 1997* (Cth).

Transaction means the acquisition of Cobalt One by First Cobalt by means of the Scheme.

TSX Company Manual means the Toronto Stock Exchange Company Manual, as amended from time to time.

TSX-V means the TSX Venture Exchange.

TSX-V Corporate Finance Manual means the Toronto Stock Exchange Corporate Finance Manual, as amended from time to time.

US\$, USD and US dollars means United States dollars.

Vendor Consideration Shares has the meaning given to it in the Ophiolite Binding Terms Sheet.

Vendor Performance Shares has the meaning given to it in the Ophiolite Binding Terms Sheet.

Voluntary Escrow Agreement means the Voluntary Escrow Agreement referred to in Section 11.10.

Voting Record Date means the date and time for determining eligibility to vote at the Scheme Meeting.

VWAP means volume weighted average price.

WST or Perth Time means western standard time as recognised in Perth, Western Australia.

Yukon means 36569 Yukon Inc.

Attachment A Independent Expert's Report



**Independent Expert's Report and
Financial Services Guide**

Cobalt One Limited
Proposed merger with First Cobalt Corp.

3 October 2017



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Part 1 – Independent Expert’s Report

The Directors
Cobalt One Limited
Level 1, 35 Richardson Street
West Perth WA 6005

3 October 2017

Dear Sirs

Proposed merger with First Cobalt Corp.

Introduction

On 26 June 2017, Cobalt One Limited (“Cobalt One” or the “Company”) and First Cobalt Corp. (“First Cobalt”) announced their intention to undertake a merger via a scheme of arrangement (the “Cobalt One Merger”) under which First Cobalt would issue shares to Cobalt One shareholders (“Cobalt One Shareholders”) in exchange for all of the shares in Cobalt One that they own (the “Scheme”).

Unless a Cobalt One Shareholders elects to receive First Cobalt shares in their ordinary form, the First Cobalt shares to be issued as consideration under the Scheme will be in the form of CHESS depositary interests (“CDI”). If the Scheme is implemented, First Cobalt intends to apply for quotation of the CDIs on the Australian Securities Exchange (“ASX”). Unless otherwise stated, reference in this report to First Cobalt “shares” incorporates reference to First Cobalt “CDIs”.

Under the Scheme, Cobalt One Shareholders will receive 0.145 of a First Cobalt share for every Cobalt One share held (i.e. one First Cobalt share for every 6.9 Cobalt One shares held). If the Scheme is successfully implemented, Cobalt One Shareholders will become shareholders in First Cobalt.

First Cobalt is listed on the TSX Venture Exchange (“TSX-V”) in Canada and the OTC Markets in the USA.

Cobalt One and First Cobalt are early stage exploration companies that over the last 12 months have changed focus to cobalt. In this regard, both companies have been active in acquiring prospective cobalt exploration properties and assets in the region around the historic Canadian mining town of Cobalt, located in the province of Ontario, approximately 500 kilometres north of Toronto.

The Scheme is to be implemented under Part 5.1 of the Corporations Act 2001 (the “Act”).

On 21 June 2017 (Eastern Time Canada, 22 June 2017 in Australia), First Cobalt and another TSX-V listed company, CobalTech Mining Inc. (“CobalTech”) announced that they intended to merge via a court approved plan of arrangement pursuant to Canadian law (the “CobalTech Merger”) under which First Cobalt would issue shares in exchange for all of the issued shares in CobalTech (the “Arrangement”).

Under the Arrangement, CobalTech shareholders will receive 0.2632 of a First Cobalt share for every CobalTech share held (i.e. one First Cobalt share for every 3.8 CobalTech shares held). If the Arrangement is successfully implemented, CobalTech shareholders will become shareholders in First Cobalt.

Similar to First Cobalt and Cobalt One, CobalTech is an early stage exploration company that has recently changed focus to cobalt, acquiring a number of prospective cobalt exploration properties that are located in relatively close proximity to First Cobalt's Canadian landholding.

If the Cobalt One Merger and the CobalTech Merger occur as anticipated, First Cobalt will become the holding company of the combined assets and undertakings of First Cobalt, Cobalt One and CobalTech ("Merged First Cobalt").

Based on the anticipated timing of the Arrangement and the Scheme it is expected that the CobalTech Merger will occur before the Cobalt One Merger, albeit only marginally. Neither of the two mergers are contingent on the other occurring.

On a post-merger basis, as a collective group, it is estimated that Cobalt One Shareholders will have a combined 57.1% interest in Merged First Cobalt. On the same basis, it is estimated that First Cobalt shareholders will have a collective interest of 30.3% and CobalTech shareholders the remaining 12.6%. Given the respective interests of each shareholder group in Merged First Cobalt, the Cobalt One Merger is being presented as a "reverse takeover" by Cobalt One of First Cobalt.

It is of note that if the CobalTech Merger does not proceed, after the Cobalt One Merger the Cobalt One Shareholders would hold approximately 65.4% of shares First Cobalt would have on issue.

Cobalt One Shareholders are to consider a resolution seeking approval of the Scheme at a general meeting of the Company that is to be held on or about 17 November 2017 (the "Scheme Meeting"). If the Scheme is approved and all the other conditions precedent are met, the Cobalt One Merger will be implemented. We recommend that Cobalt One Shareholders read the Scheme Booklet to obtain a full understanding of the Scheme.

Basis of Opinion

Under clause 8303 of Schedule 8 of the Corporations Regulations 2001 (the "Regulations"), if the other party to the scheme has a 30% or more interest in the company the subject of the scheme or if the parties to the scheme have a common director then the documents sent to shareholders must be accompanied by a report prepared by an independent expert in which that person provides an opinion as to whether or not the Scheme is in the best interests of shareholders and sets out the reasons for that opinion.

As First Cobalt (i.e. the other party to the Scheme) does not own any shares in Cobalt One (i.e. the company the subject of the scheme) and there are no common directors between the two companies, an independent expert's report is not specifically required in relation to the Scheme. Notwithstanding this, the Directors of Cobalt One have engaged Ernst & Young Transaction Advisory Services Limited ("EY Transaction Advisory Services") to prepare an independent expert's report in relation to the Scheme as if such a report was required under the Regulations.

Accordingly, we have prepared this independent expert's report to consider whether or not, in our opinion, the Scheme is in the best interests of Cobalt One Shareholders and set out the reasons for that opinion. Our report is to be included in the Scheme Booklet being sent to Cobalt One Shareholders in relation to the Scheme Meeting.

Neither the Act nor the Regulations define the term "in the best interests of". Australian Securities and Investments Commission has however issued Regulatory Guide 111: *Content of expert reports* ("RG 111") which provides guidance as to what matters an independent expert should consider when determining whether or not a particular transaction is in the best interests of shareholders.

Consistent with RG 111, a key component of the assessment as to whether or not the Scheme is in the best interests of Cobalt One Shareholders will be the comparison of the fair value of a Cobalt One share with the fair value of the First Cobalt shares being offered as consideration.

RG 111 notes that if a scheme results in a change of control, the analysis within the independent expert's report must be substantially the same as for a takeover offer. In valuing the "target" company subject to a takeover offer, RG 111 implicitly requires the assessment to be inclusive of a control premium. Where the consideration being offered by the "bidder" consists of shares, those shares need to be valued on a minority interest basis (i.e. without a control premium). Analysis on this basis recognises that the target's shareholders are exchanging a controlling interest in the target for a minority interest in the bidder.

RG 111 does state that an expert may need to assess whether a scrip takeover (i.e. transaction) is in effect a merger of entities of equivalent value when control of the merged entity will be shared equally between the "bidder" and "target". In these circumstances the expert may be justified in using an equivalent approach to valuing the securities of the "bidder" and "target".

Under the terms of the Scheme, after the CobaltTech Merger and the Cobalt One Merger, it is estimated that collectively Cobalt One Shareholders will have 57.1% interest in Merged First Cobalt while it is estimated that First Cobalt shareholders will have a 30.3% interest and CobaltTech shareholders a 12.6% interest. Given this and consideration of other aspects of Merged First Cobalt, in our opinion, the Cobalt One Merger does not represent a "change of control" transaction. On this basis we have assessed the Scheme adopting an equivalent approach to valuing the securities of Cobalt One and First Cobalt. This results in the shares in both Cobalt One and First Cobalt being valued on a minority interest basis. Consideration of the value of a First Cobalt share has been undertaken on post-merger basis, recognising that the shares received by Cobalt One Shareholders will be reflective of the value of Merged First Cobalt.

Consistent with the guidance contained in RG 111, if the value of the consideration being offered by First Cobalt is equal to or greater than the value of Cobalt One shares the subject of the Scheme, then the Scheme would be considered "fair". If "fair" the Scheme would also be considered "reasonable". It might also be "reasonable" if, despite being "not fair", there are sufficient reasons for Cobalt One Shareholders to accept the Scheme in the absence of any higher alternative proposal.

If, based on the analysis detailed in the preceding paragraph, we assessed the Scheme to be either "fair and reasonable" or "not fair but reasonable", we would consider the Scheme to also be "in the best interests" of Cobalt One Shareholders.

Summary of Opinion

Given the early stage status of Cobalt One and First Cobalt (and CobaltTech), the lack of any defined mineral resources and the absence of any recent exploration and evaluation expenditures in valuing a Cobalt One share and the consideration being offered under the Scheme, we have adopted a market approach, taking into account the prices at which each company's shares have traded at on the ASX and the TSX-V, together with deliberation of the consideration paid by the respective companies for the cobalt exploration properties and processing assets acquired.

Our assessment of the fair value of a Cobalt One share, First Cobalt and the pro forma value of a Merged First Cobalt share, including CobaltTech is detailed in Section 8. Our determination of the fair value of each company's shares was based on consideration of their trading prices over the period which the market had knowledge of the material cobalt focused transactions undertaken by each company up until the date prior to the announcement of the Cobalt One and CobaltTech Mergers.

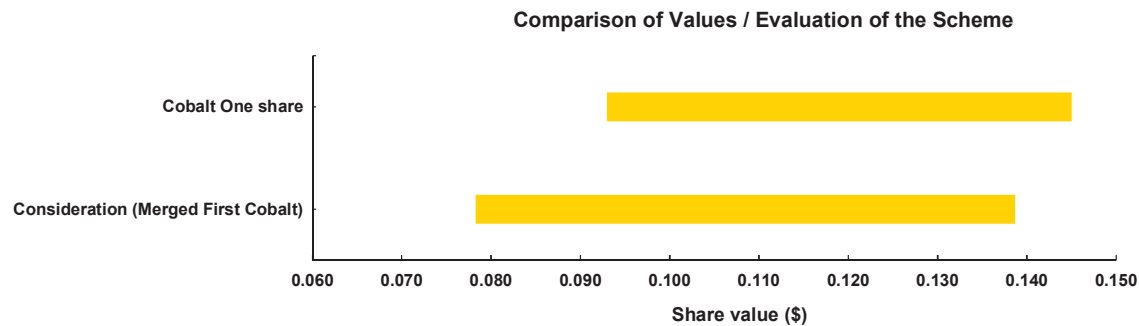
Section 9.2 contains our comparison of the value of a Cobalt One share with the pro forma value of a Merged First Cobalt share assessed on the basis of the terms of the Scheme. In this regard, the value a Cobalt One share was compared to 0.145 of the value of pro forma value of a Merged First Cobalt share, being the consideration being offered under the Scheme.

The comparison is summarised in the following table:

Comparison of Values - With A Pro Forma Merged First Cobalt Share			
	Low	High	Last Price Prior to Announcement
Value of a Cobalt One share (\$)	0.093	0.145	0.100
Value of Consideration:			
- Pro forma value of a Merged First Cobalt share (\$)	0.540	0.956	0.611
- Cobalt One Merger ratio	0.145	0.145	0.145
Value of consideration (\$)	0.078	0.139	0.089

Source: EY analysis

Under this analysis the value of a Cobalt One share of \$0.093 to \$0.145 compares to the value of a pro forma Merged First Cobalt share on a basis consistent with the terms of the Scheme of \$0.078 to \$0.139. The comparative ranges are represented in the following chart:



Source: EY analysis

While at either end of the ranges, the values of the consideration being offered is at a discount to the value of a Cobalt One Share, there is considerable overlap between the ranges, with approximately 88% of the valuation range of a Cobalt One share being consistent with the valuation range of the consideration being offered based on the pro forma value of a Merged First Cobalt share.

Notwithstanding the significant overlap in our valuation ranges of a Cobalt One share and the pro forma value of a Merged First Cobalt share, we do recognise that the high end of the range of pro forma value of a Merged First Cobalt share is reflective of the C\$0.91 trading price achieved on 16 March 2017.

Since that date, the price of First Cobalt's shares traded down to a low of C\$0.42 on 23 May 2017 before recovering to a high of C\$0.68 on 5 June 2017, closing at C\$0.55 on 20 June 2017. As indicated in Section 8.2, the volume weighted average price ("VWAP") for First Cobalt across the period against which our valuation range was measured (i.e. 16 March 2017 to 20 June 2017) was C\$0.634, with the 5 day VWAP prior to the announcement of the Mergers being C\$0.545. The inclusion of these prices in our analysis of the pro forma value of a Merged First Cobalt share brings about a value lower than the value of a Cobalt One share.

Because of the above, in considering the fair value ranges assessed for the consideration being offered with the fair value range of a Cobalt One share, in our opinion, the Scheme is "not fair".

Our assessment of the value of a Merged First Cobalt share included the value of CobalTech taken up on a basis consistent with the CobalTech Merger. It is of note that if the CobalTech Merger does not proceed and Merged First Cobalt includes only Cobalt One and First Cobalt, the pro forma value of a Merged First Cobalt share range of \$0.078 to \$0.139 would increase to a range of \$0.081 to \$0.14. Our conclusion on fairness would not be impacted.

The qualitative matters that we considered in determining whether or not despite being “not fair”, the Scheme is reasonable are detailed in Sections 9.3 to 9.6. Key considerations in our assessment are summarised as follows:

- ▶ Within the last year, as early stage exploration companies Cobalt One, First Cobalt and CobalTech each announced a change of strategy to focus on developing as pure-play cobalt companies.
- ▶ The prospectivity of the claim areas acquired by each company is primarily based on the historical mining activities which while primarily silver based also produced significant volumes of cobalt. No meaningful exploration had occurred within these areas for a number of years, with none of the areas acquired containing any defined mineral resources. Reflecting this, each company has proposed similar exploration programs which sought to gain an initial understanding of the historic information available with the aim of identifying the most prospective prospects on which to separately commence drilling campaigns.
- ▶ Cobalt One has its head office in Perth, Western Australia, and has a single executive in Mr Jason Bontempo, the Company's CEO. In contrast, First Cobalt has its head office in Toronto, Canada, and has built a Board and management team with the capital markets and technical experience required to develop an early stage exploration company.
- ▶ The strategic rationale of the Cobalt One Merger (and the CobalTech Merger) is to create a singular significant pure-play cobalt company in Merged First Cobalt that will have a dominant landholding and asset position in a highly prospective cobalt region in Canada, an experienced Board and management team made up of both Cobalt One and First Cobalt executives and a greater combined market presence that will provide better access to capital, all with the purpose of developing the company in a shorter timeframe than it otherwise would have as separate companies'.
- ▶ The Cobalt One Merger with First Cobalt overcomes the need for the Company to establish a local Canadian management team at considerable cost. Accordingly, the management of Cobalt One's assets into First Cobalt's existing operational structure is expected to create significant synergies and cost savings and negates the issues of having to manage a Canadian located project from Australia.
- ▶ The implementation of the Cobalt One and CobalTech Mergers will mean that Cobalt One, First Cobalt and CobalTech will no longer be competing against each for asset acquisitions, third party exploration capacity and access to capital markets. As a singular significant pure-play cobalt company, it would be expected that the exploration, evaluation and development of its underlying cobalt assets would be achieved in a more efficient and effective manner, rather than as three separate companies.
- ▶ The merging of Cobalt One and First Cobalt is considered to be the best chance of either company becoming a significant pure-play cobalt company, with the addition of CobalTech expected to create further growth opportunities as Merged First Cobalt.
- ▶ With Cobalt One, First Cobalt and CobalTech having only changed focus to cobalt exploration and development relatively recently, it would be expected that shareholders buying and selling shares would have been aware of the change in strategy.

- ▶ While investment in Cobalt One, First Cobalt and CobalTech is considered speculative, it would be expected that in being aware of the aim of each company to become a pure-play cobalt company, shareholders would be supportive of the change in strategy. The merger proposals are likely to be consistent with the expectations of each company's shareholders.
- ▶ Advantages of the Scheme are considered to include:
 - Cobalt One Shareholders will hold an interest in a wider portfolio of assets;
 - Significant combined cash reserves;
 - Substantial synergies are expected;
 - Cobalt One Shareholders will continue to participate in the underlying assets of Cobalt One;
 - Cobalt One Shareholders will have an interest in a larger company which may be positively re-rated by the market with greater liquidity;
 - First Cobalt management have significant experience in developing and operating mineral projects which should enhance the development of the Company's cobalt exploration assets in conjunction with its own and with those of CobalTech;
 - If the Cobalt One Merger and the CobalTech Merger proceeds, Cobalt One Shareholders will collectively hold an estimated 57.1% of Merged First Cobalt and as a collective group have a majority interest. No individual shareholder whether from Cobalt One, First Cobalt or CobalTech will have a shareholding large enough to exert any significant influence over Merged First Cobalt. Should the CobalTech merger not proceed, Cobalt One Shareholders will have a collective 65.4% interest in First Cobalt. In participating in the Cobalt One Merger, Cobalt One Shareholders are not forgoing the opportunity to share in a control premium from a future control transaction; and
 - While Cobalt One believes there is no foundation for the threat of legal action being taken by CobalTech in relation to the acquisition of the Yukon Refinery the merger of both companies with First Cobalt will negate the need to incur time and cost responding to any action and eliminates the risk of an adverse outcome to Cobalt One.
- ▶ Disadvantages of the Scheme are considered to include:
 - While the Scheme will increase the diversification of the assets that Cobalt One Shareholders will have exposure to they will continue to be subject to the risks associated with an early stage exploration company. An investment in Merged First Cobalt will continue to be speculative;
 - As the consideration to be received by Cobalt One Shareholders is in the form of shares not cash, the ultimate value of that will be dependent upon the prices at which Merged First Cobalt shares trade once the Scheme is implemented;
 - In exchanging shares in Cobalt One for shares in First Cobalt, some Cobalt One Shareholders will be effectively changing the jurisdiction of their investment from a company subject to Australian corporation regulation to a company subject to the laws of the Province of British Columbia, Canada and to certain Canadian federal laws. Change in jurisdiction may not suit all shareholders; and
 - There is a risk that these perceived benefits from expected synergies do not eventuate in the short to medium term or at all. Failure to realise these perceived benefits may have an adverse impact on the future performance of Merged First Cobalt.

Other qualitative matters are considered in Section 9.7.

While individual Cobalt One Shareholders may interpret these factors differently depending on their own circumstances, in our opinion, notwithstanding the “not fair” conclusion, the potential benefits of the Scheme outweigh the potential disadvantages to the Cobalt One Shareholders as a whole.

Taking into consideration the matters detailed in this independent expert’s report and in the absence of a superior proposal, in the opinion of EY Transaction Advisory Services, the Scheme is not fair but reasonable, and is therefore in the best interests of Cobalt One Shareholders.

Other Matters

This independent expert’s report has been prepared specifically for Cobalt One Shareholders. Neither EY Transaction Advisory Services, Ernst & Young nor any employee thereof undertakes responsibility to any person, other than Cobalt One Shareholders, in respect of this report, including any errors or omissions howsoever caused.

This independent expert’s report constitutes general financial product advice only and has been prepared without taking into consideration the individual circumstances of Cobalt One Shareholders. The decision as to whether to approve or not approve the Scheme is a matter for individual Cobalt One Shareholders. Cobalt One Shareholders should have regard to the Notice of Meeting and Scheme Booklet prepared by the Directors and management of Cobalt One. Cobalt One Shareholders who are in doubt as to the action they should take in relation to the Scheme should consult their own professional adviser.

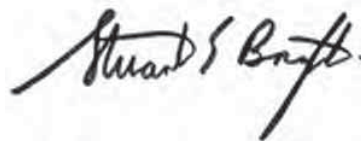
Our opinion is made as at the date of this report and reflects circumstances and conditions as at that date. This letter must be read in conjunction with the full independent expert’s report as attached.

EY Transaction Advisory Services has prepared a Financial Services Guide in accordance with the Act. The Financial Services Guide is included as Part 2 of this report.

Yours faithfully
Ernst & Young Transaction Advisory Services Limited



Ken Pendergast
Director and Representative



Stuart Bright
Director and Representative

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1. Introduction

1.1 Overview of the Scheme

On 26 June 2017, Cobalt One Limited (“Cobalt One” or the “Company”) and First Cobalt Corp. (“First Cobalt”) announced their intention to undertake a merger via a scheme of arrangement (the “Cobalt One Merger”) under which First Cobalt would issue shares to Cobalt One shareholders (“Cobalt One Shareholders”) in exchange for all of the shares in Cobalt One that they own (the “Scheme”). The Scheme is to be implemented under the provisions of the Corporations Act 2001 (the “Act”).

Unless a Cobalt One Shareholders elects to receive First Cobalt shares in their ordinary form, the First Cobalt shares to be issued as consideration under the Scheme will be in the form of CHESS depositary interests (“CDI”). If the Scheme is implemented, First Cobalt intends to apply for quotation of the CDIs on the Australian Securities Exchange (“ASX”). The CDIs will be able to be traded on the ASX on a basis consistent with First Cobalt shares on the TSX Venture Exchange (“TSX-V”) in Canada. Unless otherwise stated, reference in this report to First Cobalt “shares” incorporates reference to First Cobalt “CDIs”.

Under the Scheme, Cobalt One Shareholders will receive 0.145 of a First Cobalt share for every Cobalt One share held (i.e. one First Cobalt share for every 6.9 Cobalt One shares held). If the Scheme is successfully implemented, Cobalt One Shareholders will become shareholders in First Cobalt.

Cobalt One and First Cobalt are early stage exploration companies that over the last 12 months have changed focus to cobalt. In this regard, both companies have been active in acquiring a number of prospective cobalt exploration properties and assets in the region around the historic Canadian mining town of Cobalt, located in the province of Ontario, approximately 500 kilometres north of Toronto.

Included in the assets acquired by Cobalt One is the Yukon Refinery, a cobalt concentrates refinery located in North Cobalt that has been under care and maintenance for a number of years.

Cobalt One is listed on the ASX. The Company changed its name from “Equator Resources Limited” to “Cobalt One Limited” in May 2017.

First Cobalt is listed on the TSX-V and on the OTC Markets (“OTCQB”) in the USA. The company changed its name to “First Cobalt Corp.” from “Aurgent Resource Corp.” in September 2016.

On 21 June 2017 (Eastern Time Canada, 22 June 2017 in Australia), First Cobalt and another TSX-V listed company, CobalTech Mining Inc. (“CobalTech”) announced that they had entered into a non-binding letter of intent to merge (the “CobalTech Merger”) via a court approved plan of arrangement under which First Cobalt would issue shares in exchange for all of the issued shares in CobalTech (the “Arrangement”). The letter of intent was replaced by a binding arrangement agreement entered into by First Cobalt and CobalTech on 18 August 2017.

On 26 June 2017, First Cobalt and CobalTech announced that they had agreed to the terms of the CobalTech Merger in that under the Arrangement, CobalTech shareholders will receive 0.2632 of a First Cobalt share for every CobalTech share held (i.e. one First Cobalt share for every 3.8 CobalTech shares held). If the Arrangement is successfully implemented, CobalTech shareholders will become shareholders in First Cobalt. The Arrangement is to be implemented under Canadian law. First Cobalt and CobalTech entered into an arrangement agreement (the “Arrangement Agreement”) on 18 August 2017.

Similar to First Cobalt and Cobalt One, CobalTech is an early stage exploration company that recently changed focus to cobalt, acquiring a number of prospective cobalt exploration properties that are located in relatively close proximity to First Cobalt’s Canadian landholding. The company also owns a 100 tonnes per day mill facility. CobalTech is listed on the TSX-V and changed its name from “Big North Graphite Corporation” in November 2016.

The Scheme Implementation Deed (the “SID”) between Cobalt One and First Cobalt in relation to the Cobalt One Merger was entered into on 14 July 2017 and varied by the Deed of Variation, dated 22 September 2017.

While the properties acquired by each of the three companies have been subject to historical mining activities, no meaningful exploration has been undertaken within these areas for a number of years. There are no defined mineral resources reported for any of the properties. The cobalt potential of the properties is supported by historical mining activities which while primarily silver based also produced significant volumes of cobalt. Due to of the early stage nature of each company’s operations, investment in Cobalt One, First Cobalt and CobalTech is considered speculative.

The change of strategy for Cobalt One, First Cobalt and CobalTech to cobalt exploration and development as a primary focus is reflective of the increased demand for the metal in the production of cathodes for lithium ion batteries. With the forecast increase in demand for rechargeable power storage across a wide range of applications, including the more mainstream introduction of electric vehicles, the outlook for cobalt is considered positive. A review of the cobalt industry is included at Appendix B.

Based on the anticipated timing of the Arrangement and the Scheme it is expected that the CobalTech Merger will occur before the Cobalt One Merger, albeit only marginally. Neither of the two mergers are contingent on each other.

As part of the Cobalt One Merger, the Board of Directors of First Cobalt is to be reconstituted to include Cobalt One’s Non-Executive Chairman Mr Paul Matysek and Executive Director Mr Jason Bontempo. Mr Robert Cross will also be joining the Board of First Cobalt.

If the Cobalt One Merger and the CobalTech Merger occur as anticipated, First Cobalt will become the holding company of the combined assets and undertakings of First Cobalt, Cobalt One and CobalTech (“Merged First Cobalt”).

To assist Cobalt One Shareholders in their deliberation of the Scheme, the Directors of Cobalt One have engaged Ernst & Young Transaction Advisory Services Limited (“EY Transaction Advisory Services” or “EY”) to prepare an independent expert’s report.

The Cobalt One Board of Directors have unanimously recommended to Cobalt One Shareholders to, in the absence of a superior proposal, vote in favour of the Scheme and have stated that they intend to do so in regards to their own holdings in Cobalt One.

1.2 Impact on Cobalt One Shareholders

Included in the table below is a summary of the number of First Cobalt shares that the Cobalt One Shareholders will receive under the terms of the Cobalt One Merger. In relation to the Options, Performance Options and Director Performance Options that the Company has on issue, the majority of these are expected to be exercised prior to the implementation of the Scheme and will participate in the Scheme. Those not exercised are to be dealt with on a basis consistent with the SID. In this regard, 20,000,000 Options and Director Performance Options are expected to be exchanged for 2,900,000 options in First Cobalt.

Cobalt One Merger - Number of First Cobalt shares to be issued

Cobalt One:	
Number of shares on issue	682,026,602
Number of Options, Performance Options on issue	96,500,000
Ratio of First Cobalt shares to be issued for each Cobalt One share	0.145
Number of First Cobalt shares to be issued:	
- to Cobalt One Shareholders	98,893,857
- to holders of Options and Performance Options	9,210,000
	<u>108,103,857</u>
Number of First Cobalt options to be issued	<u>2,900,000</u>

Source: EY analysis / Scheme Booklet

Included in the table below is a summary of the number of First Cobalt shares that the CobalTech shareholders will receive under the terms of the CobalTech Merger.

CobalTech Merger - Number of First Cobalt shares to be issued

CobalTech:	
Number of shares on issue	90,540,438
Number of warrants and options on issue	10,480,500
Ratio of First Cobalt shares to be issued for each CobalTech share	0.2632
Number of First Cobalt shares to be issued:	
- to CobalTech shareholders	<u>23,830,243</u>

Source: EY analysis / Scheme Booklet

As an indication of the share structure of First Cobalt after the CobalTech and Cobalt One Mergers (together referred to as the "Mergers"), included in the table below is summary of the number of shares First Cobalt will have on issue before and after the Mergers. The analysis is done on an undiluted basis and takes into account the number of shares First Cobalt will be issuing under the Mergers, as detailed in the preceding tables.

First Cobalt - Before and After the CobalTech and Cobalt One Mergers

First Cobalt: Before - securities currently on issue:

Number of shares on issue	57,507,748
Number of warrants and options on issue	8,565,000

First Cobalt: After - shares on issue after the Mergers:

Number of shares on undiluted basis	57,507,748
Number of shares to be issued under the CobalTech Merger	23,830,243
Number of shares to be issued under the Cobalt One Merger	108,103,857
	<u>189,441,848</u>

Source: EY analysis / Scheme Booklet

The table below summarises the respective shares in First Cobalt held by each company's shareholders after the CobalTech Merger and Cobalt One Merger.

First Cobalt shareholding structure after the CobalTech and Cobalt One Mergers

	Shares	% Interest
Held by First Cobalt shareholders	57,507,748	30.3%
Held by CobalTech shareholders	23,830,243	12.6%
Held by Cobalt One Shareholders	108,103,857	57.1%
	<u>189,441,848</u>	<u>100.0%</u>

Source: EY analysis / Scheme Booklet

The analysis shows that after the CobalTech and Cobalt One Mergers, as a collective group, it is estimated that Cobalt One Shareholders will have a combined 57.1% interest in Merged First Cobalt. Accordingly, the Cobalt One Merger is being presented as a "reverse takeover", with Cobalt One Shareholders collectively having greater than 50% interest in Merged First Cobalt. With no Cobalt One Shareholder currently having a greater than 20% interest in the Company and given the respective shareholdings of the First Cobalt shareholders (i.e. 30.3%) and the CobalTech shareholders (i.e. 12.6%), no entity is increasing its relevant interest in Cobalt One as a result of the Scheme.

On a fully diluted basis allowing for the exercise of the warrants and options First Cobalt currently has on issue and those to be issued to Cobalt One option holders, the respective shareholder split is estimated to be First Cobalt 32.9%, CobalTech 11.9% and Cobalt One 55.2%.

It is of note that if the CobalTech Merger does not proceed, after the Cobalt One Merger the Cobalt One Shareholders would hold an estimated 65.4% of shares First Cobalt would have on issue on an undiluted basis and 62.7% on a fully diluted basis.

1.3 Conditions precedent

Completion of the Scheme is subject to a number of conditions (some of which, pursuant to the SID, may be waived by agreement between Cobalt One and First Cobalt) including, amongst other matters:

- ▶ The Federal Court of Australia (or such other court of competent jurisdiction agreed to by Cobalt One and First Cobalt) approving the Scheme in accordance with section 411(4)(b) of the Act.
- ▶ Cobalt One Shareholders (other than the excluded shareholders) approving the Scheme at the Scheme Meeting.

- ▶ First Cobalt shareholders approving:
 - any changes to the company's constating documents required by the ASX for admission of First Cobalt to the Official List of the ASX; and
 - to the extent required by the TSX-V, the Scheme.
- ▶ No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or government agency or other material legal restraint or prohibition preventing the Scheme.
- ▶ No material adverse changes to Cobalt One or First Cobalt.
- ▶ No Cobalt One or First Cobalt prescribed occurrences.
- ▶ ASX admitting First Cobalt to the Official List of the ASX and the First Cobalt CDIs being admitted to official quotation.
- ▶ Binding agreements have been entered into for a sufficient number of the Cobalt One Options on issue, after taking into account those that are exercised, so that First Cobalt is permitted to compulsory acquire the remaining Options in accordance with the Act.

We note that a break fee of \$1.4 million (the "Break Fee") is payable by either party if a competing proposal for Cobalt One or First Cobalt is announced before the Scheme Meeting, if the Directors of either company change their recommendation in relation to the Scheme or if there has been a deliberate act or omission amounting to a breach.

Full disclosure of the conditions precedent to the Scheme and details of the Break Fee are included in the Scheme Booklet.

2. Scope of this report

2.1 Purpose of the report

The Scheme is a scheme of arrangement being conducted under the provisions of Section 411 of the Act. Under clause 8303 of Schedule 8 of the Corporations Regulations 2001 (the “Regulations”), if the other party to the scheme has a 30% or more interest in the company the subject of a scheme or if the parties to the scheme have a common director then the documents sent to shareholders must be accompanied by a report prepared by an independent expert in which that person provides an opinion as to whether or not the Scheme is in the best interests of shareholders and sets out the reasons for that opinion.

As First Cobalt does not own any shares in Cobalt One and there are no common directors, an independent expert’s report is not specifically required in relation to the Scheme. Notwithstanding this, the Directors of Cobalt One have engaged EY Transaction Advisory Services to prepare an independent expert’s report in relation to the Scheme as if such a report was required under the Regulations.

Accordingly, we have prepared this independent expert’s report to consider whether or not, in our opinion, the Scheme is in the best interests of Cobalt One Shareholders and set out the reasons for that opinion. Our report is to be included in the Scheme Booklet being sent to Cobalt One Shareholders for the general meeting of the Company that is to be held on or about 17 November 2017 at which a resolution seeking approval of the Scheme will be considered (the “Scheme Meeting”).

This report considers the interests of the Cobalt One Shareholders as a whole and not individually. Individual Cobalt One Shareholders may have matters that impact them in circumstances that are not general to all shareholders as a whole and this report cannot, and does not, consider such issues.

2.2 Basis of evaluation

Neither the Act nor the Regulations define the term “in the best interests of”. Australian Securities and Investments Commission (“ASIC”) has however issued Regulatory Guide 111: *Content of expert reports* (“RG 111”) which provides guidance as to what matters an independent expert should consider when determining whether or not a particular transaction is in the best interests of shareholders.

RG 111 notes that if a scheme results in a change of control, the analysis within the independent expert’s report must be substantially the same as for a takeover offer. In valuing the “target” company subject to a takeover offer, RG 111 implicitly requires the assessment to be inclusive of a control premium. Where the consideration being offered by the “bidder” consists of shares, those shares need to be valued on a minority interest basis (i.e. without a control premium). Analysis on this basis recognises that the target’s shareholders are exchanging a controlling interest in the target for a minority interest in the bidder.

RG 111 does state that an expert may need to assess whether a scrip takeover (i.e. transaction) is in effect a merger of entities of equivalent value when control of the merged entity will be shared equally between the “bidder” and “target”. In these circumstances the expert may be justified in using an equivalent approach to valuing the securities of the “bidder” and “target”.

To consider whether the Scheme represents a change of control transaction for Cobalt One, we have considered the following matters:

- the respective shareholder base of Merged First Cobalt (i.e. post the CobaltTech and Cobalt One Mergers) and the collective interests of the Cobalt One Shareholders;

- ▶ contribution by Cobalt One, First Cobalt and CobalTech to the assets and liabilities of Merged First Cobalt;
- ▶ whether any shareholder from any of the three companies will be in a position to control or significantly influence Merged First Cobalt;
- ▶ the mix of the members of the Board and senior management of Merged First Cobalt; and
- ▶ intentions of the Board of Cobalt One and First Cobalt on entering into the Scheme.

Under the terms of the Scheme, after the Mergers, on an undiluted diluted basis it is estimated that Cobalt One Shareholders will have a 57.1% interest in Merged First Cobalt while First Cobalt shareholders a 30.3% interest and CobalTech shareholders a 12.6% interest.

Based on the respective market capitalisation of the three companies based on the last trading price on the day prior to the announcement of the Mergers, Cobalt One's market capitalisation represented 62% of the combined total, First Cobalt 29% and CobalTech 9%.

Currently there are no shareholders with a relevant interest (i.e. an interest in voting shares) large enough to have control or significantly influence in any of the three companies. Given the terms of the CobalTech and Cobalt One Mergers, no shareholder will be in a position to control or significantly influence Merged First Cobalt.

While the reconstituted Board of Merged First Cobalt will contain two Directors of Cobalt One, it will be primarily made up of continuing First Cobalt Directors. Consistent with this, management of Merged First Cobalt will be comprised of continuing First Cobalt management. With Cobalt One being Australian based with its primary assets located in Canada and First Cobalt being Canadian based with its primary assets located in Canada, the continuation of Canadian based Directors and management is not unexpected.

Given these factors, in our opinion, the Cobalt One Merger does not represent a "change of control" transaction. On this basis we have assessed the Scheme adopting an equivalent approach to valuing the securities of Cobalt One and First Cobalt. This results in the shares in both Cobalt One and First Cobalt being valued on a minority interest basis. Consideration of the value of a First Cobalt share has undertaken on a pre and post-merger basis, recognising that the consideration being received by Cobalt One Shareholders will be reflective of the combined value of Cobalt One, First Cobalt and CobalTech (i.e. Merged First Cobalt).

Consistent with the guidance contained in RG 111, if the value of the consideration being offered by First Cobalt is equal to or greater than the value of Cobalt One shares the subject of the Scheme, then the Scheme would be considered "fair". If "fair" the Scheme would also be considered "reasonable". It might also be "reasonable" if, despite being "not fair", there are sufficient reasons for Cobalt One Shareholders to accept the Scheme in the absence of any higher alternative proposal.

If, based on the analysis detailed in the preceding paragraph, we assessed the Scheme to be either "fair and reasonable" or "not fair but reasonable", we would consider the Scheme to also be "in the best interests" of Cobalt One Shareholders.

Value is required to be measured on a “fair value” basis. “Fair value” is considered to be *“the price at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer both acting at arm’s length”*. Our assessment of the fair value of a Cobalt One share and the fair value of the shares being issued by First Cobalt are on a basis consistent with this definition.

In assessing whether the Scheme is in the best interests of Cobalt One Shareholders, in addition to considering whether or not it is “fair”, we have considered a range of other factors including, but not limited to:

- ▶ the general terms and conditions of the Scheme;
- ▶ consideration of the amounts paid by Cobalt One, First Cobalt and CobalTech for their respective interests in the various early stage exploration properties, prospects and infrastructure;
- ▶ the prices at which Cobalt One’s shares have historically traded on the ASX;
- ▶ the prices at which First Cobalt’s shares have historically traded on the TSX-V;
- ▶ the prices at which CobalTech shares have historically traded on the TSX-V;
- ▶ the pro forma value of First Cobalt shares post the Cobalt One Merger and the CobalTech Merger;
- ▶ consideration of the respective share prices on the ASX and the TSX-V since the announcement of the CobalTech Merger and the Cobalt One Merger;
- ▶ the alternatives to the Scheme and the likelihood of an alternative superior transaction;
- ▶ the rationale of the Scheme and the Cobalt One Merger (with consideration of the CobalTech Merger);
- ▶ the respective shareholder base of Cobalt One pre and post the Scheme and the collective interests held by Cobalt One Shareholders in Merged First Cobalt;
- ▶ other qualitative factors which we believe represent either advantages or disadvantages to Cobalt One Shareholders; and
- ▶ other significant matters.

Our fair value assessments of Cobalt One and First Cobalt shares are detailed in Sections 8.1 and 8.2, with consideration of the pro forma value of a Merged First Cobalt share is included at Section 8.3. Comparison of the value of a Cobalt One share with the consideration being offered under the Scheme is detailed in Section 9.2.

All amounts in this report are expressed in Australian dollars (“\$”) unless otherwise stated. In this regard Canadian dollars are defined as “C\$”.

In undertaking our analysis and preparing this report, we have had access to management information in relation to Cobalt One, First Cobalt and CobalTech. A list of the sources of information used and relied on is contained in Appendix C.

A glossary summarising the abbreviations we have used in this report is contained in Appendix D.

2.3 Shareholders' decisions

This report has been prepared specifically for Cobalt One Shareholders at the request of the Directors of the Company with respect to the Scheme. As such, EY, EY Transaction Advisory Services and any member or employee thereof, take no responsibility to any person or entity other than Cobalt One Shareholders, in respect of this report, including any errors or omissions howsoever caused.

This report constitutes general financial product advice only and has been prepared without taking into consideration the individual circumstances of the Cobalt One Shareholders. The decision to approve or not approve the Scheme is a matter for individual shareholders. Cobalt One Shareholders should consider the advice in the context of their own circumstances, preferences and risk profiles. Cobalt One Shareholders should have regard to the Notice of Meeting and Scheme Booklet prepared by the Directors and management of the Company. Cobalt One Shareholders who are in doubt as to the action they should take in relation to the Scheme should consult their own professional adviser.

EY Transaction Advisory Services has prepared a Financial Services Guide in accordance with the Act. The Financial Services Guide is included as Part 2 of this report.

2.4 Independence

Prior to accepting this engagement, we considered our independence with respect to Cobalt One, First Cobalt and CobalTech with reference to ASIC Regulatory Guide 112 *independence of experts*. In our opinion, we are independent of Cobalt One, First Cobalt and CobalTech.

EY Transaction Advisory Services, and global affiliations, have not provided any services to Cobalt One or First Cobalt in relation to the Scheme.

2.5 Limitations and reliance of scope

In the preparation of this report, we were provided with information in respect of Cobalt One, First Cobalt and CobalTech and obtained additional information from public sources, as set out in Appendix C.

Our opinion is based on economic, market and other external conditions prevailing at the date of this report. Such conditions can change over relatively short periods of time and these changes can be material.

We have had discussions with the management of Cobalt One and corresponded with the management of First Cobalt in relation to the operations, financial position, operating results and outlook of each of the companies.

The preparation of this report has also been based on financial and other information provided by Cobalt One and First Cobalt. EY Transaction Advisory Services has considered and relied upon this information. The Directors of Cobalt One have represented to us that to their knowledge the information provided is correct and that there are no material facts which have been omitted.

We have provided draft copies of this report to the management of Cobalt One and First Cobalt for their comments as to factual accuracy, as opposed to opinions, which are the responsibility of EY Transaction Advisory Services alone. Amendments made to this report as a result of this review have not changed the methodology or conclusions reached by EY Transaction Advisory Services.

The information provided to us has been evaluated through analysis, enquiry and review for the purposes of forming an opinion as to whether the Scheme is in the best interest of Cobalt One Shareholders. However, EY Transaction Advisory Services does not warrant that its enquiries have identified all of the matters that an audit, an extensive examination or 'due diligence' and/or tax investigation might disclose.

Preparation of this report does not imply that we have, in any way, audited the accounts or records of Cobalt One. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles in Australia and Canada, as applicable.

In forming our opinion we have also assumed that:

- ▶ matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- ▶ the information set out in the Scheme Booklet to be sent by Cobalt One to Cobalt One Shareholders is complete, accurate and fairly presented in all material respects;
- ▶ the publicly available information relied upon by EY Transaction Advisory Services in its analysis was accurate and not misleading; and
- ▶ the Scheme will, if approved, be implemented in accordance with its terms.

To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations and policies, we assume no responsibility and offer no legal opinion or interpretation on any issue.

The statements and opinions given in this independent expert's report are given in good faith and in the belief that such statements and opinions are not false or misleading.

This report should be read in the context of the full qualifications, limitations and consents set out in Appendix A.

This report has been prepared in accordance with APES 225: *Valuation Services (revised)* issued by the Accounting Professional & Ethical Standards Board Limited in December 2015.

3. Overview of Cobalt One

3.1 Company background

3.1.1 Recent history

Cobalt One listed on the ASX under the name “NT Resources Limited” in February 2010 as a mineral exploration company with uranium, gold and base metal prospects located in the Northern Territory. The Company became “Equator Resources Limited” when in June 2011 it completed the acquisition of a number of gold exploration projects located in the West African country of Liberia.

The Company's shares were voluntarily suspended from trading on the ASX between September 2013 and June 2016, across which time the Liberian gold interests were sold and operations were restructured to focus on the original Northern Territory located tenements (the “Acacia-Frazer Project”).

In November 2016, the Company announced that it had entered into a binding agreement to purchase up to a 100% interest in Ophiolite Consultants Pty Ltd (“Ophiolite”). Ophiolite holds title to a series of patented and unpatented claims in three distinct areas within the Cobalt Mining Camp covering over 5,000 hectares near the Canadian mining town of Cobalt, Ontario (the “Cobalt Camp Project”). The Cobalt Mining Camp is an historic and proven mining centre which supported the mining of high grade silver/cobalt deposits since the early 1900's. Ophiolite's landholding is considered highly prospective for the targeting of high grade cobalt mineralisation.

Cobalt One agreed to purchase an initial 80% interest in Ophiolite with the remaining 20% interest held under a call option. Under the acquisition, the Company issued 100,000,000 shares to the vendors of Ophiolite together with 20,000,000 Performance A Options and 20,000,000 Performance B Options. In addition, 25,000,000 shares, 5,000,000 Performance A Options and 5,000,000 Performance B Options were issued to entities which facilitated the transaction. The acquisition of Ophiolite was approved by the shareholders of Cobalt One and was completed in February 2017.

In relation to the Performance A Options, they have an exercise price of \$0.03 each and an exercise period of up to three years (i.e. 9 February 2020). They will only vest if and when Cobalt One has been provided with a report on the claim areas held by Ophiolite that is equivalent to and compliant with a National Instrument 43-101 (“NI 43-101”) report per the Standards of Disclosure for Mineral Projects within Canada. This condition has been met in that a NI 43-101 report has been prepared in relation to the exploration potential of the Cobalt Camp Project area.

The Performance B Options have an exercise price of \$0.06 each and an exercise period of up to three years (i.e. 9 February 2020). They will only vest if and when Cobalt One has released a report confirming a JORC Code (2012) and/or NI 43-101 compliant resource within the claim areas.

If both tranches vest, Cobalt One has the option, but not the obligation, to require the transfer to it of the remaining 20% interest in Ophiolite. The transfer of the 20% interest will be for no additional consideration. If only the Performance A Options vest, the Company has the option to require the transfer of a 10% interest in Ophiolite, and to enter into negotiations to acquire the remaining 10% interest at a price to be agreed. If none of the Performance A or B Options vest then the acquisition of the remaining 20% interest is open to negotiation.

In February 2017, Cobalt One announced the acquisition of the property holding the historic Silverfield mine, which was previously owned by Teck Corporation Ltd. Silverfield operated from 1964 to 1983 primarily as a silver mine with cobalt being produced as a by-product. The acquisition included four patented mining claims near Cobalt.

In March 2017, the Company announced that it had further increased its landholding by staking properties with known cobalt occurrences in the Cooper Lake, Gillies Limit and Lorrain Two areas and in the South Lorrain/Silver Centre areas within the Cobalt Mining Camp area south of Cobalt.

In April 2017, Cobalt One announced the intention to purchase the properties, permits, assets and rights relating to and in connection with the operation of the Yukon Refinery, a cobalt concentrates refinery located in North Cobalt. Consideration for the acquisition was a cash payment of \$6,000,000 plus the issue of 100,000,000 shares. Constructed in the 1990's and upgraded in 2012, the refinery had been under care and maintenance for a number of years.

In relation to the Yukon Refinery, CobaltTech had announced in February 2017 that it had signed a letter of intent for the option to acquire the refinery. After Cobalt One announced the acquisition of the Yukon Refinery in April 2017, CobaltTech announced that the option to purchase the Yukon Refinery had been terminated following a breach by the vendor. In May 2017, CobaltTech announced that it intended to commence legal proceedings against the vendor of the Yukon Refinery and Cobalt One. Under the terms of the Arrangement Agreement, CobaltTech has agreed not to commence legal proceedings against Cobalt One subject to the CobaltTech Merger proceeding.

While the claim areas acquired and staked by Cobalt One have been subject to historical mining activities, no meaningful exploration has been undertaken within these areas for a number of years. There are no defined mineral resources reported for any of the properties. The Company's claim areas are considered to be at an early stage of exploration.

Reflecting the change of strategy to cobalt, in May 2017 the Company changed its name from "Equator Resources Limited" to "Cobalt One Limited".

The acquisition of the Yukon Refinery was completed in June 2017. Prior to completion, in early June 2017, Cobalt One and First Cobalt announced that an option had been granted for First Cobalt to enter into a 50:50 joint venture in relation to the Yukon Refinery.

The Cobalt One Merger between Cobalt One and First Cobalt was formally announced by Cobalt One on 26 June 2017, after First Cobalt had announced on 22 June 2017 (21 June 2017 in Canada) that it had delivered a merger proposal to the Company. Cobalt One entered a trading halt on 22 June 2017.

3.1.2 Exploration status

In relation to the Cobalt Camp Project, the Company engaged CSA Global Canada Geosciences Ltd ("CSA Global") to prepare a report to NI 43-101 standard to consider the exploration potential of Cobalt One's landholding and outline recommended exploration programs as well as indicative costs. The key aspects of CSA Global's report, dated 31 January 2017, are summarised as follows:

- ▶ The Cobalt Camp Project includes five property groups in the Cobalt and Silver Centre mining regions.
- ▶ Vein bearing cobalt was discovered in the region in 1884, with the initial discovery of silver in 1903. Mining in the region occurred from 1904 up to 1989. The report states that information relating to early exploration and ownership is limited and incomplete.

- ▶ No exploration or diamond drilling work has been conducted on the property as at the date of the report.
- ▶ CSA Global concluded that the Cobalt Camp Project has potential to host arsenide silver-cobalt vein deposits and further exploration is warranted.
- ▶ The report considers the Cobalt Camp Project to be at an early stage of exploration and recommended an exploration program in two phases.
- ▶ Phase 1 is to specifically target the Ophir Mine area (North Gillies Limit property) and the Silverfields Mine area (Silverfields Property).
- ▶ The report recommends the following Phase 1 exploration:
 - Geographic Information System (“GIS”) data compilation of available government and historic data;
 - 3D geological and structural modelling;
 - Airborne magnetic and electromagnetic survey;
 - Independent interpretation of the geophysical survey results;
 - Prospecting of historic occurrences and airborne survey targets;
 - Geological mapping to identify vein deposits;
 - Orientation geochemical surveys;
 - Quaternary mapping to support geochemical survey’s;
 - Property scale geochemical survey’s based on orientation survey results; and
 - Field location and documentation of abandoned hazards.
- ▶ The report recommends a preliminary 2017 exploration Phase 1 budget of C\$740,000.
- ▶ Contingent on the results from Phase 1, CSA Global recommends that a Phase 2 diamond drill program be undertaken to test targets identified during Phase 1. Phase 2 exploration would include a 2,000 metre diamond drill program with an estimated cost of C\$345,000.
- ▶ The combined cost of the above work for Phase 1 and 2 is estimated to be C\$1,085,000.

In March 2017, Cobalt One announced that GIS data integration had commenced and was continuing with the study of historical exploration within the Cobalt Camp Project area, including consideration of drilling and mine working data. An airborne magnetic and electromagnetic survey was also completed with ongoing consideration and assessment of the results.

3.1.3 Cobalt One’s financials

Included in the tables below is a summary of Cobalt One’s financial performance for the years ended 30 June 2016 and 2017, and for the six months to 31 December 2016 and financial position as at 30 June 2016, 31 December 2016 and 30 June 2017. The amounts have been sourced from the Company’s audited financial statements and audit reviewed half year accounts.

Cobalt One - Financial Performance			
\$000's	Year to 30Jun17	6 mths to 31Dec16	Year to 30Jun16
Revenue - interest	17	7	3
Gain from creditor/convertible note settlement	-	-	775
Director and employee benefit expense	(399)	(112)	(52)
Compliance costs	(376)	(85)	(127)
Consultants fees	(30)	(50)	(67)
Exploration and evaluation expense	(22)	(17)	(32)
Share based payments	(8,707)	(648)	(1,362)
Other expenses	(245)	(305)	(26)
Profit/(Loss) before income tax	(9,762)	(1,210)	(888)
Income tax benefit/(expense)	-	-	-
Comprehensive profit/(loss) after tax	(9,762)	(1,210)	(888)

Source: Cobalt One's accounts (audited and audit reviewed)

Cobalt One - Financial Position			
\$000's	30Jun17	As at 31Dec16	30Jun16
Current Assets			
Cash and cash equivalents	2,148	2,638	1,864
Other receivables and prepayments	1,687	27	28
	3,835	2,665	1,892
Non-Current Assets			
Loan to Ophiolite	-	242	-
Plant and equipment	15,905	-	-
Exploration and evaluation	13,962	-	-
	29,867	242	-
Total Assets	33,702	2,907	1,892
Current Liabilities			
Trade and other payables	168	227	86
Prepayment received	730	-	-
	898	227	86
Net Assets	32,804	2,680	1,806

Source: Cobalt One's accounts (audited and audit reviewed)

In presenting Cobalt One's financial information it is of note that the independent auditor's report for 30 June 2017 and 30 June 2016 included qualified audit opinions. The form of the qualified audit opinions are detailed in the Scheme Booklet.

Cobalt One's financial performance across the period considered reflects its position as an early stage exploration company. The results for the year ended 30 June 2017 indicate the additional activity associated with Cobalt One's change of strategy towards cobalt and the acquisitions undertaken in that period.

Similarly, the Company's financial position at 30 June 2017 reflects the cobalt related acquisitions undertaken during the year and associated expenditure. The balance of plant and equipment is represented by the acquisition of the Yukon Refinery. The balance of exploration and evaluation is summarised as follows:

Cobalt One - Exploration and evaluation	
\$000's	As at 30Jun17
Ophiolite purchase - Cobalt Camp Project properties	13,125
Exploration expenditure	817
Other	20
	<u>13,962</u>

Source: Cobalt One's accounts (audited)

The amount taken up in relation to the acquisition of Ophiolite represents the fair value of the consideration paid by Cobalt One for the 80% interest in Ophiolite grossed up to 100%. A corresponding amount reflecting the value of the 20% interest in Ophiolite not owned by the Company has raised as a non-controlling interest.

The prepayment received liability relates to the payment made by First Cobalt in relation to Cobalt One granting First Cobalt the option to enter into a 50:50 joint venture in relation to the Yukon Refinery.

During the year ended 30 June 2017, most of Cobalt One's funding came from the issue of shares via private placements, exercise of options and other capital raising initiatives. The Company raised net cash totalling approximately \$7.5 million, of which \$6.0 million was used as consideration for the acquisition of Yukon Refinery.

3.2 Capital structure and major shareholders

At the date of this report Cobalt One had the following securities on issue:

- ▶ 682,026,602 fully paid ordinary shares (10,000,000 of which will vest when the Company's share price on the ASX is at \$0.20 or more for five consecutive trading days);
- ▶ 8,500,000 unlisted Class A Options, exercisable at \$0.02 each on or before 5 April 2020;
- ▶ 8,000,000 unlisted Class D Options, exercisable at \$0.03 each on or before 30 November 2019;
- ▶ 15,000,000 unlisted Class E Options, exercisable at \$0.08 each on or before 10 February 2020;
- ▶ 25,000,000 unlisted Performance A Options, exercisable at \$0.03 each on or before 9 February 2020;
- ▶ 25,000,000 unlisted Performance B Options, exercisable at \$0.06 each on or before 9 February 2020; and
- ▶ 15,000,000 unlisted Director Performance Options, exercisable at \$0.001 each with an expiry date of 15 June 2020, vesting when the Company's share price on the ASX is at \$0.20 or more for 10 consecutive trading days.

At 1 July 2016, Cobalt One had on issue 249,974,711 shares. Through share placements, issues and acquisitions at 30 June 2017, the number of shares on issue had increased to 676,176,602, including the 100,000,000 shares issued in relation to the acquisition of the Yukon Refinery. Since 1 July 2017 a further 5,850,000 shares were issued on the exercise of options.

In relation to the Options, Performance Options and Director Performance Options that the Company has on issue, the majority of these are expected to be exercised prior to the implementation of the Scheme and will participate in the Scheme. Those not exercised are to be dealt with on a basis consistent with the SID. In this regard, 20,000,000 Options and Director Performance Options are expected to be exchanged for 2,900,000 options in First Cobalt.

As at 28 August 2017, the top 10 shareholders (not on a beneficial interest basis) held 56.2% of the shares on issue. The 10 largest shareholders of Cobalt One at that date are summarised in the following table. Marcor Limited ("Marcor"), the largest shareholder, was the owner of the recently acquired Yukon Refinery.

Cobalt One - Shareholder profile as at 28 August 2017

<i>000's</i>	Shares	%
1 Marcor Ltd	100,000	14.7%
2 RZJ Capital Management / Sonja Heath	63,000	9.2%
3 JP Morgan Nominees*	60,441	8.9%
4 Citicorp Nominees*	36,378	5.3%
5 Vonross Nominees	34,121	5.0%
6 Ross Stanley (Taza Two)	31,586	4.6%
7 UBS Nominees*	24,293	3.6%
8 Helmet Nominees Pty Ltd	11,790	1.7%
9 Clipper Group Limited	11,240	1.6%
10 Joke Pty Ltd	10,500	1.5%
Top 10 shareholders / nominee groups	383,349	56.2%
Remaining shareholders	298,678	43.8%
Total shares on issue	682,027	100.0%

* - These holders act as nominees for individual shareholders, brokerage firms and other intermediaries. The beneficial owners of these shares are not known.

Source: Cobalt One management and share registry information

Of the shares on issue 215,000,000 are under escrow restrictions and cannot be traded for a set period. Of these, 115,000,000 relating to the acquisition of Ophiolite and are restricted until February 2018. The other 100,000,000 shares are those held by Marcor, with 50,000,000 shares being restricted until July 2018 and the remaining 50,000,000 shares being restricted until July 2019.

Shareholders who have lodged substantial shareholder notices are as follows:

Cobalt One - Substantial shareholders

<i>000's</i>	Date of Notice	Shares
Ross Stanley	19/7/2016	26,876
Canaccord Financial Group	15/6/2017	60,000
Terra Capital Natural Resources Fund	16/2/2017	33,223
RZJ Capital Management	24/2/2017	70,000
Tribeca Investment Partners Pty Ltd	25/7/2017	54,202

Source: ASX announcements

In relation to Canaccord Financial Group ("Canaccord") we understand the 60,000,000 shares were registered on the exercise of options, with the shares subsequently being distributed and on-sold to clients and other interested parties. As a consequence Canaccord is no longer a substantial shareholder.

The shares held by Terra Capital Natural Resources Fund are registered under JP Morgan Nominees as a nominee for the fund.

The shares held by Tribeca Investment Partners Pty Ltd are as nominee on behalf of individually managed clients.

3.3 Share price performance

The chart below shows the daily share price and trading volumes for Cobalt One between 1 July 2016 and 21 June 2017, the last trading day prior to the announcement date for the Cobalt One Merger of 26 June 2017. The trading price is based on the daily closing price.



Source: S&P Capital IQ

The following table summarises the monthly trading prices of Cobalt One's shares on the ASX over the period 1 July 2016 and 21 June 2017.

Period	High	Low	Close	Monthly volume	Monthly liquidity*
	A\$	A\$	A\$	m's	%
July 2016	0.025	0.018	0.024	16.31	6.52%
August 2016	0.029	0.019	0.026	5.64	2.26%
September 2016	0.026	0.022	0.024	2.28	0.91%
October 2016	0.027	0.022	0.022	2.62	1.05%
November 2016	0.059	0.022	0.025	48.21	19.28%
December 2016	0.061	0.045	0.051	26.60	8.88%
January 2017	0.100	0.052	0.078	40.13	12.91%
February 2017	0.170	0.082	0.160	130.21	39.32%
March 2017	0.190	0.125	0.140	35.64	8.30%
April 2017	0.160	0.120	0.155	10.58	2.46%
May 2017	0.130	0.093	0.100	18.25	4.24%
To 21 June 2017	0.135	0.099	0.125	6.31	1.46%

* - adjusted for shares in escrow

Source: S&P Capital IQ

In the period from 1 July 2016 to 24 November 2016, the last trading day before the announcement of the acquisition of Ophiolite and the change of focus to cobalt, Cobalt One's shares traded in the range of between \$0.02 and \$0.03. Between 28 November 2016, the date the acquisition was announced, and 10 February 2017, the date the acquisition was completed, shares traded up to levels of around \$0.10, before trading up a high of \$0.19 on 2 March 2017. From then the Company's share price drifted down to levels of between \$0.10 and \$0.13. The closing price on 21 June 2017, the last trading day before the announcement of the Cobalt One Merger, was \$0.10.

In relation to the determination of monthly liquidity, the exercise of 60 million options included in the February 2017 trading volume has been excluded and the liquidity from February onwards has been adjusted to take into account the 115 million shares issued as part of the acquisition of Ophiolite which are under escrow until early 2018.

The monthly liquidity of Cobalt One shares over the period increased significantly from the end of November 2016 when the Company announced the change of strategy towards cobalt. Liquidity from March 2017 through to June 2017 reduced to more normal levels.

In addition to the regular quarterly, interim and annual reporting announcements, the material announcements made by Cobalt One from 1 July 2016 to 21 June 2017 that may have had an impact on Cobalt One's share price are summarised below:

- ▶ 28 November 2016: Cobalt One announces the acquisition of Ophiolite, the holder of a number of prospective cobalt exploration properties located in the Cobalt Mining Camp region near the Canadian mining town of Cobalt, Ontario. The properties include and are adjacent to a number of historic mines in a region known for its high grade cobalt mineralisation. The acquisition marked the Company's change of strategy towards cobalt.
- ▶ 10 February 2017: The Company announces the completion of the Ophiolite acquisition.
- ▶ 14 February 2017: Cobalt One announces the appointment of Mr Paul Matysek as the Non-executive Chairman effective 15 February 2017. Mr Matysek has held several senior executive and Director positions with several exploration and development companies and was the founder, president and CEO of Energy Metals Corporation (a NYSE and TSX listed uranium company that was acquired by Uranium One Inc. in 2007 for \$1.8 billion).

In the same announcement, the Company disclosed that it had secured new funding of up to \$3 million through the issue of shares to Australian and Canadian investors at \$0.085 per share, and had issued 60 million shares from the full conversion of May 2020 options at \$0.02 each, adding a further \$1.2 million of cash.

It was also mentioned in the announcement that shareholder approval would be sought a change the name to "Cobalt One Limited" to reflect the change of focus to the Company's Canadian high grade cobalt assets.

- ▶ 17 February 2017: Announced the acquisition of the Silverfield properties, increasing the Company's property holding within the Cobalt Mining Camp.
- ▶ 28 March 2017: Cobalt One announced that it continued to increase its landholding by staking further known cobalt occurrences in the Cooper Lake, Gillies Limit, Lorrain Two areas and in the South Lorrain/Silver Centre areas.
- ▶ 26 April 2017: The Company announced the entering into a binding agreement to acquire the Yukon Refinery in North Cobalt.

- ▶ 18 May 2017: Cobalt One applied to ASIC in order to change its name from “Equator Resources Limited”.
- ▶ 2 June 2017: The Company announced that it had entered into a term sheet granting First Cobalt the option to acquire 50% of the Yukon Refinery.
- ▶ 15 June 2017: Cobalt One announced that it had received commitments to raise up to \$2 million via placements to existing and new institutional and sophisticated investors at an offer price of \$0.10 per share.

4. Overview of First Cobalt

4.1 Company background

4.1.1 Recent history

First Cobalt is a long established early stage exploration company listed on the TSX-V and the OTCQB. In September 2016, the company announced that it was seeking to develop opportunities in the strategic metals sector, with a particular focus on exploration stage cobalt projects. In recognition of the change of direction the company changed its name from “Aurgent Resource Corp.” to “First Cobalt Corp.”.

In December 2016, First Cobalt announced that it had entered into an agreement to acquire all the outstanding shares of Cobalt Industries of Canada Inc. (“Cobalt Industries”), a privately held Ontario-based exploration company. Cobalt Industries holds the South Lorrain claim group, which consists of 17 claim blocks covering an area of 1,950 hectares. The claim group is located in the former mining camp of Silver Centre, 25 kms south of Cobalt, Ontario. Consideration for the acquisition to be satisfied by the issue by First Cobalt of 6,900,000 shares. This acquisition was completed in January 2017.

In February 2017, First Cobalt announced that it had entered into a non-binding letter of intent with Cobalt Projects International Corp. (“Cobalt Projects”) for the purpose of a potential acquisition. Cobalt Projects holds an option to earn a 100% interest in a series of mining licenses and claim groups located in the historic Silver Centre Camp, in an area which includes the former producing Keeley Frontier Mine (the “Keeley Frontier Earn-in”). In March 2017, First Cobalt entered an agreement to acquire all the outstanding shares in Cobalt Properties for a consideration of 4,450,000 First Cobalt shares. This acquisition was completed in April 2017.

Under the Keeley Frontier Earn-in, First Cobalt has the right to earn up to a 100% interest in Keeley Frontier as follows:

- ▶ 50% interest upon payment of C\$850,000 (C\$350,000 has been paid) and incurring expenditures of C\$1,750,000 on the property over a period of three years.
- ▶ 51% interest (i.e. an additional 1% interest) upon payment of C\$200,000 within 60 days of having exercised the first option and producing a technical report in compliance with NI 43-101 by the fourth anniversary.
- ▶ 100% interest (i.e. an additional 49% interest) upon payment of C\$750,000 and incurring additional expenditures of C\$1,250,000 by the fifth anniversary.

The Keeley Frontier Mine consists of five mining leases, 13 patented mineral claims and seven unpatented mineral claims and has historically produced over 3.3 million pounds of cobalt and 19.1 million ounces of silver over the period 1908 to 1965. Minimal activity has occurred in recent years. The Keeley Frontier Mine is adjacent to the company’s South Lorrain claim area.

In an initiative to become more geographically diversified, in May 2017 First Cobalt announced that it had entered into a letter of intent to form a strategic alliance to earn a 70% interest in seven prospective copper-cobalt exploration properties in the Democratic Republic of the Congo (“DRC”). First Cobalt subsequently elected not to take up the opportunity in order to concentrate on its Canadian cobalt exploration assets.

In June 2017, First Cobalt announced that it had entered into an option agreement with Cobalt One for a 50:50 joint venture in relation to the Yukon Refinery. In consideration for the option to enter the joint venture, First Cobalt was required to pay Cobalt One C\$750,000 with the option being exercisable on or before 31 December 2017. If the option is exercised, First Cobalt is required to make an upfront payment of C\$2.25 million and pay the equivalent of 50 million shares of Cobalt One in cash or shares in First Cobalt (representing approximate value of C\$5.5 million).

Also in June 2017, First Cobalt announced the acquisition of exploration properties including 22 mining claims near Cobalt, Ontario for a cash consideration of C\$325,000. The acquisition includes the previously producing Bellelenn mine, which is adjacent to the Keeley Frontier Mine.

The intention to undertake the CobaltTech and Cobalt One Mergers was announced on 21 June 2017, with the terms of each being announced on 26 June 2017. First Cobalt's shares were placed under a trading halt following the announcement, pending completion of a TSX-V review. Trading resumed on 28 August 2017.

In July 2017, First Cobalt announced that it secured an option to acquire a prospective mining claim adjacent to Keeley Frontier. The company acquired the rights on the claim by paying C\$10,000 on signing, and committing to C\$75,000 in exploration expenditures and total of C\$30,000 in additional cash payments over a three year period.

4.1.2 Exploration status

CSA Global was appointed by First Cobalt to prepare a NI 43-101 report focusing on the exploration potential of company's Silver Centre and Cobalt Area properties. The Silver Centre properties includes the Keeley Frontier Mine. The CSA Global report was dated 31 July 2017, with the key aspects summarised as follows:

- ▶ The initial discovery of silver in the region occurred in 1903, with first production in 1904. Mining in the region has occurred up to 1989. The report states that information relating to early exploration and ownership is limited and incomplete.
- ▶ The report summarises a 2017 exploration program initiated by First Cobalt designed to increase the understanding of the silver-cobalt potential within the Keeley Frontier Mine as well as explore known silver-cobalt prospects on the Silver Centre properties.
- ▶ CSA Global concludes that the properties owned by First Cobalt have potential to host arsenide silver-cobalt vein deposits and further exploration is warranted.
- ▶ CSA Global confirmed the 2017 exploration program being implemented by First Cobalt, as being most appropriate. The work in the program includes the following:
 - Digital compilation of historic Keeley Frontier Mine data to generate a 3D geological model;
 - Detailed property structural mapping of the mineralised veins and host rocks;
 - Bore-hole geophysics and televue imaging of 2012 drill holes targeting the Beaver Lake fault;
 - Systematic surface sampling at known prospects throughout the property;
 - Detailed magnetic survey of the property;
 - 5,000 metres of diamond drilling within the footprint of the Keeley Frontier Mine; and

- 2,000 metres of regional exploration drilling.

- First Cobalt has proposed an exploration budget of approximately C\$1.0 million for the 2017 exploration work detailed above.

The 2017 exploration program proposed by First Cobalt was announced and commenced in May 2017. The bore-hole survey commenced in June 2017 and the fieldwork required to complete the detailed structural mapping and sampling around known mineralisation is expected to be completed over the next few months. Drilling began in August 2017.

4.1.3 Financials

Included below is a summary of First Cobalt's financial performance for the year ended 31 March 2017 and the three months to 30 June 2017, and the financial position as at 31 March 2017 and 30 June 2017. The amounts have been sourced from the company's audited financial statements and unaudited management accounts.

First Cobalt - Financial Performance		
C\$000's	3 mths to 30Jun17	Year to 31Mar17
Revenue	2	3
Write off of debt owing	-	105
Consulting and management fees	(181)	(337)
Professional fees	(194)	(107)
Investor relations	(768)	(629)
Exploration and evaluation expense	(54)	(131)
Share based payments	(64)	(1,013)
Other expenses	(358)	(142)
Profit/(Loss) before income tax	(1,617)	(2,251)
Income tax benefit/(expense)	-	-
Comprehensive profit/(loss) after tax	(1,617)	(2,251)

Source: First Cobalt's annual and interim financial statements

First Cobalt - Financial Position		
C\$000's	As at 30Jun17	31Mar17
Current Assets		
Cash and cash equivalents	4,232	5,340
Other receivables and prepayments	686	761
	4,918	6,101
Non-Current Assets		
Exploration and evaluation	6,292	2,185
	6,292	2,185
Total Assets	11,210	8,286
Current Liabilities		
Trade and other payables	421	364
Due to related parties	-	36
	421	400
Net Assets	10,789	7,886

Source: First Cobalt's annual and interim financial statements

In presenting First Cobalt's financial information it is of note that the independent auditor's report for 31 March 2017 included an emphasis of matter recognising that the company had incurred significant losses, negative cash flows from operating activities and had an accumulated deficit, all of which *"indicates the existence of a material uncertainty which may cast significant doubt on the ability of First Cobalt to continue as a going concern"*. Given the early stage nature of First Cobalt's operations and its continued reliance on ongoing equity capital raisings to fund activities, an emphasis of this matter of this type is not unexpected.

Consistent with Cobalt One, First Cobalt's recent financial performance and financial position reflects its status as an early stage exploration company. The loss incurred to 30 June 2017 reflects the additional activity undertaken in acquiring the various cobalt properties. At 30 June 2017 the balance of exploration and evaluation on a project-by-project basis is summarised as follows:

First Cobalt - Exploration and evaluation	
C\$000's	As at 30Jun17
Dickens Lake	375
South Lorrain	1,820
Keeley Frontier	2,972
Madini Minerals (DRC JV)	50
Yukon Refinery	750
Bellellen	325
	<u>6,292</u>

Source: First Cobalt's interim financial statements

The Dickens Lake Property is a series of prospective gold claims located in Saskatchewan, Canada that First Cobalt (as Aurgent Resources Corp.) acquired from Unity Energy Corp. ("Unity Energy") in July 2012 for a consideration of approximately C\$1.5 million. At the time of the acquisition, a farm-out agreement was signed with Unity Energy under which a 10% interest in the Dickens Lake Property was transferred back to Unity Energy for a cash payment of C\$205,000. The property is subject to a 2.0% net smelter royalty ("NSR"), which may be purchased by the Company for C\$1.5 million.

The C\$750,000 expenditure recorded against the Yukon Refinery, relates to the payment made by First Cobalt to Cobalt One in relation to Cobalt One granting First Cobalt the option to enter into a 50:50 joint venture in relation to the Yukon Refinery.

In the last few years no meaningful exploration has been undertaken with minimal expenditure being incurred. In June 2015, First Cobalt (as Aurgent Resources Corp.) allowed a 75% reduction in claim area across the Dickens Lake Property to conserve cash and in recognition of the lack of indicated resources. This claim reduction led to an impairment charge of C\$969,475. In the September 2016 quarter, First Cobalt (as Aurgent Resources Corp.) purchased 1.5% of the 2.0% NSR for C\$168,000. The property was further impaired by C\$118,179 in the year ended 31 March 2017. The Dickens Lake Property is considered non-core.

4.2 Capital structure and major shareholders

At the date of this report First Cobalt had the following securities on issue:

- ▶ 57,507,748 fully paid ordinary shares;
- ▶ 400,000 unlisted warrants, exercisable at C\$0.06 each on or before 31 May 2021;
- ▶ 3,150,000 unlisted warrants, exercisable at C\$0.10 each on or before 13 September 2021;

- ▶ 575,000 unlisted options, exercisable at C\$0.25 each on or before 18 September 2021;
- ▶ 350,000 unlisted options, exercisable at C\$0.35 each on or before 15 December 2021;
- ▶ 550,000 unlisted options, exercisable at C\$0.38 each on or before 22 December 2021;
- ▶ 1,975,000 unlisted options, exercisable at C\$0.66 each on or before 2 March 2022; and
- ▶ 1,565,000 unlisted options, exercisable at C\$0.66 each on or before 1 June 2022.

At 31 March 2016, First Cobalt had 4,757,750 shares on issue. Through capital raisings, the exercise of warrants and options and shares issued for acquisitions at 30 June 2017, the number of shares on issue had increased to 57,257,748. Since 30 June 2017, 50,000 warrants and 200,000 options have been exercised, with the company receiving total cash of C\$73,000 on exercise.

Based the closing price of a First Cobalt share on 22 June 2017, being the date the company's share went into a trading halt pending the mergers, of C\$0.76, all the warrants and options on issue are in-the-money. On a fully diluted basis, the number of First Cobalt shares is 66,072,751.

As most shareholders are not required to report their shareholdings it is difficult for Canadian public companies to determine the beneficial owners of shares and the number of individual shareholders. Often shareholdings are registered with depository companies which hold shares on behalf of broking firms and other intermediaries who, in turn, manage the shareholdings of individual shareholders. On this basis it is difficult to identify beneficial ownership interests for companies such as First Cobalt.

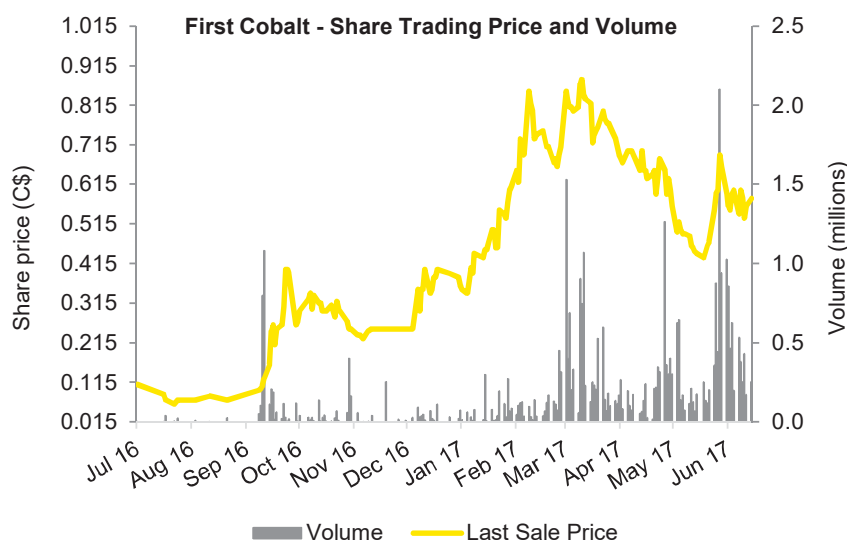
Notwithstanding this, based on information provided by First Cobalt management, as at 31 July 2017 the top five shareholders (on a beneficial interest basis) held 13.9% of the shares on issue, as detailed in the following table:

First Cobalt - Known Beneficial Shareholders at 31 July 2017		
000's	Shares	%
1 Anthony Alvaro	1,818	3.2%
2 Edward Reisner	1,810	3.2%
4 Aaron Keay	1,680	2.9%
4 Paloduro Investments Inc.	1,508	2.6%
5 Kelsi Gayda	1,130	2.0%
Top 5 shareholders (known)	7,946	13.9%
Remaining shareholders	49,312	86.1%
Total shares on issue	57,258	100.0%

Source First Cobalt management

4.3 Share price performance

The chart below shows the daily share price and trading volumes for First Cobalt on the TSX-V between 1 July 2016 and 20 June 2017, the last trading day prior to the date that the CobaltTech and the Cobalt One Mergers were announced by First Cobalt. The trading price is based on the daily closing price.



Source: S&P Capital IQ

The following table summarises the monthly trading prices of First Cobalt's shares on the TSX-V over the same period.

Period	High	Low	Close	Monthly volume	Monthly liquidity
	C\$	C\$	C\$	millions	%
July 2016	0.110	0.060	0.070	0.07	1.09%
August 2016	0.080	0.060	0.070	0.04	0.56%
September 2016	0.410	0.085	0.390	2.80	17.20%
October 2016	0.360	0.260	0.300	0.55	3.38%
November 2016	0.315	0.220	0.250	0.98	4.54%
December 2016	0.400	0.250	0.390	0.51	2.28%
January 2017	0.590	0.340	0.530	1.08	4.71%
February 2017	0.850	0.520	0.680	1.81	7.51%
March 2017	0.920	0.640	0.760	9.43	26.54%
April 2017	0.760	0.580	0.680	2.93	8.33%
May 2017	0.740	0.420	0.600	7.36	19.70%
To 20 June 2017	0.750	0.520	0.550	8.61	20.02%

* - adjusted for shares in escrow

Source: S&P Capital IQ

The chart and table above shows that after announcing its change of focus to cobalt in September 2016, First Cobalt's share price traded up from a low of C\$0.085 to a high of C\$0.92 in March 2017, before trading down to C\$0.42 in May 2017 and back up to C\$0.75 in June 2017 before closing at C\$0.55 on 20 June 2017.

The intention to undertake the Mergers was announced by First Cobalt on 21 June 2017, the closing price on that date was C\$0.63. The last trading price on 22 June 2017 prior to First Cobalt entering into a trading halt pending further details of the Mergers was C\$0.76.

The monthly liquidity of First Cobalt shares over the period ranged from a low of 0.56% in August 2016 to a high of 26.54% in March 2017. Liquidity over May and June 2017 was also high. In determining liquidity, adjustment has been made for the shares issued on the acquisition of Cobalt Industries in December 2016 and Cobalt Projects in April 2017.

Effectively these shares are held in escrow for a period of up to 18 months with tranches of shares vesting at various times during those periods.

In addition to the regular quarterly, interim and annual reporting announcements, the material announcements made by First Cobalt from 1 July 2016 to 20 June 2017 that may have had an impact on First Cobalt's share price are summarised below:

- ▶ 22 September 2016: First Cobalt announced that it was looking to develop exploration stage mineral properties through the acquisition of assets in the strategic metals sector, with particular focus on exploration stage cobalt projects. Reflecting this, the company's name was changed from "Aurgent Resources Corp." to "First Cobalt Corp."
- ▶ 12 December 2016: First Cobalt announced the acquisition of Cobalt Industries, which holds the South Lorrain claim group, consisting of 17 claim blocks covering an area of 1,950 hectares.
- ▶ 23 January 2017: Acquisition of Cobalt Industries was completed.
- ▶ 2 February 2017: First Cobalt announced that it had entered into a non-binding letter of intent with Cobalt Projects in order to evaluate the existing assets of that company with a view to pursuing an acquisition. Cobalt Projects holds an option to earn a 100% interest in the Keeley Frontier Mine.
- ▶ 2 March 2017: The appointment of Mr Trent Mell as President and Chief Executive Officer ("CEO") of First Cobalt was announced. An experienced resource executive, Mr Mell began his professional career as a lawyer before joining Barrick Gold Corporation. He has worked for a number of base metals and precious metal producers, including Sherritt International Corporation (an industry leader in the cobalt industry) North American Palladium Ltd and AuRico Gold Inc. Mr Mell was President and CEO of Falco Resources Ltd. More recently Mr Mell built a mining team at PearTree Securities to advise issuers and investors on Canadian exploration and development opportunities. In 2016, his team raised C\$300 million in equity investments and became the largest provider of flow-through capital in Canada.
- ▶ 16 March 2017: Further to the 2 February 2017 announcement, First Cobalt entered into an agreement to acquire all of the shares in Cobalt Projects, which holds the Keeley Frontier Earn-in.
- ▶ 1 May 2017: First Cobalt announced that it had entered into a letter of intent with a third party to form a strategic alliance to earn a 70% interest over seven prospective copper-cobalt exploration properties in the DRC.
- ▶ 1 June 2017: First Cobalt entered into an option agreement with Cobalt One to enter into a 50:50 joint venture in relation to the acquisition of the Yukon Refinery.
- ▶ 5 June 2017: First Cobalt announced an exploration update for work at the Keeley Frontier Mine.
- ▶ 7 June 2017: First Cobalt announced that it had acquired 22 mining claims in Cobalt, Ontario, including the former producing Bellellen mine, for a total area of 848 hectares. A cash consideration of C\$325,000 was paid to Brixton Metals Corp.

5. Overview of CobalTech

5.1 Company background

5.1.1 Recent history

CobalTech is a long established early stage exploration company listed on the TSX-V. In October 2016, the company announced that it had entered into an agreement (the “Property Purchase Agreement”) with Trio Resources AG Inc. (“Trio Resources”) for the acquisition of the historic silver and cobalt producing Duncan Kerr property (the “Duncan Kerr Property”) which is located in the Cobalt Mining Camp area near Cobalt, Ontario, Canada.

The Duncan Kerr Property consists of two contiguous patented mining claims of an area totalling 32.4 hectares, encompassing the historical Kerr Lake and Lawson Mines. Under the Property Purchase Agreement, CobalTech agreed to acquire the Duncan Kerr Property as well as related production facilities and equipment, including a small gravitational milling circuit and a number of ore stockpiles.

Consideration for the acquisition included a cash amount of C\$2.0 million plus the issue by CobalTech of 8,500,000 shares to Trio Resources. The C\$2.0 million cash component was payable with C\$150,000 on the closing of the transaction, C\$650,000 within nine months of the transaction close and the balance (i.e. C\$1.2 million) payable within 24 months of the transaction close.

The purchase of the Duncan Kerr Property, signalled a change in strategic direction for CobalTech to becoming a cobalt exploration company with a longer term goal of developing into a miner and producer of high grade cobalt for supply into the North American battery industry. The company changed its name from “Big North Graphite Corp” to “CobalTech Mining Inc.”, effective 24 November 2016.

In January 2017, CobalTech announced the acquisition of six additional properties in the Province of Quebec from Darioush Consulting Corp. As consideration for the acquisition CobalTech made an upfront payment of C\$50,000 and issued 500,000 shares. The properties include 1,535 hectares of prospective land where past sampling returned 0.1% to 0.7% cobalt.

In February 2017, CobalTech announced the acquisition of strategically located properties adjacent to the Duncan Kerr Property from 9920455 Canada Inc. The acquisition includes seven mineral claims located near Cobalt, which includes nine previously producing mines. Terms of the transaction included an upfront cash payment of C\$250,000 plus the issue by CobalTech of 5,000,000 shares.

Also in February 2017, CobalTech announced that it had signed a letter of intent for the option to acquire the Yukon Refinery. In April 2017, CobalTech announced that the option to purchase the Yukon Refinery had been terminated following a breach by the vendor. When Cobalt One announced that it had been successful in acquiring the same refinery, in May 2017 CobalTech subsequently announced that it intended to commence legal proceedings against the vendor and Cobalt One. Under the terms of the Arrangement Agreement, CobalTech has agreed not to commence legal proceedings against Cobalt One subject to the CobalTech Merger proceeding.

In March 2017, CobalTech entered into an agreement with Trio Resources to settle the amount owing under the Property Purchase Agreement. In satisfaction of all amounts outstanding, CobalTech agreed to issue 3,390,000 shares to Trio Resources.

Also in March 2017, CobalTech announced the acquisition of the Werner Lake property, near the town of Kenora in north west Ontario, for a total consideration of 1,000,000 CobalTech shares. The property consists of nine mineral claims totalling 537 hectares.

In May 2017, CobalTech announced the acquisition of four additional claims near the town of Cobalt for a cash consideration of C\$35,000.

On 21 June 2017, CobalTech and First Cobalt announced the intention to undertake the CobalTech Merger. On 26 June 2017, the terms of the Arrangement were announced under which CobalTech shareholders would receive 0.2632 of a First Cobalt share for every CobalTech share held (i.e. one First Cobalt share for every 3.8 CobalTech shares held).

5.1.2 Exploration status

CobalTech engaged JMK Exploration Consulting and Clark Exploration Consulting Inc. ("JKM Exploration") to prepare a NI 43-101 report in relation to the Duncan Kerr Property. The purpose of the report was to summarise the scientific and technical data on the property and outline recommendations concerning future exploration. The key aspects of the JKM Exploration report, dated 14 October 2016, are summarised as follows:

- ▶ A site visit was completed on 27 September 2017. The site visit included meeting with representatives, reviewing the property and regional geology, viewing various stockpiles as well as heavy equipment.
- ▶ The author of the report notes that the stockpiles have not been verified for volume or tenure.
- ▶ Historical silver mineralisation has been exploited through several mining operations from 1905 through to the 1960's.
- ▶ There had not been sufficient exploration work completed to describe any significant mineralised zones on the property.
- ▶ The report concluded that exploration potential exists south of the Kerr Lake mine.
- ▶ The report recommended the following:
 - A GIS compilation be completed prior to commencement of additional work, helping to target the most prospective areas of the property;
 - Prospecting, geological mapping and geophysical surveys are recommended on the property which will assist in the preparation of future work programs; and
 - A diamond drilling program be completed totalling 1,500 metres.
- ▶ The cost of the above work is estimated to be C\$235,015.

In May 2017, CobalTech announced that it had commenced a GIS compilation of available historical data with the view of producing a comprehensive database of surface and underground information. The fieldwork to gather additional geological information was planned for Canada's summer. Metallurgical testing of 6,600 tonnes of stockpiled material to assess metal recovery potential was also proposed.

5.1.3 Financials

Included below is a summary of CobalTech's financial performance for the year ended 31 October 2016 and for the eight months to 30 June 2017, and the financial position as at 31 October 2016 and 30 June 2017. The amounts have been sourced from the company's audited financial statements and unaudited management accounts.

CobalTech - Financial Performance		
C\$000's	8 mths to 30Jun17	Year to 31Oct16
Gain on settlement of debt	-	56
Expense recovery	-	7
Impairment of deferred acquisition costs	-	(397)
Consulting fees	(322)	(197)
Professional fees	(297)	(102)
Property investigation costs	(250)	(54)
Share based payments	(434)	-
Shareholder communication and promotion	(213)	(10)
Other expenses	(351)	(147)
Profit/(Loss) before income tax	(1,867)	(844)
Income tax benefit/(expense)	-	-
Comprehensive profit/(loss) after tax	(1,867)	(844)

Source: CobalTech's annual and interim financial statements

CobalTech - Financial Position		
C\$000's	As at	
	30Jun17	31Oct16
Current Assets		
Cash and cash equivalents	596	390
Other receivables and prepayments	472	43
	1,068	433
Non-Current Assets		
Plant and equipment	5	1
Exploration and evaluation	6,609	-
	6,614	1
Total Assets	7,682	434
Current Liabilities		
Trade and other payables	531	285
Due to related parties	60	26
	591	311
Net Assets	7,091	123

Source: CobalTech's annual and interim financial statements

In presenting CobalTech's financial information it is of note that the independent auditor's report for 31 October 2016 included an emphasis of matter recognising that the company's continuation as a going concern is dependent on successful results from its exploration activities, its ability to attain profitable operations and to generate funds from operations and/or from raising equity capital or borrowings, all of which "indicate the existence of a material uncertainty that may cast significant doubt about CobalTech ability to continue as a going concern". Given the early stage nature of CobalTech's operations, an emphasis of matter of this type is not unexpected.

Consistent with Cobalt One and First Cobalt, CobalTech's recent financial performance and financial position reflects its status as an early stage exploration company. The loss incurred to 30 June 2017 being impacted by the additional activity undertaken in acquiring the various cobalt properties. At 30 June 2017 the balance of exploration and evaluation was made up of the following amounts:

CobalTech - Exploration and evaluation	
C\$000's	As at 30Jun17
Duncan Kerr Property	3,431
Quebec Properties	160
Cobalt extension	1,825
Werner Lake	340
Cobalt claims	35
Other	818
	<u>6,609</u>

Source: Information provided by First Cobalt management

During the period to 30 June 2017, CobalTech was primarily funded through the issue of shares, with the cash used to acquire exploration and evaluation properties.

5.2 Capital structure and major shareholders

As at the date of this report, CobalTech had the following securities on issue:

- ▶ 90,540,438 fully paid ordinary shares;
- ▶ 8,468,000 unlisted warrants, exercisable at C\$0.30 each on or before 23 December 2017;
- ▶ 2,500 unlisted options, exercisable at C\$1.00 each on or before 8 October 2018;
- ▶ 10,000 unlisted options, exercisable at C\$1.00 each on or before 31 March 2019; and
- ▶ 2,000,000 unlisted options, exercisable at C\$0.20 each on or before 22 January 2022.

At 1 November 2016, CobalTech had on issue 47,550,437 shares. Through share issues and acquisitions at 30 June 2017, the number of shares on issue had increased to 86,740,438. Since 30 June 2017, 3,800,000 unlisted warrants were exercised.

Based on the recent trading prices of CobalTech shares on the TSX-V, the warrants exercisable at C\$0.07 are in-the-money and are expected to be exercised in time to participate in the CobalTech Merger. In relation to the out-of-the-money warrants, under the CobalTech Merger they will be exchanged for First Cobalt warrants. The options on issue will either be exercised or cancelled on the close of the CobalTech Merger.

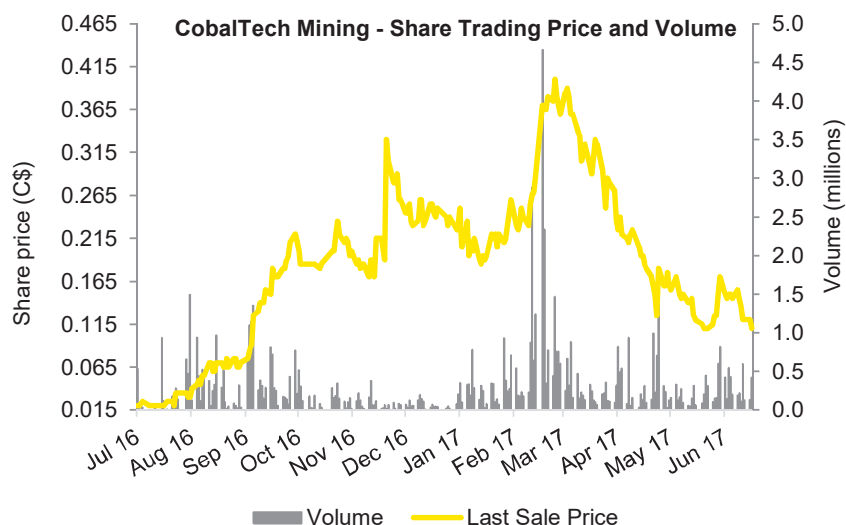
As detailed previously, because shareholders are generally not required to report their shareholdings it is difficult for Canadian public companies to determine the beneficial owners of shares. Shareholdings are often registered with depository companies which hold shares on behalf of broking firms and other intermediaries who manage the shareholdings of individual shareholders.

In relation to CobalTech, one such depository company, CDS & Co., is shown to hold 80.5% of the shares on issue (as at 26 July 2017). CobalTech management are not aware of the beneficial owners of these shares. On this basis it is difficult to identify CobalTech's largest shareholders.

Besides the shares held by CDS & Co., at 26 July 2017, Trio Resources was shown to own a 10.4% interest in CobalTech, with 9920455 Canada Inc. being the next largest listed with an interest of 5.8%.

5.3 Share price performance

The chart below shows the daily share price and trading volumes for CobalTech on the TSX-V between 1 July 2016 and 20 June 2017, the last trading day prior to the date that the CobalTech and the Cobalt One Mergers were announced. The trading price is based on the daily closing price.



Source: S&P Capital IQ

The following table summarises the monthly trading prices of CobalTech's shares on the TSX-V over the same period.

Period	High	Low	Close	Monthly volume	Monthly liquidity*
	C\$	C\$	C\$	m's	%
July 2016	0.035	0.020	0.035	2.42	7.20%
August 2016	0.080	0.030	0.065	8.33	24.29%
September 2016	0.210	0.065	0.210	9.23	21.11%
October 2016	0.240	0.170	0.210	3.72	7.83%
November 2016	0.350	0.160	0.290	1.94	3.90%
December 2016	0.290	0.220	0.240	1.43	2.83%
January 2017	0.260	0.180	0.215	5.83	9.38%
February 2017	0.450	0.220	0.400	18.48	29.51%
March 2017	0.415	0.245	0.280	7.49	10.87%
April 2017	0.285	0.125	0.180	7.96	10.80%
May 2017	0.190	0.105	0.125	4.03	5.52%
To 20 June 2017	0.185	0.110	0.110	4.99	6.47%

* - adjusted for shares in escrow

Source: S&P Capital IQ

The table and chart show that CobalTech's share price traded from a low of C\$0.02 in July 2016 to a high of C\$0.45 in February 2017. The increase in share price over that period appears to be in reaction to the company's change of strategy towards cobalt and the acquisition of the Duncan Kerr Property announced in October 2016 and other subsequent property purchases. Since the high achieved in February 2017, CobalTech's share price generally traded down to a low of C\$0.105 in May 2017 before closing at C\$0.11 on 20 June 2017.

The intention to undertake the Mergers was announced on 21 June 2017, the closing price of CobalTech shares on that date was C\$0.14.

The monthly liquidity of CobalTech's shares over the period ranged between 2.83% in December 2016 and 29.51% in February 2017. At 1 July 2016, CobalTech had 33,548,556 shares on issue. Through property acquisitions and share placements, by 30 June 2017, the number of shares on issue had increased to 83,740,438.

The monthly liquidity amounts have been adjusted for the 8.5 million shares issued by CobalTech in November 2016 and the 3.39 million shares issued in May 2017, both tranches to Trio Resources in relation to the purchase of the Duncan Kerr Property, as they are subject to hold restrictions. In regards to the 8.5 million, 33.33% are released every six months post completion, with the 3.39 million shares subject to a four month trading restriction.

In addition to the regular quarterly, interim and annual reporting announcements, the material announcements made by CobalTech from 1 July 2016 to 21 June 2017 that may have had an impact on CobalTech's share price are summarised below:

- ▶ 3 October 2016: CobalTech announced the intention to acquire the past silver and cobalt producing Duncan Kerr Property together with related production facilities and equipment located in the Cobalt region of Ontario, Canada.
- ▶ 23 November 2016: The acquisition of the Duncan Kerr Property was completed. The company's name was changed from "Big North Graphite Inc." to "CobalTech Mining Inc."
- ▶ 23 December 2016: Previously announced private placement was completed by CobalTech with the issue of 14,600,000 shares at C\$0.20 each, raising C\$2,920,000.
- ▶ 25 January 2017: CobalTech announced that it had acquired eight properties in the Province of Quebec that were considered highly prospective for cobalt. The properties added 1,535 hectares to the company's existing landholdings.
- ▶ 15 February 2017: CobalTech announced that it had acquired a number of new properties adjacent to the Duncan Kerr Property in an area which historically had hosted nine producing mines.
- ▶ 21 February 2017: CobalTech announced that it had entered into an option to acquire the fully permitted Yukon Refinery which was located close to the Duncan Kerr Property.
- ▶ 6 March 2017: CobalTech announced that in satisfaction of the cash amount outstanding with Trio Resources for the acquisition of the Duncan Kerr Property, it had agreed to issue 3.39 million shares.
- ▶ 16 March 2017: CobalTech announced that it had acquired the Werner Lake East Cobalt Property, consisting of nine mineral claims covering an area of approximately 537 hectares.

- ▶ 10 April 2017: CobalTech announced that the option to purchase the Yukon Refinery had been terminated following a breach by the vendor.
- ▶ 4 May 2017: CobalTech announces that it intended to commence legal proceedings against Cobalt One and the vendor of the Yukon Refinery in relation to agreement entered into by those parties concerning to the sale of the refinery to Cobalt One.
- ▶ 5 May 2017: CobalTech announced it had added four additional claims near Cobalt for a cash consideration of C\$35,000.

6. Merged First Cobalt

6.1 Overview

Historically cobalt has been used in the manufacture of super alloys, hard metals and as a colouring for ceramics and porcelain. More recently, cobalt's efficiency as an electrode has made it a key component in the manufacture of cathodes for lithium ion batteries, with the use of cobalt in rechargeable batteries now representing over half the world's use of the metal. With the continued growth in portable electronic devices and in the market for electric vehicles, the increasing demand for rechargeable power storage is expected to be the major contributor to the future demand for cobalt.

Cobalt is rarely found as a primary metal with the majority of production being sourced as a by-product of the production of nickel and copper. Accordingly, the production of cobalt is often a function of the demand for those metals. In recognition of the increasing need for cobalt as a primary metal, considerable effort is being invested in identifying high grade cobalt mineralisation sources of sufficient size and quality that will support a stand-alone mining operation.

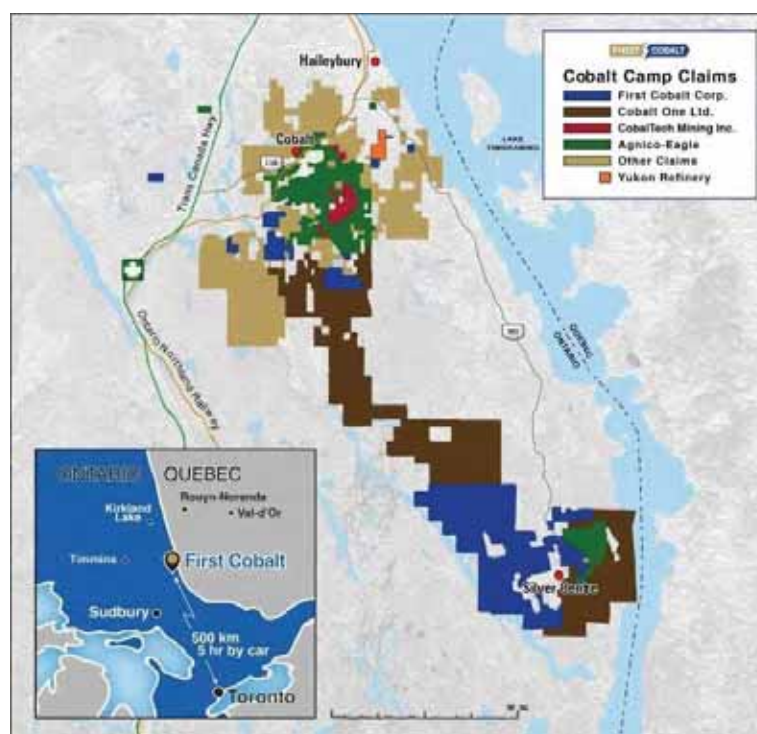
A review of the cobalt industry is included in Appendix B.

The recent change in strategy towards cobalt by Cobalt One, First Cobalt and CobalTech is reflective of the changing market for cobalt. Over the last year there have been several TSX-V and ASX listed companies in addition to Cobalt One, First Cobalt and CobalTech that have changed their focus to cobalt. The number of pure-play cobalt companies looking to list on the ASX has also increased. The market interest in cobalt is not unlike the increased interest and activity experienced over the last few years with companies focused on lithium.

With this as a backdrop, the decision to undertake the CobalTech and Cobalt One Mergers with First Cobalt is to create a significant singular pure-play cobalt company with a substantial land holding in a proven and highly prospective cobalt-rich mining district, together with fully permitted base processing facilities and associated infrastructure.

If the Mergers proceed as expected, Cobalt One and CobalTech will become wholly owned subsidiaries of First Cobalt. The shareholders of Cobalt One and CobalTech will become shareholders of First Cobalt either directly or through CDI holdings.

The Merged First Cobalt will have a claim area of over 10,000 hectares in the Cobalt Mining Camp region, considered to be highly prospective for cobalt with significant exploration potential. The combined area represents approximately 45% of the total area within the Cobalt Mining Camp and will be the single largest landholding within the region. The claim holdings of the three companies are detailed in the following map (together with claims held by Agnico-Eagle and other claims).



Owning the Yukon Refinery and the mill facilities, is expected to provide Merged First Cobalt with an earlier than expected production horizon. The Yukon Refinery is the only permitted refinery in the region. In stating this, it is recognised that the Yukon Refinery has been under care and maintenance for a number of years and has not operated commercially for some time prior to that. Before commercial production can recommence a full evaluation of the Yukon Refinery and its operating capabilities will need to occur. It is expected that significant capital expenditure will need to be incurred prior to the restart of production.

6.2 Capital structure

If the Scheme proceeds and assuming the CobaltTech Merger is implemented as expected, on a fully diluted basis Merged First Cobalt will have on issue approximately 189 million shares, with Cobalt One Shareholders having an estimated combined 57.1% interest, First Cobalt shareholders having a collective 30.3% interest and CobaltTech shareholders a combined 12.6% interest.

It is of note that if the CobaltTech Merger does not proceed, after the Cobalt One Merger the Cobalt One Shareholders would hold an estimated 65.4% of the shares First Cobalt would have on issue.

The table in Section 3.2 showed that at 28 August 2017, the top 10 shareholders of Cobalt One held 56.2% of the shares the Company had on issue. After the Mergers, this combined 56.2% interest in Cobalt One equates to a 28.4% combined interest in Merged First Cobalt. Marcor, the Company's largest shareholder with a 14.7% interest will have a 7.7% interest in Merged First Cobalt. Marcor will be Merged First Cobalt's largest shareholder.

If the Scheme is implemented and the Cobalt One Merger is completed, Cobalt One will be delisted from the ASX. First Cobalt intends to apply for official quotation on the ASX. Shares issued under the Mergers are to be listed on the TSX-V, with shares issued in the form of CDIs being listed on the ASX. The CDIs will be able to be traded on the ASX on a basis consistent with existing Cobalt One shares.

6.3 Board and management

After the Mergers, the Board of Directors of Merged First Cobalt will be comprised of seven individuals, four from the current Board of First Cobalt, two nominees from Cobalt One, plus one new Director as follows:

- ▶ Trent Mell, President and CEO, Executive Director of First Cobalt;
- ▶ Ross Phillips, Non-Executive Chairman of First Cobalt;
- ▶ John Pollesel, Non-Executive Director of First Cobalt;
- ▶ Jess Swinoga, Non-Executive Director of First Cobalt;
- ▶ Jason Bontempo, current CEO and Executive Director of Cobalt One;
- ▶ Paul Matysek, Non-Executive Chairman of Cobalt One; and
- ▶ Robert Cross, new independent nominee.

The key management of First Cobalt will continue in their roles, with the main individuals being:

- ▶ Dr Frank Santaguida, Vice President, Exploration;
- ▶ Peter Campbell, Vice President, Business Development; and
- ▶ Kevin Ma, Chief Financial Officer.

Besides Mr Bontempo and Mr Matysek, collectively the Directors and management of First Cobalt together with Mr Cross have significant mineral and resources experience across all aspects of a mining operation from early stage exploration to mining, processing and marketing, with a mix of technical, financial and capital markets expertise. Detailed profiles of the Directors and management of First Cobalt and Mr Cross are contained in the Scheme Booklet.

If the Cobalt One Merger proceeds as intended, Mr Bontempo will step down as CEO of Cobalt One and the management of Merged First Cobalt will continue to be based in Toronto, Canada, in relatively close proximity to the Cobalt Mining Camp area. While First Cobalt intends to list on the ASX, it will have no operational presence in Australia.

6.4 Aggregate financial position

Included below is an aggregate summary of the assets and liabilities of Merged First Cobalt based on the financial position of Cobalt One, First Cobalt and CobalTech as at 30 June 2017. The Cobalt One amounts are as per the financial position table in Section 3.1.3. The First Cobalt amounts and the CobalTech amounts are as per the respective financial position tables in Section 4.1.3 and 5.1.3 converted to \$'s at an exchange rate of A\$1.00:C\$0.99735.

The Merged First Cobalt amounts represents the simple aggregate of the three companies. No attempt has been to effect the fair value accounting entries required in bringing to account the Mergers.

Merged First Cobalt - Aggregate Net Assets				
	Cobalt One	First Cobalt	CobalTech	Merged First Cobalt
\$000's				
Current Assets				
Cash and cash equivalents	2,148	4,243	598	6,989
Other receivables and prepayments	1,687	688	473	2,848
	3,835	4,931	1,071	9,837
Non-Current Assets				
Plant and equipment	15,905	0	5	15,910
Exploration and evaluation	13,962	6,309	6,627	26,897
	29,867	6,309	6,632	42,807
Total Assets	33,702	11,240	7,702	52,644
Current Liabilities				
Trade and other payables	168	422	532	1,123
Prepayment received	730	0	0	730
Due to related parties	0	0	60	60
	898	422	593	1,913
Net Assets	32,804	10,818	7,110	50,732

Source: EY analysis

The aggregate shows that Merged First Cobalt would have a cash balance of \$6.989 million (C\$6.97 million if Cobalt One's balance is converted from A\$'s to C\$'s at A\$1.00:C\$0.99735).

Based on the respective market capitalisation of the three companies applying the last trading price on the day prior to the announcement of the Mergers, Cobalt One's market capitalisation represented 62% of the combined amount, First Cobalt 29% and CobalTech 9%. The combined market capitalisations, with First Cobalt's and CobalTech's converted to A\$'s, totals \$109.127 million. Adjusting for current assets and current liabilities, the market capitalisation amount attributable to plant and equipment and to exploration and evaluation equals \$101.132 million (compared to the book value of \$42.802 million).

Section 7.4 of the Scheme Booklet contains pro forma financial information in relation to the Scheme. This information was prepared by management of Cobalt One and First Cobalt. The accounting pro forma adjustments detailed in that section has the First Cobalt shares to be issued as consideration under the Cobalt One Merger and the CobalTech Merger being issued at C\$0.76. The C\$0.76 is based on the last trading price of a First Cobalt share on the TSX-V prior to entering into a trading halt on 22 June 2017.

7. Valuation methodology and approach

7.1 Definition of fair value

In forming our opinion as to whether or not the Scheme is in the best interests of Cobalt One Shareholders, we have considered the fair value of a Cobalt One share in comparison to the fair value of the consideration being offered by First Cobalt, being 0.145 of a First Cobalt share for each Cobalt One share held. Fair value is generally defined as:

“the price at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer both acting at arm’s length”.

As previously noted:

- ▶ under the terms of the Scheme, after the Mergers, on a fully diluted basis Cobalt One Shareholders will have an estimated collective 57.1% interest in Merged First Cobalt while First Cobalt shareholders a 30.3% interest and CobalTech shareholders a 12.6% interest;
- ▶ based on the respective market capitalisation of the three companies applying the last trading price on the day prior to the announcement of the Mergers, Cobalt One’s market capitalisation represented 62% of the combined amount, First Cobalt 29% and CobalTech 9%;
- ▶ there are no shareholders with a relevant interest large enough to have control or significantly influence in any of the three companies, on this basis, and under the terms of the Mergers, no shareholder will be in a position to control or significantly influence Merged First Cobalt; and
- ▶ while the reconstituted Board of Merged First Cobalt will contain two Directors of Cobalt One, it will be primarily made up of continuing First Cobalt Directors. Consistent with this, management of Merged First Cobalt will be comprised of continuing First Cobalt management. With Cobalt One being Australian based with its primary assets located in Canada and First Cobalt being Canadian based with its primary assets located in Canada, the continuation of Canadian based Directors and management is not unexpected.

Based on these factors, in our opinion, the Cobalt One Merger does not represent a “change of control” transaction. On this basis we have assessed the Scheme adopting an equivalent approach to valuing the securities of Cobalt One and First Cobalt. This results in the shares in both Cobalt One and First Cobalt being valued on a minority interest basis, recognising that under the Scheme, Cobalt One Shareholders are exchanging their minority interest in Cobalt One for a minority interest in First Cobalt. In doing this we have considered the value of a First Cobalt share on a pre and post-merger basis.

7.2 Valuation methodology and approach

RG 111 provides guidance on the valuation methods that an independent expert should consider when valuing a company. These methods include the:

- ▶ discounted cash flow method and the estimated realisable value of any surplus assets;
- ▶ application of earnings multiples (appropriate to the business or industry in which the entity operates) to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets;

- ▶ amount that would be available for distribution to security holders on an orderly realisation of assets;
- ▶ quoted price for listed securities, when there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale;
- ▶ recent genuine offers, if any, received by the target for any business units or assets as a basis for valuation of those business units or assets; and
- ▶ amount that any alternative acquirer might be willing to offer if all the securities in the target were available for purchase.

Each methodology is appropriate in certain circumstances. The decision as to which methodology to apply generally depends on the nature of the asset being valued, the methodology most commonly adopted in valuing such an asset and the availability of appropriate information.

In considering the range of methodologies applicable to the valuation of mineral assets, the appropriate method to apply is based on the stage of development of each asset being valued.

For pre-development projects with JORC Code (2012) compliant Mineral Resources, the yardstick per unit of contained metal method is generally applied. This method involves the determination of a market derived value per contained metal unit through comparable transaction and comparable listed company analysis and the application of that resource multiple against the project's mineral resources to assess value.

For pre-development projects with no JORC Code (2012) compliant mineral resources, the yardstick per unit of area method and/or the past expenditure method are generally applied. The yardstick per unit of area method involves the determination of a market derived value per unit of area (i.e. per hectare, per square kilometre, etc) through comparable transaction analysis. The past expenditure method applies a multiplier to past exploration and evaluation expenditure based on the future prospectivity of the area.

Cobalt One, First Cobalt and CobaltTech are early stage exploration companies that have only recently changed strategic focus to cobalt.

Reflecting the change of focus, each company has undertaken a series of transactions that have secured claim areas (patented and unpatented) considered prospective for cobalt, primarily in the historic silver-cobalt mining camp around Cobalt in Ontario Canada. The potential of each company's Cobalt Camp claim areas have been supported by the findings of the separate NI 43-101 reports completed.

The NI 43-101 reports confirm that recent exploration and evaluation expenditures in these areas have been minimal, with none of the areas acquired containing any defined mineral resources. The prospectivity of the Cobalt Camp claim areas to support a pure-play cobalt mining operation is based on the historical mining activities which while primarily silver based also produced significant volumes of cobalt.

In addition to the land acquisitions, Cobalt One acquired the Yukon Refinery, a cobalt concentrates refinery located in North Cobalt that has been under care and maintenance for a number of years. CobaltTech's acquisition of the Duncan Kerr Property included a small gravitational milling circuit and a number of ore stockpiles.

All transactions were completed on a “willing, seller, willing buyer” basis between parties “acting at arm’s length”.

Cobalt One also holds the Acacia-Frazer Project, however no significant exploration has been undertaken for a number of years and the project is considered non-core. Similarly, First Cobalt has a 90% interest in the Dickens Lake Project which is has effectively been dormant for a number of years and is also considered non-core. Neither project has any defined mineral resources.

Given the early stage status of Cobalt One, First Cobalt and CobalTech, the lack of any defined mineral resources and the absence of any recent exploration and evaluation expenditures, none of the valuation methods noted above for pre-production projects are considered appropriate. On this basis and recognising the recent timing of each companies cobalt transactions, in assessing the fair value of a Cobalt One share and the fair value of the First Cobalt shares being offered as consideration we have adopted a market approach, taking into account the prices at which each company’s shares have recently traded at on the ASX and the TSX-V respectively, together with deliberation of the consideration paid for the cobalt exploration properties and processing assets acquired.

8. Valuation Considerations

8.1 Cobalt One

In considering the value of a Cobalt One share using a market approach we have taken into account the trading prices of the Company's shares on the ASX, together with the consideration paid by Cobalt One/fair value recorded for the underlying early stage exploration assets and the Yukon Refinery.

The table in Section 3.3 shows that from 2 January 2017 to 21 June 2017, being the last trading day prior to the announcement of the Cobalt One Merger (i.e. the trading price was not impacted by the market being aware of the Cobalt One Scheme), Cobalt One's shares traded in the range of between \$0.052 and \$0.19, closing at \$0.10 on 21 June 2017. The volume weighted average price ("VWAP") over the period was \$0.121.

The low price of \$0.052 was first achieved on 5 January 2017, with the high price of \$0.19 being achieved on 2 March 2017. Over this period, the major announcements made by Cobalt One included:

- ▶ the acquisition of the 80% interest in Ophiolite, which holds 100% of the Cobalt Camp Project, was completed (10 February);
- ▶ the completion of a \$3.0 million capital raising through the issue of shares at \$0.085 each and a further \$1.2 million through the conversion of 60 million options at \$0.02 (14 February);
- ▶ the acquisition of the Silverfield properties, increasing the Company's land holding within the Cobalt Mining Camp (17 February);

Over March 2017, the Company's shares traded down from the \$0.19 to \$0.125 on 23 March 2017, before closing at the end of the month at \$0.155. Over April 2017 and May 2017, Cobalt One's share traded down from \$0.16 on 4 April 2017 to \$0.093 on 15 May 2017, to close at \$0.125 at the end of May. Major announcements made over this period included:

- ▶ the acquisition of additional properties around the South Lorrain/Silver Centre areas within the Cobalt Mining Camp (28 March);
- ▶ the entering in an agreement to acquire the Yukon Refinery (26 April);
- ▶ announcement by CobalTech that it intend to commence legal proceedings against the vendors of the Yukon Refinery and Cobalt One in relation to the sale and purchase of the refinery (4 May); and
- ▶ change of name to "Cobalt One".

Over 2 June 2017 to 21 June 2017, the Company's shares traded in the range of \$0.099 on 19 June 2017 and \$0.135 on 2 June 2017, closing at \$0.10. The major announcements made by Cobalt One in this period included:

- ▶ entered into the option for First Cobalt to effectively acquire a 50% interest in the Yukon Refinery (2 June); and
- ▶ commitments had been received for a \$2 million capital raising at \$0.10 per share (15 June).

With the announcement on 26 April 2017 of the acquisition of the Yukon Refinery, the market had knowledge of the Company's cobalt exploration assets and the Yukon Refinery. Between that date and 21 June 2017, Cobalt One's share price traded in the range of a low of \$0.093 on 15 May 2017 and a high of \$0.145 on 26 April 2017, closing at \$0.10 on 21 June 2017. The VWAP over the period 26 April 2017 to 21 June 2017 was \$0.113.

Trading in Cobalt One's shares on the ASX was active over January 2017 and February 2017, with monthly liquidity being 12.9% and 21.2% respectively. While still fairly active, monthly liquidity in March 2017 reduced to 8.3% before decreasing to 2.5% in April 2017, with April being impacted by the reduced number of trading days due to a five day trading halt pending the announcement of the acquisition of the Yukon Refinery and a number of public holidays in that month. Monthly liquidity for May 2017 recovered to 4.2%.

The VWAPs of Cobalt One's trading price on the ASX for various periods up to and including 21 June 2017 are detailed in the table below. The analysis shows that regardless of the variability of the Company's trading price over the period 2 January 2017 to 21 June 2017 (i.e. \$0.052 to \$0.19), the VWAP for the different periods leading up to the announcement of the Cobalt One Merger on 22 June 2017 was fairly consistent with a range of \$0.10 and \$0.121.

VWAP Analysis	Cobalt One 21Jun17 \$
VWAP on day	0.100
5 day VWAP	0.102
1 month VWAP	0.112
Period 26Apr17 to 21Jun17*	0.113
Period 2Jan17 to 21Jun17	0.121

* - period across which market was aware of all material cobalt exploration assets (including the Yukon Refinery)

Source: EY analysis

The financial statements of Cobalt One as at 30 June 2017 include the recent acquisition of the Company's early stage exploration assets and the Yukon Refinery. Reflecting the arm's length nature of these acquisitions and the requirement to record these transactions at fair value, the book values of these assets could be considered as being representative of their fair values. Details of Cobalt One's net asset position and the allocation of across the Company's exploration assets and the Yukon Refinery are contained in Section 3.1.3.

The net asset backing per share at 30 June 2017 for Cobalt One is summarised as follows:

Cobalt One - Net Asset Backing Per Share	
\$000's	As at 30Jun17
Cobalt Assets including Yukon Refinery:	
- Plant and equipment (Yukon Refinery)	15,905
- Exploration and evaluation	13,962
	29,867
Net other assets	2,937
Net assets	32,804
Shares on issue 30Jun17 (000's)	676,177
Net asset backing per share (\$)	0.049

Source: EY analysis

Cobalt One's net asset backing per share, incorporating the values at which the various acquisitions have been brought to account, at 30 June 2017 was \$0.049. This is significantly lower than the recent trading prices of the Company's shares on the ASX, with the range over the period from 26 April 2017 (i.e. when the market became aware of all of Cobalt One's exploration assets and the Yukon Refinery) to 21 June 2017 being between \$0.093 and \$0.145. Based on this range, trading prices were at a multiple of 1.9 and 3.0 of the Company's net asset backing per share as at 30 June 2017. The differential between net asset backing and the trading price may be reflective of the market's view on the prospectivity of Cobalt One's underlying assets on a combined basis rather than on an asset-by-asset basis as recorded in the accounts. Given the difference between the net asset backing per share and the prices at which the Company's shares have traded at on the ASX, in our opinion, the net asset backing per share at 30 June 2017 is not representative of the fair value of a Cobalt One share.

Given the early stage of development of Cobalt One, the nature of its exploration projects and the lack of recent geological and technical information with respect to its landholdings, investment in the Company is considered speculative, with the prices at which its shares trade reflecting this.

Based on consideration of the prices at which Cobalt One's shares traded at on the ASX across the period that the market had knowledge of the Company's cobalt exploration assets and the Yukon Refinery, for the purpose of this report we have assessed the fair value of a Cobalt One share to be in the range of:

Cobalt One			
	Low	High	Last Price 21 June 17
\$			
Value of a Cobalt One share	0.093	0.145	0.100

Source: EY analysis

The fair value range of \$0.093 and \$0.145 represents the low price and the high price of the Company's shares across the period 26 April 2017 to 21 June 2017, being the period that the market had knowledge of the Company's cobalt exploration assets and the Yukon Refinery up until the announcement of the Cobalt One Merger. In our analysis we recognise that the last price on 21 June 2017, the day prior to the announcement of the Cobalt One Merger, was \$0.10.

It is of note that in the period since recommencement of trading on 26 June 2017 after the announcement of the Cobalt One Merger and 3 October 2017, Cobalt One's shares have traded on the ASX in the range of between \$0.094 and \$0.14, closing on 3 October 2017 at \$0.11.

8.2 First Cobalt

Similar to Cobalt One, in considering the value of a First Cobalt share using a market approach we have taken into account the trading prices of the Company's on the TSX-V, together with the consideration paid by First Cobalt for its underlying early stage exploration assets.

The table in Section 4.3 shows that from 4 January 2017 to 20 June 2017, being the last trading day prior to the announcement of the intention to undertake both the Cobalt One Merger and the CobalTech Merger (i.e. the trading price was not impacted by the market being aware of the Mergers), First Cobalt's shares traded in the range of between C\$0.34 and C\$0.92, closing at C\$0.55 on 20 June 2017.

The low price of C\$0.34 was first achieved on 5 January 2017, with the high price C\$0.92 being achieved on 15 March 2017. Over this period, the major announcements made by First Cobalt included:

- ▶ the acquisition of the Cobalt Industries which holds the South Lorrain claim group, consisting of 17 claim blocks covering an area of 1,950 hectares was completed (23 January);
- ▶ letter of intent entered into for First Cobalt to evaluate the existing assets of Cobalt Projects with the view of pursuing an acquisition. Cobalt Projects holds an option to earn a 100% interest claims which include the historic Keeley Frontier Mine (2 February); and
- ▶ the appointment of Mr Trent Mell as President and CEO of First Cobalt was announced.

From 16 March 2017, over the remainder of the month, First Cobalt's shares traded down from the C\$0.92 to C\$0.70 on 22 March 2017, before closing at the end of the month at C\$0.76. On 16 March 2017, the company announced that it had entered into an agreement to acquire all of the shares in Cobalt Projects, including the rights to the Keeley Frontier Earn-in.

Over April 2017 and May 2017, First Cobalt's share traded down from C\$0.76 on 3 April 2017 to C\$0.42 on 23 May 2017, to close at C\$0.60 at the end of May. On 1 May 2017, First Cobalt announced that it had entered into a letter of intent to form a strategic alliance to earn a 70% interest in a number of prospective copper-cobalt exploration properties in the DRC.

Over 1 June 2017 to 20 June 2017, First Cobalt's shares traded in the range of C\$0.52 on 15 June 2017 and C\$0.75 on 1 June 2017, closing at C\$0.55. The major announcements made by First Cobalt in this period included:

- ▶ entered into the option for First Cobalt to effectively acquire a 50% interest in the Yukon Refinery (1 June);
- ▶ exploration update for work with in Keeley Frontier area (5 June); and
- ▶ announced the acquisition of 22 claims in the Cobalt Mining Camp, including the historic Bellellen mine for a cash consideration of C\$325,000 (7 June).

With the announcement on 16 March 2017 of the acquisition of Cobalt Projects, including the Keeley Frontier Earn-in, the market had knowledge of all of First Cobalt's material early stage exploration assets. Between that date and 20 June 2017, First Cobalt's share price traded in the range of a low of C\$0.42 on 23 May 2017 and a high of C\$0.91 on 16 March 2017, closing at C\$0.55 on 20 June 2017. The VWAP over the period 16 March 2017 to 20 June 2017 was C\$0.70.

Trading in First Cobalt's shares on the TSX-V increased from a monthly liquidity in January 2017 of 4.71% to 7.51% in February to 26.54% in March 2017. The significant increase in shares traded reflected the high prices experienced through that month. Falling back to 8.33% in April 2017, the monthly liquidity in May 2017 increased to 19.7%. In the 14 trading days up to and including 20 June 2017, the number of shares traded equated to 20.02%.

The VWAPs of First Cobalt's trading price on the TSX-V for various periods up to and including 20 June 2017 are detailed in the table below. The analysis shows that the VWAPs for the periods closer to the announcement date were lower (i.e. C\$0.545 to C\$0.556) than the VWAPs across the periods incorporating the higher prices and higher trading volumes experienced in March 2017 (i.e. C\$0.634 and C\$0.661).

VWAP Analysis	First Cobalt 20Jun17 C\$
VWAP on day	0.550
5 day VWAP	0.545
1 month VWAP	0.556
Period 16Mar17 to 20Jun17*	0.634
Period 4Jan17 to 21Jun17	0.661

* - period across which market was aware of all material cobalt exploration assets (including Yukon Refinery)

Source: EY analysis

The financial statements of First Cobalt as at 30 June 2017 included the acquisition of the company's early stage exploration assets. Reflecting the arm's length nature of these acquisitions and the requirement to record these transactions at fair value, the book values of these assets could be considered as being representative of their fair values. Details of First Cobalt's net asset position and the allocation of value across the company's exploration assets are contained in Section 4.1.3.

The net asset backing per share, based on the values brought to account at 30 June 2017 is summarised as follows:

First Cobalt - Net Asset Backing Per Share	
C\$000's	As at 30Jun17
Cobalt and Other Mineral Assets:	
- Exploration and evaluation	6,292
	6,292
Net other assets	4,497
Net assets	10,789
Shares on issue 30Jun17 (000's)	57,258
Net asset backing per share (C\$)	0.188

Source: EY analysis

First Cobalt's net asset backing per share, incorporating the values at which the various transactions have been brought to account, at 30 June 2017 was C\$0.188. This is significantly lower than the recent trading prices of the company's shares on the TSX-V, with the range over the period from 16 March 2017 (i.e. when the market had knowledge of all of the company's material cobalt exploration assets) to 20 June 2017 being between C\$0.42 and C\$0.91. Based on this range, trading prices were at a multiple of 2.2 and 4.8 of the company's net asset backing per share as at 30 June 2017. Similar to Cobalt One, the differential between net asset backing and the trading price may be reflective of the market's view on the prospectivity of First Cobalt's underlying assets on a combined basis rather than on an asset-by-asset basis as recorded in the accounts.

It is also of note that with the Keeley Frontier Earn-in, First Cobalt is incurring exploration expenditure to earn its 100% interest, with the book value at 30 June 2017 being lower than had it been a full acquisition. The market is likely to value the company's interest in Keeley Frontier on the assumption that the Keeley Frontier Earn-in will be completed.

In addition, since changing strategy to focus on cobalt, First Cobalt have put in place an experienced Board of Directors and management team which is likely to have been viewed positively by the market in relation to the company's ability to become a pure-play cobalt company.

Given the difference between the net asset backing per share and the prices at which First Cobalt's shares have traded at on the TSX-V, in our opinion, the net asset backing per share at 30 June 2017 is not representative of the fair value of a First Cobalt share.

Similar to Cobalt One and for the same reasons, investment in First Cobalt is considered speculative, with the prices at which its shares trade reflecting this.

Based on consideration of the prices at which First Cobalt's shares traded at on the TSX-V across the period that the market had knowledge of the company's material cobalt exploration assets, for the purpose of this report we have assessed the fair value of a First Cobalt share to be in the range of:

First Cobalt			
C\$	Low	High	Last Price 20 June 17
Value of a First Cobalt share	0.420	0.910	0.550
<i>A\$ equivalent at A\$1.00:C\$0.99735</i>	<i>0.421</i>	<i>0.912</i>	<i>0.551</i>

Source: EY analysis

The fair value range of C\$0.42 and C\$0.91 represents the low price and the high price of the First Cobalt's shares across the period 16 March 2017 to 20 June 2017, being the period that the market had knowledge of the company's material cobalt exploration assets up until the announcement of the Cobalt One Merger and the CobalTech Merger. In our analysis we recognise that the last price on 20 June 2017, the day prior to the announcement of the Cobalt One Merger, was C\$0.55.

After the announcement on 21 June 2017 of the intention to undertake the CobalTech Merger and the Cobalt One Merger, First Cobalt's share price traded up to close on that day at C\$0.63. The last trading price prior to First Cobalt's entering a trading halt on 22 June 2017 was C\$0.76. Since trading in First Cobalt shares recommenced on 28 August 2017 to 3 October 2017, shares have traded in the range of between C\$0.475 and \$0.68, closing on 3 October 2017 at C\$0.61.

8.3 Pro Forma Merged First Cobalt

Recognising the First Cobalt shares to be received by Cobalt One Shareholders under the Scheme will be reflective of the CobalTech Merger and the Cobalt One Merger. On this basis in valuing the consideration being offered by First Cobalt under the Scheme we considered the pro forma value of a Merged First Cobalt share. This has been done after consideration of the values assessed in the preceding sections for Cobalt One and First Cobalt, consideration of the value of a CobalTech share and the respective terms of the Mergers.

In following a similar process as undertaken for Cobalt One and First Cobalt, we have assessed the fair value of a CobalTech share based on the prices at which the company's shares traded at on the TSX-V across the period that the market had knowledge of the CobalTech's material cobalt exploration assets as follows:

CoabalTech			
C\$	Low	High	Last Price 20 June 17
Value of a CobalTech share	0.105	0.230	0.110
<i>A\$ equivalent at A\$1.00:C\$0.99735</i>	<i>0.105</i>	<i>0.231</i>	<i>0.110</i>

Source: EY analysis

In concluding on this range we considered the following matters:

- ▶ over the period 3 January 2017 to 20 June 2017, CobalTech shares traded on the TSX-V in the range of C\$0.105 and C\$0.45, closing at C\$0.11 on 20 June 2017 prior to the CobalTech Merger being announced;
- ▶ with the announcement on 10 April 2017 that the option to acquire the Yukon Refinery had been terminated, the market became aware of all of CobalTech's material cobalt exploration assets. Between that date and 20 June 2017, CobalTech's shares traded in the range of C\$0.105 and C\$0.23. The VWAP for this period was C\$0.152.
- ▶ the VWAP for 20 June 2017 was C\$0.118 and the 5 day VWAP up to and including that date was C\$0.123;
- ▶ the monthly liquidity of CobalTech ranged from 5.52% in May 2017 to 29.51% in February 2017;
- ▶ based on the 30 June 2017 accounts of CobalTech, the net asset backing per share, reflecting the acquisitions of its exploration assets at fair value, was C\$0.085; and
- ▶ in the period since the announcement of the CobalTech Merger on 21 June 2017 and 3 October 2017, CobalTech shares have traded in the range of between C\$0.13 and C\$0.185, closing on 3 October 2017 at C\$0.13.

The fair value range of C\$0.105 and C\$0.23 represents the low price and the high price of the CobalTech's shares across the period 10 April 2017 to 20 June 2017, being the period that the market had knowledge of the company's material cobalt exploration assets up until the announcement of the Cobalt One Merger and the CobalTech Merger.

Taking the A\$ equivalent values for First Cobalt and CobalTech and the values for Cobalt One the comparative total values for each company was determined based on the number of shares on issue (undiluted), with the combined values reflecting the pro forma value for Merged First Cobalt. The number of shares Merged First Cobalt would have on issue post-the Mergers was calculated with reference to the terms of Mergers (i.e. 0.2632 of a First Cobalt share for every CobalTech share and 0.145 of First Cobalt share for every Cobalt One share).

Neither the number of Cobalt One shares nor the number of shares Merged First Cobalt will have on issue has been adjusted to include the expected exercise of the Options and Performance Options or the cash to be received on the exercise. The number of CobalTech shares and Merged First Cobalt shares have not been adjusted to include the exercise of 3,800,000 warrants or the cash to be received on the exercise. Similarly, the number of First Cobalt shares and Merged First Cobalt shares have not been adjusted to include the exercise of 250,000 warrants and options or the cash received on the exercise. The impact of not including or including the Options, Performance Options, warrants and options on the overall analysis is minimal.

Based on this, the pro forma value per share for Merged First Cobalt was determined as follows:

Pro Forma Value of Merged First Cobalt			
	Low	High	Last Price Prior to Announcement
\$000's			
Cobalt One	63,428	98,894	68,203
First Cobalt	24,112	52,243	31,575
CobalTech	9,132	20,003	9,567
Merged First Cobalt	96,673	171,140	109,345
Number of shares on issue	178,982	178,982	178,982
Pro forma value per share (\$)	0.540	0.956	0.611

Source: EY analysis

Accordingly, the range assessed for the pro forma value of a Merged First Cobalt share is \$0.54 to \$0.956, with the pro forma value based on the last trading prices prior to the announcement of the Cobalt One Merger being \$0.611.

9. Assessment of the Scheme

9.1 Approach

In forming our opinion as to whether the Scheme is fair and reasonable, and therefore in the best interests of Cobalt One Shareholders, we have considered:

- ▶ whether the consideration being offered by First Cobalt, on a Merged First Cobalt basis, for a Cobalt One share is fair;
- ▶ the strategic rationale of the Scheme and the Cobalt One Merger (with consideration of the CobaltTech Merger);
- ▶ First Cobalt intentions in relation to Cobalt One;
- ▶ Shareholder expectations of each company given the recent change of focus by Cobalt One, First Cobalt and CobaltTech to cobalt exploration and development companies;
- ▶ the advantages and disadvantages relevant to Cobalt One Shareholders if the Scheme proceeds; and
- ▶ other considerations relevant to the Scheme, including alternatives.

9.2 Comparison of values

In determining whether the Scheme is in the best interests of Cobalt One Shareholders we have compared the fair value assessed for a Cobalt One share with the fair value of a First Cobalt share under the terms of the Scheme, being 0.145 of a First Cobalt share for each Cobalt One share held. As detailed in Section 2.2, the analysis of both is on a minority interest basis.

In doing so we have compared the values assessed for a Cobalt One share and compared this to pro forma value of a Merged First Cobalt share, which has been determined to reflect the combined values of Cobalt One, First Cobalt and CobaltTech. This assumes both the Mergers proceed as anticipated.

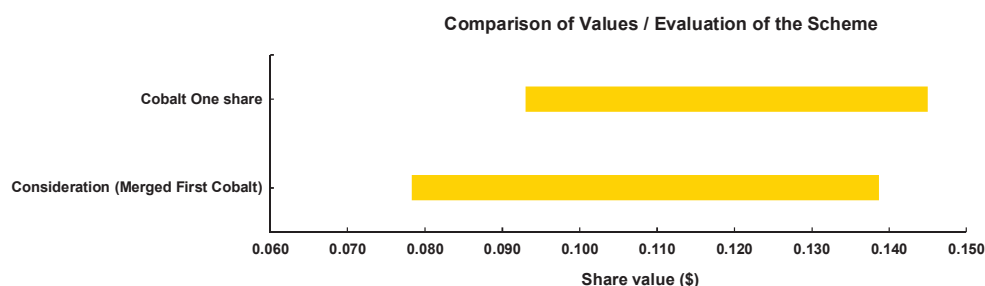
As Cobalt One Shareholders will ultimately receive Merged First Cobalt shares as consideration under the Scheme, the analysis based on the pro forma value of a Merged First Cobalt share has more relevance. In stating this, ultimately the “fair value” of the consideration will be dependent on the prices at which First Cobalt shares (as Merged First Cobalt) trade on the TSX-V and the ASX after the implementation of the Scheme.

The table below compares the value assessed for a Cobalt One share with 0.145 of the pro forma value of a Merged First Cobalt share.

Comparison of Values - With A Pro Forma Merged First Cobalt Share			
	Low	High	Last Price Prior to Announcement
Value of a Cobalt One share (\$)	0.093	0.145	0.100
Value of Consideration:			
- Pro forma value of a Merged First Cobalt share (\$)	0.540	0.956	0.611
- Cobalt One Merger ratio	0.145	0.145	0.145
Value of consideration (\$)	0.078	0.139	0.089

Source: EY analysis

Under this analysis the value of a Cobalt One share of \$0.093 to \$0.145 compares to the value of a pro forma Merged First Cobalt share on a basis consistent with the terms of the Cobalt One Merger of \$0.078 to \$0.139. The comparative ranges are represented in the following chart:



Source: EY analysis

While at either end of the ranges, the values of the consideration being offered is at a discount to the value of a Cobalt One Share, there is considerable overlap between the ranges, with approximately 88% of the valuation range of a Cobalt One share being consistent with the valuation range of the consideration being offered based on the pro forma value of a Merged First Cobalt share.

If we had included the expected exercise of the Cobalt One Options and Performance Options, the exercise of the First Cobalt warrants and options and the CobalTech warrants together with the cash to be received on their exercise in our analysis, the fair value of a Cobalt One share would be reduced to be in the range of \$0.088 and \$0.0127 and the pro forma value of a Merged First Cobalt share would be reduced to be in the range of \$0.076 and \$0.0129. Accordingly, the dilutionary impact of bringing to account the expected exercise of the Cobalt One Options and Performance Options and the CobalTech warrants together with the cash to be received on their exercise is not material to the overall analysis.

The above analysis includes CobalTech within Merged First Cobalt on the assumption that the CobalTech Merger happens as anticipated. If the CobalTech Merger does not proceed and Merged First Cobalt only includes Cobalt One and First Cobalt, then the pro forma value of a Merged First Cobalt share instead of being in the range of \$0.078 to \$0.139 would increase to a range of \$0.081 to \$0.14.

Notwithstanding the significant overlap in our valuation ranges of a Cobalt One share and the pro forma value of a Merged First Cobalt share, we do recognise that the high end of the range of pro forma value of a Merged First Cobalt share is reflective of the C\$0.91 trading price achieved on 16 March 2017. Since that date, the price of First Cobalt's shares traded down to a low of C\$0.42 on 23 May 2017 before recovering to a high of C\$0.68 on 5 June 2017, closing at C\$0.55 on 20 June 2017. As indicated in Section 8.2, the VWAP for First Cobalt across the period against which our valuation range was measured (i.e. 16 March 2017 to 20 June 2017) was C\$0.634, with the 5 day VWAP prior to the announcement of the Mergers being C\$0.545. The inclusion of these prices in our analysis of the pro forma value of a Merged First Cobalt share brings about a value lower than the value of a Cobalt One share. Because of this, in considering the fair value ranges assessed for the consideration being offered with the fair value range of a Cobalt One share, in our opinion, the Scheme is "not fair".

In coming to this conclusion it is also important to recognise that given their early stage of development, investment in Cobalt One and First Cobalt (and CobalTech) is considered to be speculative. The prices at which the companies have traded at is reflective of this. The value that a Cobalt One Shareholder will derive from a Merged First Cobalt share should the Scheme proceed, will be dependent on the future trading price of Merged First Cobalt.

After announcing the intention to undertake the CobalTech Merger and the Cobalt One Merger on 21 June 2017 (Eastern Time, Canada, being 22 June 2017 in Australia), First Cobalt's share price increased to close at C\$0.76 prior to entering a trading halt on 22 June 2017. Applying the 0.145 merger ratio, this implied a value for a Cobalt One share of C\$0.11, which equated to the Company's last price before the announcement of the Mergers.

Since recommencing trading on 28 August 2017, First Cobalt shares have traded in the range of C\$0.475 and C\$0.68 in the period up to and including 3 October 2017, equating to an A\$ range of \$0.476 to \$0.682. Under the terms of the Cobalt One Merger, this values a Cobalt One share at between \$0.069 and \$0.099. Across the period post the announcement of the Cobalt One Merger, Cobalt One shares traded in the range of between \$0.094 and \$0.14. Across the period 28 August 2017 to 3 October 2017, the Company's shares traded in the range \$0.096 to \$0.115.

9.3 Strategic rationale for the Cobalt One Merger

Within the last year, as early stage exploration companies Cobalt One, First Cobalt and CobalTech each announced a change of strategy to focus on developing as pure-play cobalt companies. In pursuing this change of strategy, each company has been active in acquiring a number of prospective cobalt exploration properties and assets in the historic Cobalt Mining Camp region around the Canadian mining town of Cobalt. Cobalt One was successful in acquiring the Yukon Refinery which while having been under care and maintenance for a number of years, is the only fully permitted refinery in the region.

The prospectivity of the Cobalt Mining Camp claim areas held by each company is primarily based on the historical mining activities which while primarily silver based also produced significant volumes of cobalt. No meaningful exploration had occurred within these areas for a number of years, with none of the areas acquired containing any defined mineral resources. Reflecting this, each company has proposed similar exploration programs which sought to gain an initial understanding of the historic information available with the aim of identifying the most prospective prospects on which to separately commence drilling campaigns.

Cobalt One has its head office in Perth, Western Australia, and has a single executive in Mr Jason Bontempo, the Company's CEO. In contrast, First Cobalt has its head office in Toronto, Canada, and has built a Board and management team with the capital markets and technical experience required to develop an early stage exploration company. CobalTech is based in Vancouver, Canada.

Not unlike Cobalt One, First Cobalt and CobalTech, over the last year there have been several TSX-V listed early stage exploration companies that have changed their focus to cobalt. Some of these have acquired claim areas within or adjacent to the Cobalt Mining Camp region. Each of these companies is considered a competitor of Cobalt One, First Cobalt and CobalTech with respect to securing the means required to become a pure-play cobalt mining and production company.

The strategic rationale of both the Cobalt One Merger and the CobalTech Merger is to create a singular significant pure-play cobalt company with a dominant landholding and asset position in the highly prospective Cobalt Mining Camp region, an experienced Board and management team made up of both Cobalt One and First Cobalt executives and a greater combined market presence that will provide better access to capital, all with the purpose of developing the company in a shorter timeframe than it otherwise would have as separate companies.

To develop its Cobalt Mining Project and surrounding claim areas and the Yukon Refinery, Cobalt One would need to establish a Canadian based management team at a considerable cost. The Cobalt One Merger with First Cobalt overcomes the need for the Company to establish a local management team. In doing so it negates the costs and issues of having to manage a Canadian located project from Australia. Accordingly, the absorption of the Company's management into First Cobalt's existing operational structure is expected to create significant synergies and cost savings.

The implementation of the Mergers will mean that Cobalt One, First Cobalt and CobalTech will no longer be competing against each for asset acquisitions, third party exploration capacity and access to capital markets. It would be expected that as a singular significant pure-play cobalt company, the exploration, evaluation and development of its underlying cobalt assets would be achieved in a more efficient and effective manner, rather than as three separate companies. Focusing on the most prospective of the combined properties will enable more economic use of available capital. As a significantly larger company than the other TSX-V listed companies that have changed focus to cobalt, the Merged First Cobalt would be expected to have a competitive advantage from an operational and capital markets perspective.

The merging of Cobalt One and First Cobalt is considered by the Directors of both companies to be the best chance of becoming a pure-play cobalt company. The merger of Cobalt One with First Cobalt and CobalTech with First Cobalt is expected to create further growth opportunities as Merged First Cobalt.

9.4 First Cobalt's intentions

The following section summarises First Cobalt's intentions in relation to Merged First Cobalt. As stated in the Scheme Booklet, the intentions were formed on the basis of the facts and information concerning Merged First Cobalt, and the general economic and business environment, known by First Cobalt at the time the Scheme Booklet was prepared.

- ▶ First Cobalt intends for Merged First Cobalt to become the largest pure-play cobalt exploration and development company.
- ▶ On implementation of the Scheme, Cobalt One will apply to have its shares removed from the Official List of the ASX, with Cobalt One becoming a wholly-owned subsidiary of First Cobalt.
- ▶ Merged First Cobalt intends to centralise the management and operations of the Merged Group to Toronto, Canada, while also appointing Mr Jason Bontemo and Mr Paul Matysek from Cobalt One and Mr Robert Cross as Directors of Merged First Cobalt.

- ▶ Merged First Cobalt intends to aggressively advance its exploration strategy through additional drilling, mapping, sampling, structural geology and 3D modelling on its Keeley-Frontier Project as well as past producing projects.
- ▶ Merged First Cobalt intends to identify additional exploration opportunities amongst its consolidated property portfolio in addition to continually reviewing all aspects of the merged group's assets and operations to identify ways to maximise shareholder value.
- ▶ Merged First Cobalt intends on identifying and pursuing additional strategic acquisitions and consolidations of mineral assets within the Cobalt Mining Camp and surrounding areas.

Cobalt One Shareholders should consider information contained in the Scheme Booklet for a more detailed explanation of the First Cobalt's intentions with regards to Merged First Cobalt.

9.5 Shareholder expectations of each company

As previously noted, Cobalt One, First Cobalt and CobalTech have only recently changed focus to cobalt. The decisions made by each company in relation to Director and management appointments, acquisitions and capital raisings have been reflective of this change of strategy. The trading volumes of shares on the respective stock exchanges have increased as has the trading prices in comparison to the period prior to the change in strategy.

It is assumed that shareholders buying and selling shares in any of the three companies, on market or participating in any capital raising, would have been aware of the change of focus towards cobalt. While investment in Cobalt One, First Cobalt and CobalTech is considered speculative, it would be expected that in being aware of the aim of each company to become a pure-play cobalt company, shareholders would be supportive of the change in strategy.

Given the commonality between the renewed purpose of each company and the strategic rationale for the Cobalt One Merger and the CobalTech Merger resulting in the formation of Merged First Cobalt, the merger proposals are likely to be consistent with the expectations of each company's shareholders.

9.6 Advantages and disadvantages

As part of assessing whether or not the Scheme is in the best interests of Cobalt One Shareholders, we have also considered the likely advantages and disadvantages to the shareholders if the Scheme is implemented, with the advantages and disadvantages to those shareholders if it is not. In doing this we have considered the commercial and qualitative factors relating to the Scheme.

The factors considered are summarised below. We note that individual Cobalt One Shareholders may interpret these matters differently depending on their specific circumstances.

9.6.1 Advantages

- ▶ **Cobalt One Shareholders will hold an interest in a wider portfolio of assets:** Cobalt One Shareholders will have an interest in Merged First Cobalt, a company that will hold a wider and more diversified group of cobalt exploration assets as compared to Cobalt One on a standalone basis.

- ▶ **Cash reserves:** Based on the cash balances of Cobalt One and First Cobalt (converted to A\$'s at A\$1.00:C\$0.99735) at 30 June 2017 and adjusting for the \$1.85 million cash to be received on the expected exercise of Cobalt One Options and Performance Options and the \$73,000 from the exercise of the First Cobalt warrants and options, on a combined basis, the pro forma cash balance of Merged First Cobalt totals \$8.314 million. Including CobalTech's 30 June 2017 balance plus the cash received on the exercise of the 3,800,000 warrants (all converted to A\$'s), the pro forma cash balance increases to \$9.179 million. Accordingly, Merged First Cobalt is expected to have sufficient funds to finance its immediate exploration program.
- ▶ **Synergies:** The combination of Cobalt One and First Cobalt, and CobalTech and the centralisation of management should lead to a reduction in general and administrative costs through synergies of having a single head office and management team. While First Cobalt intends to list on the ASX, the cost of having the one company listed on the TSX-V, ASX and OTCQB is expected to be considerably less than the continued listing of the three companies separately.
- ▶ **Shareholders will continue to participate in the underlying assets of Cobalt One:** By exchanging their shares in Cobalt One for shares in First Cobalt, Cobalt One Shareholders will continue to have exposure to the underlying assets of Cobalt One, including the Yukon Refinery, and as such will continue to participate in any increase in the value of those assets.
- ▶ **Cobalt One Shareholders will have an interest in a larger company which may be positively re-rated:** The combination of Cobalt One and First Cobalt, together with CobalTech will create one of the largest pure-play cobalt companies with a pro forma market capitalisation in excess of \$100 million. The increase in profile and market significance may lead to a positive re-rating of Merged First Cobalt and an increased liquidity in the trading of its shares. Should a positive re-rating occur, this would be to the benefit of all shareholders of Merged First Cobalt, including Cobalt One Shareholders.
- ▶ **Combined skill set of the Merged First Cobalt:** First Cobalt has experience in developing and operating mining operations. Given the early stage nature of Cobalt One's assets, First Cobalt's skills and experience may serve to enhance the development of the Company's cobalt exploration assets in conjunction with its own and with those of CobalTech.
- ▶ **Control:** If the Cobalt One Merger and the CobalTech Merger proceeds, Cobalt One Shareholders will collectively hold an estimated 57.1% of Merged First Cobalt and as a collective group have a majority interest. In stating this, no individual shareholder whether from Cobalt One, First Cobalt or CobalTech will have a shareholding large enough to exert any significant influence over Merged First Cobalt. Should the CobalTech merger not proceed, Cobalt One Shareholders will have a collective 65.4% interest in First Cobalt. In participating in the Cobalt One Merger, Cobalt One Shareholders are not forgoing the opportunity to share in a control premium from a future control transaction.
- ▶ **Yukon Refinery litigation:** While Cobalt One believes there is no foundation for the threat of legal action being taken by CobalTech in relation to the acquisition of the Yukon Refinery the merger of both companies with First Cobalt will negate the need to incur time and cost responding to any action and eliminates the risk of an adverse outcome to Cobalt One.

9.6.2 Disadvantages

- ▶ **Exposure to additional risks:** While the Scheme will increase the diversification of the assets that Cobalt One Shareholders will have exposure to through the Cobalt One Merger and the CobalTech Merger, Cobalt One Shareholders will continue to be subject to the risks associated with an early stage exploration company. An investment in Merged First Cobalt will continue to be speculative.
- ▶ **Consideration is not paid in cash:** Since the consideration to be paid to Cobalt One Shareholders is in the form of shares as opposed to cash, the value of the consideration received by Cobalt One Shareholders under the Scheme will be dependent upon the price at which First Cobalt shares trade once the Scheme is implemented. As the consideration is fixed at 0.145 of a First Cobalt share for every Cobalt One shares held, the implied value of the consideration will change with the trading price of a First Cobalt share.
- ▶ **Change of jurisdiction:** In exchanging shares in Cobalt One for shares (and CDI's) in First Cobalt, Cobalt One Shareholders will be effectively changing the jurisdiction of their investment from a company subject to Australian corporation regulation to a company subject to the laws of the Province of British Columbia, Canada and to certain Canadian federal laws. While the fiduciary duties of directors is substantially the same some of the company reporting requirements are different. With First Cobalt intending to list on the ASX it will need to comply with the ASX Listing Rules. Further detail in relation to the different jurisdictions is contained in the Scheme Booklet.
- ▶ **Inability to realise synergies:** The Directors of Cobalt One and First Cobalt believe that the Cobalt One Merger will create significant synergistic benefits. There is a risk that these perceived benefits do not eventuate in the short to medium term or at all. Failure to realise these perceived benefits may have an adverse impact on the future performance of Merged First Cobalt.

9.7 Other considerations

9.7.1 Alternatives

As an alternative to the Cobalt One Merger proceeding, Cobalt One Shareholders can vote against the Scheme in the hope of either realising greater value through maintaining the stand-alone business of Cobalt One or for a superior proposal emerging. There is no evidence to suggest that the Cobalt One Shareholders would be better off under this alternative.

9.7.2 No alternative proposals

We have discussed with the Directors of Cobalt One the likelihood of alternative proposals emerging. The Directors of Cobalt One have advised that they are not aware of any alternative or superior proposal for the Company.

9.7.3 Cobalt One Board's view

We note that the Directors of Cobalt One have, in the absence of a superior proposal, unanimously recommended that Cobalt One Shareholders to vote in favour of the Scheme.

9.7.4 Tax implications

EY Transaction Advisory Services has not considered the specific taxation implications of the Scheme for individual Cobalt One Shareholders. If the Scheme is approved and implemented as proposed, Cobalt One Shareholders may be liable to pay Australian tax on the disposal of their Cobalt One shares. The specific tax consequences of the Scheme and the options available will vary depending on the circumstances of each individual Cobalt One Shareholder.

Cobalt One Shareholders should consider the information contained in the Scheme Booklet in relation to the taxation implications of the Scheme. Cobalt One Shareholders who are in doubt as to the tax implications of the Scheme given their own circumstances should consult their own professional advisers.

10. Conclusion

Notwithstanding that, for the reasons detailed in Section 9.2, we concluded that the Scheme was not fair, we do recognise that it might also be “reasonable” if, despite being “not fair”, there are sufficient reasons for Cobalt One Shareholders to accept the Scheme in the absence of a superior proposal. In this respect we considered the matters detailed in Sections 9.3, 9.4, 9.5, 9.6 and 9.7. Based on our overall consideration of the Cobalt One Merger as a whole, in the absence of a superior proposal, in our opinion, the Scheme is not fair but reasonable, and is therefore in the best interests of Cobalt One Shareholders.

This independent expert’s report has been prepared to assist Cobalt One Shareholders in assessing the merits of the Scheme. In doing so, the report provides general information only and does not consider the individual situation, objectives and needs of each Cobalt One Shareholder. On this basis, Cobalt One Shareholders should consider whether this report is appropriate for their circumstances, having regard to their own situation, objectives and needs before relying on or taking action based on this report. If there is any doubt, Cobalt One Shareholders should seek their own professional advice.

Whether individual Cobalt One Shareholders should vote to approve the Scheme depends upon their own individual situation, objectives and needs, as well as their view as to the reasonableness factors associated with whether or not to approve the Scheme.

Appendix A Statement of qualifications and declarations

EY Transaction Advisory Services, which is wholly owned by Ernst & Young, holds an Australian Financial Services Licence under the Act and its representatives are qualified to provide this report. The directors of EY Transaction Advisory Services responsible for this report have not provided financial advice to Cobalt One.

Prior to accepting this engagement, EY Transaction Advisory Services considered its independence with respect to Cobalt One with reference to Regulatory Guide 112, *Independence of experts*.

This report has been prepared specifically for the Shareholders of Cobalt One in relation to the Scheme. Neither EY Transaction Advisory Services, Ernst & Young and any employee thereof undertakes responsibility to any person, other than the Shareholders, in respect of this report, including any errors or omissions howsoever caused.

The statements and opinions given in this report are given in good faith and the belief that such statements and opinions are not false or misleading. In the preparation of this report EY Transaction Advisory Services has relied upon and considered information believed after due inquiry to be reliable and accurate. EY Transaction Advisory Services has no reason to believe that any information supplied to it was false or that any material information has been withheld from it. EY Transaction Advisory Services has evaluated the information provided to it by Cobalt One, its advisors, as well as other parties, through inquiry, analysis and review, and nothing has come to its attention to indicate the information provided was materially mis-stated or would not afford reasonable grounds upon which to base its report. EY Transaction Advisory Services does not imply and it should not be construed that it has audited or in any way verified any of the information provided to it, or that its inquiries could have verified any matter which a more extensive examination might disclose.

The information relied upon in the preparation of this report is set out in Appendix C to this report.

Cobalt One has provided an indemnity to EY Transaction Advisory Services for any claims arising out of any mis-statement or omission in any material or information provided to it in the preparation of this report.

EY Transaction Advisory Services provided draft copies of this report to Cobalt One and First Cobalt for comments as to factual accuracy, as opposed to opinions, which are the responsibility of EY Transaction Advisory Services alone. Changes made to this report as a result of this review by the directors and management have not changed the methodology or conclusions reached by EY Transaction Advisory Services.

EY Transaction Advisory Services will receive a professional fee based on time spent in the preparation of this report estimated at approximately \$110,000 (inclusive of GST). EY Transaction Advisory Services will not be entitled to any other pecuniary or other benefit whether direct or indirect, in connection with the making of this report.

Mr Ken Pendergast, a director and representative of EY Transaction Advisory Services and a partner of Ernst & Young and Mr Stuart Bright, a director and representative of EY Transaction Advisory Services and a partner of Ernst & Young have assumed overall responsibility for this report. Both have the necessary experience and professional qualifications appropriate to the advice being offered. Other EY Transaction Advisory Services staff have been consulted in the preparation of this report where appropriate.

It is not intended that the report should be used for any other purpose other than to be included in the Scheme Booklet to be sent to Cobalt One Shareholders with respect to the Scheme. In particular, it is not intended that this report should be used for any other purpose other than as an expression of its opinion as to whether or not the Scheme is in the best interests of Cobalt One Shareholders.

EY Transaction Advisory Services consents to the issue of this report in the form and context in which it is included in the Scheme Booklet.

Appendix B Cobalt Industry Review

Introduction

Cobalt is a shiny, grey, brittle metal similar in appearance to that of nickel and iron and is one of only three naturally occurring magnetic metals. It has a high melting point (1,493°C) and is ferromagnetic to temperatures up to 1,100°C, the highest of any material known. Although some cobalt is produced as primary production (~4%), the majority of the world's production is sourced as a by-product of nickel (~60%) and copper (~36%). Cobalt's efficiency as an electrode allows for power to be stored for longer periods with lower carbon emissions than other commodities, making it an important component in the manufacture of cathodes for certain types of rechargeable batteries.

As cobalt is rarely found as a primary metal, the recovery process is usually dependant on the characteristics of the primary metal ore, with the focus at site generally bring on the mining and processing of ore into concentrate or semi-refined product, with secondary processing to take place elsewhere. The mining of cobalt does however usually follow conventional methods (i.e. crushing, washing and grinding) with the use of flotation as a separation process to isolate cobalt rich concentrate for treatment.

Uses of cobalt

Chemical compounds / batteries: Cobalt's biggest use is in the formation of chemical compounds which have become a critical component in certain types of rechargeable batteries. Used in the manufacture of the cathodes for lithium ion batteries the three main cobalt based cathode materials are lithium nickel manganese cobalt oxide ("NMC"), lithium nickel cobalt aluminium oxide ("NCA") and lithium cobalt oxide ("LCO"). The use of cobalt in rechargeable batteries represents over half the world's use of the metal. Power storage is the major contributor to forecast future demand for cobalt, with electric cars and other portable electronics becoming increasingly popular.

Super alloys: Cobalt has a high tolerance to large amounts of mechanical and temperature stress. These qualities make the metal ideal for use in super alloys. Super alloys which include cobalt are widely used in various industrial, medical, commercial, aerospace and automotive applications.

Hard metals and machinery: Cobalt's strength and high melting point also make it well suited for use in hard metals and machinery such as drills, cutting appliances, diamond tools and other applications where wear resistance is important.

Colouring, ceramics and pigments: The ability of cobalt to stain glass, ceramics and porcelain has seen the metal been used for that purpose for thousands of years. Whilst colouring, ceramics and pigments has become a smaller end application of cobalt, it is still commonly used for these purposes, representing approximately 8% of total cobalt use.

Other: Cobalt is also used in tyres, paint and driers, catalysts, magnetic alloys, medicine and agriculture.

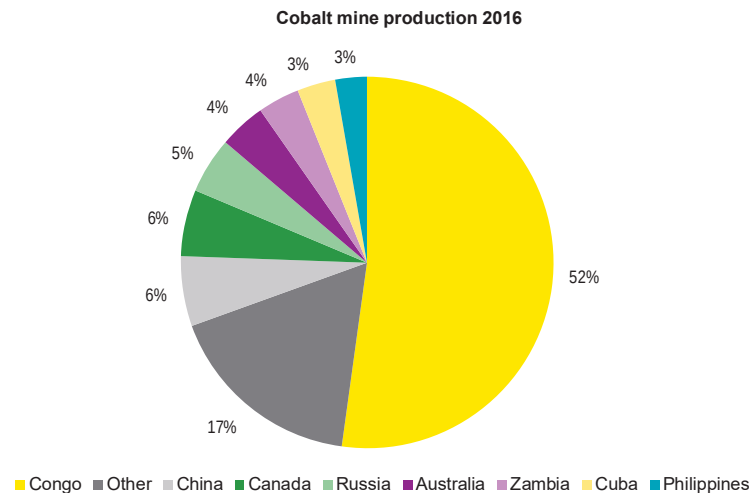
Cobalt supply

Cobalt is a widespread resource and makes up about 0.002% of the Earth's crust. Despite its abundance, cobalt is often very hard to mine due to its low concentrate, making mining uneconomical and hence production is often as a by-product of nickel (~60%) and copper (~36%). Due to the large reliance of supply on production of nickel and copper, supply is significantly influenced by the price and feasibility of these commodities rather than that of cobalt.

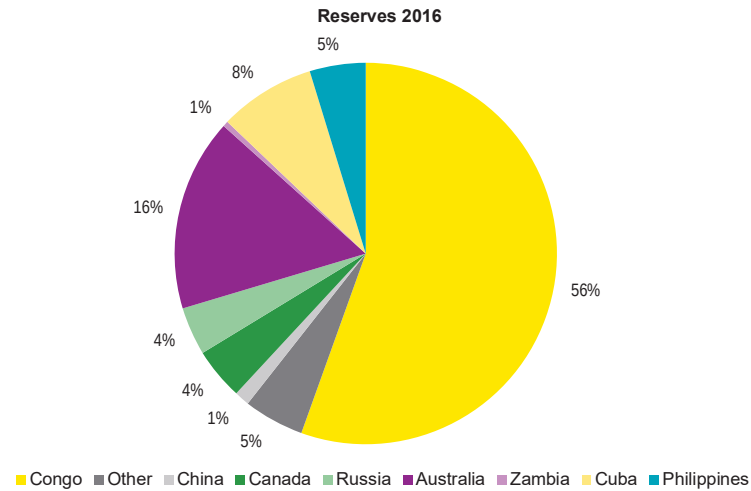
The DRC is the world's largest producer of mined cobalt with the United States Geological Survey (the "USGS") figures showing that in 2016, 54% (66,000 tonnes) of global production was sourced from the DRC, with no other individual country having a major share of global production or global reserves. According to the USGS figures, China and Canada each contributed 6% to global production of cobalt. Despite Australia having the second largest cobalt reserve base of 16% (estimated at 1 million tonnes), its production only amounted to 4% of global production in 2016.

Given the country's dominant position, users of cobalt rely heavily on the production and accessibility of cobalt from the DRC. Whilst currently there are no major issues sourcing cobalt from the DRC we note that following the DRC presidential elections on 27 November 2016, where President Kabila refused to step down and comply with the constitutional rules over president terms, there is an increased fear of political instability and conflict within the DRC which could create a major supply risk for consumers.

Despite the DRC being the largest source of cobalt, with some of the world's biggest mining companies being producers, the supply chain and way in which cobalt is traded remains the subject of some question given the lack of transparency and historical reputation of mining in the DRC. While the metal is not currently considered a "conflict mineral", with more attention being drawn to the industry and the recent price increase it is plausible that more will be done to limit sourcing of cobalt through increase regulation and possible introduction to the "conflict mineral" group. Another issue with operating and sourcing cobalt from the DRC is the use of child labour, with UNICEF estimating up to 400,000 children potentially being involved in the production of cobalt. Companies are increasingly concerned with the reputational damage and increased regulation faced due to social unrest from exposure to operating in these areas and are as such looking for sources of cobalt from outside of the DRC.

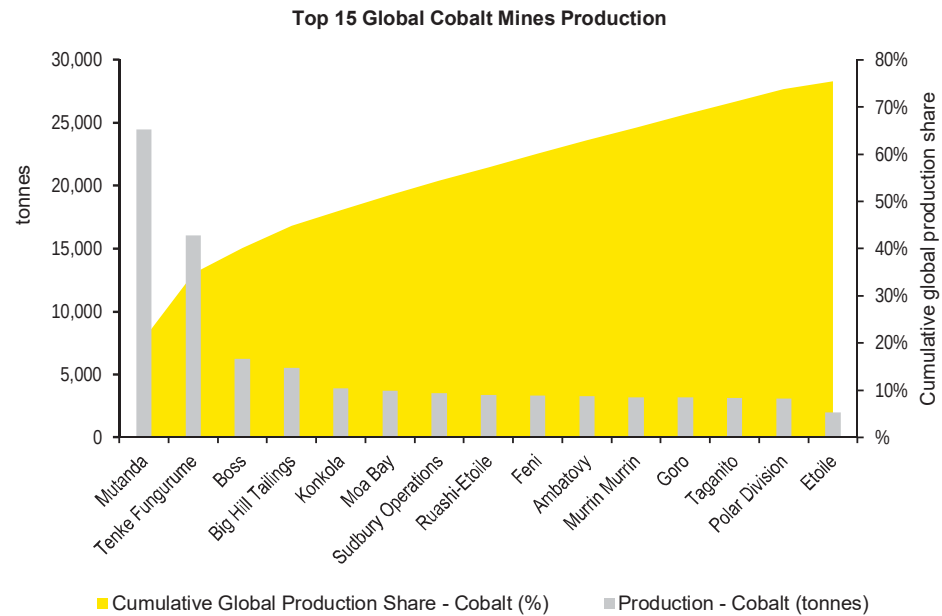


Source: CDI, USGS, EY analysis



Source: CDI, USGS, EY analysis

Glencore owns the largest cobalt producing mine, the Mutanda mine, located in the Katanga Province of the DRC. The Mutanda mine is primarily a copper mine however it provides approximately 21% of global cobalt production. Other major cobalt producers include China Molybdenum, Sumitomo Metal Mining and Norilsk Nickel. The top 15 mines globally represent approximately 76% of global production of cobalt with half of these mines located in the DRC.



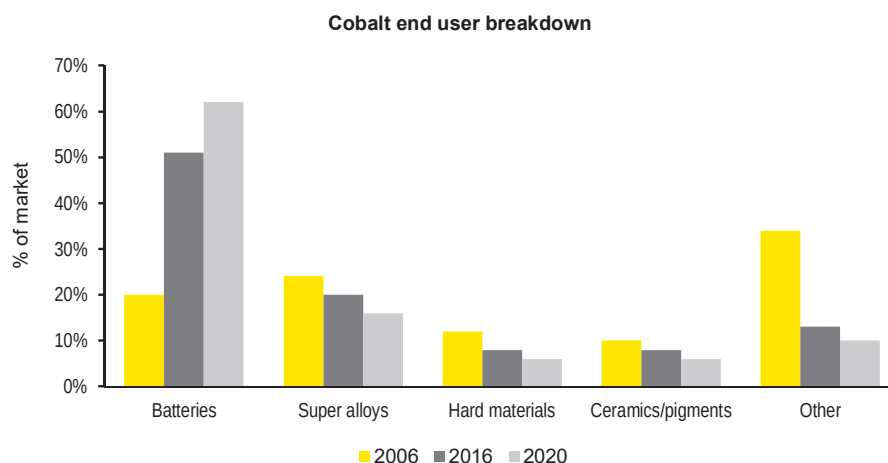
Source: SNL, EY Analysis

Cobalt demand

As indicated above, cobalt has historically been used for a wide range of different purposes. The metal's high melting point and ferromagnetic properties has in recent times lead to the increased demand for cobalt, underpinned by the growth in demand for rechargeable batteries, electricity storage, portable electronic devices and electric vehicles leading to 51% of global usage of cobalt being attributable to the battery industry.

China is currently the largest user of cobalt with approximately 80% of this demand being in the battery industry. The last decade has seen the rise in the global popularity of mobile phones and other electronic devices which has increased the demand for batteries and, in turn, for the efficiency of these batteries to improve. Of the five main battery types, NMC, NCA and LCO batteries provide the highest energy density of all batteries and all require cobalt. Substitutes for some cobalt products do exist, however, the use of these substitutes generally results in lower performance. The current trend in battery development is centred on increasing the density of cobalt usage in batteries. Without a change in technologies this likely to continue.

With the increased focus of the public and government to reduce society's carbon footprint and global climate change, there has been a shift towards the development and introduction of electric vehicles ("EV"). Governments have in some cases supported the increased use of EV's, offering incentives to both manufacturers and consumers. Continued innovation has enabled manufacturers to substantially reduce the cost of production, with EV's now being competitively priced against traditional motor vehicles. Accordingly, EV's account for a large percentage of the growth in cobalt demand with analysts forecasting an average global cobalt demand increase of 6.7% per year to 2025. From a fairly low base, the EV sector is expected to increase by up to 800% over the same period. Notably, Tesla is one of the largest consumers of cobalt with the model S Tesla using between 10kg and 22.5kg of cobalt per car.



Source: EY Analysis

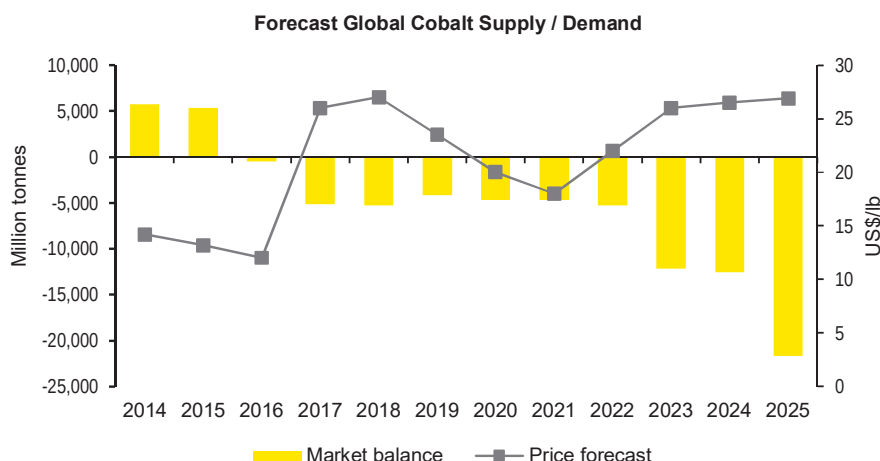
China is also the largest producer of refined cobalt, most of which is sourced from the DRC. As majority of production of cobalt in the DRC is as a by-product of copper, the ore is typically only mined and processed into concentrate or semi-refined product on site. This concentrate is refined in China into usable product.

Cobalt prices

Due to the nature of cobalt being primarily a by-product metal, the price of cobalt does not typically influence production and has little impact on the primary commodity production. The price of cobalt does however impact the viability of primary cobalt operations and periods of continued higher prices is expected to increase the likelihood of new primary cobalt production coming on stream. In the short term however the response to increased prices remains limited due to price inelastic supply.



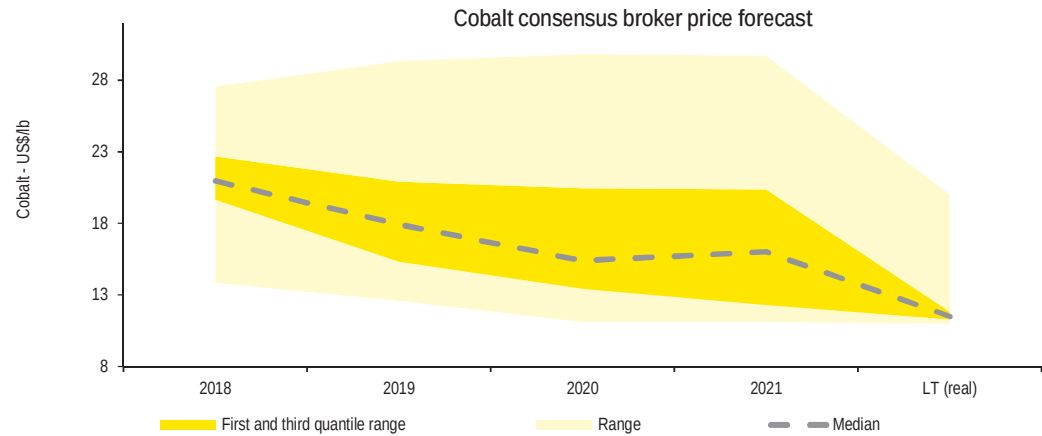
Source: EY Analysis, broker reports



Source: EY Analysis, broker reports

Cobalt is currently trading at the highest price since 2008 with a shortage in supply forecast due to the sustained low nickel and copper prices and the increased demand from the high tech industry. Whilst demand for cobalt has increased substantially in recent times, the commodity remains a relatively small portion of the market which means there is a natural inclination towards rapid price movements. The rapid price increase in cobalt since June 2016 has been caused by a combination of factors including the closure of multiple nickel mines and producers and investors stockpiling inventories due to a forecast shortage in supply. This stockpiling does present a large price risk with investors potentially over predicting demand for cobalt in the near future.

As shown below, cobalt prices are forecast to decline over the period to FY21, reaching a median price of US\$11.5/lb in the long term. We note however that there is little consensus in the short term pricing with prices ranging from US\$13.8/lb to US\$27.6/lb in FY18. Most brokers do however agree on long term pricing of approximately US\$11.5/lb on real basis which is substantially lower than current prices.



Source: EY Analysis, broker reports

Appendix C Sources of information

In preparing this report we had regard to the following sources of information:

- ▶ the financial statements of Cobalt One for the years ended 30 June 2016 and 2017 and the half year accounts for the six months to 31 December 2016;
- ▶ the financial statements of First Cobalt for the year ended 31 March 2017 and the interim financial statements for the three months to 30 June 2017;
- ▶ the financial statements of CobalTech for the year ended 31 October 2017 and the interim financial statements for the eight months to 30 June 2017;
- ▶ the NI 43-101 report prepared by CSA Global, dated 31 January 2017, in relation to Cobalt One's Cobalt Camp Project;
- ▶ the NI 43-101 report prepared by CSA Global, dated 31 July 2017, in relation to First Cobalt's Silver Centre and Cobalt Area properties;
- ▶ the NI 43-101 report prepared by JKM Exploration, dated 14 October 2016, in relation to CobalTech's Duncan Kerr Property;
- ▶ the final draft Scheme Booklet, prepared in relation to the Scheme;
- ▶ details of Cobalt One's issued shares, Options and Performance Options provided by Cobalt One management;
- ▶ details of First Cobalt's and CobalTech's issued shares, warrants and options provided by Cobalt One management
- ▶ details of shareholders of each of the companies provided by Cobalt One and First Cobalt management as sourced from share registries;
- ▶ announcements made by Cobalt One, First Cobalt and CobalTech;
- ▶ company websites for Cobalt One, First Cobalt and CobalTech; and
- ▶ market data obtained from sources including ThompsonOne, S&P Capital IQ, DatAnalysis, Bloomberg and Factiva.

In addition we held discussions and corresponded with Cobalt One management and corresponded with First Cobalt management.

Appendix D Glossary

Abbreviation	Full Title / Description
\$ or A\$	Australian dollars
Acacia-Frazer-Project	Northern Territory focused tenements held by Cobalt One
Act	The Corporations Act 2001
Arrangement	The plan of arrangement under which CobaltTech will merger with First Cobalt
Arrangement Agreement	The agreement to the Arrangement between First Cobalt and CobaltTech
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
Break Fee	Fee of \$1.4 million which would be payable in certain circumstances by either Cobalt One or First Cobalt should the Scheme not proceed
C\$	Canadian dollars
Canaccord	Canaccord Financial Group
CDI	CHESS depository Interest
CEO	Chief Executive Officer
Cobalt Industries	Cobalt Industries of Canada Inc.
Cobalt One Merger	The merger of Cobalt One and First Cobalt via a scheme of arrangement
Cobalt One or the Company	Cobalt One Limited
Cobalt One Shareholders	The shareholders of Cobalt One
Cobalt Projects	Cobalt Projects International Corp
CobalTech	CobalTech Mining Inc.
CobalTech Merger	The proposed merger between First Cobalt and CobalTech
CSA Global	CSA Global Canada Geosciences Ltd
DRC	Democratic Republic of Congo
Duncan Kerr Property	Property held by CobalTech Agreement
EY Transaction Advisory Services or EY	Ernst & Young Transaction Advisory Services Limited
EV	Electronic Vehicles
First Cobalt	First Cobalt Corp.
GIS	Geographic Information Systems
JMK Exploration	JMK Exploration Consulting and Clark Exploration Consulting Inc.
Keeley Frontier Earn-in	The earn-in arrangement in relation to former producing Keely Frontier Mine
LCO	Lithium cobalt oxide
Marcor	Marcor Limited
Merged First Cobalt	The resulting entity following both the Cobalt One Merger and CobalTech Merger
Mergers	The transactions by which Merged First Cobalt is formed
NCA	Lithium nickel cobalt aluminium oxide
NI 43-101	National Instrument 43-101 report
NMC	Lithium nickel manganese cobalt oxide
NSR	Net Smelter Royalty
Ophiolite	Ophiolite Consultants Pty Ltd
OTCQB	OTC Markets in the USA
Property Purchase Agreement	Agreement between CobalTech and Trio Resources whereby CobalTech has agreed to purchase the Duncan Kerr Property
Regulations	Clause 8303 of Schedule 8 of the Corporations Regulations 2001
RG111	Regulatory Guide 111: Content of expert reports
Scheme	The issuance of shares to Cobalt One by First cobalt in exchange for all the shares in Cobalt One
Scheme Meeting	The meeting at which Cobalt One Shareholders are to consider a resolution seeking approval of the Scheme
SID	Scheme Implementation Deed between Cobalt One and First Cobalt
Trio Resources	Trio Resources AG Inc.
TSX-V	TSX Venture Exchange
Unity Energy	Unity Energy Corp
USGS	United States Geological Survey
VWAP	Volume Weighted Average Price

**THIS FINANCIAL SERVICES GUIDE FORMS PART OF
THE INDEPENDENT EXPERT'S REPORT**

Part 2 – Financial Services Guide

3 October 2017

1. Ernst & Young Transaction Advisory Services

Ernst & Young Transaction Advisory Services Limited (“EY Transaction Advisory Services” or “we,” or “us” or “our”) has been engaged to provide general financial product advice in the form of an independent expert’s report in connection with a financial product of another person. The report is set out in Part 1.

2. Financial Services Guide

This Financial Services Guide (“FSG”) provides important information to help retail clients make a decision as to their use of the general financial product advice in the report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- ▶ financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- ▶ arranging to deal in securities.

4. General financial product advice

In our report we provide general financial product advice. The advice in the report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the report having regard to your own objectives, financial situation and needs before you act on the advice in the report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue the report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing independent expert reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this report is \$110,000 (inclusive of GST).

EY Transaction Advisory Services is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits referred to above, EY Transaction Advisory Services, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of the report.

6. Associations with product issuers

Ernst & Young Transaction Advisory Services and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of EY Transaction Advisory Services, if any, is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

9. Compensation Arrangements

EY Transaction Advisory Services and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the company satisfy the requirements of section 912B of the Corporations Act 2001.

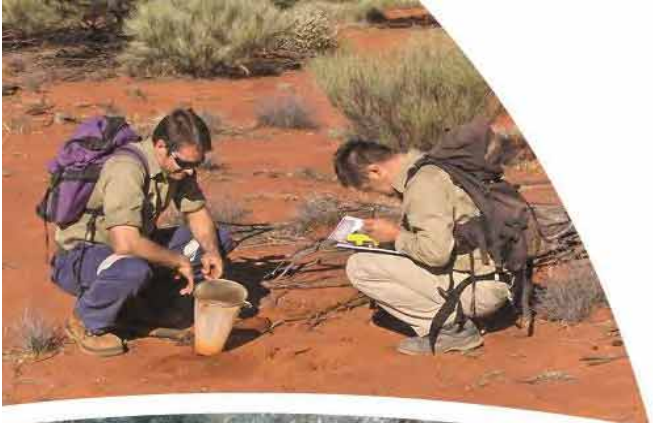
Contacting EY Transaction Advisory Services	Contacting the Independent Dispute Resolution Scheme:
AFS Compliance Manager Ernst & Young 680 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08

This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

Attachment B Cobalt One Technical Report



CSA Global
Mining Industry Consultants



NI43 101 Technical Report

Technical Report on the Cobalt Project, Larder Lake Mining Division, Ontario

CSA Global Report № R109.2017
31 January 2017

www.csaglobal.com

Report prepared for

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Project Name/Job Code	OCPNIR01
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Contact Title	Director
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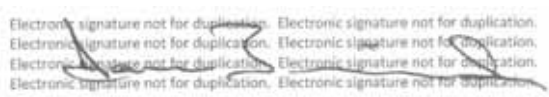
Report issued by

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Division	Exploration

Report information

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Author and Reviewer Signatures

Coordinating Author	Ian Trinder, M.Sc., P.Geo. (ON & MB)	Signature:	
Contributing Author:		Signature:	
Contributing Author:		Signature:	
Peer Reviewer	Dennis Arne, PhD PGeo (BC) MAIG (RPGeo)	Signature:	
CSA Global Authorisation		Signature:	

Date and Signature Page

This Report titled “Technical Report on the Cobalt Project, Larder Lake Mining Division, Ontario” for Equator Resources Ltd. and dated 31 January 2017 was prepared and signed by the following author:

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Dated at Toronto, ON

24 March 2017

Report Effective Date:

31 January 2017

Ian Trinder, M.Sc., PGeo (ON, MB)

Principal Geologist

CSA Global Geosciences Canada Ltd

CERTIFICATE OF QUALIFICATION

CERTIFICATE OF QUALIFICATION OF AUTHOR – Ian Trinder, M.Sc., P.Geo.

I, Ian D. Trinder, M.Sc., P.Geo. (ON, MAN), do hereby certify that:

1. I reside at 4185 Taffey Crescent, Mississauga, Ontario, L5L 2A6.
2. I am employed as a Principal Geologist by CSA Global Geosciences Canada Ltd located at 365 Bay St., Suite 501, Toronto, Ontario, Canada. M5H 2V1.
3. I graduated with a degree in Bachelor of Science Honours, Geology, from the University of Manitoba in 1983 and a Master of Science, Geology, from the University of Western Ontario in 1989.
4. I am a Professional Geoscientist (P.Geo.) registered with the Association of Professional Engineers and Geoscientists of Manitoba (APEGM, No. 22924) and with the Association of Professional Geoscientists of Ontario (APGO, No. 452). I am a member of the Society of Economic Geologists and of the Prospectors and Developers Association of Canada.
5. I have approximately 30 years of direct experience with precious and base metals mineral exploration in Canada, USA and the Philippines including project evaluation and management. Additional experience includes the completion of various National Policy 2A and NI 43-101 technical reports for gold and base metal projects.
6. I have read the definition of “qualified person” set out in National Instrument 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101.
7. I have visited the Cobalt Project.
8. I am author of the technical report titled: “Technical Report on the Cobalt Project, Larder Lake Mining Division, Ontario” for Equator Resources Limited. dated January 31, 2017 (the “Report”). I am responsible for all sections of the Report.
9. I have no prior involvement with the Issuer, Vendor or the Property.
10. As of the effective date of the technical report, to the best of my knowledge, information, and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
11. I am independent of the Issuer, the Vendor and the Property applying all the tests in section 1.5 of National Instrument 43-101.
12. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.
13. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

DATED this 24th day of March 2017

[“SIGNED AND SEALED”]

{*Ian Trinder*}

Ian D. Trinder, M.Sc., P. Geo.

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Appendix

Appendix 1:	Establishing Mineral Rights in Ontario

1 Summary

This technical report (the “Report”) was prepared by CSA Global Canada Geosciences Ltd (CSA Global) at the request of Mr Alex Passmore, Director of Equator Resources Limited (“Equator” or “the Issuer” or “the Company”) and focuses on the exploration potential of the Issuer’s 80% owned Cobalt Project (“Project”) in Ontario. The Report is specific to the standards dictated by National Instrument 43-101 (“NI 43-101”), companion policy NI43-101CP and Form 43-101F1 (Standards of Disclosure for Mineral Projects). The effective date of this Report is 31 January 2017.

The Cobalt Project comprises five property groups of contiguous or near contiguous claims in the Cobalt and Silver Centre mining camps of eastern Ontario (“the Properties”), approximately 400 km north of Toronto. The Properties lie approximately 8 km, 17 km, 25 km, 28 km and 39 km south and southeast of the community of Cobalt on the west of Lake Timiskaming and the Ottawa River which form the Ontario-Quebec provincial border in this area. As of the effective date of this Report, the Project comprises 60 unpatented claims (392 units totalling approximately 6,272 hectares (ha)) and four patent claims (approximately 30.32 ha).

Pursuant to a purchase agreement dated 25 November 2016 and Shareholder approval dated 6 February 2017, Equator acquired 80% and the option to the remaining 20% of Ophiolite (the “Vendor”) and its assets, namely the Cobalt Project. The Cobalt Project claims remain held 100% in the name of Ophiolite and are currently in good standing. To CSA Global’s knowledge, there are no current or pending challenges to ownership of the Properties.

Equator and Ophiolite do not currently hold any exploration plans or permits for exploration work proposed in this Report. Equator and Ophiolite warrant that they will acquire any and all government permits required to execute the proposed early exploration activities on the Properties. Equator and Ophiolite warrant that they will consult with the appropriate First Nation and Metis communities as required per the Ontario Mining Act.

Environmental, permitting, legal, title, taxation, socio-economic, marketing, and political or other relevant issues could potentially materially affect access, title or the right or ability to perform the work recommended in this report on the Property. However, at the time of this report, CSA Global is unaware of any such potential issues affecting the Properties.

The Cobalt Project is located south of the Town of Cobalt, situated between and part of the historic Cobalt and Silver Centre mining camps. The Project’s Cooper Lake Property is a satellite property located on the South Lorrain-Eldridge Township boundary approximately 16 km south of Silver Centre. The various Properties are accessible via all weather roads and seasonal all-terrain vehicle (ATV) trails.

Most services and supplies required for a mineral exploration program are available in the City of Temiskaming Shores, approximately 25 km north of the centre of the Project area. Given the mining history of the Cobalt Camp and the proximity of mining communities such as Kirkland Lake and Sudbury and service centres such as North Bay, exploration and mining personnel are readily available in the region. The city of Greater Sudbury is located approximately 200 km by road southwest of the Properties at the intersection of the Trans-Canada Highway, Highway 69S and Highway 144N.

Other than several powerlines, all-weather roads and ATV trails, no infrastructure is present within the Properties. The centre of the Project area lies approximately 15 km east of Provincial Highway 11 and the

Ontario Northland rail line. Hydro One 115 kV and 230 kV transmission lines cross or are in close proximity to the Properties. Abundant water resources are present in the lakes, rivers, creeks, and beaver ponds on the Properties.

At this time, it appears that Ophiolite and through it, Equator, hold sufficient mining claims necessary for proposed exploration activities and potential future mining operations (including potential tailings storage areas, potential waste disposal areas, and potential processing plant sites) should a mineable mineral deposit be discovered.

The climate in the Project area is warm summer humid continental with warm and often hot summers and long, cold winters. Season-specific mineral exploration may be conducted year-round. Swampy areas and lakes/ponds may be best accessed for drilling and ground geophysical surveys during the winter months when the ground and water surfaces are frozen. Mine operations in the region can operate year-round with supporting infrastructure.

The Project area is characterized by rocky, rolling bedrock hills with locally steep ledges and cliffs, separated by valleys filled with clay, glacial material, swamps and streams. Total relief within the Project area is approximately 200 m with topography varying from 180 m to 390 m above sea level (ASL). Local relief is commonly up to 30 m, although some ridges rise up to 60 m or more above surrounding lowlands.

Vegetation is typical boreal forest with mixed second growth forest of mixed coniferous and deciduous trees, including poplars, birch, maple, pine, spruce, alders, and willows. Swampy low lying areas contain abundant tag alders.

A vein-bearing cobalt was discovered in 1884 by Sir William Logan at a site that would become the Agaunico Mine 1 km south of today's town of Haileybury (Hall, 2016). The initial discovery of silver in the region was made west of Lake Temiskaming in 1903 during the construction of the Temiskaming and Northern Ontario Railway. This began a rich mining history in the area. The location along the railway was named Cobalt after one of the elements found in the arsenide minerals within the veins. The first mines commenced production as early as 1904 and mining was, more or less, continuous until 1989 with production peaking in 1911 (Jambor, 1975). In addition to silver, cobalt, nickel and copper were recovered from the ore. Mineralization was not just limited to the area immediately around Cobalt, but was recovered from areas with similar geology within the Cobalt embayment of the Southern Province, from Gowganda in the west to Silver Center in the southeast. Information on the Project's early exploration and ownership history (pre-1950) is limited and uncomplete, particularly with respect to the Ministry of Northern Development and Mines (MNDM) online assessment files. Some additional hardcopy information on early exploration in the Project area is available in historic Resident Geologist's notes and donated files archived at the District Geologist's office in Kirkland Lake.

The Cobalt Camp area is underlain by Precambrian rocks of the Superior and Southern provinces (Guindon *et al.*, 2016). Outliers of Paleozoic strata are exposed immediately to the north in the Haileybury area and further to the north between New Liskeard and Englehart.

Archean Keewatin rocks are the oldest rocks in the Cobalt Camp and form the southernmost portion of the Western Abitibi subprovince of the Superior Province. These rocks include predominantly intermediate to mafic metavolcanic flows with intercalated metasedimentary rocks. The Archean rocks were folded and intruded by mafic to ultramafic dikes and granite stocks and batholiths. The eroded Archean surface is unconformably overlain by relatively flat lying Paleoproterozoic sedimentary rocks of the Huronian Supergroup which forms the mildly deformed Cobalt Embayment of the Southern Province. At the northeast

edge of the Cobalt Embayment in the Cobalt area, the Huronian Supergroup rocks comprise only the Cobalt Group (Gowganda and Lorrain formations) and are commonly found filling interpreted paleo-valleys or troughs in the Archean basement. Early Proterozoic-age Nipissing Diabase intrudes both the Archean basement and the Huronian sediments. The Nipissing Diabase are the most abundant and widespread igneous rocks intruding the Huronian Supergroup sediments and occur as dykes, and sills up to several hundred metres thick. In the Cobalt area, the Nipissing diabase is interpreted as a thick undulating sheet intruding the Cobalt Group sediments at or immediately above the Archean unconformity.

The grade of regional metamorphism in the area ranges from subgreenschist facies in the Huronian sedimentary rocks to greenschist facies in the Archean metavolcanic rocks (Born and Hitch, 1990). Contact metamorphism of sedimentary rocks of the Gowganda and Lorrain Formations occurred during the emplacement of Nipissing diabase.

Neither Equator nor Ophiolite have conducted exploration work or diamond drilling on the Project as of the effective date of this Report.

The Cobalt Camp is the type locality of arsenide silver-cobalt vein deposits which are the exploration target at the Cobalt Project. Arsenide silver-cobalt vein deposits are localized in areas affected by basinal subsidence and rifting and are spatially related to regional fault systems and closely associated with intrusions of mafic rocks. The arsenide silver-cobalt vein deposits in the Cobalt Camp are associated with Aphebian conglomerate, quartzite, and greywacke rocks of the Cobalt Group (Coleman Member of the Gowganda Formation), as well as with major sill-like bodies of Nipissing diabase and with Archean mafic and intermediate lavas and intercalated pyroclastic and sedimentary rocks. Distribution of the silver-cobalt veins in the Cobalt Camp is controlled by the contact between the Nipissing diabase sheets and the rocks of the Cobalt Group (Gowganda Formation) and to a lesser extent the Archean metavolcanic and metasedimentary rocks. The veins occur in the diabase and in the Aphebian and Archean rocks within about 200 m of their contact with the diabase.

The Properties are underlain by the rock types associated with the historic arsenide Ag-Co vein deposits elsewhere in the Camp, namely Archean (Keewatin) metavolcanics and metasediments, Proterozoic (Huronian) Cobalt Group sediments and Nipissing Diabase. Minor occurrences of quartz-carbonate veining with sporadic arsenide Ag-Co mineralization are present within the Properties. The historic Ophir, and Lang Caswell mines have reported minor production of Ag and Co from within the Properties. The relatively fewer number of arsenide Ag-Co vein occurrences in the Project areas compared to the main Cobalt Camp could be due to an unknown geological control but it may also in part be a reflection of masking overburden cover hindering prospecting efforts and the poor accessibility of the areas during the time period that the camp was most active in the first half of the 20th century. The Issuer intends to investigate modern geophysical methods to overcome the masking effect of the overburden cover.

The Cobalt Project's Silverfields Property stands out in that it hosts the Silverfields Mine which had significant production of Ag and Co. At shutdown of the mine in June 1983, Teck reported total production from 1964 to 1983 at 1,290,753 tonnes (1,422,812 tons) with 566,593 kg (18,216,523 oz) Ag recovered and an average head-grade 439 g/t (12.8 oz/ton) Ag. Guindon et al. (2016) reported total production from 1964 to 1983 at 1,200,035 tonnes (1,322,813 tons) with 553,447 kg (17,793,862 oz) Ag, 162,160 kg (357,501 lbs) Co, 223,737 kg (493,255 lbs) Ni and 108,360 kg (238,893 lbs) Cu recovered. The reason for the differences in Ag production quoted by Teck and Guindon is unknown to the Author. Total Co production at the Silverfields Mine is probably uncertain because smelters often did not credit Co content of the ore shipped. While the mine was shut down due to exhaustion of its Ag reserves, the zoned nature of the mineralization and the

fact that Ag was the main target metal for production, may mean that some areas of low grade Ag mineralization that were not mined may have significant a significant Co content. The Silverfields Property was acquired to investigate this possibility. Cobalt grades in the veins at the Silverfields Mine are uncertain. In a site examination report dated 5 December 1978, Resident geologist Howard Lovell referred to an ore grade of 1% Co when calculating potential losses from the non-payment for Co in the concentrates from Silverfields. However, in the same report while discussing a vein in the back of the level 3 drift, he describes a strong cobalt bloom unrepresentative of the cobalt content of the vein which he estimated to be less than 1%, perhaps 0.25%.

CSA Global concludes that the Cobalt Project has potential to host arsenide silver-cobalt vein deposits and exploration is warranted. Previous historic surface based exploration has relied largely on prospecting for mineralized fractures supported by overburden stripping and pitting programs. In addition to prospecting methods, the Issuer should consider testing and using modern geophysical and geochemical techniques to identify features controlling arsenide silver-cobalt mineralization or the arsenide silver-cobalt veins themselves at the Cobalt Project. Given the relatively narrow widths of the historic veins mined in the Cobalt Camp, the cobalt +/- silver target veins, if of similar width, will need to be high grade and preferably in vein sets.

CSA Global considers the Cobalt Project to be at an early stage of exploration and recommends a multifaceted exploration program to compile historic data and, in addition to prospecting and geological mapping, test and conduct modern geophysical and geochemical surveys to determine if they are suitable for arsenide silver-cobalt vein exploration. A suggested Phase 1 exploration program would include:

Cobalt Project – general:

- GIS data compilation of available government data and historic assessment file data and information
- 3-D geological and structural modelling in Leapfrog software
- Helicopter-borne magnetic and electromagnetic (EM) survey to map lithology and structure
- Independent interpretation of the airborne geophysical survey results
- Prospecting of historic occurrences and airborne survey targets
- Geological mapping to identify favourable host rocks and structures for arsenide silver-cobalt vein deposits
- Orientation geochemical surveys (MMI, basal till, soil gas) to determine best geochemical method for exploration of arsenide Ag-Co vein deposits
- Quaternary mapping in support of geochemical surveys
- Property scale geochemical surveys based on orientation survey results.

Ophir Mine area – North Gillies Limit Property:

- Three-dimensional (3D) underground geological and structural modelling
- Orientation geophysical surveys (induced polarisation (IP), EM, magnetics) to determine best geophysical method(s) for exploration of arsenide Ag-Co vein deposits masked by overburden cover and at depth in bedrock.

Silverfields Mine area – Silverfields Property:

- Field location and documentation of abandoned mine hazards
- Detailed GIS compilation and 3D underground, geological and structural modelling.

A preliminary Phase 1 budget of C\$740,000 is proposed for the 2017 field season as detailed below in Table 1.

Table 1: Recommended Phase 1 exploration program and budget

Task	Cost (C\$)	Total (C\$)
Cobalt Project – general		
GIS data compilation of available government data and historic assessment file data and information		\$50,000
3D geological and structural modelling		\$15,000
Helicopter-borne magnetic and EM survey	~\$90/line km	\$168,000
Independent airborne geophysical interpretation		\$10,000
Prospecting – all inclusive with interpretation		\$50,000
Geological mapping – all inclusive with interpretation		\$75,000
Orientation geochemical surveys (MMI, basal till, soil gas) – all inclusive with interpretation		\$20,000
Quaternary mapping in support of geochemical surveys		\$30,000
Property scale geochemical surveys based on orientation survey results – all inclusive with interpretation		\$150,000
	Subtotal	\$568,000
Ophir Mine area – North Gillies Limit Property		
3D geological and structural modelling		\$15,000
Orientation geophysical surveys (IP, EM, magnetics) – all inclusive with interpretation		\$20,000
	Subtotal	\$35,000
Silverfields Mine area – Silverfields Property		
Field location and documentation of abandoned mine hazards		\$10,000
Detailed GIS compilation and 3D underground, geological and structural modelling		\$30,000
	Subtotal	\$40,000
	TOTAL	\$643,000
	~15% contingency	\$97,000
	GRAND TOTAL	\$740,000

Contingent on results from the Phase 1 exploration work, a Phase 2 diamond drill program may be warranted to initially test targets generated in the Phase 1 program. An all inclusive 2,000 m diamond drill program totalling C\$345,000 would be reasonable as tabled below:

Table 2: Recommended Phase 2 exploration program and budget

Task	Cost (C\$)	Total (C\$)
Cobalt Project – general		
All inclusive diamond drill program	2,000m at \$150/m	\$300,000
	~15% contingency	\$45,000
	GRAND TOTAL	\$345,000

2 Introduction

2.1 Issuer

This technical report (the “Report”) was prepared by CSA Global at the request of Mr Alex Passmore, Director of Equator, and focuses on the exploration potential of the Issuer’s Cobalt Project in Ontario.

Equator’s registered office is at Level 1, 35 Richardson Street, West Perth, Western Australia 6005. It is an Australian Securities Exchange (ASX) listed exploration and development company currently focused on cobalt exploration in the Cobalt region of Ontario, Canada.

2.2 Terms of Reference

CSA Global was commissioned by the Issuer to prepare a technical report on its 80% owned Cobalt Project in Ontario, Canada. The Report is specific to the standards dictated by NI 43-101, companion policy NI43-101CP and Form 43-101F1 (Standards of Disclosure for Mineral Projects). The Report focuses on the exploration potential of the Project and is intended to enable Equator and both current and potential partners to reach informed decisions with respect to the Project.

The effective date of this Report is 31 January 2017. The Report is based on information known to CSA Global at that date.

The Issuer reviewed draft copies of this Report for factual errors. Any changes made as a result of these reviews did not include alterations to the interpretations and conclusions made. Therefore, the statements and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this Report.

2.3 Sources of Information

This report has been prepared by CSA Global based on review of publicly available geological reports, maps, assessment files, mining claim information and technical papers, and company letters and memoranda made available by the Issuer, as listed in Section 19 (“References”) of this Report. CSA Global has taken reasonable steps to verify the information provided where possible.

CSA Global also had discussions with the management and consultants of Equator and the Vendor, in particular, Mr James Thompson and Mr Gino Chitaroni of Ophiolite Consultants Pty. (“Ophiolite”).

2.4 Qualified Person Property Inspection

Mr Ian Trinder, M.Sc., P.Geo., CSA Global Principal Geologist and Qualified Person (QP), is responsible for the preparation of this report. Mr Trinder has a Master of Science degree in geology and is a registered Professional Geoscientist (P.Geo.) in good standing registered in the Provinces of Ontario and Manitoba Canada (APGO no. 0452, APEGM no. 22924). Mr Trinder has over 30 years’ experience in the mining industry with a background in international precious and base metals mineral exploration including resource estimates, project evaluation and management.

The Author completed a 1.5-day field visit at the Project on 24-25 November 2016. Ophiolite’s project manager, Mr Gino Chitaroni accompanied and guided the Author during the field visit, providing valuable insight into the history of the Cobalt Camp and the current status of the Project areas.

The Author considers that the site visit is current under Section 6.2 of NI 43-101.

2.5 Units and Currency

The Metric System or SI System is the primary system of measure and length used in this Report and is generally expressed in kilometres, metres and centimetres; volume is expressed as cubic metres, mass expressed as metric tonnes, area as hectares, and zinc, copper and lead grades as percent or parts per million. The precious metal grades are generally expressed as grams/tonne but may also be in parts per billion or parts per million. Conversions from the SI or Metric System to the Imperial System are provided below and quoted where practical. Many of the geologic publications and more recent work assessment files now use the SI system but older work assessment files almost exclusively refer to the Imperial System. Metals and minerals acronyms in this report conform to mineral industry accepted usage and the reader is directed to online resources at https://en.wikipedia.org/wiki/List_of_chemical_elements and http://cms.unige.ch/sciences/terre/research/Groups/mineral_resources/opagues/ore_abbreviations.php

Other abbreviations include UTM = Universal Transverse Mercator; NAD = North American Datum; WGS = World Geodetic System.

Conversion factors utilized in this report include:

- 1 troy ounce/ton = 34.2857 grams/tonne
- 1 gram/tonne = 0.0292 troy ounces/ton
- 1 troy ounce = 31.1035 grams
- 1 gram = 0.0322 troy ounces
- 1 pound = 0.4536 kilograms
- 1 foot = 0.3048 metres
- 1 mile = 1.609 kilometres
- 1 acre = 0.4047 hectares
- 1 square mile = 2.590 square kilometres

The term gram/tonne or g/t is expressed as “gram per tonne” where 1 gram/tonne = 1 ppm (part per million) = 1,000 ppb (part per billion). Other abbreviations include ppb = parts per billion; ppm = parts per million; oz/t = ounce per short ton; Moz = million ounces; Mt = million tonne; t = tonne (1,000 kilograms); SG = specific gravity; lb/t = pound/ton; and, st = short ton (2,000 pounds).

Unless otherwise mentioned, all UTM coordinates in this Report are provided in the datum of Canada, NAD83 Zone 17 T.

All currency in this report in Canadian dollars (C\$) unless otherwise noted. As of the effective date of this report, the exchange rate between the US and Canadian Dollars was approximately 1.00 US\$ = 1.31 C\$.

3 Reliance on Other Experts

CSA Global has relied upon the Ontario Ministry of Northern Development and Mines (MNDM) for online information on mining claim location and status and patented claim location (Section 4). The MNDM disclaims any guarantee or warranty that their information is accurate, complete or reliable. CSA Global has relied upon the Issuer, its management and legal counsel for information related to underlying contracts and agreements pertaining to the acquisition of the mining claims and patented claims and their status (Section 4). CSA Global has not independently verified ownership or mineral title beyond information that is publicly available or been provided by the Issuer. The Property description presented in this report is not intended to represent a legal, or any other opinion as to title.

4 Property Description and Location

4.1 Project Location

The Cobalt Project comprises five property groups of contiguous or near contiguous claims in the Cobalt and Silver Centre mining camps of eastern Ontario ("the Properties"), approximately 400 km north of Toronto. The Properties lie approximately 8 km, 17 km, 25 km, 28 km and 39 km south and southeast of the community of Cobalt on the west of Lake Timiskaming and the Ottawa River which form the Ontario-Quebec provincial border in this area (Figure 1).

The Project area is centred at approximately latitude 47°16'11" north and longitude 79°36'35" west (UTM Zone 17T coordinates 605,000E and 5,235,000N, NAD83 Datum). The individual properties are approximately centred at the coordinates listed in Table 3.

Table 3: Approximate centre points of the Cobalt Project properties (Zone 17T, NAD83)

Property	UTM east	UTM north	Latitude	Longitude
North Gillies Limit	600,900	5,241,600	47°19'14" North	79°39'50" West
Lorrain Valley	607,600	5,234,500	47°15'19" North	79°34'40" West
South Lorrain - N	616,750	5,230,750	47°13'11" North	79°27'28" West
South Lorrain - S	615,800	5,226,550	47°10'56" North	79°28'18" West
Cooper Lake	612,400	5,212,500	47°03'23" North	79°31'17" West

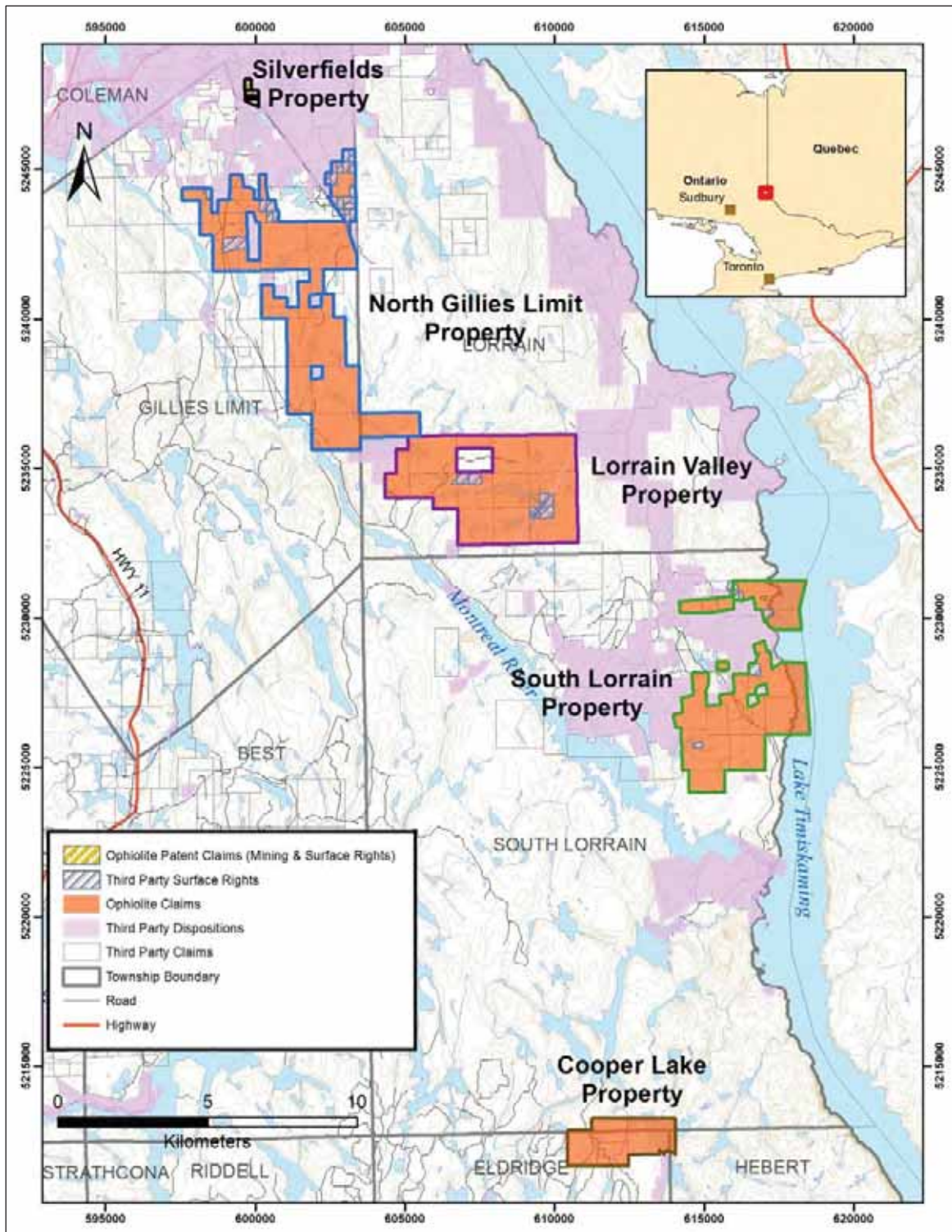


Figure 1: Cobalt Project location

4.2 Project Description

As of the effective date of this Report, the Project comprises 60 unpatented claims (392 units totalling approximately 6,272 ha) and four patent claims (approximately 27.27 ha). Claim descriptions are summarized in Table 4 and Table 5 as per property group and type of claim.

The reader is referred to [Appendix 1](#) for a description Ontario mineral tenure.

Table 4: Description of Crown Grant patented claims of the Cobalt Project

Property	Historic claim	PIN	Township/area	Ha/Acre	Start date	Annual property taxes	Description
Silverfields	McCormack Claim 1490	61389 - 0081 LT	COLEMAN	7.042/ 17.40	1906-12-11	\$256.86	PCL 5323 SEC SST; SE PT LT 5 CON 4 COLEMAN AS IN NP1944; COLEMAN; DISTRICT OF TIMISKAMING Taxes: Final Roll #540100000311700
	Silver Mountain Claim 1385	61389 - 0082 LT	COLEMAN	4.209/ 10.40	1908-11-14	\$251.39	PCL 3728 SEC SST; PT BROKEN LT 5 CON 4 COLEMAN AS IN NP3614; COLEMAN; DISTRICT OF TIMISKAMING Taxes: Final Roll #540100000311800
	Alexandra Claim 395	61389 - 0083 LT	COLEMAN	7.924/ 19.58	1906-12-05	\$262.32	PCL 3727 SEC SST; PT LT 5 CON 4 COLEMAN AS IN NP1946 EXCEPT PT 1 54R3291; COLEMAN; DISTRICT OF TIMISKAMING Taxes: Final Roll #540100000311900
	Meteor Claim 1511	61389 - 0099 LT	COLEMAN	8.094/ 20.00	1907-01-23	\$262.32	PCL 5324 SEC SST; PT BROKEN LT 5 CON 4 COLEMAN AS IN NP2046; COLEMAN; DISTRICT OF TIMISKAMING Taxes: Final Roll #540100000312200
	4			27.269/ 67.38		\$1,032.89	

Table 5: Description of unpatented claims of the Cobalt Project

Property	Claim no.	Township/area	Claim units	Ha	Recording date	Claim due date	Work required	Notes
North Gillies Limit	4280138	Coleman	1	16	2016-Sep-14	2018-Sep-14	\$400	MRO
	4283320	Coleman	8	128	2016-Aug-29	2018-Aug-29	\$3,200	Part MRO
	4280116	Gillies Limit	1	16	2016-Nov-22	2018-Nov-22	\$400	
	4280120	Gillies Limit	3	48	2016-Sep-20	2018-Sep-20	\$1,200	MRO
	4280131	Gillies Limit	8	128	2016-Sep-20	2018-Sep-20	\$3,200	
	4280132	Gillies Limit	8	128	2016-Sep-20	2018-Sep-20	\$3,200	
	4280133	Gillies Limit	15	240	2016-Sep-20	2018-Sep-20	\$6,000	Excludes patent
	4280134	Gillies Limit	12	192	2016-Sep-20	2018-Sep-20	\$4,800	
	4280144	Gillies Limit/ Coleman	15	240	2016-Sep-20	2018-Sep-20	\$6,000	Part MRO (Coleman)
	4280145	Gillies Limit	16	256	2016-Sep-20	2018-Sep-20	\$6,400	
	4280180	Gillies Limit	3	48	2016-Aug-30	2018-Aug-30	\$1,200	
	4280181	Gillies Limit	2	32	2016-Aug-30	2018-Aug-30	\$800	
	4280182	Gillies Limit	3	48	2016-Aug-30	2018-Aug-30	\$1,200	
	4280183	Gillies Limit	3	48	2016-Aug-30	2018-Aug-30	\$1,200	
	4280184	Gillies Limit	3	48	2016-Aug-30	2018-Aug-30	\$1,200	
	4280192	Gillies Limit	1	16	2016-Jul-04	2018-Jul-04	\$400	
	4280193	Gillies Limit	2	32	2016-Jul-04	2018-Jul-04	\$800	
	4280194	Gillies Limit	2	32	2016-Jul-04	2018-Jul-04	\$800	
	4280195	Gillies Limit	13	208	2016-Jul-04	2018-Jul-04	\$5,200	
	4280196	Gillies Limit	1	16	2016-Jul-04	2018-Jul-04	\$400	
	4280197	Gillies Limit	2	32	2016-Jul-15	2018-Jul-15	\$800	
	4280198	Gillies Limit	1	16	2016-Jul-15	2018-Jul-15	\$400	
	4280199	Gillies Limit	4	64	2016-Jul-15	2018-Jul-15	\$1,600	

Property	Claim no.	Township/area	Claim units	Ha	Recording date	Claim due date	Work required	Notes
	4280200	Gillies Limit	2	32	2016-Jul-15	2018-Jul-15	\$800	
	4281662	Gillies Limit	9	144	2016-Nov-16	2018-Nov-16	\$3,600	Part MRO re WP2008-196
	4282378	Gillies Limit	1	16	2016-Jul-15	2018-Jul-15	\$400	
	4282379	Gillies Limit	2	32	2016-Jul-15	2018-Jul-15	\$800	
	4281663	Lorrain	10	160	2016-Nov-16	2018-Nov-16	\$4,000	Connector claim to Lorrain Valley Property
Subtotal	28		151	2,416			\$60,400	
Lorrain Valley	4276645	Lorrain	3	48	2014-Mar-03	2018-Mar-03	\$1,200	Part MRO; and Part MRO re WP2008-327 and 333
	4280159	Lorrain	9	144	2016-Aug-08	2018-Aug-08	\$3,600	Part MRO; and Part MRO re WP2008-333
	4280160	Lorrain	9	144	2016-Aug-08	2018-Aug-08	\$3,600	MRO re WP2008-333
	4280161	Lorrain	12	192	2016-Aug-08	2018-Aug-08	\$4,800	
	4280162	Lorrain	12	192	2016-Aug-15	2018-Aug-15	\$4,800	Part MRO re WP2008-327 and 333
	4280163	Lorrain	8	128	2016-Aug-08	2018-Aug-08	\$3,200	Part MRO?; and Part MRO re WP2008-327 and 333
	4280164	Lorrain	12	192	2016-Aug-08	2018-Aug-08	\$4,800	Part MRO re WP2008-333
	4280165	Lorrain	9	144	2016-Aug-08	2018-Aug-08	\$3,600	
	4280166	Lorrain	9	144	2016-Aug-08	2018-Aug-08	\$3,600	MRO re WP2008-333
	4280167	Lorrain	9	144	2016-Aug-08	2018-Aug-08	\$3,600	MRO re WP2008-327 and 333
	4280168	Lorrain	3	48	2016-Aug-08	2018-Aug-08	\$1,200	
	4280177	Lorrain	10	160	2016-Aug-08	2018-Aug-08	\$4,000	Part MRO; and Part MRO re WP2008-333
	4281661	Lorrain	6	96	2016-Nov-16	2018-Nov-16	\$2,400	Part MRO re WP2008-333
Subtotal	13		111	1,776			\$44,400	
South Lorrain	04275044	South Lorrain	1	16	2016-Jul-05	2018-Jul-05	\$400	
	4280140	South Lorrain	1	16	2016-Sep-14	2018-Sep-14	\$400	
	4280141	South Lorrain	6	96	2016-Sep-14	2018-Sep-14	\$2,400	
	4280142	South Lorrain	1	16	2016-Sep-14	2018-Sep-14	\$400	MRO
	4280143	South Lorrain	13	208	2016-Sep-14	2018-Sep-14	\$5,200	Excludes patent
	4280158	South Lorrain	9	144	2016-Aug-08	2018-Aug-08	\$3,600	
	4280169	South Lorrain	5	80	2016-Jul-05	2018-Jul-05	\$2,000	Part MRO
	4280170	South Lorrain	11	176	2016-Jul-05	2018-Jul-05	\$4,400	Part MRO; Excludes patent
	4280171	South Lorrain	2	32	2016-Jul-05	2018-Jul-05	\$800	
	4280172	South Lorrain	4	64	2016-Jul-15	2018-Jul-15	\$1,600	
	4280173	South Lorrain	6	96	2016-Jul-15	2018-Jul-15	\$2,400	
	4280174	South Lorrain	12	192	2016-Jul-15	2018-Jul-15	\$4,800	
	4280175	South Lorrain	9	144	2016-Jul-15	2018-Jul-15	\$3,600	
	4280176	South Lorrain	1	16	2016-Aug-02	2018-Aug-02	\$400	
	4280178	South Lorrain	13	208	2016-Sep-14	2018-Sep-14	\$5,200	Part MRO
	4281664	South Lorrain	6	96	2016-Nov-22	2018-Nov-22	\$2,400	
Subtotal	16		100	1,600			\$40,000	
Cooper Lake	4280136	South Lorrain	6	96	2016-Nov-22	2018-Nov-22	\$2,400	
	4280137	South Lorrain	12	192	2016-Nov-22	2018-Nov-22	\$4,800	
	4280135	Eldridge, South Lorrain	12	192	2016-Nov-22	2018-Nov-22	\$4,800	Excludes License of Occupation
Subtotal	3		30	480			\$12,000	
TOTAL	60		392	6,272			\$156,800	

Note: MRO = Mining rights only; SRO = Surface rights only

4.2.1 Silverfields Property

The Silverfields Property comprises four contiguous patented (fee simple) mining claims with surface and mining rights totalling approximately 27.27 ha in the township of Coleman (Table 4, Figure 2).

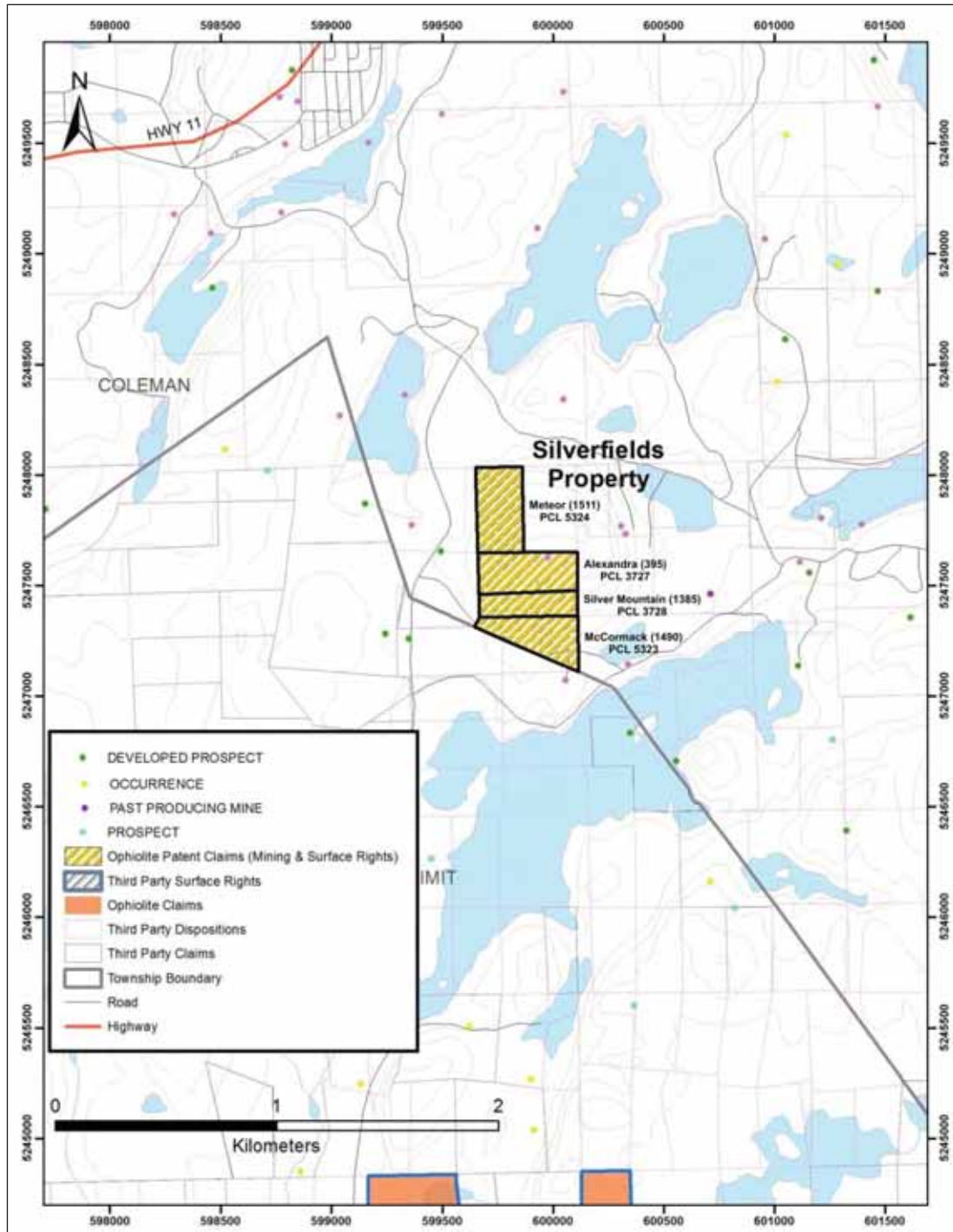


Figure 2: Cobalt Project – Silverfields Property claim location map

4.2.2 North Gillies Limit Property

The North Gillies Limit Property comprises 28 unpatented (staked) mining claims totalling 151 units and 2,416 ha in the townships of Coleman, Gillies Limit and Lorrain (Table 5, Figure 3).

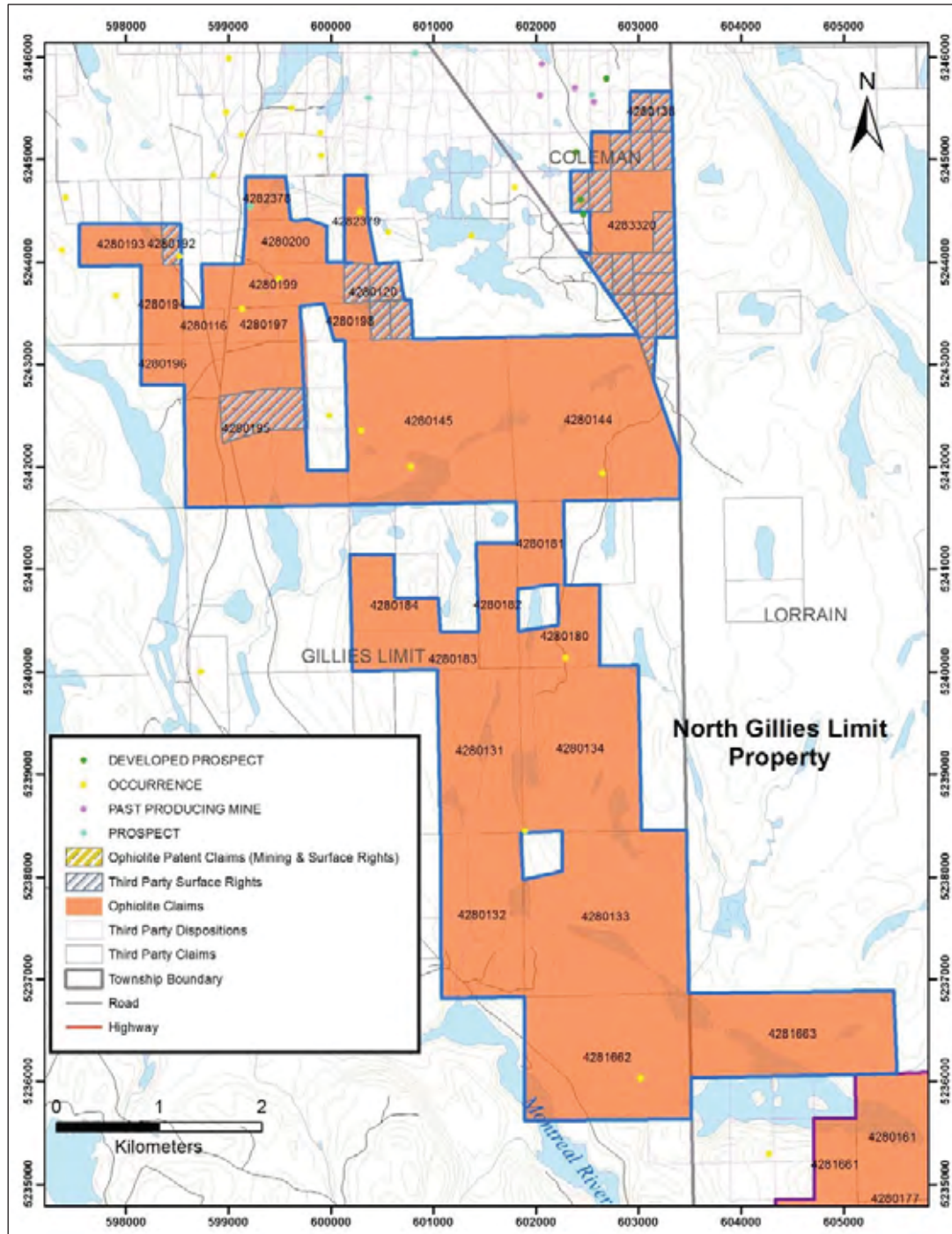


Figure 3: Cobalt Project – North Gillies Limit Property claim location map

4.2.3 Lorrain Valley Property

The Lorrain Valley Property comprises 13 unpatented mining claims totalling 111 units and 1,776 ha in the Lorrain Township (Table 5, Figure 4).

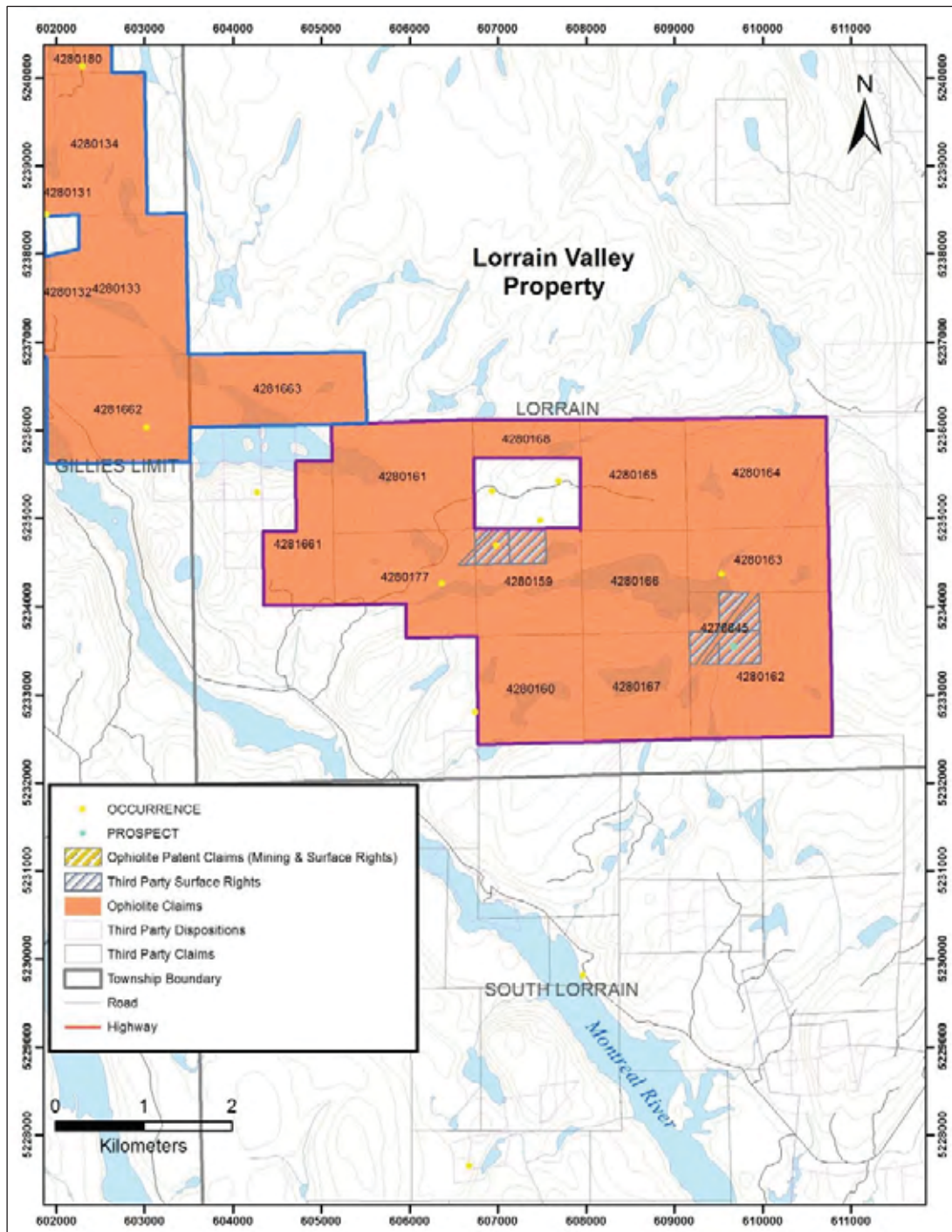


Figure 4: Cobalt Project – Lorrain Valley Property claim location map

4.2.4 South Lorrain Property

The South Lorrain Property comprises 16 unpatented mining claims totalling 100 units and 1,600 ha in the South Lorrain Township (Table 5, Figure 5).

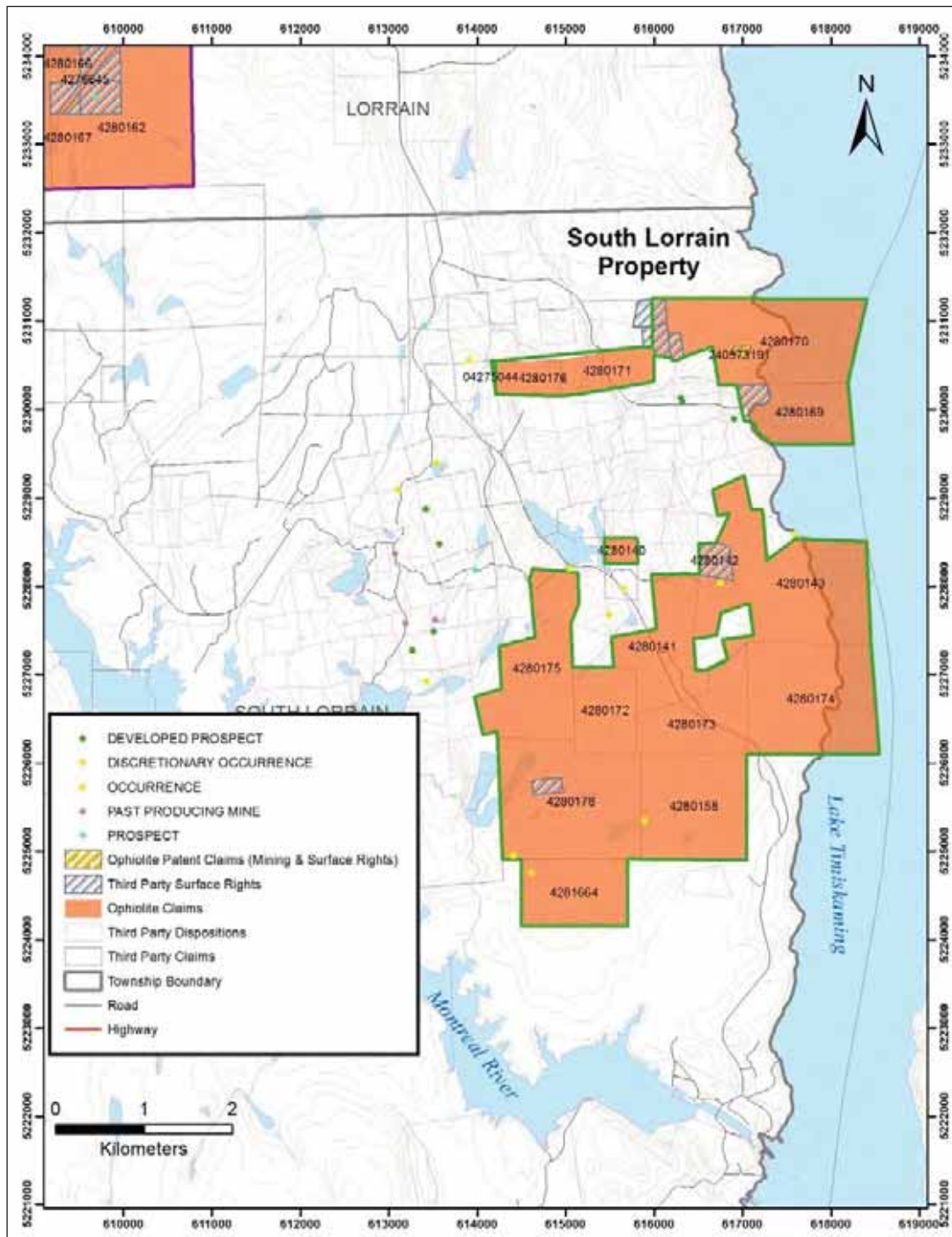


Figure 5: Cobalt Project – South Lorrain Property claim location map

4.2.5 Cooper Lake Property

The Cooper Lake Property comprises three unpatented mining claims totalling 30 units and 480 ha in the South Lorrain and Eldridge townships (Table 5, Figure 6).

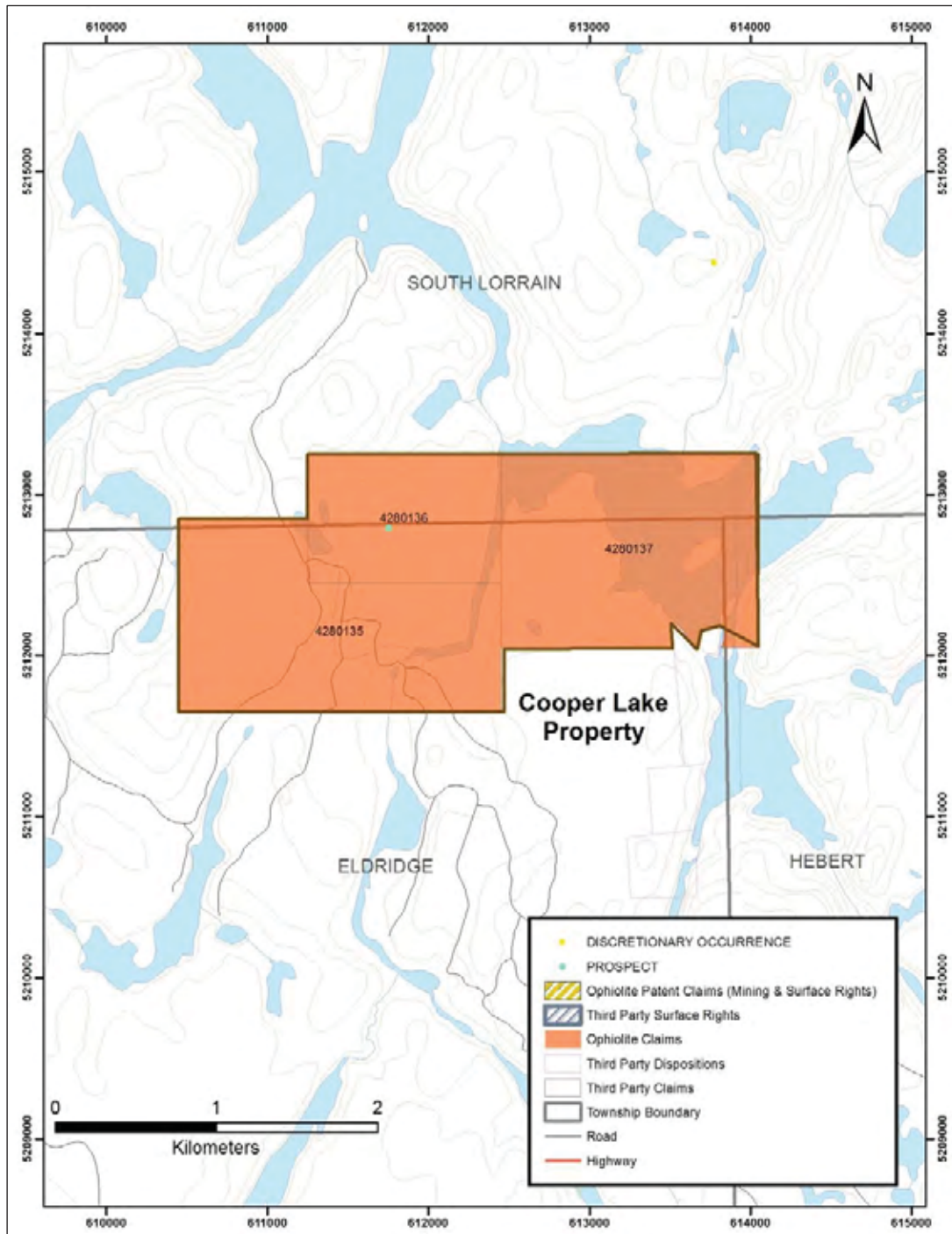


Figure 6: Cobalt Project – Cooper Lake Property claim location map

4.3 Property Claim Status

The Cobalt Project claims are held 100% in the name of Ophiolite and are currently in good standing. To CSA Global's knowledge, there are no current or pending challenges to ownership of the Project claims.

4.3.1 *Patented Mining Claims*

The patented claims include both surface and mining rights and would have been legally surveyed at the time of patent application.

The patented lands transferred under the Crown Grant to the patentee are subject to the following exclusions/qualifications:

- Five percent (5%) of the lands are reserved for the Crown for the purpose of constructing roads;
- All pine trees on the lands are reserved for the Crown and may be cut and removed by any person to whom the Crown grants a timber licence; however, the patentee of the lands may, without a licence, cut and use pine trees for building, fencing and fuel on the land or any other purpose essential to the working of the mines thereon as long as it compensates the Crown or the licence-holder, as applicable, for the value of such trees;
- Free use, passage and enjoyment of navigable waters flowing through any part of the lands are reserved for the Crown; and
- Access and use of shorelines of all rivers, streams and lakes on the lands are reserved for vessels, boats and persons which use such waters for fishery purposes.

In addition, deemed exclusions/qualifications set out in the Ontario Public Lands Act (PLA) include:

- Wood, gravel and other materials required for the construction or improvement of roads may be taken by the Ministry of Natural Resources and Forestry, or a person authorized by it, from the land without compensation to the patentee (Public Lands Act, s. 65(2)); and
- Any portage which exists, or has existed, over the lands may be used by any person travelling on waters connected by said portage without the permission of, or payment to, the owner of the lands (Public Lands Act, s. 65(4)).

The patented claims are subject annual property taxes which totalled \$1,032.89 in 2016 (Table 4). In a summary review of the terms of the Crown patents on behalf of Ophiolite, Stikeman Elliott LLP, Barristers & Solicitors of Vancouver, BC, noted there is a notice of agreement recorded against the title to each of the parcels as No. 205331 to which is attached an agreement dated December 27, 1978 among Bursary Silver Mines Limited, Teck Corporation, Consolidated Summit Mines Limited and Radicon (1963) Limited (Markin, Q., 2016). There is also an old notice of lease (registered in 1911) to British Canadian Power Company that is registered against PIN 61389-0081 as No. NLT17961 (Markin, Q., 2016). The current legal validity of these encumbrances is unknown; however, Ophiolite is of the opinion that given their age and the fact that some of the companies no longer exist, these historic registrations are simply orphans that have not been cleaned from the titles (Gino Chitaroni, pers. comm., 2017).

4.3.2 *Unpatented Mining Claims*

The staked mining claims have not been legally surveyed. The staked claims include no surface rights; however, a right to acquire the surface rights for development purposes exists through the Ontario Mining Act. The Mining Act also provides legal access to the land for the purpose of exploration.

The staked claims are subject to the following reservations:

- 400 feet surface rights reservation around all lakes and rivers;
- Sand and gravel reserved; and
- Peat reserved.

Certain staked claims also:

- Include land under water;
- Are MRO or part MRO where all or part of the surface rights within the claim are held by a third party;
- Exclude roads; and
- Exclude Hydro right of ways.

In addition, Lorrain Property claims 4276645, 4280159, 4280160, 4280162, 4280163, 4280166, 4280167, 4280177, parts of 4280164 and 4281661 and parts of North Gillies Limit Property claim 4281662 are subject to wind power area applications for surface rights only (SRO) under the PLA (WP2008-196, -327 and -333; Table 5). Under the Mining Act s. 28(2) (3), the wind power PLA SRO applications have priority over the mining claims. Any surface mineral exploration activities conducted on claims will therefore require notification and approval of the company holding the applications; this would be completed as part of the exploration permit/plan application process (see Section 4.6). If the PLA SRO applications lapse, are withdrawn or are not accepted or approved, a mining claim staked during the time that the overlapping application was pending shall be deemed to be amended to include the minerals and rights that were the subject of the application (in this case, SRO) as if the application had never existed.

With exception to claim 4276645 which is subject to a 1% net smelter return (NSR) payable to the vendor of the claim, CSA Global is unaware of any other encumbrances on the staked claims other than annual mining claim assessment work requirements. The NSR on claim 4276645 may be bought back in increments of 0.5% for \$100,000 per increment (\$200,000 total). Ophiolite must perform \$400 worth of approved assessment work per mining claim unit, per year filed on or before the claim due date (anniversary date). Table 5 details the assessment costs and current due dates for the staked mining claims of the Cobalt Project. Total annual assessment requirement for the Project is \$156,800. The earliest staked claim due date is 2 March 2018.

4.4 Environmental Liabilities

4.4.1 Patented Mining Claims

As owner of the Silverfields Property patented claims Ophiolite is responsible for all historic environmental liabilities on the property and any necessary rehabilitation. This work would be covered in a mine closure plan for any new proposed mine.

Ophiolite warrants that it has not received from any government authority any notice of, or communication relating to, any actual or alleged breach of any environmental laws, regulations, policies or permits with respect to the Project's patented claims.

CSA Global notes that Ontario's Abandoned Mines Information System (AMIS) documents 12 features on the Silverfields Property under AMIS ID number 03840 including underground lateral workings on six levels, three shafts, one raise to surface and one adit. One of the shafts (Alexandra shaft) and the raise to surface have concrete caps. The second shaft (Claim 1385 Shaft) has been filled and is considered rehabilitated. The third shaft (Claim 1490 Shaft) remains open and reportedly unprotected. The adit (Meteor) is protected by a wooden barricade door. Since Ophiolite is responsible for the ongoing maintenance of any remediation

efforts on the Silverfields Property (fencing, signage, etc.), CSA Global recommends that Ophiolite locate and document the hazards and environmental liabilities and inspect them on a semi-annual basis.

4.4.2 *Unpatented Mining Claims*

The majority of the Cobalt Project consists of unpatented mining claims, and as such Ophiolite as holder of the claims is not liable for pre-existing environmental issues on these claims. A claim holder would however become liable for a pre-existing hazard if it were to disturb it, for example excavating a stockpile. If in the future, a party obtains mining rights by taking a mining claim to lease or patent, they will then be responsible for the pre-existing liabilities on the claim (stockpiles, tailings etc.) and any necessary rehabilitation. This work would be covered in a mine closure plan for any new proposed mine.

Of note, under the Mining Act an individual or company not responsible for creating a pre-existing mine hazard may apply to voluntarily undertake mine hazard rehabilitation work without becoming liable for the pre-existing environmental issues on the site. Applications are to be sent to the Director of Mine Rehabilitation for review and if approved, the Director may set conditions that must be met by the applicant. Once approved, applicants shall carry out voluntary rehabilitation according to their approved rehabilitation plan, in accordance with the standards in the Mine Rehabilitation Code of Ontario as specified by the Director.

AMIS documents known abandoned mine features within the Cobalt Project unpatented mining claims (Figure 7). The majority of these hazards are historic surface trenches and pits and exploration shafts. As noted above, Ophiolite is not liable for these pre-existing hazards. Ophiolite warrants that it has not received from any government authority any notice of, or communication relating to, any actual or alleged breach of any environmental laws, regulations, policies or permits with respect to the Project's staked claims.

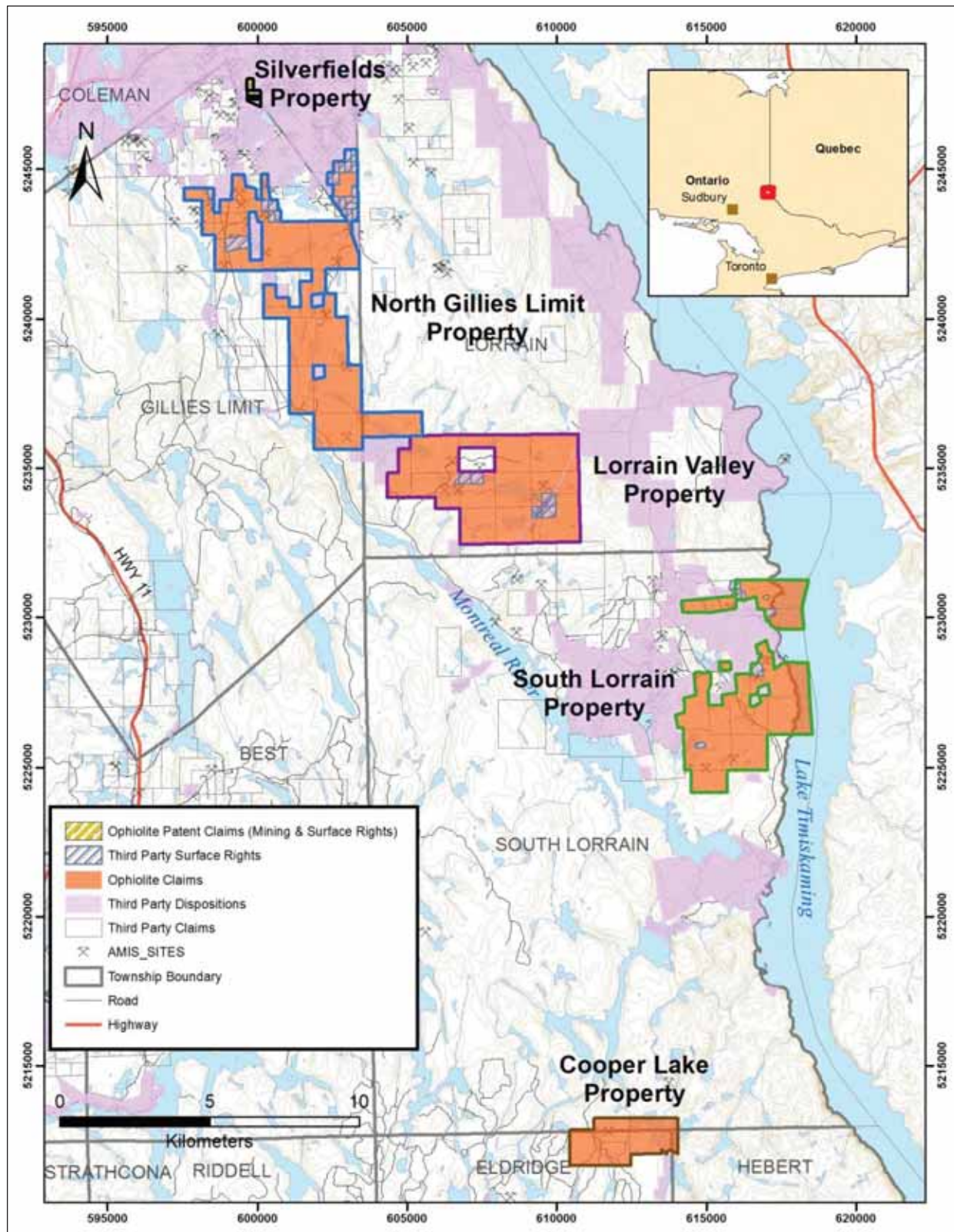


Figure 7: AMIS documented abandoned mine feature locations within the Cobalt Project area

4.5 Required Exploration Permits

Equator and Ophiolite do not currently hold any Exploration Plans or Permits for exploration work proposed in this Report (Section 18). Equator and Ophiolite warrant that they will acquire any and all government permits required to execute the proposed early exploration activities on the Project properties.

Ontario Mining Act regulations require exploration plans and permits, with graduated requirements for early exploration activities of low to moderate impact undertaken on mining claims, mining leases and licenses of occupation. Exploration plans and permits are not required on patented mining claims.

There are a number of exploration activities that do not require a plan or permit and may be conducted while waiting for a plan or permit is effective. These may include the following:

- Prospecting activities such as grab/hand sampling, geochemical/soil sampling, geological mapping
- Stripping/pitting/trenching below thresholds for permits
- Transient geophysical surveys such as radiometric, magnetic
- Other baseline data acquisition such as taking photos, measuring water quality, etc.

4.5.1 Exploration Plan

Those proposing to undertake minimal to low impact exploration plan activities (early exploration proponents) must submit an exploration plan. Early exploration activities requiring an exploration plan include:

- Geophysical activity requiring a power generator
- Line cutting, where the width of the line is 1.5 m or less
- Mechanized drilling for the purposes of obtaining rock or mineral samples, where the weight of the drill is 150 kg or less
- Mechanized surface stripping (overburden removal), where the total combined surface area stripped is less than 100 m² within a 200-m radius
- Pitting and trenching (of rock), where the total volume of rock is between 1 m³ and 3 m³ within a 200-m radius.

In order to undertake the above early exploration activities, an exploration plan must be submitted and any surface rights owners must be notified. Aboriginal communities potentially affected by the exploration plan activities will be notified by the MNM and have an opportunity to provide feedback before the proposed activities can be carried out.

4.5.2 Exploration Permit

Those proposing to undertake moderate impact exploration permit activities (early exploration proponents) must apply for an exploration permit. Early exploration activities that require an exploration permit include:

- Line cutting, where the width of the line is more than 1.5 m
- Mechanized drilling, for the purpose of obtaining rock or mineral samples, where the weight of the drill is greater than 150 kg
- Mechanized surface stripping (overburden removal), where the total combined surface area stripped is greater than 100 m² and up to advanced exploration thresholds, within a 200-m radius

- Pitting and trenching (rock), where the total volume of rock is greater than 3 m³ and up to advanced exploration thresholds, within a 200-m radius.

The above activities will only be allowed to take place once the permit has been approved by the MNM. Surface rights owners must be notified when applying for a permit. Aboriginal communities potentially affected by the exploration permit activities will be consulted and have an opportunity to provide comments and feedback before a decision is made on the permit.

4.5.3 *First Nation Consultations*

Equator and Ophiolite warrant that they will consult with the appropriate First Nation and Metis communities as required per the Ontario Mining Act.

4.5.4 *Exploration on Mining Rights Only Mining Claims*

Under Ontario's Mining Act, surface rights owners must be notified prior to conducting exploration activities. Where there is a surface rights holder of land, a person who:

- Prospects, stakes or causes to be staked a mining claim;
- Formerly held a mining claim that has been cancelled, abandoned or forfeited;
- Is the holder of a mining claim and who performs assessment work; or
- Is the lessee or owner of mining lands and who carries on mining operations,

on such land, shall compensate the surface rights holder for damages sustained to the surface rights by such prospecting, staking, assessment work or operations.

4.6 **Other Significant Factors and Risks**

Environmental, permitting, legal, title, taxation, socio-economic, marketing, and political or other relevant issues could potentially materially affect access, title or the right or ability to perform the work recommended in this report on the Properties. However, at the time of this report, CSA Global is unaware of any such potential issues affecting the Properties.

5 Accessibility, Climate, Local Resources, Infrastructure and Physiography

5.1 Accessibility

The Cobalt Project is located south of the Town of Cobalt, situated between and part of the historic Cobalt and Silver Centre mining camps. The Project's Cooper Lake Property is a satellite property located on the South Lorrain-Eldridge Township boundary approximately 16 km south of Silver Centre. The various properties of the Project area are accessible as follows:

5.1.1 *Silverfields Property*

The Silverfields Property is accessible via all-weather gravel roads as follows:

1. From Highway 11B in the town of Cobalt take Coleman Rd east 1.7 km;
2. Turn right onto Silverfields Road and travel south 1.1 km; and
3. Turn left onto a gravel road and travel east 1.0 km to the Alexandra shaft on the Property.

5.1.2 *North Gillies Limit Property*

The North Gillies Limit Property is accessible via all-weather gravel roads as follows:

1. From Highway 11B in the town of Cobalt take Coleman Rd east 1.7 km;
2. Turn right onto Silverfields Road and travel south 4.7 km to the northwest end of the North Gillies Limit Property; and
3. Continue another 8.8 km south along the west side of the North Gillies Limit Property to the end of Silverfields Road. At this point forestry access roads and ATV accessible trails provide access to the south part of the North Gillies Limit Property and the west part of the Lorrain Valley Property.

Alternatively:

1. From Highway 11B in the town of Cobalt take Coleman Rd/Glen Lake Rd east 3.3 km;
2. Merge right onto Kerr Lake Road and travel 0.2 km;
3. Turn left onto Beaver-Timisk Road and travel 2.3 km; and
4. Turn right onto Silver Lake Road and travel south 2.2 km to the Mayfair Mine area. At this point, Forestry access roads and ATV accessible trails provide access to the northeast part of the North Gillies Limit Property.

5.1.3 *Lorrain Valley Property*

The western part of the Lorrain Valley Property is accessible via all-weather gravel roads as follows:

1. From Highway 11B in the town of Cobalt take Coleman Rd east 1.7 km; and
2. Turn right onto Silverfields Road and travel south 13.5 km to the end of Silverfields Road. At this point forestry access roads and ATV accessible trails provide access to the south part of the North Gillies Limit Property and the west part of the Lorrain Valley Property.

The eastern part of the Lorrain Valley Property is accessible via all-weather paved highway as follows:

1. From Highway 11B in the town of North Cobalt take Lakeview Avenue 1.2 km east;
2. Lakeview avenue changes to Silver Centre Road, continue 2.8 km south;
3. Silver Centre Road changes to Provincial Highway 567, continue south approximately 18 km; and
4. Turn right (west) onto a forestry access road and travel west 5.6 km (veering left at road junctions. The access road ends in the northeastern corner claim of the Lorrain Property (4280164). From this point, a hydro transmission line right-of-way can be accessed and followed southwest into the Lorrain property.

5.1.4 South Lorrain Property

The South Lorrain Property is accessible via all-weather paved highway as follows:

1. From Highway 11B in the town of North Cobalt take Lakeview Avenue 1.2 km east;
2. Lakeview avenue changes to Silver Centre Road, continue 2.8 km south;
3. Silver Centre Road changes to Provincial Highway 567, continue south 22.8 km to Maidens Head Camp Road; and
4. Turn left on Maiden Heads Camp Road (gravel all-weather) and travel east 4.4 km to Maidens Head Camp on Lake Timiskaming. The road travels through the northern claim block of the South Lorrain Property.

Continuing to the southern claim block of the South Lorrain Property:

1. From the Maidens Head Camp turnoff continue south on Highway 567 6.8 km through the eastern part of the southern claim block of the South Lorrain Property; and
2. Turn left onto a recent forestry access road and travel west 3.8 km across the southern claims of the South Lorrain Property.

5.1.5 Cooper Lake Property

The Cooper Lake Property is accessed during summer by four-wheel drive vehicle as follows:

1. From Highway 11 at a point 18 km south of Temagami and 150 m north of Gramps Place General store take the Rabbit Lake forestry access road northeast 30 km;
2. Turn left (north) on to a logging trail that leads to Cooper Lake. The trail is accessible via four-wheel drive vehicle or ATV a distance of approximately 5.5 km to a point 450 m south of the southern boundary of the Property's claim 4280135; and
3. From this point an overgrown trail continues approximately 900 m to the creek in the southeast part of claim 4280135 southwest of Cooper Lake.

Alternatively:

1. Winter access is also via established snowmobile trails which run from Cassels Lake to Rabbit Lake: and then to Cooper Lake a distance of 25 km; and
2. A secondary winter ice access route is available from the power generating station on the Matabitchuan River, southerly along Fourbass Lake to Cooper Lake, a distance of 8 km.

5.2 Climate

The climate in the Project area is warm summer humid continental (Koppen climate classification Dfb). This region has warm and often hot summers with long, cold winters. It is situated northeast of the Great Lakes, making it prone to arctic air masses.

Ville Marie, Québec, on the east side of Lake Timiskaming, is the closest centre representative of the Properties for which Environment Canada (2017) climatic records are available (1981 to 2010). Mean summer temperature is approximately 17 degrees Celsius (°C); however, extreme daily summer maximum temperatures can reach 40°C. Mean winter temperature is -12.5°C; however, extreme daily winter minimum temperatures can reach -50°C. Average annual precipitation (combined rain and snow) is approximately 836.5 mm per year. Monthly precipitation is relatively equal year-round but typically the greatest amount of precipitation falls from late spring to early fall and the least precipitation occurs in the winter months. Some snow cover is expected six months of the year. Mean total rainfall is 655.9 mm. Mean total annual snowfall is 180.6 cm. Smaller lakes in the immediate area are typically frozen between December and March.

Season-specific mineral exploration may be conducted year-round. Swampy areas and lakes/ponds may be best accessed for drilling and ground geophysical surveys during the winter months when the ground and water surfaces are frozen. Mine operations in the region can operate year-round with supporting infrastructure.

5.3 Local Resources and Infrastructure

Most services and supplies required for a mineral exploration program are available in the City of Temiskaming Shores, an amalgamated municipality (formerly the Town of Haileybury, New Liskeard and the Township of Dymond) with a population of approximately 11,000 at the head of Lake Timiskaming approximately 25 km north of the centre of the Project area. The Town of Cobalt (2011 Census population of 1,133), at the north end of the Project area offers some basic services. Given the mining history of the Cobalt Camp and the proximity of mining communities such as Kirkland Lake and Sudbury, as well as service centres such as North Bay, exploration and mining personnel are readily available in the region.

The city of Greater Sudbury (2011 Census population of 160,274) is located approximately 200 km by road southwest of the Property at the intersection of the Trans-Canada Highway, Highway 69S and Highway 144N. Sudbury is located 390 km north of Toronto. A world leader in nickel mining, milling, smelting and refining, Greater Sudbury has diversified and is now a regional service centre for northeastern Ontario, having established itself as a major centre of finance, business, tourism, health care, education, government, and science and technology research. Over 345 mining supply and service companies are located in Greater Sudbury. A full range of equipment, supplies and services required for any mining development is available in Greater Sudbury.

Other than several powerlines, all-weather roads and ATV trails, no infrastructure is present within the Properties. The centre of the Project area lies approximately 15 km east of Provincial Highway 11 and the Ontario Northland rail line which provides freight services for the transportation of mineral and forest products, chemicals, petroleum and other products to and from northeastern Ontario and northwestern Quebec. Hydro One 115 kV and 230 kV transmission lines cross or are in close proximity to the Project property areas.

Abundant water resources are present in the lakes, rivers, creeks, and beaver ponds on the Properties.

At this time, it appears that Ophiolite and through it, Equator, hold sufficient mining claims necessary for proposed exploration activities and potential future mining operations (including potential tailings storage areas, potential waste disposal areas, and potential processing plant sites) should a mineable mineral deposit be discovered.

5.4 Physiography

The major topographic feature of the area is Lake Timiskaming located immediately east of the Project (Figure 1). The Montreal River immediately to the west of the Project and Lake Timiskaming itself (part of the Ottawa River system) are the major drainage channels in the area.

The Project lies adjacent to one of the Canadian Shield's rare "clay belts". These late/post-glacial lacustrine deposits preserve well developed accumulations of sediment that are well suited to agriculture. As a result, the area to the north of the Project area retains a robust agricultural community, particularly north of Lake Timiskaming.

The Project area is characterized by rocky, rolling bedrock hills with locally steep ledges and cliffs, separated by valleys filled with clay, glacial material, swamps and streams. Total relief within the Project area is approximately 200 m with topography varying from 290 m to 355 m ASL in the Cooper Lake Property, 180 m to 360 m ASL in the South Lorrain Property, 280 m to 390 m ASL in the Lorrain Property, 250 m to 390 m ASL in the North Gillies Limit Property and 340 m to 390 m ASL in the Silverfields Property. Local relief is commonly up to 30 m, although some ridges are up to 60 m or more above surrounding lowlands (Photo 1).

Vegetation is typical boreal forest with mixed second growth forest of mixed coniferous and deciduous trees, including poplars, birch, maple, pine, spruce, alders, and willows. Swampy low lying areas contain abundant tag alders. Locally, the clay-belt extends intermittently south into Project area supporting limited farmland but outside of the Project properties.



Photo 1: Looking southeast at a small hill of Nipissing diabase in a deforested area south of Oxbow Lake in the South Lorrain Property (UTM 614,250E 5,225,200N)

6 History

6.1 Ownership History

6.1.1 *Equator-Ophiolite Agreement*

Pursuant to a purchase agreement dated 25 November 2016 and Shareholder approval dated 6 February 2017, Equator (the “Issuer”) acquired 80% and the option to the remaining 20% of Ophiolite (the “Vendor”) and its assets, namely the Cobalt Project, as set out below:

- Provide up to A\$500,000 as a loan facility to Ophiolite for the funding of agreed exploration activities on the Assets until settlement, on standard commercial terms for a term of up to six months; and
- Issue 100,000,000 Ordinary Shares in Equator to the owner (or their nominee) of Ophiolite; and
- Issue 25,000,000 Performance Shares as a facilitation fee (Facilitation Performance Shares) to parties that assisted in the project acquisition. The Performance Shares will vest on satisfaction of a performance milestone for the provision of ongoing services to the Company up to 31 December 2017.

Ophiolite has also granted Equator a call option to acquire the remaining 20% of Ophiolite as follows:

- 25,000,000 options exercisable at A\$0.03 exercisable within three years after grant. It is a condition of exercise that Equator has been provided by the vendor with a report on the Assets that is equivalent to and compliant as a NI 43-101 report on the Assets; and
- 25,000,000 options exercisable at A\$0.06 cents within three years after grant. It is a condition of exercise that Equator has released a report in respect of the Project confirming a JORC and/or NI 43-101 compliant resource or on any subsequent complementary mining asset acquired by Equator if it was introduced by the Vendor.

If both tranches of the call options vest then Equator has the option (but not obligation) to require the transfer of the remaining 20% in Ophiolite (resulting in Equator becoming a 100% shareholder). If only one tranche of the options has vested then Equator has the option (but not obligation) to require the transfer of a 10% shareholding interest in Ophiolite to Equator and the parties agree to enter into good faith discussions regarding the remaining 10% shareholding interest in Ophiolite by Equator at a price to be agreed between the parties.

6.1.2 *Patented Mining Claims*

Ophiolite acquired a 100% interest in four contiguous patented (fee simple) mining claims referred to as the Silverfields Property covering approximately 27.27 ha (Table 4). The claims were purchased from Andre Dugas of Belle Vallee, Ontario for a cash sum pursuant to an Agreement of Purchase and Sale accepted on 29 October 2016. The land transfer was registered with the Land Registrar in Haileybury, Ontario on 14 December 2016 as Registration No. DT57440.

6.1.3 *Unpatented Mining Claims*

Ophiolite Consultants Pty staked and recorded a 100% interest in three claim groups totalling 59 unpatented mining claims (389 units) covering approximately 6,224 ha, all in the Larder Lake Mining Division except for claim 4280135 which is in the Sudbury Mining Division. The claims were staked in the months of July, August, September and November 2016 (Table 5).

Ophiolite also acquired a 100% interest in one unpatented mining claim -#4276645- (three units) covering approximately 48 ha in the Larder Lake Mining Division (Table 5). The claim was purchased from a third party for a cash sum. The ownership transfer was registered with the MNDM on 19 August 2016.

6.2 Regional Exploration and Development History

A vein bearing cobalt was discovered in 1884 by Sir William Logan at a site that would become the Agaunico Mine 1 km south of today's town of Haileybury (Hall, 2016). The initial discovery of silver in the region was made west of Lake Temiskaming in 1903 during the construction of the Temiskaming and Northern Ontario Railway. This began a rich mining history in the area. The location along the railway was named Cobalt after one of the elements found in the arsenide minerals within the veins. The first mines commenced production as early as 1904 and mining was more or less, continuous until 1989 with production peaking in 1911 (Jambor, 1975). In addition to silver, cobalt, nickel and copper were recovered from the ore. Mineralization was not just limited to the area immediately around Cobalt, but was recovered from areas with similar geology within the Cobalt embayment of the Southern Province, from Gowganda in the west to Silver Center in the southeast.

Guindon *et al.* (2016) tabulated the historic production (1904 to 1989) from approximately 140 silver-cobalt properties in the Cobalt embayment. The Cobalt Project lies within and in the immediate vicinity of the Cobalt and Silver Center mining camps. Table 6 presents the historic production from approximately 107 mines in the Cobalt and Silver Center camps. The information is suspected to be under-reported, in part, due to lease mining during the 1930s (Guindon *et al.*, 2016). Only four of the historic mines are located within the Properties. The Author has been unable to verify the information in Table 6 and the information is not necessarily indicative of the mineralization on the Properties.

Table 6: Silver, cobalt, nickel and copper production at Cobalt and Silver Center mining camps 1904 to 1989

Mine	Township	Tons milled	Ag oz	Co lb	Ni lb	Cu lb	Years of production
Agaunico and Reuthel Mine	Bucke	NA	980,000	4,350,000	418,717	216,767	1905-1960
Cobalt Contact Mine	Bucke	11,074	26,000	31,000			1912-1944
Dotsee Mine	Bucke	NA	125	8,000			1906-1939
Genesee Mining	Bucke	NA	66,236	12,063			1915-1965
Green-Meehan & Red Rock Mine	Bucke	NA	498,000	27,000		6,000	1905-1939
Harrison-Hibbert & Ruby Mine	Bucke	NA	876,500	214,600	69,458		1920-1963
North Cobalt and Hunter Mine	Bucke	NA	1,453				1909
Casey Cobalt-Silver Mines	Casey	NA	9,373,085	356,418	141,733	88,437	1908-1966
Langis	Casey & Harris	49,542	653,882	25,474	8,013	8,550	1983-1989
Agnico Surface Dumps	Coleman	28,907	51,051	7,455	2,606	15,204	1974-1975
Agnico Tailings Mill	Coleman	312,248	607,097	78,827	1,151,744	124,576	1967-1970
Alexandra Silver (Silverfields) (1)(2)	Coleman	1,322,813	17,793,862	357,501	493,255	238,893	1964-1983
Beaver Consolidated Mines Ltd.	Coleman	65,191	7,127,858	139,472	1,397		1907-1940
Beaver-Temiskaming Mine	Coleman	218,816	3,986,761	240,735	76,395	130,614	1977-1988
Ben Tailings	Coleman	1,676	3,715	564	196	511	1969-1970
Brady Lake Property	Coleman	55,485	7,000,000	190,641	8,620	11,320	1910-1960
Buffalo Mines Ltd	Coleman	332,449	14,155,558	152,269			1905-1959
Cart Lake	Coleman	NA	84,193	7,779	2,378	3,070	1966
Chambers Ferland Mining	Coleman	NA	2,030,000				1908-1958
Chambers Ferland Mining	Coleman	NA	2,175,469	13,000	2,400		1904-1932
Christopher and Cobalt Lode	Coleman	NA	35,378	2,140	511	895	1966
Christopher Silver Mines Ltd	Coleman	NA	4,100,000				1906-1964
City of Cobalt	Coleman	NA	14,000,000	25,000			1907-1930
Cobalt Badger Silver	Coleman	NA	3,475	112	89		1929-1940
Cobalt Lake	Coleman	175,129	6,900,708	146,073	7,920		1908-1943
Cobalt Lode Silver	Coleman	263,140	4,493,542	2,545,117	610,716	459,078	1917-1956
Cobalt Silver Queen	Coleman	6,969	1,406,000	168,311	102		1905-1939

Mine	Township	Tons milled	Ag oz	Co lb	Ni lb	Cu lb	Years of production
Cobalt Townsite	Coleman	913,268	37,362,032	1,852,765	163,687	90,288	1907-1939
Cochrane Cobalt Mining	Coleman	2,671	33,280	2,702			1913-1939
Colonial Mining	Coleman	63,687	1,211,956	3,671			1907-1954
Coniagas 73 Shaft	Coleman	207,875	889,617	57,576	19,197	143,823	1975-1985
Coniagas Mines	Coleman	750,164	33,963,067	310,557	3,543	47,470	1905-1943
Conisil Mines	Coleman	NA	100,000				1961-1965
Consolidated Silver Banner	Coleman	NA	41,700			412	1927-1964
Cross Lake O'Brien	Coleman	129,670	11,600,000	98,248	38,843	172,611	1928-1966
Crown Reserve mining	Coleman	58,596	20,325,302	33,682			1908-1948
Drummond Mines	Coleman	60,808	3,887,585	245,807			1905-1936
Farah Mining	Coleman	557	8,952				1923-1926
Foster Cobalt Mining	Coleman	2,818	1,159,390	457,164	21,766	24,121	1951-1956
Frontier	Coleman	2,870	39,433	5,538	1,841	2,522	1973
Hargrave Silver Mines	Coleman	1,534	506,927	6,418			1905-1920
Hudson Bay Mines	Coleman	52,370	6,452,266	185,572	1,630		1905-1953
Juno Metals	Coleman	2,674	46,391				1918-1922
Kerr Lake Mining	Coleman	235,503	28,502,037	650,094		1,792	1905-1948
King Edward Mining	Coleman	53,357	1,294,233	3,466	1,310	18,618	1905-1964
LaRose Mines	Coleman	57,544	17,479,977	200,000	111,010		1904-1948
Lawson	Coleman	NA	4,213,513				1905-1953
Little Nipissing	Coleman	NA	82,000				1906-1945
Mayfair Mines	Coleman	NA	26,240				1945-1953
McKinely-Darragh Savage Mines	Coleman	NA	17,300,000				1904-1952
Mensilvo Mines	Coleman	62,571	374,824	149,508	21,605	21,834	1913-1964
Nancy Helen Mines	Coleman	249	91,770				1907-1911
Nerlip Mines	Coleman	613	911	2,949	2,502		1940-1944
New Bailey Mines	Coleman	90,769	3,131,352	76,780		4,084	1912-1966
Nipissing Mines	Coleman	NA	32,000,000				1904-?
Nipissing Mines	Coleman	NA	7,000,000				1904-?
Nipissing Mines	Coleman	NA	1,000				1915-1917
Nipissing Mines	Coleman	1,066,589	32,000,000	3,636,704			1905-1951
Nipissing Mines	Coleman	NA	300,000				1932?
Nipissing Mines	Coleman	NA	20,000,000				1910?-1967
Nipissing Mines	Coleman	NA	1,750,000				1904-1967
Nipissing Mines	Coleman	NA	300,000				1913-1967
No. 407 Shaft	Coleman	NA	5,200				1926
No. 407 Shaft	Coleman	92,159	1,838,433	157,597	37,687	69,370	1966-1971
No. 96 Shaft	Coleman	56,153	1,236,879	73,970	22,329	46,738	1969-1974
Nova Scotia Silver	Coleman	7,184	1,082,774	114,199			1906-1952
O'Brien	Coleman	NA	33,655,872	835,764	1,481	2,130	1905-1966
O'Brien Dumps	Coleman	8,524	26,709	2,204	710	2,633	1968-1970
Ophir Cobalt Mines (1)	Coleman	NA	69				1921
Penn Canadian Mines	Coleman	189,356	4,418,802	190,650	11,246	26,806	1908-1974
Peterson Lake Silver Cobalt	Coleman	NA	909,064	27,303			1906-1966
Peterson Lake Silver Cobalt	Coleman	60,341	5,627,297				1912-1916
Princess Claim	Coleman	NA	3,713,805				1908-1922
Red Jacket Property	Coleman	NA	3	354			1938-1943
Refinery	Coleman	NA	11,656				1983-1985
Reinhardt Cross Lake Group	Coleman	NA	278,631	2,532	484	141	1949-1951
Right of Way Mines	Coleman	NA	169,000				1906-1935
Right of Way Mines	Coleman	23,073	2,800,000				1906-1935
Savage Mine	Coleman	646,439	4,500,000	465,582	11,348	51,751	1904-1954
Silver Cliff Mining	Coleman	20,552	535,246	9,314	15,380	6,287	1908-1954
Silver Cross Cobalt	Coleman	NA		3,091			1940-1942
Silver Leaf Mining	Coleman	321	495,443	1,206			1906-1931
Smith Cobalt Mines	Coleman	NA		914			1939-1940
Temiskaming Mining	Coleman	149,807	12,118,796	202,687	25,337	6,261	1907-1963
Trethewey Silver Cobalt Mines	Coleman	17,666	7,256,470	216,198			1904-1943
Trout Lake	Coleman	44,705	1,783,536	250,530	85,506	33,312	1969-1977
University Mines	Coleman	400	790,000	82,681			1905-1968

Mine	Township	Tons milled	Ag oz	Co lb	Ni lb	Cu lb	Years of production
Victoria Silver Cobalt Mines	Coleman	NA	1,000				1906-1910
Violet Mining	Coleman	NA	897,291				1905-1925
Claim A.3	Gillies Limit	NA		900			1935-1940
Cleopatra Mining	Gillies Limit	NA	2,500,000				1964-1968
Cobalt A53 Mining	Gillies Limit	NA		2,251			1946
Provincial Mine	Gillies Limit	258	286,897	54,473	2,842		1908-1940
Waldman Silver Mines	Gillies Limit	58	33,525	2,066			1910-1930
Wyandoh Silver Mines	Gillies Limit	29	33,699	1,234			1910-1937
Harmak Mining	Harris	NA	4,625	12,925			1966
Lang-Caswell (1)	Lorrain	NA	1,503	4,932			1936
Bellellen Mine	South Lorrain	NA	38,027	28,481			1910-1943
Canadian Lorrain Mine	South Lorrain	NA	276,825	16,678			1926-1940
Curry Mine	South Lorrain	87	49,821	7,691			1916-1938
Gilgreer mine	South Lorrain	NA	446	1,732			1936-1943
Harris Mines	South Lorrain	462	13,659	26,286			1925-1939
Keeley & Frontier Mines	South Lorrain	NA	19,197,413	3,310,556	27,252	10,292	1908-1965
Lorrain Lake Mines	South Lorrain	22,405	1,093,404	64,458			1924-1943
Nipissing Lorrain Mine	South Lorrain	NA	350,000	5,521			1925-1929
Silver Eagle Claim	South Lorrain	NA	7,989				1918
Wettlaufer Mine	South Lorrain	6,861	2,593,041	23,910			1909-1940
TOTAL		8,007,036	492,538,553	23,279,622	3,624,786	2,087,211	1904-1989

Source: Guindon *et al.*, 2016

Notes:

1. Historic mine located within the Properties areas.
2. Teck reported its 1964-1983 Silverfields Mine total production as: 1,422,812 tons totalling 18,216,523 oz Ag; average head-grade 12.8 oz/ton Ag.
3. The Author has been unable to verify the information in Table 6 and the information is not necessarily indicative of the mineralization on the Properties.

6.3 Exploration History of the Cobalt Project

The exploration and prior ownership histories of the Properties are presented in subsections 6.3.1 to 6.3.5 below. Information on the Project's early exploration and ownership history (pre-1950) is limited and incomplete, particularly with respect to the MNDM online assessment files. Some additional hardcopy information on early exploration in the Project area is available in historic Resident Geologist notes and donated files archived at the District Geologist's office in Kirkland Lake. Unless otherwise noted, historic assay interval widths and thicknesses should be considered apparent widths (e.g. downhole lengths); true widths are generally uncertain or unknown.

6.3.1 Silverfields Property

The exploration and development history of the Silverfields Property is summarized in Table 7. The history is derived from historic Ontario Resident Geologist's notes on file at the District Geologist's office in Kirkland Lake (File CO-0786-01), and in Ontario Geological Survey (OGS) publications PR 1961-6, MRC 10, MP 91 and MP 117.

Table 7: Exploration and development history of the Silverfields Property

Year	Operator	History (as reported in Resident Geologist notes)
1906	Alexandra Silver Mining Company	Silver discovered on Reinhart claim 395.
1907	Alexandra Silver Mining Company	Claim 395 Alexandra Shaft sunk through Nipissing diabase into underlying Coleman member sedimentary rocks.
1907-1922	1907 – Alexandra Silver Mining Company 1913 – Canadian Gold and Silver Mining Company 1915 – Leased to Sydney Smith 19?? – Carl Reinhardt 19?? – Mining Corporation of Canada Limited	Claim 395: Alexandra Shaft: first, second and third levels driven at 19.8 m (65 ft), 61 m (200 ft) and 94.5 m (310 ft) respectively. Total of 281.9 m (925 ft) drifts, 265.2 m (870 ft) cross-cuts and 37.8 m (124 ft) raises. Claim 1490: A shaft sunk approximately 91.5 m (300 ft). In 1922, lateral work from the No. 3 University shaft southeast of the Property was extended into Claim 1490 on the 27.7 m (91 ft) level. Claim 1385: A shaft sunk approximately 30.5 m (100 ft). Claim 1511: Meteor #1 adit approximately 152.4 m (500 ft) long with 76.2 m (250 ft) internal shaft and levels at 31.7 m (104 ft) and 76.2 m (250 ft). Meteor #2 adit and Meteor inclined shaft are collared on the Savage claim to the west. Meteor #2 adit was driven 27.4 m (90 ft). Workings from the inclined shaft connect with those from the #1 adit
1962-1964	Silverfields Mining Corporation	Alexandra Shaft deepened 38.4 m (126 ft) to depth of 132.9 m (436 ft). Fourth and fifth levels driven at 108.5 m (356 ft) and 127.7 m (419 ft) respectively. Mine development work included 1,436.8 m (4,714 ft) of drifting, 888.8 m (2,916 ft) cross-cutting, 194.5 m (638 ft) raising and 237 underground drillholes totaling 1,106.4 m (43,000 ft).
1964	Silverfields Mining Corporation	Mine production begins.
1965-1967	Silverfields Mining Corporation	Alexandra Shaft deepened 25 m (82 ft) and sixth level opened at 157.9 m (518 ft) 1965 cut-off grade reported to be 994 g/t (29 oz/ton) Ag (\$1.10/oz).
Jan 1964 – Aug 1967	Silverfields Mining Corporation	174,182 tonnes (192,003 tons) milled producing 143,673.4 kg (4,619,245 oz) Ag, 108,360 kg (238,893 lbs) Cu, and 99,430 kg (219,206 lbs) Co. Average head-grade 823 g/t (24 oz/ton) Ag, 0.65 kg/t (1.3 lb/ton) Cu and 0.55 kg/t (1.1 lb/ton) Co.
1971	Teck Corporation Limited Silverfields Division	Silverfields merged into Teck.
April 1976	Teck Corporation Limited Silverfields Division	Mine production 263 tonnes (290 tons) per day. Cut-off grade rose from 137 g/t (4 oz/ton) Ag to 206 g/t (6 oz/ton) Ag.
Jan 1978	Teck Corporation Limited Silverfields Division	Mine production 227 tonnes (250 tons) per day with a 206 g/t (6 oz/ton) Ag cut-off grade. Production down from 272 tonnes (300 tons) per day.
1980	Teck Corporation Limited Silverfields Division	Cut-off grade lowered from 206 g/t (6 oz/ton) to 103 g/t (3 oz/ton) Ag.
Oct 1982	Teck Corporation Limited Silverfields Division	Cut-off grade reported to be 206 g/t (6 oz/ton) Ag.
June 1983	Teck Corporation Limited Silverfields Division	Mine shut down June 1983. Teck reported 1964-1983 total production: 1,290,753 tonnes (1,422,812 tons) totaling 566,593 kg (18,216,523 oz) Ag; average head-grade 439 g/t (12.8 oz/ton) Ag.
19?? – 200?	Moore	Ownership – former Teck geologist.
200? - 2016	Andre Dugas	Ownership.

6.3.2 North Gillies Limit Property

The exploration history of the North Gillies Limit Property summarized in Table 8 is based on available online Ontario government assessment files, MDI files, historic Ontario Resident Geologist notes on file at the District Geologist's office in Kirkland Lake, and OGS publications PR 1961-2, MRC 10, MP 91, and MP 117. The approximate locations of the historic work areas are noted in Figure 8 with the Map ID and or MDI number referenced in Table 8.

Table 8: General exploration history of the North Gillies Limit Property area

Map ID	Year	Assessment file/reference	Operator	Work history
General Property area				
1	1947	31M05SE0096	Fairfax Mining	Geological mapping.
1	1950	31M05SE0035	Fairfax Mining	Two DDH -480.4 m (1576 ft).
2	1953	31M05SE0051	Bradville	DDH-403.7 m (1324'7") in 11 holes.
3	1960	31M05SE0052	Benner	DDH-569.2 m (1867.5') in nine holes.
4	1960	31M05SE0085	Gareau	Geological mapping.
5	1962	31M05SE0200	Silver Miller Mines	DDH-70.9 m (232.6') in two holes.
6	1962	31M05SE0039	Nickel Rim Mines	DDH- 272.2 m (893'), assay.
7	1964	31M05SE0056	Mentor Exploration	DDH-871.5 m (2859.1') in nine holes.
8	1975	31M05SE0103	McAllister	One DDH – drilled to 70 m in 1974, re-drilled to 144 m (473 ft) in 1975.
10	1997	31M05SE0072	Wabana Expl.	Ground VLF, magnetic, gradiometric, prospecting, geochemistry, stripping.
11	1998	31M05SE2006	Simpson	Stripping.
12	2000	31M05SE2028	Cabo Mining	Ground EM and magnetic.
13	2001	31M05SE2033	Cabo Mining	Geochem – seven alluvial samples – kimberlite exploration.
14	2004	31M05SE2060	Cabo Mining	Geology and stripping.
15	2004	31M05SE2064, 31M05SE2069	Cabo Mining/ Simpson	Seven DDH, 215 assays; including two DDH at Santa Maria 342 m; one DDH at Fleming - 81 m.
16	2006	20000001646	Cabo Mining	Two DDH – 319 m COB-29 and 30.
Ophir Mine (MDI31M05SE00108)				Source: MDI file; Thomson (1961) and Ontario Resident Geologist notes at the District Geologist's office in Kirkland Lake
	1910-1913		Ophir Cobalt Mines Limited	Shaft #1 sunk to depth of 61 m (200 ft) by 1910. Underground work continued to 1913 and Shaft #2 put down about this time.
	1915		Ophir Cobalt Mines Limited	Underground work continued from Shaft #1. Levels are reported at depths of 30.5 m, 61 m and 91.5 m (100, 200 and 300 ft).
	1917			Drift driven north on the 121.9 m (400 ft) level from Peoples Silver Mine (now the Mayfair Shaft) onto the property; #4 winze started on this level.
	1918		Mining Corporation	Continued work on the 1,221.9 m (400 ft) level and the #4 winze.
	1919		Nipissing Mining Company	Optioned property and continued operations.
	1920-1952			No work, except a brief and unsuccessful leasing operation in 1930.
	1952		Silver Crater Mines	Acquired lease on claim.

Map ID	Year	Assessment file/reference	Operator	Work history
	1954		Silver Crater Mines	At this time #4 Winze down 42.7 m (140 ft) with sublevels established at 152.4 m and 164.6 m (500 ft and 540 ft) depths (relative to Mayfair shaft). Extended 61 m (200 ft) level of the Mayfair Shaft north onto Ophir claim and mined 2,282 tonnes (2,515 tons) of Co ore (89.9 m (295 ft) of drifting on the Ophir section). Ophir Shaft #2 connects with these workings. The stope was about 18.3 m (60 ft) high above the level and about 61 m (200 ft) long. Cobalt mineralization restricted for the most part to the vein proper so width of the stope kept small, about 0.8 m (32 inches). Minor silver and bismuth in the stoped material. A crosscut from the Victory shaft on the Silver Banner claim was extended south on the 152.4 m (500 ft) level to connect with the Ophir 152.4 m (500 ft) sublevel workings (333.5 m (1,094 ft) of lateral development). One very small silver rich pocket (some 4,000 oz/ton or 137,143 g/t) was found but the vein was not workable for either its silver or cobalt content.
	1957		Juno Metals Corp	Sub-leased Ophir from Silver Crater. Sublease and lease dropped during the year.
9	1977	31M05SE0401	Burton & McAllister	DDH95-2, Az 088, Dip-50, TD 160.3 m (526') did not reach interpreted upper contact of Nipissing diabase: • 51.8 m (170 ft): 4" banded calcite vein – brecciated with some galena, sphalerite and chalcopryite, 22.84 oz/ton Ag • 66.5 m (218 ft): 1" calcite vein – 10% cobaltite some pyrite and chalcopryite each side 342 g/t (9.98 oz/ton) Ag • 76.2 m (250 ft) 1" calcite vein – 10% cobaltite some pyrite each side 242g/t (7.07 oz/ton) Ag.
Gauthier Occurrence (MDI31M05SE00138)				Source: MDI file and; Thomson (1961)
	Pre-1935		Gauthier	In the early days of the Cobalt camp, Mr Gauthier put down a 15.9 m (52 ft) shaft by hand steel and windlass. The shaft and adjacent trenches investigated a zone trending north of west along New Lake Creek. Gauthier reported a one-inch cobalt-bearing vein in the shaft. S. Cole reported that six samples taken from the shaft contained between 137 g/t and 789 g/t (4 oz/ton and 23 oz/ton) Ag and dump samples containing galena and pyrite yielded assays of about 3,429 g/t (100 oz/ton) silver.
	1968		Sisco Metals of Canada	Ownership.
McGary Occurrence (MDI31M05SE00160)				Source: MDI file and; Thomson (1961)
	1922-1928		Kirk-Budd Mining Company	Underground work was started in 1922 and continued intermittently until 1928. Kirk-Budd shaft completed to a depth of 51.8 m (170 ft) deep with a level at 47.6 m (156 ft). Lateral work extended 158.5 m (520 ft) east and 76.2 m (250 ft) west from the shaft. Two adits driven easterly 6.4 m and 14.6 m (21 ft and 48 ft) into a westerly-facing cliff.
Cobalt Lode Occurrence (MDI31M05SE00119)				Source: MDI file and Thomson (1961)
	Pre 1950			Early days Cobalt Camp shaft possibly 30 ft deep, put down on approx. ½ inch wide northwesterly striking calcite vein with associated aplite dike in Diabase.
	1949-1950		Cobalt Lode Silver Mines Limited	Two scissor DDHs each approximately 121.9 m (400 ft) long and one DDH approximately 167.9 m (551 ft) long.

Map ID	Year	Assessment file/reference	Operator	Work history
	1965		Mentor Expl. & Dev. Ltd	Additional DDH?
Trainmen (Bomont) Occurrence (MDI31M05SE00123)			Source: MDI file and; Thomson (1961)	
	19??-1922		J. McAndrew	
	1922-195?		Trainmen Company	1925 – Trainmen shaft sank to 23.8 m (78 ft). 1926 – Shaft was deepened to 32.6 m (107') and an eastward crosscut of 71.9 m (236') made on the 30.5 m (100') level. 1927 – Drifts of 23.2 m (76') north and 24.4 m (80') south were made on 30.5 m (100') level. Underground work continued intermittently until 1928 and claims subsequently lapsed.
	1952			One DDH (designated T-1 on Map P.95).
	1953		Bomont Mines	1953 – Bomont Mines acquired claims in 1953. 1954 – Detailed geological survey. 1956 – Two DDHs (T-2 and 3). 1958 – Two DDHs totalling 61 m (200 ft).
	1960		Chimo Gold Mines	Optioned property. Five DDHs (S-1 to S-5, aggregate 778.5 m/2,554 ft).
Armstrong Occurrence (MDI31M05SE00161)			Source: MDI file and Thomson (1961)	
	1950		Penn-Cobalt Silver Mines, Limited	One DDH (S-1) 309.7 m (1,016 ft) inclined -45. MDI file reports 182 g/t Ag/2.5 cm in calcite-chalcopyrite vein in Huronian conglomerate.
Knight Occurrence (MDI31M05SE00114)			Source: MDI file and Thomson (1961)	
	1950-1954		H.W. Knight	Exploring for eastern extension of veins intersected in at the Kelly Prospect. Eleven short DDHs of which one was reported for assessment. Only DDH K-2 passed through Keewatin into underlying Nipissing Diabase at a vertical depth of 40.5 m (133 ft). DDH K-1 intersected a 15 cm (6-inch) intersection of disseminated cobalt mineralization reported at a downhole depth of 21.3 m (70 ft).
Fairfax Occurrence (MDI31M05SE00164)			Source: MDI file and Thomson (1961)	
	1947		Fairfax Mines Limited	Geological mapping.
	1952-1953		Fairfax Mines Limited	The Schumann Lake diabase arch was regarded as a geological feature of good exploration for the occurrence of silver-cobalt bearing veins particularly in view of the rich deposits occurring in association with the similar Kerr Lake diabase arch Coleman township. Seven DDH (F8-F14, 4,432 ft).
	1959		Fairfax Mines Limited	One DDH (F15, 228.8 m/751 ft) and deepened (F9). All DDHs passed through Nipissing diabase from surface, entered underlying Cobalt Series sediments and ended in the Keewatin below. Vertical depth from surface to bottom of the diabase was 112.8 m to 143.3 m (370 ft to 470 ft). The vertical thickness of the Huronian sediments was 11 m to 49.1 m (36 ft to 161 ft). A few small calcite-quartz veins are known at surface; the only mineralization seen in these was sparse chalcopyrite. Small calcite veins were intersected in the drillholes but no mention of cobalt or silver mineralization is made in the logs.

Map ID	Year	Assessment file/reference	Operator	Work history
Fleming Occurrence (MDI31M05SE00135)				Source: MDI file and Thomson (1961)
	Circa 1930		J. Burke	Cobalt bearing vein discovered and trenched.
	1951		Fairfax Mines Limited	Seven DDH (aggregate length 426.7 m/1,400 ft) in the trench area. Holes are designated K-1 to 7 on Map P.95 and tested the downward extension of the vein in the Keewatin and to a smaller extent, in the underlying Nipissing diabase. DDH K-3 reported to have intersected a ½-inch vein of calcite with cobalt mineralization at 31.2 m (102.5 ft) downhole. The intersection was in Keewatin rock 70 ft below surface and 0.61 m (2 ft) above the contact of the Nipissing diabase sill. Benner reported an assay of 276 g/t (8.04 oz/ton) Ag and 2.1% Co over the ½-inch width. Drill results were insufficient to warrant exploration of the vein by underground work.
	1959		Fairfax Mines Limited	A resistivity survey was completed over much of the Fleming claim group. One of the anomalies extended northward from the north end of Chopin Lake; corresponds to a topographic low, suggestive of a fault. Eleven DDHs (F-1 to F-4, F-6 to F-11 and F-15 to F-16) totaling approximately 694.9 m (2,280 ft) completed after geophysics Numerous calcite, as well as quartz-calcite veins were intersected in Keewatin volcanics, lamprophyre, Lorrain granite and Nipissing diabase. Silver and cobalt-bearing veins were intersected in hole F-3 which Thomson 1961 reports as distinct from the vein exposed at surface and explored by DDHs K-1 to K-7. Mineralization in hole F-3 includes: • 50.7 m (166.4 ft) – native silver (in leaves up to an estimated thickness of 1/25 inch), argentite, and cobalt mineralization in small amount occurred in a 1/3-inch calcite vein; native silver in a small amount also occurred in the wall rock. • 48.1 m and 48.5 m (157.8 ft and 159.0 ft) – cobaltite with chalcopyrite in 1/4-inch veinlets. • 51 m (167.2 ft) – argentite in a 1/2-inch calcite vein. The latter three intersections are in Lorrain granite and about 2.4 m (8ft) above the Lorrain-Nipissing contact. In DDH F-3 the Lorrain granite has a vertical thickness of 10.1 m (33 ft) lying between Keewatin volcanics (above) and Nipissing diabase (below). The attitude and extent of the silver-cobalt mineralization has to-date not been determined; other drillholes were not successful in intersecting mineralization.
Santa Maria Occurrence (MDI31M05SE00169)				Source: MDI file (Resident Geologist file CO-1103)
				Quartz calcite veins: up to 243 g/t Ag/6.4 cm; large high grade “float”. Diamond drilling, geophysics, geology.
Naneek Occurrence (MDI31M05SE00169)				Source: MDI file (Resident Geologist file CO-1074, CO1104)
				Surface geology – Nipissing diabase, Mafic-felsic volcanics. Diamond drilling assays: up to 0.39% Zn/1.0 m; 0.20% Cu/1.5 m; 37 g/t Ag/0.43 m.

Note: Circled numbers correspond to assessment work index numbers in Table 8

6.3.3 Lorrain Valley Property

The exploration history of the Lorrain Valley Property summarized in Table 9 is based on available online Ontario government assessment files, MDI files, historic Ontario Resident Geologist notes on file at the District Geologist's office in Kirkland Lake, and OGS publications MRC 10, and MP 051. The approximate locations of the historic work areas are noted in Figure 9 with the Map ID and or MDI number referenced in Table 9.

Table 9: General exploration history of the Lorrain Valley Property area

Map ID	Year	Assessment file/ reference	Operator	Work history
General Property area				
1	1972	31M04NE0006	Aggressive Min.	Ground EM.
2	1972- 1973	31M04NE0009; 31M04NE0007	Aggressive Min.	DDH-3186' in eight holes.
3	1980	31M04NE0002	Clarke	Geology, prospecting.
3	1981- 1982	31M05SE0001; 31M05SE0003	Clarke	Ground VLF.
4	1988	31M04NE0001	Bishop	Ground VLF and magnetic.
5	2000	31M05SE2019; 31M05SE2022	Cabo Mining	Prospecting, stripping, geochemistry, petrography. Geology, ground VLF and magnetic.
6	2001	31M05SE2037	Cabo Mining	Geochemistry – 14 alluvial samples (KIMs).
7	2002	31M05SE2043	Cabo Mining	Geology.
Thomson, R. Occurrence (MDI31M05SE00094)				
	1920s	MP051	Richardson	Discover of silver occurrence at Paul's shaft by Richardson. Prospecting, trenching and pitting in the area of 15 m (50 ft) deep Paul's shaft. The Northern Miner (1923) reported: "The surface silver showing in a vein two feet wide was blasted out with the first round, and while from time to time in the shaft sinking silver was found the quantities were small".
	1923	MP051	McKinley-Darragh-Savage Mines of Cobalt Limited	Three DDH. No records.
	1950	MP051	Vanadium Exploration Syndicate	One DDH - 49.4 m (162 ft) hole – no significant mineralization.
	1970	MP051 and 31M05SE0008	R. Thomson	Three DDH (totalling 87.2 m/286 ft) drilled in the vicinity of Paul's shaft – chalcopyrite and low silver assays reported.
	1971- 1973	MP051	R. Thomson	Geological and limited geochemical surveys and trenching.
	1975	MP051	R. Thomson	Reduced claim holdings.
Chukuni Occurrence (MDI31M05SE00096)				
	19??	MP051	?	Shaft – depth and age unknown.
	1970	MP051	Chukuni Gold Mines Limited	Three DDH from the same set up (total footage of 234 m/766 ft). Minor pyrite and chalcopyrite disseminated in feldspar porphyry and lamprophyre, and along slips in chlorite schists. Drill core assayed trace amounts of silver.

Map ID	Year	Assessment file/ reference	Operator	Work history
La Tour Occurrence (MDI31M05SE00092)				
	19??	MRC010		15.2 m (50 ft) shaft with 7.3 m (24 ft) of crosscutting.
	1940	MRC010		Production: Silver: 1.7 kg (53 ozs), Cobalt: 11.8 kg (26 lbs).
Caswell (Lang-Caswell) Occurrence (MDI31M04NE00051)				
	1910	MP051	Lang-Caswell Cobalt Mines Limited	Sank No. 1 shaft to a depth of 47.2 m (155 ft), with 39.9 m (131 ft) of crosscutting on the 38.1 m (125 ft) level, and also sank No. 2 shaft to 10 m (32 ft).
	19??	MP051		Extensive trenching and pitting carried out (dates uncertain).
	19??	MDI file		Trench sampling northeast of shaft, assays to 4.2% Co, 0.8% Ni, 0.96% Cu over unknown intervals.
	1936	MRC010		Minor production: 46.75 kg (1,503 oz) Ag; 2,237 kg (4,932 lb) Co.
	1951	MP051	Siscoe Metals of Ontario Limited	Six DDH (659.3 m/2,163 ft). Pyrite, pyrrhotite and minor chalcopyrite reported. One drillhole is reported to have intersected cobalt arsenides. Dewatered shaft.
	1968	MRC010	Taylor Pipe	Ownership.
	1976	MP051	Lepaladan Corporation Limited	Ownership.
	1998	31M05SE2009	Simpson, M. and Wareing, S.	11 grab samples collected from random excavations of the surface of Shaft #1 dump along its length. The dump is estimated to be on the order of 1000 tonnes. Samples were not described but based on cobalt content it appears that mineralized material was selectively sampled. Samples assayed 1.75% to 12.30% Co, 2.74 to 14.4 g/t (0.08 oz/ton to 0.42 oz/ton) Ag and 0.219% to 3.83% Ni. The low Ag grades were attributed to high-grading of the silver mineralization during the shaft sinking and underground development in 1910-1936.
7	2000	31M05SE2024	Cabo Mining	Geology, ground VLF and magnetic.

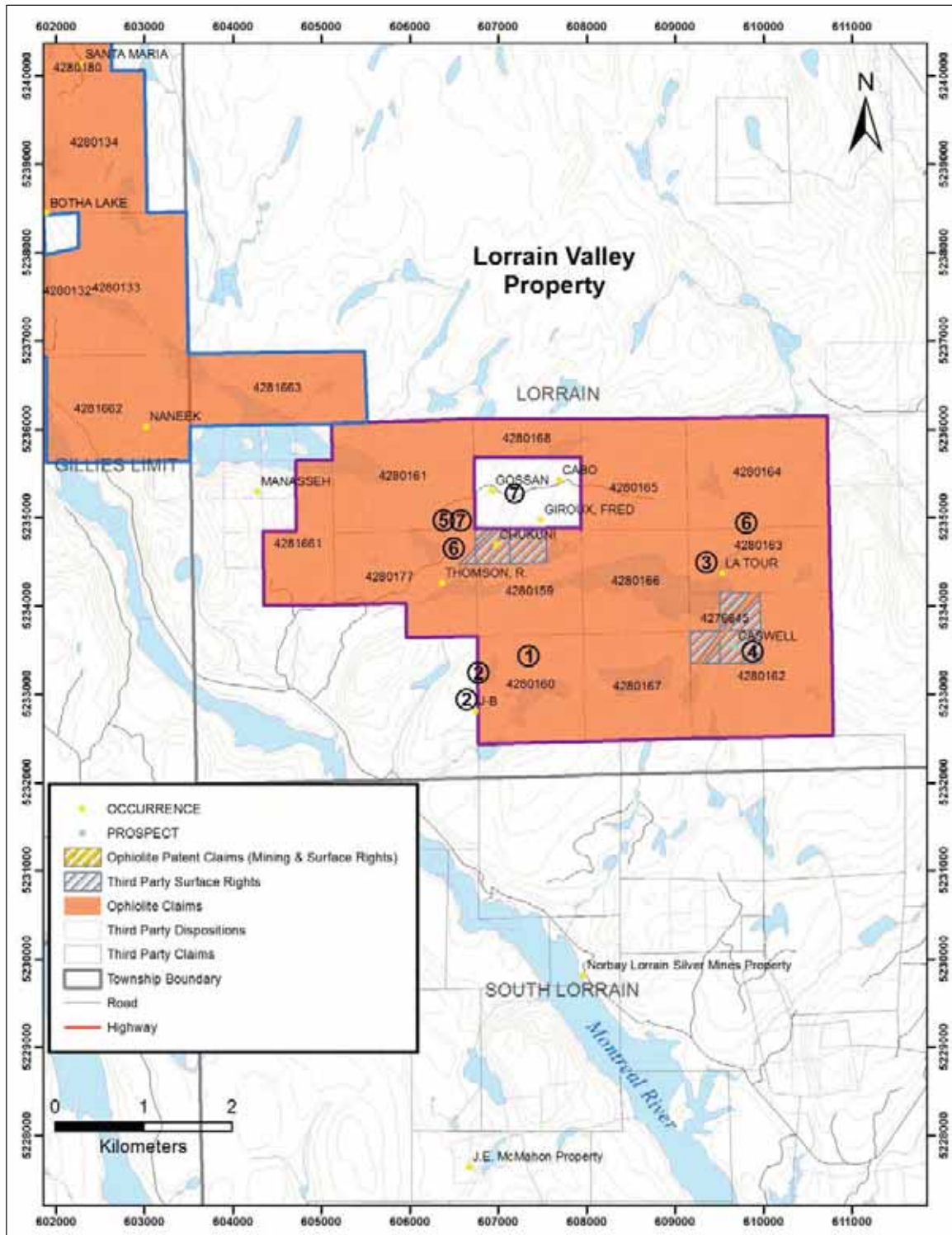


Figure 9: Lorrain Valley Property – location of historic occurrences and assessment work areas

Note: Circled numbers correspond to assessment work index numbers in Table 9

6.3.4 South Lorrain Property

The exploration history of the South Lorrain Property summarized in Table 10 is based on available online Ontario government assessment files and MDI files. The approximate locations of the historic work areas are noted in Figure 10 with the Map ID and or MDI number referenced in Table 10.

Table 10: General exploration history of the South Lorrain Property area

Map ID	Year	Assessment file/reference	Operator	Work history
General Property Area				
1	1949	31M03NW0017	Ramardo	DDH-93 m (305') in two holes.
2	1949	31M03NW0019	Ramardo	DDH- 355.4 m (1,166') in seven holes.
3	1954	31M03NW0011	De Camp	DDH-717.5 m (2,354') in five holes.
4	1954	31M03NW0013		DDH- 50.4 m (165.5') in one hole.
6	1966	31M03NW0007	Millerfields Silver	Ground magnetic and resistivity – 28.8 km (18 miles).
9	1992	31M03NW9737	Chitaroni	Three DDH at Oxbow Lake – 61 m (200 ft) total, two DDH at Highway 357 – 22.9 m (75 ft) total.
10	1992	31M03NW9740	Chitaroni	Airborne magnetics and VLF, prospecting.
12	1995	31M03NW0035	Moore	Ground magnetics and VLF – 11.3 km.
14	1996	31M03NW0045	Moore	Geochemical – 113 samples, geology.
15	1997	31M03NW2001	Gore	Ground magnetics, EM, VLF -11.5 km.
16	1998	31M03NW2002	Isometric Min.	Ground magnetics and IP – 31.75 km.
15	1998	31M03NW2003	Gore	Stripping, prospecting, geochemistry – 27 samples.
15	1998	31M03NW2007	Gore	Prospecting.
15	1998	31M03NW2008	Gore	Stripping, prospecting, geochemistry – eight samples.
17	1999	31M03NW2006	Gore/Medici	DDH – three holes, geochemistry – 96 samples.
18	1999	31M03NW2009	Gore	Ground magnetics, EM, VLF – 8.13 km.
18	2002	31M03NW2016	Gore	Pits – 8.
18	2003	31M03NW2018	Gore	Stripping, geochemistry – 1.
19	2006	20000001575	Gore	Prospecting.
20	2006	20000001752	Gore	Prospecting.
21	2006	20000002444	Adroit Resources	Airborne EM and magnetics.
20	2007	20000000051	Silver Shield/Gore	Ground magnetics – 1.5 km.
22	2007	20000002465	Adroit Resources	Ground magnetics and IP – 23 km.
20	2007	20000002529	Gore	Prospecting.
21	2007	20000002725	Adroit Resources	DDH – 1,063 m in nine holes, geochemistry – 43 soils, 62 rock.
22	2008	20000000190	Adroit Resources	DDH – 887 m in three holes, geochemistry – 141 samples; only one hole in current property area.
18	2008	20000003235	Gore	Prospecting.
18	2011	20000006885	Gore	Ground magnetics and VLF – 1.9 km.
18	2011	20000006529	Gore	Ground magnetics - 1.6 km.
24	2012	20000007783	Gore	Ground magnetics 3.6 km.
24	2012	20000007233	Meunier	Ground magnetics, VLF – 1.9 km.
18	2012	20000007305	Gore	Stripping.

Map ID	Year	Assessment file/reference	Operator	Work history
H.G. Miller, Maidens Lake (1949) Occurrence (MDI31M03NW00023)				Aka: E.B.E. de Camps Estate – 1952; H.R. 69 – 1909
	Circa 1909	MDI File		Underground development (adits, winze to 18.3 m/60 ft). Assays from the main adit vein returned values of 0.48% Co and 0.42% Co. A second vein found in the adit strikes across the adit (N75W) also reportedly returned Co values.
	1950	MDI File and 31M03NW0009	H.G. Miller	DDH 1 and 2, on the east shore of the southern bay of Maidens Lake.
	1952-1963	MDI File and 31M03NW0010	E.B.E. de Camps	Grab samples collected by E.B.E. de Camps from the adit dump returned assays of 0.34% Co and 0.07% Co. DD-1 (drilled in 1963), on the west shore of the southern bay of Maidens Lake returned assays of trace to 0.01% Ag over lengths up to 0.55 m (1.82 ft).
23	2008	20000003007	Silver Shield/Gore	Geology
J.A. Gore Property – 1980 (MDI31M03NW00016)				Aka: Mining Corporation of Canada Ltd. Group 3 – 1928; Benner Property – 1963
	1928-1929	MDI file	Mining Corporation of Canada Ltd	Shaft sinking to 128 m (420 ft); level developed at 123.8 m (406 ft), with drifting, cross-cutting and diamond drilling.
8	1990	31M03NW0003	Gore	Geochem.
8	1991	31M03NW0001 31M03NW0023	Gore	One DDH -70.1 m (230'), geochemistry. Trenching - 4, geochemistry – 14 samples.
8	1992	31M03NW0002 31M03NW0004 31M03NW0025 31M03NW9738	Gore	Prospecting, geochemistry. Stripping. One DDH – 90.7 m (297.5') extension from 70.1 m to 160.8 m (230' to 527.5'), geochemistry, Huronian-Keewatin contact reported at 114.3 m (375 ft) below surface. Trenching - 4, prospecting, geochemistry – 26 samples. A trench grab sample assayed 3582 ppm Cu, 629 ppm Co and trace Ag. Additional grab samples from the property returned values up to 0.905% Cu, 0.166% Co and 0.003% Ni.
8	1993	31M03NW9783	Gore	Stripping, geochemistry.
8	1994	31M03NW0022	Gore	Stripping, prospecting, geochemistry – seven samples.
8	2003	31M03NW2017	Gore	Stripping, geochemistry.
8	2012	20000007308	Gore	Stripping.
Oxbow Lake Claims – 1993 (MDI000000001585)				Aka: Ramardo Claims – 1953; Elite Cobalt Base Metal Project – 1992
	1953	MDI file	Ramardo Mines Limited	Five DDH.
11	1993	31M03NW0024	Gore	Prospecting, geochemistry, VLF-EM.
11	1994	31M03NW0027 31M03NW0028 31M03NW0030	Chitaroni/Gore	Prospecting, geochemistry – 47 samples. Assay – 14 samples.
11	1995	31M03NW0031	Gore	Prospecting, stripping – nine areas.
Ox-Bow Silver Mining Company Limited Property – 1946 (MDI31M03NW00020)				Aka: Clifton Consolidated Mines Ltd. – 1925; HS500 – 1928; Argentia Ridge Project – 2006
	1924-1925	MDI file	Clifton Consolidated Mines Limited	Shaft sinking, pitting, stripping, 298.7m (980ft) of diamond drilling.
	1946-1953	MDI file	Ox-Bow Silver Mining Company Limited	23 DDHs, pitting, trenching. Assays from the 1947 diamond drilling returned Ag-Co value of \$28.68 including, 3.25% Co over 0.95 m (3.1 ft). DDH 8 yielded

Map ID	Year	Assessment file/reference	Operator	Work history
				37.7 g/t (1.1 oz/t) Ag, 1.41% Co over 0.85 m (2.8 ft). DDH 6 assayed 10.5 g/t (0.299 oz/t) Ag and 2.167% Co over an unspecified length.
5	1956	31M03NW0016	Elite Cobalt Mines Ltd.	Four DDH-totalling 378.6 m (1,242 ft).
9	1992	31M03NW9737	Chitaroni	Three DDH at Oxbow Lake – 61 m (200 ft) total, two DDH at Highway 357 – 22.9 m (75 ft) total.
13	1995	31M03NW0036	Gore	Prospecting
13	1995	31M03NW0040	Gore	Ground magnetics, VLF – 5.1 km.
13	1996	31M03NW0033	Gore	Geochem – 40, compilation/geology.
13	1996	31M03NW0037	Gore	Geology, geochemistry – 11 samples.
13	1996	31M03NW0038	Gore	Prospecting.
13	1996	31M03NW0047	Gore	Stripping, prospecting, geochemistry – 15.
13	1996	31M03NW0048	Gore	Ground magnetics and VLF – 6.1km.
13	2000	31M03NW2011	Gore	Geochem, geology.
13	2002	31M03NW2014	Gore	Stripping.
13	2003	31M03NW2019	Gore	Prospecting.
13	2007	20000002019	Silver Shield/Gore	Ground magnetics – 3.2 km.
Oslund-Hermiston Group – 1949 (MDI31M03NW00021)				Aka: Elite Cobalt Prospect – 1956; Silver Tower Mines Ltd. – 1965; Argentia Ridge Project – 2006
	Pre 1956	MDI file		Pitting, trenching.
5	1956-1965	MDI file and 31M03NW0016	Elite Cobalt Mines Limited	1956 – four DDH-totalling 378.6 m (1,242 ft).
	1968	MDI file	Silver Tower Mines Limited	Four DDH. The best assay reportedly returned 61.7 g/t (1.8 oz/ton) Ag over 1 inch. Other assays ranged from 6.9 g/t to 27.4 g/t (0.2 oz/t to 0.8 oz/t) Ag over sample lengths ranging from 1 to 4 inches. Galena was observed within chlorite schist in irregular streaks over a maximum core length of 1.5 m (5 ft). Minor pyrite and carbonate also was observed. Traces of pink carbonate also carried galena and minor cobalt bloom. The mineralization appears to lie adjacent to the contact with the overlying metasedimentary rocks.
	1969	MDI file	M. Oslund	Four DDH totalling 128.3 m (421 ft).
Bulldog Shaft - 1914, MDI31M03NW00029				Aka: Price-Bradley Group – 1968; Argentia Ridge Project – 2006
7	1969	MDI file and 31M03NW0015	Price-Bradley	Two DDH totalling 554.4 m (1,819 ft). Assays from the 1969 diamond drilling returned values up to 37.7 g/t (1.1 oz/t) Au over 2 inches and 68.6 g/t (2 oz/ton) Ag over 4 inches in a calcite vein in metavolcanics.

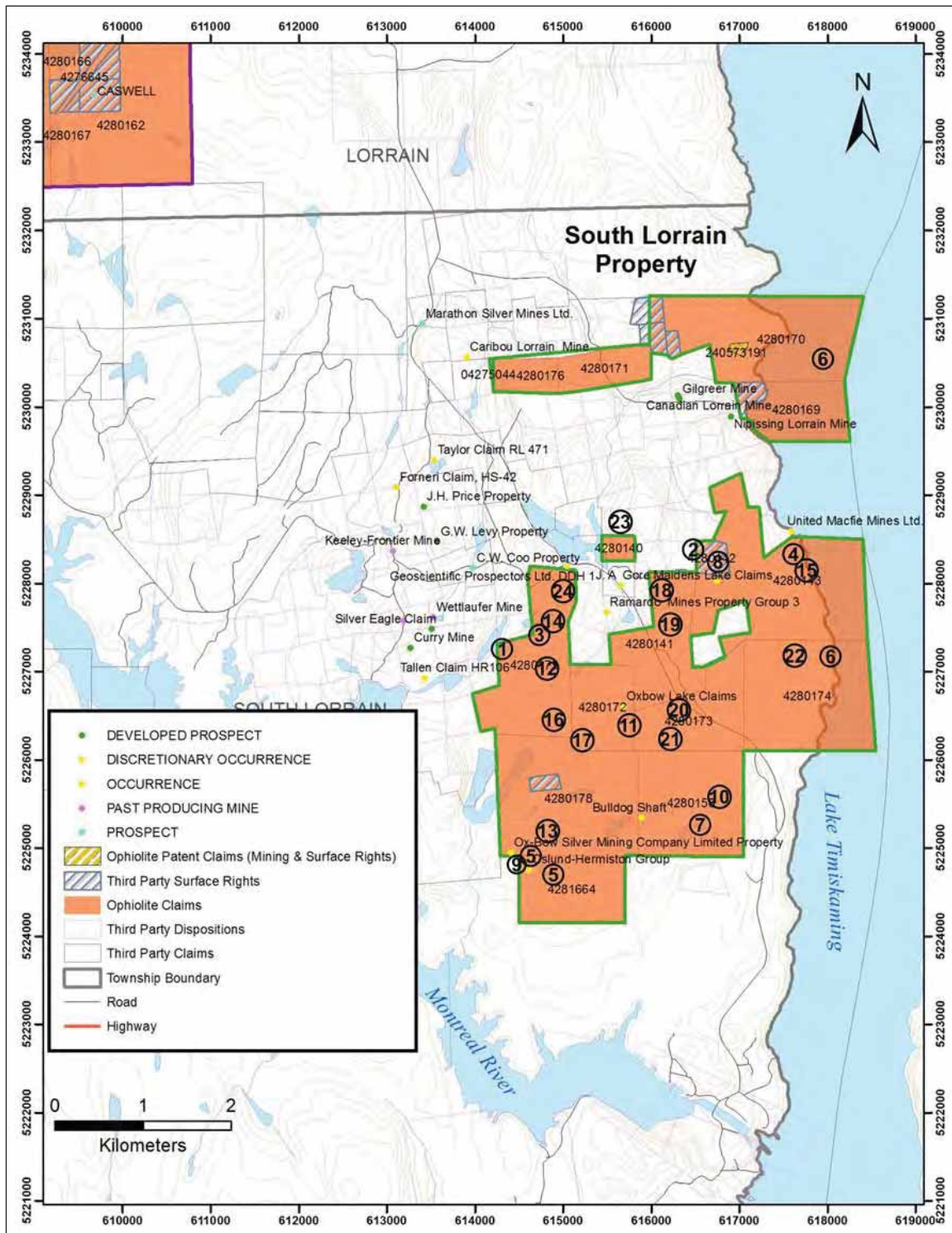


Figure 10: South Lorrain Property – location of historic occurrences and assessment work areas

Note: Circled numbers correspond to assessment work index numbers in Table 10

6.3.5 Cooper Lake Property

The exploration history of the Cooper Lake Property summarized in Table 11 is based on available online Ontario government assessment files and MDI file MDI31M04SE00026. The approximate locations of the historic work areas are noted in Figure 11 with the Map ID and or MDI number referenced in Table 11.

Table 11: General exploration history of the Cooper Lake Property area

Year	Assessment file/ reference	Operator	Work history
1913	MDI31M04SE00026	Leo Beland	First staking to cover a cobalt/silver calcite vein on the northern contact of a Nipissing Diabase.
1921	MDI31M04SE00026	Ontario Smelters and Refiners Ltd	Property optioned to Ontario Smelters and Refiners Ltd. Shipment of 11.3 tonnes (12.5 tons) of material from the Ogistoh Mine shaft to Welland Ontario. The shipment was never processed but the ore was reported to contain about 5% Co. The shaft was approximately 24.4 m (80 ft) deep and 12.2 m (40 ft) of drifting was completed on its northwest side.
1924	MDI31M04SE00026	Huronian Belt Company Limited	Put down a 12 m shaft on a vertical fault zone.
1968	MDI31M04SE00026	Kerr Addison Mines Limited	Owned two patented claims over the Ogistoh Mine.
1978	MDI31M04SE00026	Rutex Syndicate	Sampling.
1991	31M04SE0027	Miron	Prospecting, eight samples.
1994	31M04SE0025	Goddard	10 assays.
1994	31M04SE0026	Goddard	Prospecting, stripping and trenching.
1995	31M04SE0028	Goddard	Stripping and trenching, 10 samples.
1996	31M04SE0030	Goddard	Ground magnetics and VLF-EM.
1998	31M03SW2001	Orex	Ground HLEM.
1998	31M04SE2004	Orex	IP.
2001	31M04SE2011	Orex	Stripping, seven DDH – 581 m, assays.
2002	31M03NW2015	Tres Ore	Airborne magnetics interpretation.
2003	31M03SW2012	Rhonda	Airborne magnetics and EM.
2004	20000000464	Tres Ore	Airborne magnetics and EM.
2005	20000000273	Tres Ore	Airborne magnetics interpretation – predominantly south of south of but clips Cooper Property area.
2005	20000000442	Tres Ore	Geophysical, GIS and remote sensing compilation.

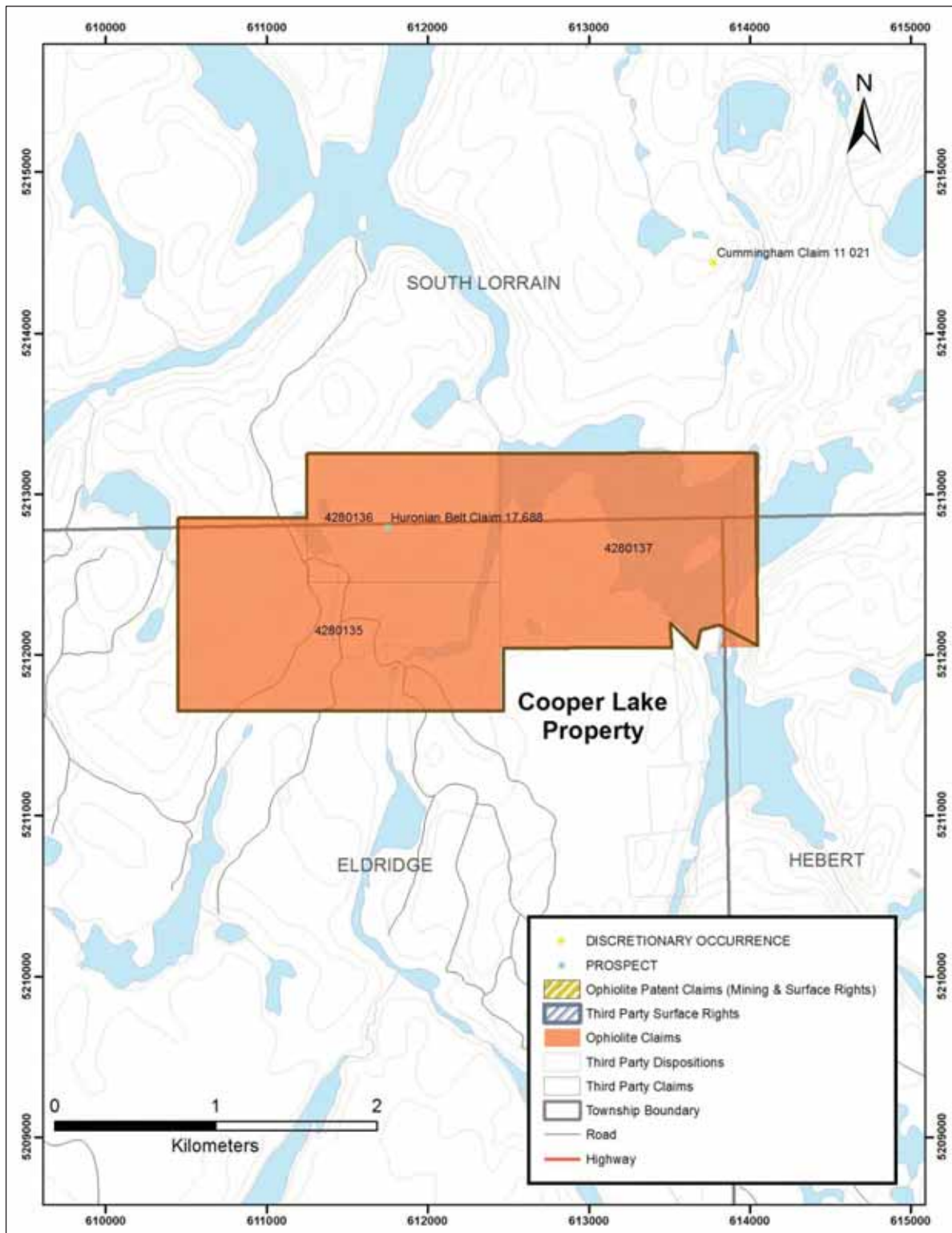


Figure 11: Cooper Lake Property – location of historic occurrences/assessment work areas

Refer to Table 11

6.4 Significant Historic Mineral Resource and Mineral Reserve Estimates

There are no significant historical Mineral Resource and Mineral Reserve estimates applicable to Cobalt Project Properties and mineral occurrences.

6.5 Historic Mineral Production

6.5.1 Silverfield Property – Silverfields Mine Historic Production

At shutdown of the Silverfields Mine in June 1983, Teck reported a total production of 1,290,753 tonnes (1,422,812 tons) with 566,593 kg (18,216,523 oz) Ag recovered and an average head-grade 439 g/t (12.8 oz/ton) Ag. Guindon *et al.* (2016) reported total production from 1964 to 1983 at 1,200,035 tonnes (1,322,813 tons) with 553,447 kg (17,793,862 oz) Ag, 162,160 kg (357,501 lbs) Co, 223,737 kg (493,255 lbs) Ni and 108,360 kg (238,893 lbs) Cu recovered. Total cobalt production at the Silverfields Mine is probably uncertain because smelters often did not credit cobalt content of the ore shipped. In a site examination report dated 20 July 1981, Resident Geologist, Howard Lovell, referred to millheads at the Silver Summit Mill, where the Silverfields production was being processed, as 308.6 g/t (9 oz/ton) Ag, 0.12% Co, 0.76% Cu, 0.04% Ni, 0.04% Zn and 0.55% As. In addition, since silver was the targeted metal, if mineralization did not exceed the mine silver cut-off grade but contained significant cobalt, it may not have been mined since depending on where the concentrates were processed, Teck did not always receive payment for the Co. Cobalt grades in the veins at the Silverfields Mine are uncertain. In a site examination report dated 5 December 1978, Resident Geologist, Howard Lovell, referred to an ore grade of 1% Co when calculating potential losses from the non-payment for Co in the concentrates from Silverfields. However, in the same report while discussing a vein in the back of the level 3 drift, he describes a strong cobalt bloom unrepresentative of the cobalt content of the vein which he estimated to be less than 1%, perhaps 0.25%.

6.5.2 North Gillies Limit Property – Ophir Mine Historic Production

Guindon *et al.* (2016) reported Ophir Mine production of 2.2 kg (69 oz) Ag in 1921. Thomson (1961) reported that 2,282 tonnes (2,515 tons) of Co mineralization was extracted in 1954 from the Ophir Mine claim via underground development extending from the Mayfair workings on the property immediately to the south. Cobalt mineralization was generally restricted to the vein proper so the width of the stope was kept small, about 0.8 m (32 inches); the stope was approximately 18.3 m (60 ft) in height about 61 m (200 ft) long. Minor Ag and Bi was reported in the stoped material. Thomson (1961) reports that production statistics for Ag and Co from the Ophir claim were not available to him but states that production would appear to have been small and unprofitable.

Total historic silver and cobalt production from the Ophir Mine is uncertain, complicated by the fact that the Ophir claim was also accessed via shafts and underground development from the adjacent Mayfair and Silver Banner mine properties. Any production from Ophir hoisted at those shafts may have been attributed to their respective mines.

6.5.3 Lorrain Valley Property - Lang-Caswell Mine Historic Production

Guindon *et al.* (2016) reported minor production of 46.8 kg (1,503 oz) Ag and 2,237 kg (4,932 lbs) Co from the Lang-Caswell Mine in 1936.

7 Geological Setting and Mineralization

7.1 Regional Geology

The following summary is largely taken from Andrews *et al.* (1986), Smyk and Watkinson, (1990), Born and Hitch (1990), Guindon *et al.* (2016), and others.

The Cobalt area is underlain by Precambrian rocks of the Superior and Southern provinces. Outliers of Paleozoic strata are exposed immediately to the north in the Haileybury area and further to the north between New Liskeard and Englehart.

Archean Keewatin rocks are the oldest rocks in the Cobalt Silver Camp and form the southernmost portion of the Western Abitibi subprovince of the Superior Province. These rocks include predominantly massive and pillowed intermediate to mafic metavolcanic flows with intercalated pyroclastics and metasedimentary rocks, including cherty and sulphidic interflow sediments; felsic metavolcanic rocks are relatively rare. The Archean rocks were folded and intruded by mafic to ultramafic dikes and granite stocks and batholiths (Table 12).

The eroded Archean surface is unconformably overlain by relatively flat lying Paleoproterozoic sedimentary rocks of the Huronian Supergroup which forms the mildly deformed Cobalt Embayment of the Southern Province. The Supergroup comprises four individual shelf type sedimentary cycles. Each cycle consists of a lower sequence of conglomerate of probable glacial origin succeeded by mudstone, siltstone and coarse arenite; some chemical sediments are associated with the uppermost cycle (Cobalt Group). Southwest of Sudbury the Huronian Supergroup attains a thickness of 12 km and thins northward across the Cobalt Embayment due to wedging out of lower cycles, a thinning of clastic units and erosion within the sequence (Harron, 2008). At the northeast edge of the Cobalt Embayment in the Cobalt area (Figure 12), the Huronian Supergroup rocks comprise only the Cobalt Group (Gowganda and Lorrain Formations) and are commonly found filling interpreted paleo-valleys or troughs in the Archean basement (Table 12).

Early Proterozoic-age Nipissing Diabase, a suite of tholeiitic gabbroic intrusive rocks and differentiates, intrude both the Archean basement and the Huronian Supergroup sediments. The Nipissing Diabase are the most abundant and widespread igneous rocks intruding the Huronian sediments and occur as dykes, and sills up to several hundred metres thick uniformly distributed across the Cobalt Embayment. In the Cobalt area, the Nipissing Diabase is interpreted as a thick undulating sheet intruding the Cobalt Group sediments at or immediately above the Archean unconformity. Minor Middle Proterozoic diabase dikes intrude all the rocks (Table 12).

The grade of regional metamorphism in the area ranges from subgreenschist facies in the Huronian sedimentary rocks to greenschist facies in the Archean metavolcanic rocks (Born and Hitch, 1990). Contact metamorphism of sedimentary rocks of the Gowganda and Lorrain Formations occurred during the emplacement of Nipissing Diabase at around 2219 Ma, including chlorite-spotted alteration and feldspar clotting. Mineral assemblages in Nipissing Diabase rocks generally reflect greenschist metamorphism which probably occurred during the Penokean Orogeny at around 1900 Ma.

The Lake Timiskaming Structural Zone (graben) trends north-northwest from the Grenville Front and extends across the Cobalt Embayment well beyond the Cobalt/Kirkland Lake area. The axial portion of the graben is filled with flat lying Ordovician and Silurian sedimentary rocks that rest unconformably upon both Archean and Proterozoic terranes. Faulting affects these Paleozoic rocks.

Cretaceous to Jurassic age kimberlite intrusions occur within and proximal to the Lake Timiskaming Graben. Recent exploration indicates that some of the (20 or more) kimberlite intrusions are diamondiferous (Harron, 2008). Sage (1996) notes that kimberlites of the Cobalt-New Liskeard area are often spatially associated with northwest-trending Lake Timiskaming structures and oblique cross structures.

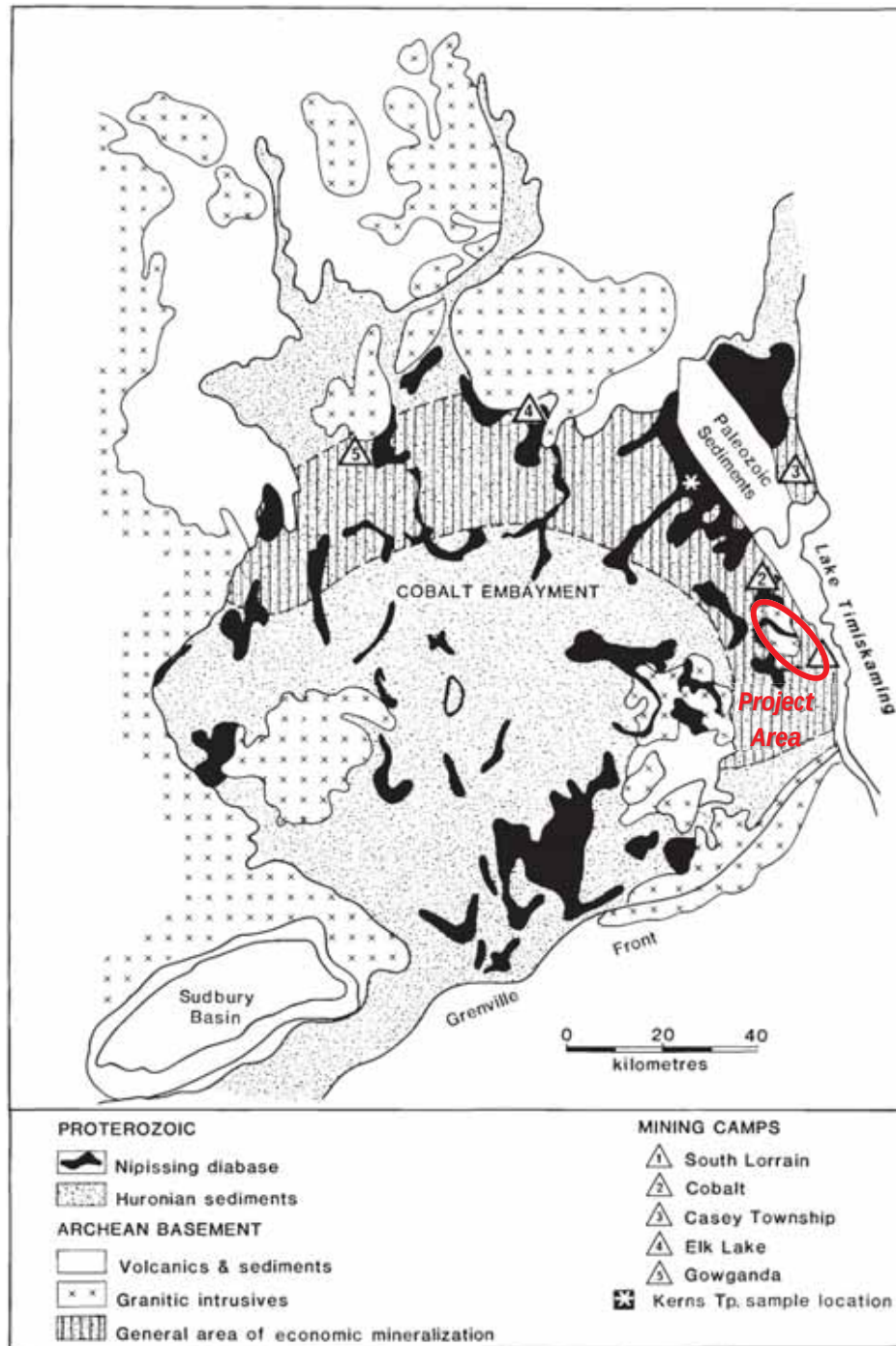


Figure 12: Simplified geology of the Cobalt Embayment

Source: Andrews *et al.*, 1986

Table 12: Lithologic units in the Cobalt Region

PHANEROZOIC**CENOZOIC****QUATERNARY****PLEISTOCENE AND RECENT***Sand, gravel, clay and swamp deposits***UNCONFORMITY****PRECAMBRIAN****MIDDLE PROTEROZOIC****Lamprophyre Dikes and Diatreme Breccia***Lamprophyre dikes, Lake Temagami-type diatreme breccia***Olivine Diabase Dikes (Sudbury Swarm)***Fine-grained (chilled), coarse-grained and plagioclase porphyritic olivine diabase***INTRUSIVE CONTACT****EARLY PROTEROZOIC****Mafic Intrusive Rocks****Nipissing Diabase***Gabbro, hypersthene gabbro, quartz gabbro, leucogabbro, varied textured gabbro, granophyre, sheared and/or hydrothermally altered gabbro***INTRUSIVE CONTACT****HURONIAN SUPERGROUP****Cobalt Group****Lorrain Formation***Arkose, shaly mudstone quartzite, contact metamorphic rocks***CONFORMABLE CONTACT****Gowganda Formation****Firstbrook Member***Siltstone, mudstone, arenite; contact metamorphic rocks; tectonically brecciated sediments***CONFORMABLE CONTACT****Coleman Member***Basal (regolithic) conglomerate; clast-supported, massive conglomerate; matrix-supported conglomerate; pebbly wacke and lesser arenite; shaly mudstone; sheared and tectonically brecciated sediments***UNCONFORMITY****ARCHEAN****Felsic to Intermediate Plutonic Rocks***Mafic diorite and minor quartz diorite; tonalite; granodiorite; granite***INTRUSIVE CONTACT****Metavolcanic Rocks****Intermediate to Felsic Metavolcanic Rocks***Dacite; rhyolite; lapilli-stone tuffs and pyroclastic flows***Mafic to Intermediate Metavolcanic Rocks***Amphibolite; basalt; pillowed basalt; plagioclase-phyric basalt; variolitic basalt; andesite; minor sedimentary and/or pyroclastic debris flows*

Source: Born and Hitch, 1990

7.2 Property Geology

7.2.1 *Silverfields Property Geology*

The Silverfields property is underlain by Nipissing Diabase, Huronian sedimentary rocks, and Keewatin rocks (Figure 13). The Nipissing Diabase is present as a sill-like body outcropping and subcropping over most, if not all, of the Property. The diabase is locally up to 80 m thick, forming the local topographic high on the property known as Diabase Mountain and overlies both Huronian Cobalt Group, Gowganda Formation, Coleman Member sedimentary rocks and Archean Keewatin volcanic rocks. The base of the sill dips approximately 7° south. The Coleman Member sediments occupy a northerly trending trough in underlying Keewatin rocks approximately 300 m in width approximately 20 m below the diabase, narrowing to less than 15 m width on the fifth level, 125 m below surface (Lovell and Gabrowski, 1981). The sediments are up to 65 m thick, and composed of a succession of gently dipping conglomerate and greywacke beds. The rocks in this succession are somewhat altered, with the type of alteration depending on the sediment composition and distance from the diabase. The alteration of the interbedded conglomerate takes the form of numerous chlorite spots, up to 1 inch in diameter, whereas the basal conglomerate contains bleached spots. The lower and middle greywackes are chloritized along layers and the upper greywacke directly below the diabase contains biotite. The Keewatin rocks consist of mafic to intermediate lava with interflow sedimentary layers of chert, tuff and agglomerate. These rocks strike northwest and have nearly vertical dips

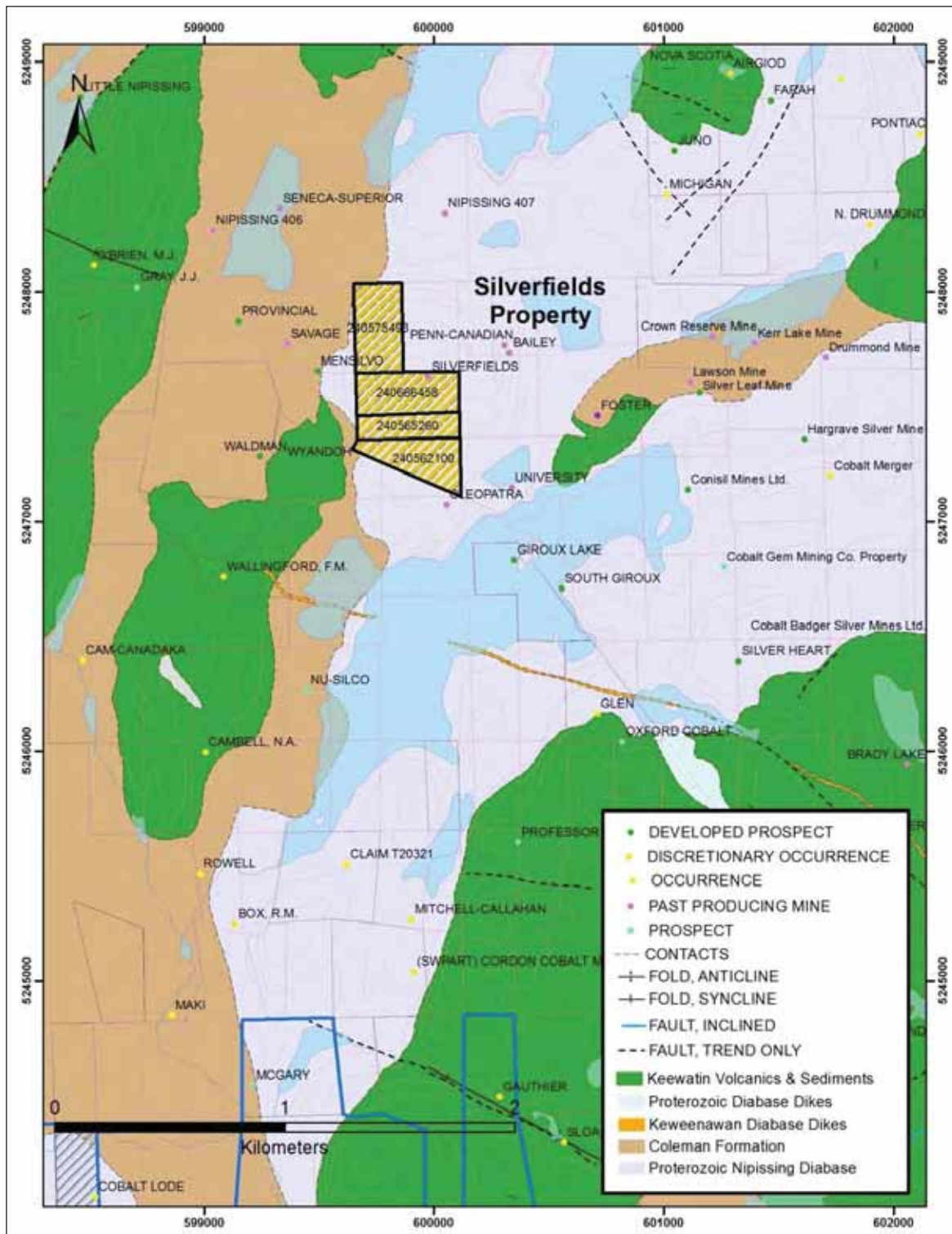


Figure 13: Cobalt Project – Silverfields Property geology

7.2.2 North Gillies Limit Property Geology

An extensive area of Keewatin metavolcanics informally referred to as the New Lake Diabase Basin extends into the northern portions of the Property (Figure 14). A second area of metavolcanics occurs along the east central portion of the Property on the west flank of the Lorrain Granite Batholith. The metavolcanics are mafic to intermediate, commonly pillowed with some flow breccia. Minor interflow chert and tuff bands (usually less than 15 m thick) are present. The metavolcanic rocks in the east-central part of the Property commonly strike north of west (Thomson, 1961)

The east part of the Property overlies the western flank of the Algonian Lorrain Granite Batholith. The granite is coarse, even-grained and massive. The batholith contact appears to be relatively sharp and the adjacent Keewatin rocks do not exhibit significant alteration (Thomson, 1961). The dip of the contact is uncertain; it is interpreted to generally be steep but locally shallow dips are noted. The contact of the Keewatin over the Lorrain Granite has a westward dip of less than 20° in the area of the Fleming occurrence.

Cobalt Group, Gowganda Formation sediments are exposed at surface in three areas of the Property:

1. In the north part, near Barth Lake within the Property and New Lake to the north of the Property Coleman Member conglomerate (estimated by Thomson (1961) to be less than 23 m thick) occurs as an erosional remnant resting on Keewatin which in turn rests on Nipissing diabase of the New Lake basin.
2. Along the western side of the Property. This area is covered by a sand plain and has limited outcrop exposure. Thomson (1961) suggests that the thickness of Coleman Member sediments overlying the metavolcanic basement varies from 30 m to 60 m in the north to possibly 275 m further south. Coleman conglomerates are exposed at surface in the north and are overlain by greywackes to the south. The sediments are flanked by Nipissing Diabase but Thomson interpreted the sediments not to be underlain by Nipissing Diabase. The elongate distribution of these Coleman sediments particularly in the north part of the Property between two Archean metavolcanic areas is suggestive of a pre-Huronian topographic depression subsequently filled with Cobalt Group sediments; and
3. In the southeastern part of the Property on the Gillies Limit-Lorrain township boundary north and northwest of Pine Lake, Coleman Member conglomerate and greywacke sediments and Lorrain Formation arkose overlie the Archean Keewatin metavolcanics and Algonian Lorrain Granite (Born and Hitch, 1990).

Historic diamond drilling at the Fairfax occurrence has confirmed the presence of Coleman Member sediments overlying Archean metavolcanics beneath the Nipissing Diabase arch at Schumann Lake. The vertical depths of the Nipissing Diabase over the Cobalt Group contact varied from 112 m to 143 m and the vertical thicknesses of the sediments varied from 11 m to 52 m (Thomson, 1961). The areal extent of the Coleman greywackes and conglomerates beneath the diabase is uncertain.

A Nipissing Diabase sheet dipping east beneath Gowganda Formation sediments, Algonian granite and Keewatin metavolcanics occurs in the southern part of the Property. Moving north, the sill rotates into the N60E trending Schumann Lake arch and the subparallel New Lake Basin underlying metavolcanics at the north end of the Property. The western contact of this sill with Coleman sediments is poorly understood because of the lack of outcrop. It is interpreted to be steeply dipping and may reflect a post-Huronian fault structure controlling the emplacement of the diabase in this area. A second interpreted sill lies on the western most side of the northern part of the Property.

Archean metavolcanic rocks have a southeast-trending foliation. Orientation of the foliation fabric is generally near vertical. Pillow younging directions in mafic metavolcanics indicate consistent top directions

to the southwest. Local folding appears to be minor. The volcanic sequence thus appears to be a steeply dipping monoclinical sequence facing to the southwest (Born and Hitch, 1990). Gowganda and Lorrain Formations sedimentary rocks are generally undeformed with local gentle flexure folding developed during the Penokean Orogeny. Faulting and subsequent tilting may have also caused changes in the strike and dip of the Huronian strata. Several northeast- and northwest-trending shear and extensional fracture zones cut the Proterozoic Nipissing diabase. Vertical-oriented northwest and northeast joint sets are well developed in Nipissing diabase. A less prominent sub-horizontal set generally dips 5° to 10° in both the northeast and northwest directions with a similar trend to the vertical joint sets (Born and Hitch, 1990).

The most prominent fault in the Property area is the Montreal River fault which occurs immediately southwest of the Property, part of the northwest striking Lake Timiskaming Rift Valley (Lovell and Caine, 1970).

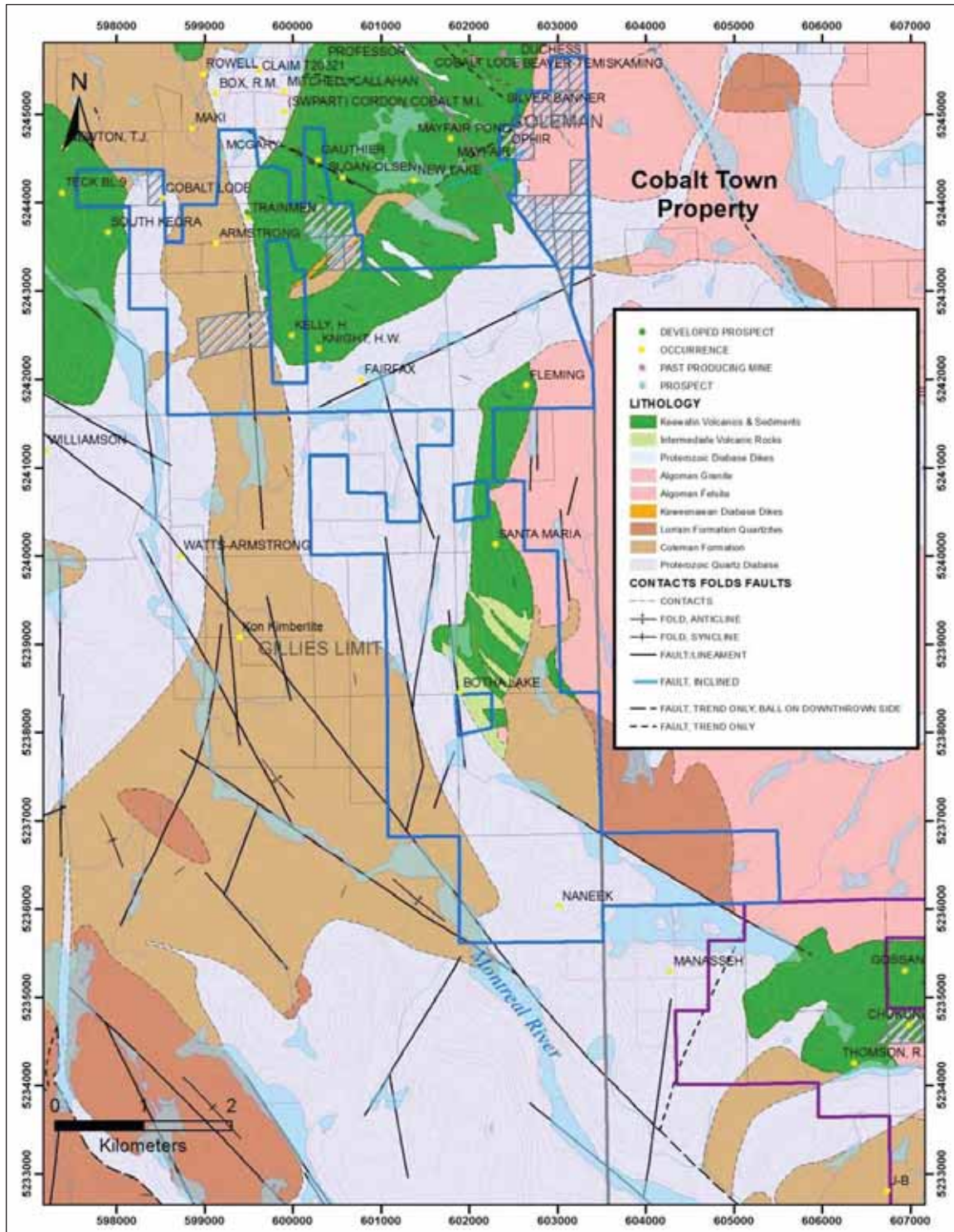


Figure 14: Cobalt Project – North Gillies Limit Property geology

7.2.3 *Lorrain Valley Property Geology*

A window of Archean Keewatin metavolcanics lies in the northwest part of the property and comprises massive to pillowed mafic and intermediate flows and pyroclastic rocks (Figure 15). The southern edge of the Algonian-age Lorrain Granite batholith occurs in the northern part of the Property.

Middle Precambrian sedimentary rocks of the Gowganda Formation (Coleman Member) and overlying Lorrain Formation unconformably overlie the Archean metavolcanic and granite intrusive basement. The Coleman Member is comprised of greywackes, siltstones and conglomerates. The Lorrain Formation is composed predominantly of arkoses (Lovell and de Grijns, 1978).

A Middle Precambrian Nipissing Diabase intrusive sill forms a basin in the southwestern part of the Property where it is overlain by Huronian sediments and minor Archean rocks.

The Archean metavolcanic rocks dip steeply, and are most schistose close to granitic intrusive rocks, where the schistosity is roughly parallel to the contacts. Huronian sediments are relatively flat-lying.

The most prominent faults in the Property area are those of the northwest-striking Lake Timiskaming Rift Valley (Lovell and Caine, 1970). These include the Montreal River and Cross Lake faults which occur immediately southwest and northeast of the Property

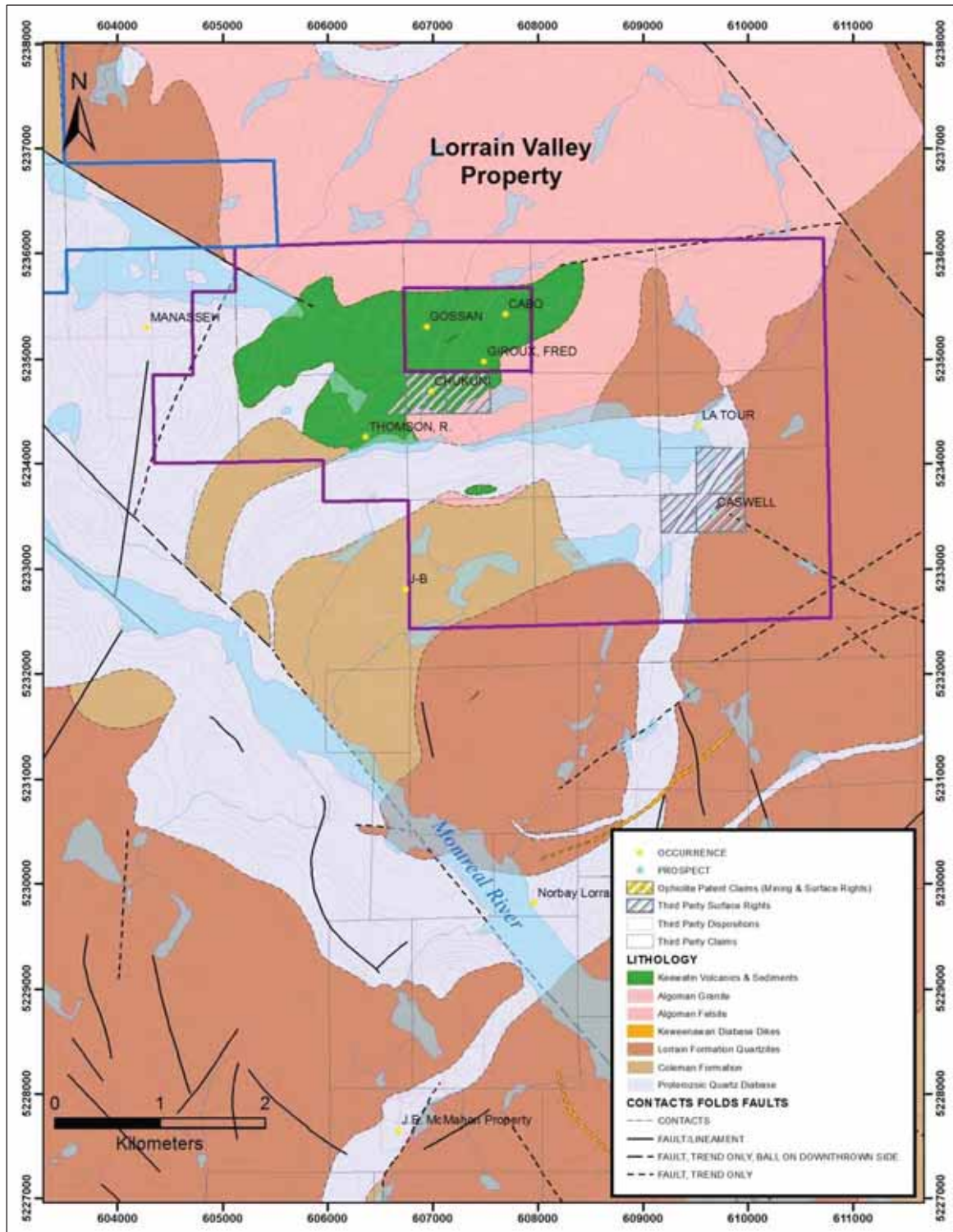


Figure 15: Cobalt Project – Lorrain Valley Property geology

7.2.4 *South Lorrain Property Geology*

The South Lorrain Property comprises basement Archean metavolcanics and associated intrusions cut by lamprophyre dikes and felsic intrusive rocks (Figure 16). Unconformably overlying these Archean rocks are the Huronian Cobalt Group sedimentary rocks. All of these older rocks are intruded by Nipissing Diabase.

In the Maidens Bay area, the northern claim group is underlain by fine-grained intermediate to mafic Archean metavolcanics with associated mafic intrusive rocks. Coarser grained facies or gabbroic flows may be intrusive in part but much of it is probably coarse-grained volcanic rocks. Schistosity is generally weak and pillows are rare. The few pillows observed indicate tops face slightly west of south (McIlwaine, 1970).

In the southern claim group, two narrow belts of metavolcanics are separated by overlying Cobalt Group sedimentary rocks. The northern of the two belts is mainly intermediate to mafic metavolcanics similar to those described above. Near Lake Timiskaming chlorite schist is present, a result of numerous faults in the area. The southern belt is characterized by several outcrops of felsic metavolcanics. Interbedded with the felsic metavolcanics are layers of quartzite. McIlwaine (1970) noted several outcrops of metagabbro which could be a coarse-grained flow. Both northern and southern belts lie above the Nipissing Diabase.

Early (Haileyburian) biotite lamprophyre and hornblende lamprophyre have been noted west of the property area (McIlwaine, 1970). The lamprophyre occurs as small dikes, some of which are thought to be nearly flat-lying. McIlwaine (1970) noted that west of the Property, the Keeley No. 16 vein follows a biotite lamprophyre dike for most of its length and other veins have been found in a similar environment, and the opinion has been expressed that the lamprophyre dikes take a part in localizing the silver-cobalt veins of the Silver Centre area (Kent, 1965).

An Algoman quartz monzonite outcrop area approximately 2 km by 1.5 km lies immediately north of the northern claim group.

A major erosional unconformity resulted in the development of basins and highlands on the surface of Archean metavolcanics and intrusives. In the Property area Huronian-age Gowganda Formation, Coleman Member sediments were deposited in the basins and remain relatively undeformed. The beds are generally close to flat-lying, except in the area of faults where they dip steeply (McIlwaine, 1970). Within the erosional window through the diabase dome the vertical thickness of the Coleman Member is interpreted to be between 55 m and 240 m based on historic drill logs (McIlwaine, 1970). McIlwaine (1970) suggests that the variation in thicknesses represents irregular basement topography on which the Coleman Formation was deposited, with the suggestion of a local trough trending east-northeast subparallel to the flanks of the diabase dome. South of the dome, McIlwaine (1970) estimated that the Coleman Formation might reach a maximum thickness of approximately 300 m based on bedding attitudes and topography. The rocks of the Coleman Member are a heterogeneous mixture of greywacke and quartzose siltstone, arkose, argillite, and conglomerate. Conglomerate pebbles, cobbles, and rare boulders are generally pink granitic rocks with minor white granite, "greenstone", and diabase. They are generally sub-angular to sub-rounded and range up to 15 cm to 20 cm in diameter.

McIlwaine (1970) considers the Nipissing Diabase in South Lorrain Township to be a single sheet, with numerous rolls, both major and minor. On the Property, the diabase is in the form of a dome, with the central part removed by erosion. The axis of the dome strikes north-northeast. This axis is subparallel to the margin of the interpreted basin of deposition of the Cobalt Group sedimentary rocks. The south flank of the dome dips steeply southeast, and the northwest and wider flank dips approximately 30° west. The north

contact of the northwest flank dips to the south and thus forms a minor basin within the dome. The diabase is typical a fine- to medium-grained, fresh to slightly altered rock.

Schistosity is most prominent in the Archean metavolcanics where it strikes within a few degrees of east with steep dips. The Coleman Member has well developed schistosity where it has been faulted (McIlwaine, 1970).

Numerous faults are present in the area with several periods of deformation postulated: the earliest faults are pre-ore, and most of this set strike north; there are possibly two ages of northwest-trending faults, pre- and post-olivine diabase intrusion; and finally a minor north-easterly trending set of faults, for which the evidence indicates that these are the youngest Precambrian faults in the area (McIlwaine, 1970).

On the basis of the Lake Timiskaming Fault, and several northwest-striking faults in the Cobalt area being post-Silurian in age it is suggested that some of the faults in South Lorrain Township are also post-Silurian and probably branches of the Lake Timiskaming Fault (McIlwaine, 1970).

The Bulldog fault passes through the Bulldog shaft and strikes N35-65W. The contact of the Coleman Member with the basement metavolcanics has been truncated and there is an apparent right-hand displacement of 120 m to 425 m. The northwest trending branch of the Maidens Lake Fault strikes N40W and can be traced about 8 km from Lake Timiskaming, through Maidens Lake and beyond. The contact of the Cobalt Group with the diabase has been offset, but in an irregular manner, southwest of the fault. Vertical movement is indicated; most of the evidence points to the northeast side down relative to the southwest. The northeast trending branch of the Maidens Lake Fault is indicated by a well-defined lineament. The difference in elevation of the lower contact of the diabase indicates the east side moved down about 150 feet relative to the west side. Two northwest-trending faults are located east of Maidens Lake. South of the diabase dome the Coleman Member-metavolcanic contact has been displaced approximately 200 m by both faults; the same is true for the lower, diabase-Coleman Member contact in the central part of the dome. Suggested vertical movement is southwest side down relative to the northeast side in both contacts (McIlwaine, 1970). Northwest trending Maidens Creek and Cross Lake faults pass through the Property's northern claim group.

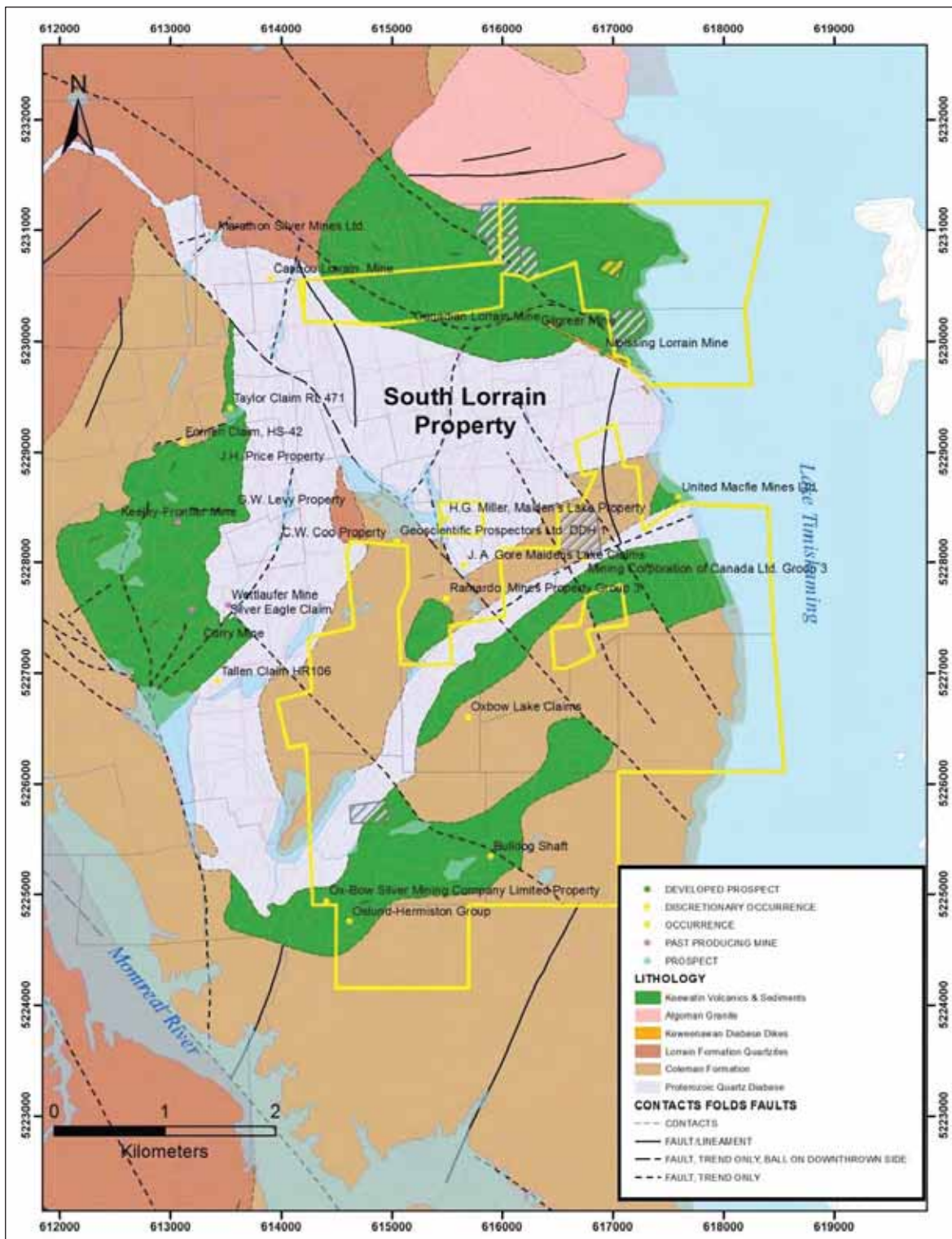


Figure 16: Cobalt Project – South Lorrain Property geology

7.2.5 *Cooper Lake Property*

The southern and eastern portion of the Cooper Lake Property is underlain by Archean (Algoman) granites. An area of Archean quartz diorite underlies the northwest part of the Property (Figure 17). Gowganda Formation Coleman Member sediments are in unconformable contact with the Archean intrusives in the northwest part of the property. Nipissing Diabase trends northeast across the western half of the Property and is in contact with Huronian sediments and Archean quartz diorite to the northwest and Archean granite to the southwest (Figure 17).

The Cooper Lake fault trends northwest across the eastern part of the Property and is considered part of the northwest striking Lake Timiskaming Rift Valley. Several late Precambrian (Keweenawan) mafic intrusive dikes also trend northwest in the vicinity of the Property. Northeast trending faults are also noted flanking the Property. The Grenville Front is located several kilometres south of the Property.

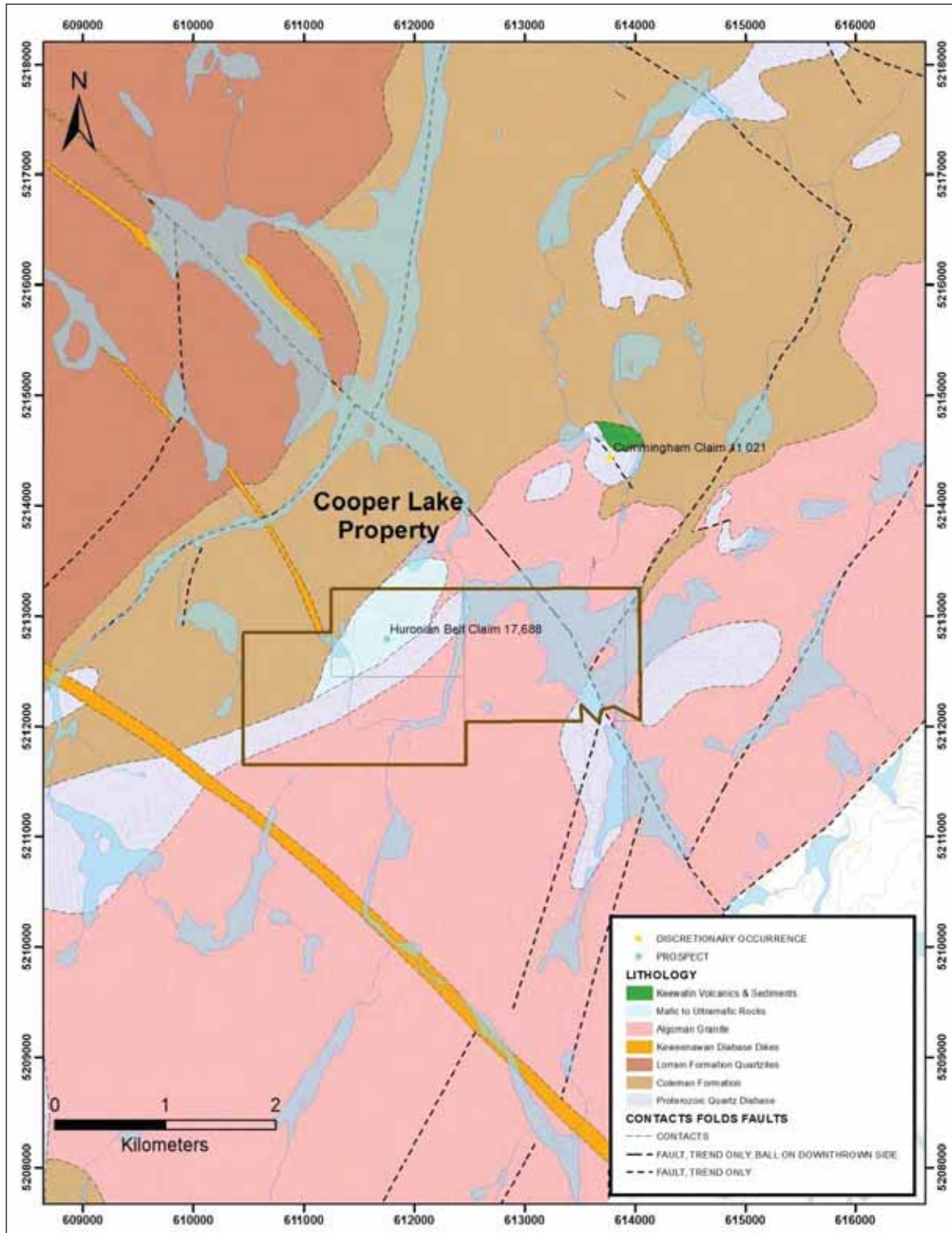


Figure 17: Cobalt Project – Cooper Lake Property geology

7.3 Significant Mineralized Zones on the Cobalt Project

7.3.1 *Silverfields Property*

The following description of the Silverfields deposit mineralization is taken from Petruk, 1971a. The historically mined Silverfields deposit comprised principal veins, cross-veins, masses of mineralized Keewatin interflow rocks, and disseminated minerals in the Coleman Member. Only the principal veins contained silver mineralization of economic interest and they occur primarily in the Coleman Member.

The principal veins are steeply dipping to vertical, and they vary from approximately 50 feet to 900 feet in length, 50 feet to 200 feet in vertical extent and up to 8 inches in width. In some places, they pinch out for several feet; in other places, they horse-tail out and may or may not continue. They vary from single veins to multiple veins composed of several branches and containing elongated inclusions of chloritized wall rock.

The principal veins consist of carbonates, arsenides, native silver, and sulphides. Dolomite is the main gangue constituent in the veins with some calcite present as inclusions in dolomite and as narrow veinlets at the edges of the veins. Small amounts of siderite are also present.

Arsenides and native silver are the principal metal-bearing minerals in the principal veins. The arsenides, including nickel, cobalt, and iron varieties, occur as masses and disseminated grains in the carbonate minerals. Some masses extend across the entire widths of the veins, others are present as irregular bodies in the centers of the veins, and still others occur at the edges of the veins. The distribution of the arsenides is similar in each vein, the sequence from top to bottom (moving away from the diabase-Coleman Member contact) being nickel, cobalt and then iron. The veins are, therefore, zoned, and the zones classified as (1) Ni-As, (2) Ni-Co-As, (3) Co-As, (4) Co-Fe-As, and (5) Fe-As.

Native silver occurs throughout the mineralized parts of the principal veins, and in many places is present in sufficient quantities to produce a high-grade silver ore. Highest grade silver mineralization is in the Ni-Co-As zone, intermediate-grade silver mineralization is in the Ni-As and Co-As zones, and the lowest grade silver is in Fe-As and Co-Fe-As zones.

A number of low-angle and a few nearly vertical, cross-veins are present in late faults that offset the principal veins by several feet. They vary from a fraction of an inch to 1 foot in width and consist of calcite, brecciated wall-rock, and a sulphide assemblage that is quite similar, both in mineralogy and in texture, to the sulphides in the narrow calcite veins discussed in the principal veins. Marcasite generally has a colloform texture, and contains inclusions of sphalerite, chalcopyrite and pyrite. Galena contains inclusions of all the sulphide minerals, and some galena is present as a coating on sphalerite, chalcopyrite and pyrite. Chalcopyrite is intergrown with sphalerite and contains inclusions of pyrite. Pyrite occurs both as crystalline and as fine-grained porous aggregates.

Layers of Keewatin interflow rocks are exposed in the fourth and fifth levels where the principal veins extend into them at the west end of the deposit. These layers vary from several feet to several tens of feet in width, and are at an angle to the ore veins. They consist of tuff, chert and agglomerate and contain disseminated grains of sulphides and graphite. The quantity of sulphides varies from a few disseminated grains to nearly massive sulphides which are present as layers, up to 6 inches wide, and as irregular bodies up to 1 foot in size. Some of the sulphide layers and bodies consist of complex mixtures of sulphide minerals, but others are nearly mono-minerallic. The minerals present are sphalerite, galena, chalcopyrite, pyrite, pyrrhotite and arsenopyrite. The pyrrhotite contains a few inclusions of marcasite and a few flame-like bodies that have the appearance of pentlandite. The sphalerite contains globules of chalcopyrite and pyrrhotite.

Mineralization in the Coleman Member occurs as disseminated grains, films along fractures surfaces and pebbles in conglomerate and includes chalcopyrite, pyrite, pyrrhotite, galena, sphalerite, arsenopyrite, affiorite, cobaltite, native silver, freibergite, chalcocite, rutile, wolframite and molybdenite. The arsenopyrite, affiorite, native silver, wolframite, and molybdenite were found only near mineralized principal veins, whereas the other sulphides were found throughout the conglomerate. The quantity of sulphides and particularly chalcopyrite appears to increase towards the principal veins, but seldom exceeds about 0.5% of the rock. The disseminated grains vary from 1 micron to several millimeters in size, and generally replace chlorite grains and chlorite spots in the sedimentary rocks. The native silver in the Coleman Member sedimentary rocks is present as minute disseminated grains in the rock, and as films along fracture planes. The disseminated grains in the rock occur near principal veins. A few pebbles of massive sulphides are present in conglomerate toward the eastern ends of the principal veins. These pebbles are up to 2 inches in diameter, and have sharp to gradational boundaries with the surrounding rocks. They are generally composed of chalcopyrite, pyrrhotite, pyrite, sphalerite, arsenopyrite, galena, and freibergite.

7.3.2 North Gillies Limit Property

Historic mineralized occurrences within the North Gillies Limit Property are minor and generally poorly documented. Most occurrences would have been developed on thin outcropping quartz and or calcite veins which may or may not have contained sulphides or other indications of mineralization such as erythrite (cobalt bloom). Potential length, width, depth, and continuity of the mineralization at the various occurrences (Table 8) are generally unknown.

Resident Geologist's file CO-0734 documents a series of veins numbered 1 to 6 on the Ophir claim. The veins have north to northwest strikes, steep dips and vary from 7.5 cm to 61 cm thick. The vein #1 structure appears to be most continuous extending at least 335 m north-south and with vein widths of 7.5 cm to 10 cm. During CSA Global's site visit, the Author noted two 1 cm to 3 cm thick quartz-calcite veins in a 40 cm wide structure hosted by Keewatin mafic metavolcanics at the #1 Shaft at the north end of the #1 vein (Photo 2). The vein structure is traceable south through pillowed mafic metavolcanic outcrops to the #2 Shaft area. The nature of the mineralization within the veins is undocumented. Guindon *et al.* (2016) reported Ophir Mine production of 69 oz Ag in 1921 and Thomson (1961) reported that 2,515 tons of Co mineralization was extracted in 1954. The Co mineralization was generally restricted to the vein proper so the width of the stope was kept small, about 32 inches; the stope was approximately 60 feet in height and about 200 feet long. Minor Ag and Bi was reported in the stoped material. One very small Ag-rich pocket (some 4,000 oz/ton) was found on the 500 ft level of Vein #1 but the vein was not workable for either its Ag or Co content.

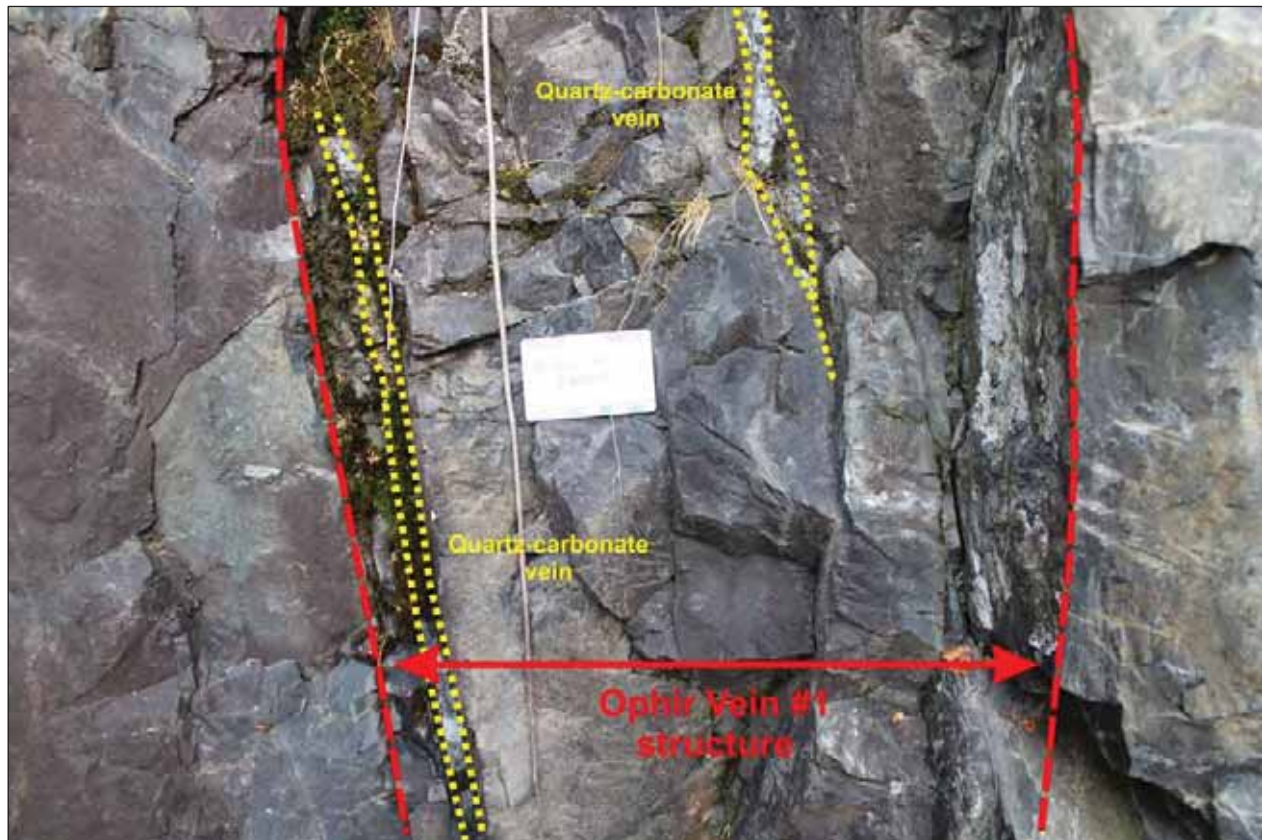


Photo 2: #1 Vein structure in north wall of the Ophir Mine #1 Shaft hosting 1 cm to 3 cm quartz calcite veins (UTM 602447E 5244742N)

7.3.3 Lorrain Valley Property

Historic mineralized occurrences within the Lorrain Valley Property are minor and generally poorly documented. Most occurrences would have been developed on thin outcropping quartz and or calcite veins which may or may not have contained sulphides or other indications of mineralization such as erythrite (cobalt bloom). Potential length, width, depth, and continuity of the mineralization at the various occurrences (Table 9) are generally unknown.

Mineral occurrences located to date within the Property are hosted by Nipissing Diabase and Keewatin metavolcanics, including the Lang-Caswell mine southeast of Latour Lake. Minor production of 46,700 g (1,503 oz) Ag and 2,237 kg (4,932 lb) Co was reported for 1936 in OGS publications MRC 10. Pyrite, pyrrhotite and minor chalcopyrite reported in drill core and one drillhole is reported to have intersected Co arsenides.

7.3.4 South Lorrain Property

Historic mineralized occurrences within the South Lorrain Property are minor and generally poorly documented. Most occurrences would have been developed on thin outcropping quartz and or calcite veins which may or may not have contained sulphides or other indications of mineralization such as erythrite (cobalt bloom). Potential length, width, depth, and continuity of the mineralization at the various

occurrences (Table 10) are generally unknown. The property was also locally investigated for its volcanic-hosted massive sulphide exploration potential.

Mineral occurrences located to date within the Property are hosted by Nipissing Diabase and Keewatin metavolcanics.

7.3.5 *Cooper Lake Property*

The Ogistoh Mine shaft was put down on a Ag-Co-bearing vein at the contact between diorite and diabase. Mineralization occurs within a 3-inch wide vein of unspecified length which strikes N60W, as traced on the surface by a number of pits; a direction at approximate right angles to the diabase contact. Cobaltite, arsenopyrite, pyrite, and a Ni mineral were identified in the vein in one of these pits. The mineralization reportedly contains about 5% Co. A sample assayed by the ODM returned 10.2 oz/ton Ag and 0.05 oz/ton Au (\$1.10/ton Au at \$20.67/oz). An analysis of a mineral separate (partially separated from the quartz and calcite gangue) of the ODM sample returned: 21.48% insoluble, 10.90% Co, 2.34% Ni, 11.40% Fe, 25.42% As and 10.45% S (MDI31M04SE00026). Beland (1913) reported that an assay of 92 oz/t Ag over 6 feet was obtained at one place in the shaft (McIlwaine, 1970). A grab sample collected by T. Miron in 1991 from the old dump site assayed 0.425% Cu, 0.794% Ni and 0.028 oz/t Au. Samples collected by D. Goddard in 1995 returned assays ranging from 110 ppm Co, 606 ppm Cu, 3130 ppm, Ni to 701 ppm Co, 4720 ppm Cu, 10100 ppm Ni (MDI31M04SE00026).

A second and distinct mineral occurrence occurs within the quartz diorite as 0.5 m to 5.0 m wide zones are strongly Fe-stained due to weathering of disseminated to semi-massive massive (3% to 25%) pyrrhotite, pyrite and chalcopyrite. Of these zones, a strongly mineralized breccia zone trending N35E in the quartz diorite is exposed for approximately 80 m with widths to 5.0 m. A 1.5-m wide lens in the centre of the zone contains about 25% sulphides made up of 15% pyrrhotite and pyrite and 10% chalcopyrite. Grab sample assays from the breccia zone returned Cu and Ni values ranging from 0.5% to 1.5%. A grab sample collected by the OGS from the sulphide-rich lens within the gabbro/diorite assayed 0.46% Cu and 0.89% Ni. A sample collected by N. Ruttan assayed 0.64% Cu. Anomalous gold assays of up to 1.5 g/t were reported to be associated with the sulphide rich breccia (Poloni, 2001).

Potential length, width, depth, and continuity of the mineralization at the occurrences are generally poorly understood or unknown.

8 Deposit Types

The Cobalt Camp is the type locality of arsenide Ag-Co vein deposits which are the exploration target at the Cobalt Project. The arsenide Ag-Co vein deposit type is also referred to as the Five-Element (Ni-Co-As-Ag-Bi) Vein (FEV) deposit type (Kissin, 1993). The following descriptions of the arsenide silver-cobalt vein deposit model (Sections 8.1 and 8.2) are extracted and modified from Ruzicka and Thorpe (1996).

8.1 Physical Model – Arsenide Ag-Co Vein Deposits

Arsenide silver-cobalt vein deposits are localized in areas affected by basinal subsidence and rifting and are spatially related to regional fault systems and closely associated with intrusions of mafic rocks. The arsenide Ag-Co vein deposits in the Cobalt Camp are associated with Aphebian conglomerate, quartzite, and greywacke rocks of the Cobalt Group (Coleman Member of the Gowganda Formation), as well as with major sill-like bodies of Nipissing Diabase and with Archean mafic and intermediate lavas and intercalated pyroclastic and sedimentary rocks (Figure 18).

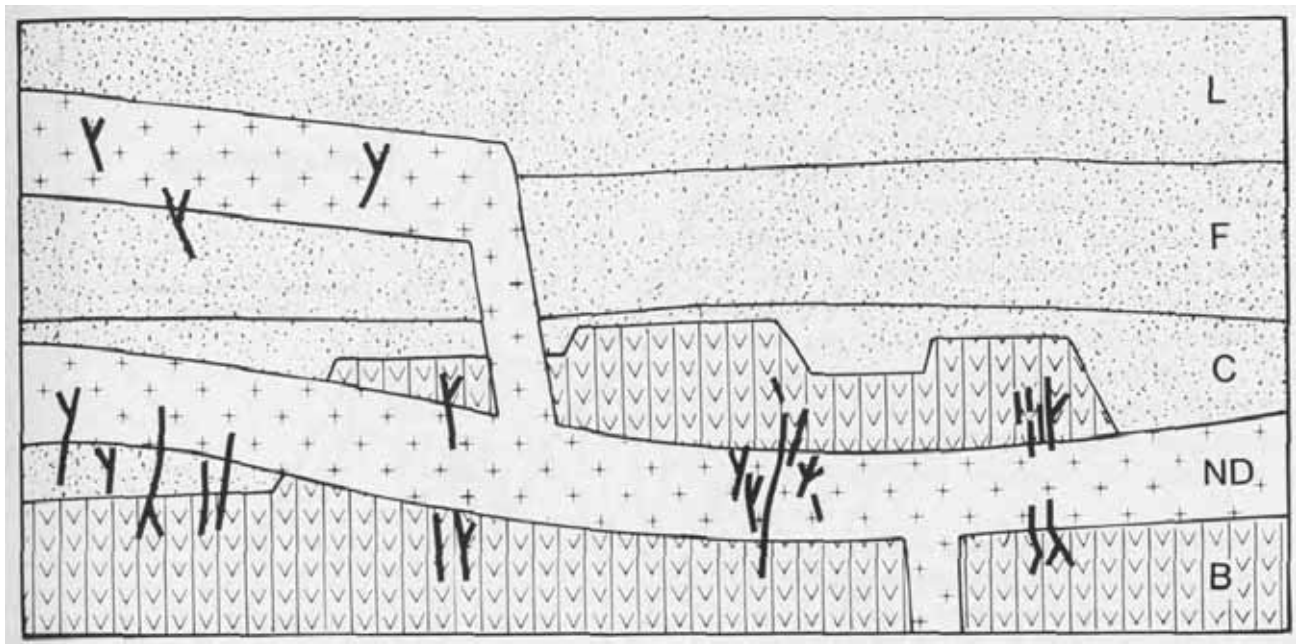


Figure 18: Simplified geological schematic section showing relationship between major lithological units and distribution of arsenide silver-cobalt vein systems (black lines)

Note: Huronian sediments include the Lorrain Formation (L), and the Gowganda Formation's Firstbrook Member (F) and Coleman Member (C). Archean basement rock (B) are steeply dipping metavolcanic sequences. All units are intruded by Nipissing diabase (ND).

Source: Andrews *et al.*, 1986.

The deposits in the Cobalt Camp contain three principal mineral assemblages: (i) a relatively minor base metal sulphide assemblage, which is confined to Archean metasedimentary and metavolcanic rocks; (ii) the arsenide Ag-Co assemblage, which occurs prevalingly at and near the contacts between the Nipissing Diabase and the sedimentary rocks of the Cobalt Group, and is present to a lesser extent along contacts

between the diabase and the Archean rocks; and (iii) a late stage sulphide assemblage, which is in part distributed along the margins of arsenide-rich veins, where these have apparently been reopened.

The age of the arsenide Ag-Co veins has been established from geological evidence and from dating of the associated diabase sheets. In the Cobalt area, the arsenide Ag-Co veins cut the Nipissing Diabase, but are displaced by post-mineralization reverse faults, which are contemporaneous with the intrusion of the quartz diabase dykes. Therefore, the deposition of the mineralization must have taken place after intrusion of the Nipissing Diabase sills, but before intrusion of the quartz diabase dykes, i.e. between 2.22 Ga and 1.45 Ga. The bulk of the mineralization apparently formed shortly after intrusion of the Nipissing Diabase sheets, which took place about 2.22 Ga (Jambor, 1971a; Corfu and Andrews, 1986).

Distribution of the Ag-Co veins in the Cobalt Camp is controlled by the contact between the Nipissing diabase sheets and the rocks of the Cobalt Group (Gowganda Formation) and to a lesser extent the Archean metavolcanic and metasedimentary rocks. The veins occur in the diabase and in the Aphebian and Archean rocks within about 200 m of their contact with the diabase. They dip steeply, extend horizontally as much as 1,000 m and vertically as much as 120 m, and are as wide as 1.2 m. A typical deposit consists of a few short anastomosing veins of variable thickness from a few centimetres to two or three decimetres.

The metallic minerals occur in irregular high grade lenses surrounded by aureoles of low grade material. Arsenides, sulpharsenides, and antimonides of Ni, Co, and Fe as well as native Ag, are the principal metallic constituents of the veins. The mineralized veins in the Cobalt area contain native Ag, dyscrasite, acanthite, rammelsbergite, skutterudite, arsenopyrite, gersdorffite, cobaltite, glaucodot, nickeline, breithauptite, chalcopyrite, tetrahedrite, and native Bi. Native Ag and the Co-Ni arsenides are the most abundant metallic minerals. Quartz, chlorite, calcite, and dolomite are the most common gangue minerals (Lang *et al.*, 1970; Petruk *et al.*, 1971a, b, c, d; Jambor, 1971c).

The metallic minerals occur in masses, lenses, veinlets, and disseminations with or without associated gangue minerals and in various textural forms, such as intergrowths, disseminations, dendrites, rosettes, and monocrystals. They are present in distinct mineral assemblages, such as Ni-arsenide, Ni-Co-arsenide, Co-arsenide, Co-Fe-arsenide, Fe-arsenide, sulphide, and oxide (Petruk, 1971), with the following features:

- The Ni-arsenide assemblage is localized in many cases at the periphery of major veins, but also occurs in various places in small veins.
- The nickel-cobalt arsenide assemblage occupies a transitional position between the Ni-arsenide and Co-arsenide assemblages. Much of the best Ag mineralization is associated with this assemblage.
- The Co-arsenide assemblage occurs generally in the main parts of the veins.
- The Co-Fe-arsenide assemblage is less common than the preceding ones.
- Minerals of the Fe-arsenide assemblage tend to be concentrated at the ends of the veins. They are commonly accompanied by native Bi, galena, and marcasite.
- The sulphide assemblages typically contain chalcopyrite and tetrahedrite, although more than thirty sulphide minerals have been reported (Petruk, 1971). They occur in some of the main carbonate veins, usually in the peripheral portions of highly mineralized sections.
- Oxide minerals, hematite, magnetite, rutile, anatase, ilmenite, and wolframite, occur in the veins only in small amounts. They are typically associated with the carbonate gangue.

The host rocks of the deposits in the Cobalt Camp were affected by several phases of alteration. Intrusion of the diabase sheets was accompanied by contact metasomatic alteration of the country rocks and by deuteric alteration of the diabase itself. A specific kind of contact alteration is the spotted chloritic

alteration, which developed in the vicinity of the Nipissing Diabase prior to mineralization. It is characterized by the occurrence of chlorite-rich spots, which are surrounded by chlorite-deficient aureoles, and affected many of the rocks intruded by the diabase.

The most prominent alteration was, however, associated with formation of the mineralized veins. Its effects depended upon the composition of the rocks involved. For instance, the alteration of diabase resulted in: (i) replacement of pyroxene by actinolite and some chlorite; (ii) retrogression of plagioclase to muscovite, epidote, and albite; and (iii) replacement of ilmenite and magnetite by leucoxene and titanate (Andrews *et al.*, 1986). The hydrothermal wall rock alteration along the mineralized veins is developed in narrow zones, typically a few centimetres wide. The most distinct alteration zones are developed in the diabase and consist of two or three layers. The first (inner) layer, immediately adjacent to the veins, contains albite, chlorite, and anatase; the second layer has calcite, epidote, and small amounts of muscovite; and the third (outer) layer comprises increased amounts of muscovite (Jambor, 1971b; Andrews *et al.*, 1986).

8.2 Genetic Model – Arsenide Ag-Co Vein Deposits

The solutions that deposited Ag-arsenide ores were initially as hot as 400°C in some cases, although wide ranges of fluid inclusion temperatures (mostly 100° to 250°C) and salinities have been recorded (Franklin *et al.*, 1986; Kerrich *et al.*, 1986; Jennings, 1987; Kissin, 1988). The fluids may have been variable mixtures of basinal brines and meteoric waters. Kissin (1988) has suggested that the deposits were formed in an environment characterized by incipient rifting of continental crust.

In the case of the arsenide Ag-Co veins in the Cobalt area, genetic models have been postulated that involve derivation of the Ag, Ni, Co, As, Sb, Bi, Cu, and Hg either from the Archean sedimentary beds, with minor contributions from certain volcanic flows (Boyle and Dass, 1971), or, more recently, from the formational brines of the Archean carbonaceous, pyritic tuffs or their clastic derivatives in the Proterozoic sedimentary sequence (Watkinson, 1986). The latter hypothesis is supported by fluid inclusion and oxygen isotopic data. Watkinson (1986) inferred from the relatively homogeneous Pb isotopic ratios (Thorpe *et al.*, 1986) that the metalliferous brines had a long residence time in the sulphide-bearing rocks, but were released into tensional fractures upon intrusion of the Nipissing Diabase sills. The sudden release of pressure caused rapid precipitation of the mineralization in fractures at the diabase contacts (Watkinson, 1986). According to sulphur isotope studies, the mineralization took place under temperatures between 130°C and 254°C (Goodz *et al.*, 1986). The mineralization components, principally native Ag, As, and Co, were introduced into the fractures along with carbonate gangue by hydrothermal solutions of high pH and low Eh.

The reader is referred Kissin (1992, 1993) for a discussion of alternative genetic models for arsenide Ag-Co deposits.

8.3 Exploration Guides – Arsenide Ag-Co Vein Deposits

Selection of exploration targets areas for arsenide-silver-cobalt vein deposits should consider:

1. The contact between the Nipissing diabase sheets and the rocks of the Cobalt Group (Gowganda Formation) and to a lesser extent the Archean metavolcanic and metasedimentary rocks. Known veins occur in the diabase and in the Aphebian and Archean rocks within about 200 m of their contact with the diabase.
2. In addition to recognition of the prospective envelope relative to the Nipissing Diabase contact, previous workers have noted that many of the significant deposits hosted by the Coleman Member sediments are at or near the contact with the basement Archean rock (Nichols, 1988).

3. The occurrence of sulphide-bearing carbonaceous tuffaceous horizons (reductants) in the Archean and/or Proterozoic complexes located beneath diabase sills (Ruzicka and Thorpe, 1996).
4. Permeable rocks in the overlying sequence capable of yielding formational metalliferous brines (Ruzicka and Thorpe, 1996).
5. Presence of favourable structural features, which include broad dome-like arches of the base of a diabase sill and possible associated structural traps in the form of fracture systems favourable for deposition of metallic minerals from hydrothermal solutions (Ruzicka and Thorpe, 1996).
6. Recognition of Coleman Member sedimentary rocks in “basins or troughs” developed on the Archean paleotopography and the presence of proximal Nipissing diabase intrusions.
7. When targeting cobalt mineralization, bear in mind observed metal zonation in the arsenide-Ag-Co vein deposits. Historic mining generally targeted the Ag-rich portions of the veins, Co-rich zones if present may therefore have locally been left underexplored and undeveloped if the Ag grade did not meet cut-off grade.
8. Based on work in the main Cobalt Camp, Nichols (1988) noted sulphide enrichment of the Archean interflow sediments adjacent to high grade mineralized veins. Although a relationship between the quantity of sulphides and the quantity of Ag was not established, the relative amount of Cu, Pb and Zn sulphides increased with proximity to Ag mineralization in each interflow. Thus, as an exploration guideline, the relative amount of base metal sulphides, particularly chalcopyrite, in an interflow chert can be interpreted as an indication of proximity to a high-grade shoot.
9. Nichols (1988) also noted the strike of Archean volcanics appears to have a definite influence on Ag mineralization. Thus, the strike of volcanics should be determined very early in an exploration program. The remainder of the program should then test the ideal host rock environment for veins parallel or sub-parallel to the strike of the Archean basement rocks.
10. Hall (2016) highlights the importance of structure, noting that the ore-bearing veins tend to occur in Reidel type features in sinistral pull-apart basins as well as the main fault orientations. Hall (2016) noted that the stress field orientations vary over the Project area. For example, structural trends in the vicinity of large felsic intrusive bodies are different than elsewhere.
11. Hall (2016) noted that, based on historic reports, strong Co mineralization may be associated with proximity to Archean lamprophyres and gabbros, particularly in the South Lorrain area. Hall (2016) speculates that if true, they may act as either a chemical or a physical barrier in much the same way as has been postulated for the Nipissing Diabase sills.

In the Cobalt area, past surface-based exploration has relied largely on prospecting for mineralized fractures supported by overburden stripping and pitting programs.

In addition to prospecting methods, exploration of the Cobalt Project should consider the use of the following techniques and guides to identify the features controlling arsenide Ag-Co mineralization or the arsenide Ag-Co veins themselves:

- Airborne and ground based geophysical surveys including magnetic, electromagnetic and IP methods to map lithology and structure.
- Detailed geological mapping to map prospective lithology, alteration and structure.
- Quaternary geology mapping to aid in planning and interpretation of soil and overburden geochemical surveys. Sampling of the basal till for mineral exploration and tracing of mineralized float is most easily and efficiently accomplished in areas of ground moraine and follow-up exploration should be easier than in other glacial landforms, such as hummocky moraine.



-
- Selective multi-element (Ni-Co-As-Ag) geochemical surveys including soils and basal till. Soil gas surveys may be useful. Contamination of the surface soils by previous mining activities may locally limit the utility of soil geochemical surveys.
 - Diamond drilling testing of any geological geophysical and geochemical targets should consider the 200 m vertical prospective envelope above and below the Nipissing diabase contacts with the Cobalt sediments and the Archean metavolcanics and metasediments. Targeting should also consider the evidence that many of the significant deposits hosted by the Coleman Member sediments are at or near the contact with the basement Archean rock.

9 Exploration

Equator and Ophiolite have conducted no exploration on the Cobalt Project to the effective date.

10 Drilling

Equator and Ophiolite have conducted no drilling on the Cobalt Project to the effective date.

11 Sample Preparation, Analyses, and Security

Equator and Ophiolite have conducted no sampling on the Cobalt Project to the effective date.

12 Data Verification

The Author has reviewed available online historic third party exploration assessment reports, online mineral deposit inventory (MDI) files and various OGS geological publications pertinent to the current Project areas.

The Author completed a 1.5-day field visit at the Project on 24-25 November 2016. Ophiolite's project manager, Mr Gino Chitaroni accompanied and guided the Author during the field visit, providing valuable insight into the history of the Cobalt Camp and the current status of the Project areas. The author visited the Project's Silverfields property, portions of the North Gillies Limit Property including the historic Ophir mine site, and the South Lorrain Property. Additional areas outside and surrounding the Project were visited to further an understanding of the Cobalt Camp history and its exploration potential.

Equator and Ophiolite have not yet conducted exploration on the Project and as such the Author elected not to conduct any verification sampling at the time of the visit as there were no Company results to verify.

It is the Author's opinion that the historic information and data available to CSA Global are a reasonable and accurate representation of the Cobalt Project and are of sufficient quality to provide the basis for the conclusions and recommendations reached in this report.

13 Mineral Processing and Metallurgical Testing

As of the effective date of this report, no mineral processing or metallurgical testwork have been completed by Equator and Ophiolite for the Cobalt Project.

14 Mineral Resource Estimates

As of the date of this report, no significant mineral deposit has been found to date in the Cobalt Project areas and no Mineral Resources have been estimated.

15 Adjacent Properties

The Cobalt area has recently experienced an increase of staking activity and interest in the area's cobalt exploration potential both by the Issuer and third parties, however there are currently no significant exploration or development properties in the immediate area of the Properties.

16 Other Relevant Data and Information

No additional information or explanation is necessary to make the technical report understandable and not misleading.

17 Interpretation and Conclusions

The Cobalt Project lies within the historic Cobalt mining camp and its southern satellite, the Mine Center mining camp in the Lake Timiskaming area of Ontario. The Cobalt Camp is the type locality of arsenide Ag-Co vein deposits which are the exploration target at the Cobalt Project.

Arsenide Ag-Co vein deposits are localized in areas affected by basinal subsidence and rifting and are spatially related to regional fault systems and closely associated with intrusions of mafic rocks. The arsenide Ag-Co vein deposits in the Cobalt Camp are associated with Aphebian conglomerate, quartzite, and greywacke rocks of the Cobalt Group (Coleman Member of the Gowganda Formation), as well as with major sill-like bodies of Nipissing Diabase and with Archean mafic and intermediate lavas and intercalated pyroclastic and sedimentary rocks. Distribution of the Ag-Co veins in the Cobalt Camp is controlled by the contact between the Nipissing Diabase sills and the rocks of the Cobalt Group (Gowganda Formation) and to a lesser extent the Archean metavolcanic and metasedimentary rocks. The veins occur in the diabase and in the Aphebian and Archean rocks within about 200 m of their contact with the diabase.

The Properties are underlain by the rock types associated with the historic arsenide Ag-Co vein deposits elsewhere in the Camp, namely Archean (Keewatin) metavolcanics and metasediments, Proterozoic (Huronian) Cobalt Group sediments and Nipissing Diabase. Minor occurrences of quartz-carbonate veining with sporadic arsenide Ag-Co mineralization are present within the Properties. The historic Ophir, and Lang Caswell mines have reported minor production of Ag and Co from within the Properties. The relatively fewer number of arsenide Ag-Co vein occurrences in the Project areas compared to the main Cobalt Camp could be due to an unknown geological control but it may also in part be a reflection of masking overburden cover hindering prospecting efforts and the poor accessibility of the areas during the time period that the camp was most active in the first half of the 20th century. The Issuer intends to investigate modern geophysical methods to overcome the masking effect of the overburden cover.

The Cobalt Project's Silverfields Property stands out in that it hosts the Silverfields Mine which had significant production of Ag and Co. At shutdown of the mine in June 1983, Teck reported total production from 1964 to 1983 at 1,290,753 tonnes (1,422,812 tons) with 566,593 kg (18,216,523 oz) Ag recovered and an average head-grade 439 g/t (12.8 oz/ton) Ag. Guindon et al. (2016) reported total production from 1964 to 1983 at 1,200,035 tonnes (1,322,813 tons) with 553,447 kg (17,793,862 oz) Ag, 162,160 kg (357,501 lbs) Co, 223,737 kg (493,255 lbs) Ni and 108,360 kg (238,893 lbs) Cu recovered. The reason for the differences in Ag production quoted by Teck and Guindon is unknown to the Author. Total Co production at the Silverfields Mine is probably uncertain because smelters often did not credit Co content of the ore shipped. While the mine was shut down due to exhaustion of its Ag reserves, the zoned nature of the mineralization and the fact that Ag was the main target metal for production, may mean that some areas of low grade Ag mineralization that were not mined may have significant a significant Co content. The Silverfields Property was acquired to investigate this possibility. Cobalt grades in the veins at the Silverfields Mine are uncertain. In a site examination report dated 5 December 1978, Resident Geologist, Howard Lovell, referred to an ore grade of 1% Co when calculating potential losses from the non-payment for Co in the concentrates from Silverfields. However, in the same report while discussing a vein in the back of the level 3 drift, he describes a strong cobalt bloom unrepresentative of the cobalt content of the vein which he estimated to be less than 1%, perhaps 0.25%.

CSA Global concludes that the Cobalt Project has potential to host arsenide Ag-Co vein deposits and exploration is warranted. Previous historic surface based exploration has relied largely on prospecting for mineralized fractures supported by overburden stripping and pitting programs. In addition to prospecting methods, the Issuer should consider testing and using modern geophysical and geochemical techniques to identify features controlling arsenide Ag-Co mineralization or the arsenide Ag-Co veins themselves at the Cobalt Project. Given the relatively narrow widths of the historic veins mined in the Cobalt Camp, the Co +/- Ag target veins, if of similar width, will need to be high grade and preferably in vein sets suitable for modern mining methods.

18 Recommendations

CSA Global considers the Cobalt Project to be at an early stage of exploration and recommends a multifaceted exploration program to compile historic data and, in addition to prospecting and geological mapping, test and conduct modern geophysical and geochemical surveys to determine if they are suitable for arsenide Ag-Co vein deposits. A suggested Phase 1 exploration program would include:

Cobalt Project – general:

- GIS data compilation of available government data and historic assessment file data and information
- 3D geological and structural modelling in Leapfrog software
- Helicopter-borne magnetic and EM survey to map lithology and structure
- Independent interpretation of the airborne geophysical survey results
- Prospecting of historic occurrences and airborne survey targets
- Geological mapping to identify favourable host rocks and structures for arsenide silver-cobalt vein deposits
- Orientation geochemical surveys (MMI, basal till, soil gas) to determine best geochemical method for exploration of arsenide Ag-Co vein deposits
- Quaternary mapping in support of geochemical surveys
- Property scale geochemical surveys based on orientation survey results.

Ophir Mine area – North Gillies Limit Property:

- 3D underground geological and structural modelling
- Orientation geophysical surveys (IP, EM, magnetics) to determine best geophysical method(s) for exploration of arsenide Ag-Co vein deposits masked by overburden cover and at depth in bedrock.

Silverfields Mine area – Silverfields Property:

- Field location and documentation of abandoned mine hazards
- Detailed GIS compilation and 3D underground, geological and structural modelling.

A preliminary budget of C\$740,000 is proposed for the 2017 field season as detailed in Table 13.

Table 13: Recommended Phase 1 exploration program and budget

Task	Cost	Total
Cobalt Project – general		
GIS data compilation of available government data and historic assessment file data and information		\$50,000
3D geological and structural modelling		\$15,000
Helicopter-borne magnetic and EM survey	~\$90/line km	\$168,000
Independent airborne geophysical interpretation		\$10,000
Prospecting – all inclusive with interpretation		\$50,000
Geological mapping – all inclusive with interpretation		\$75,000
Orientation geochemical surveys (MMI, basal till, soil gas) – all inclusive with interpretation		\$20,000
Quaternary mapping in support of geochemical surveys		\$30,000
Property scale geochemical surveys based on orientation survey results – all inclusive with interpretation		\$150,000
	Subtotal	\$568,000
Ophir Mine area – North Gillies Limit Property		
3D geological and structural modelling		\$15,000
Orientation geophysical surveys (IP, EM, magnetics) – all inclusive with interpretation		\$20,000
	Subtotal	\$35,000
Silverfields Mine area – Silverfields Property		
Field location and documentation of abandoned mine hazards		\$10,000
Detailed GIS compilation and 3D underground, geological and structural modelling		\$30,000
	Subtotal	\$40,000
	TOTAL	\$643,000
	~15% contingency	\$97,000
	GRAND TOTAL	\$740,000

Contingent on results from the Phase 1 exploration work a Phase 2 diamond drill program may be warranted to initially test targets generated in the Phase 1 program. An all inclusive 2,000 m diamond drill program totalling C\$345,000 would be reasonable as tabled below:

Table 14: Recommended Phase 2 exploration program and budget

Task	Cost	Total
Cobalt Project - General		
All inclusive diamond drill program	2,000 m at \$150/m	\$300,000
	~15% contingency	\$45,000
	Grand Total	\$345,000

19 References

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Appendix 1: Establishing Mineral Rights in Ontario

Mining Claims

In Ontario, Crown lands are available, for the purposes of mineral exploration, to a person or entity that holds a prospector's licence from the Ministry of Northern Development and Mines (MNDM). The prospector must complete the Mining Act Awareness Program (MAAP) within 60 days before applying for a licence or a licence renewal. MAAP is an online program that provides basic information on the mining sequence. It includes information on staking claims, early exploration and Aboriginal consultation requirements.

A licensed prospector must first stake a mining claim to gain the exclusive right to prospect on Crown land. The owner of a mining claim is not granted title or ownership to the land and cannot extract or sell any resources removed from the land. Claim staking is governed by O. Reg. 43/11: Claim Staking and Recording under Mining Act, R.S.O. 1990, c. M.14 and is administered through the Provincial Mining Recorder and Mining Lands offices of the MNDM.

Claims are currently staked in Ontario by ground staking or in the case of southern Ontario only, map staking. Ontario is in the process of converting to an online system of claim registration using a cell-based provincial grid which will replace ground and map staking. At conversion, ALL active, unpatented claims would be converted from their legally defined location by claim posts on the ground or by township survey to the cell-based provincial grid. Following conversion, the claims would be legally defined by their cell on the grid and coordinate location in CLAIMaps. As of the effective date of this Report, the date of this conversion is undetermined. Legislation to enable the process of conversion, the Aggregate Resources and Mining Modernization Act (Bill 39), received second reading and was referred to the Standing Committee on Justice Policy on 15 November 2016 for review. Following planned public hearings in the first quarter of 2017 the committee will then review the Bill section by section and consider amendments. MNDM will keep clients informed as implementation processes are finalized.

Ground Staking

An unpatented mining claim is a square or rectangular area of open Crown land or Crown mineral rights that a licensed prospector marks out with a series of claim posts and blazed lines. Mining claims can be staked either in a single unit or in a block consisting of several single units. In un-surveyed territory, a single unit claim is laid out to form a 16 ha (40 acre) square with boundary lines running 400 m (1,320 feet) astronomic north, south, east and west. Multiples of single units, up to a maximum of 16 units (256 ha), may be staked with only a perimeter boundary as one block claim but must be staked in a square or rectangular configuration.

Each corner of the mining claim must be marked with a post. These posts are known as corner posts. Corner posts can be constructed from a standing tree, commercial timber or a loose post. They must stand 1.2 m above ground when erected. A metal tag, known as a claim corner post tag, must be affixed to each corner post. Claim corner post tags are engraved with a unique number, known as a claim number, which identifies the mining claim. They also have a second number, which indicates which corner post the tag is to be placed on. Tags may be purchased from the Provincial Recording Office or other offices, such as the Mining Land Consultant Office, or Service Ontario. A clearly marked line, known as a claim boundary, must be made between the four corner posts. Claim boundaries are usually marked by blazing trees and cutting underbrush with an axe. Piles of loose rock, known as cairns, or stakes cut from other smaller trees, known as pickets, are acceptable if trees are not available or undesirable to cut. A line post is used in conjunction

with a claim line to mark the perimeter of a mining claim. For unsurveyed areas, line posts must be erected at every 400 m along a claim line and at locations where the boundary changes direction. A metal tag, known as a claim line post tag, must be affixed to each line post. Claim line post tags are blank when purchased and must be engraved with the claim number found on the claim corner post tags along with the distance and direction from the last corner post.

Global Positioning System (GPS) georeferencing data must be included on the application to record a mining claim staked on or after 1 November 2012. This requirement only applies to ground staked mining claims on lands that are unsurveyed. It does not apply to land surveyed into lots and concession.

Upon completion of staking, and not later than 30 days after the day on which the staking was completed, a recording application form is filed with payment to the Provincial Recording Office. Staking completion time takes priority, meaning that if two licensees file applications to record the staking of all or part of the same lands, then the applicant with the earliest completion time will have priority. Where the time limited for any proceeding or for the completion of said proceeding in an office of a mining recorder or an office of the Commissioner or an office of the Minister or Deputy Minister expires or falls upon a day on which the relevant office is closed, the time so limited extends to and the recording may be done on the day next following the day on which the relevant office was closed. All claims are liable for inspection at any time by the Ministry and may be cancelled for irregularities or fraud in the staking process. Disputes of mining claims by third parties will not be accepted after one year of the recording date or after the first unit of assessment work has been filed and approved.

The staker must notify all persons who own surface rights to any part of the land located within the claim area that their land has been staked for the purpose of mineral exploration. A surface rights holder is a person who own rights to a piece of land which do not include the mineral rights. The staker must send proof of an attempt to notify surface rights holders to the Provincial Mining Recorder within 60 days after making the application to record the claim, in order for the mining claim to remain valid

A mining claim remains valid as long as the claim holder properly completes and files the assessment work as required by the Mining Act and the Minister approves the assessment work. A claim holder is not required to complete any assessment work within the first year of recording a mining claim. In order to keep an unpatented mining claim current, the mining claim holder must perform \$400 worth of approved assessment work per mining claim unit, per year; immediately following the initial staking date, the claim holder has two years to file one year worth of assessment work. No payments in lieu of work can be made. Claims are forfeited if the assessment work is not done.

A mining claim can be transferred, charged or mortgaged by the prospector without obtaining any consents. Notice of the change of owner of the mining claim or charge thereof should be filed with the MNDM at the district mining recorder's office.

Map Staking

Introduced in November 2012, map staking is only permitted in surveyed areas in Southern Ontario, provided there are no registered surface rights owners.

Map staking is the action of staking a mining claim using a map reference system, without having to physically be on the land. A map staked mining claim must have common boundaries with the section, lot or concession lines established by the original survey. It must provide a description of the claim with reference to the original survey fabric. A title search at the Land Registry Office may be required prior to map staking.

Mining Leases

A claimholder may prospect or carry out mineral exploration on the land under a mining claim. However, the land covered by these claims must be converted to leases before any development work or mining can be performed. Mining leases are issued for twenty-one year terms and may be renewed for further 21-year periods upon submission of an application to the MNDM within 90 days before the expiry date of the lease. Pursuant to the provisions of the Mining Act, the holder of a mining claim is entitled to a lease if it has complied with the provisions of the Act in respect of those lands. An application for a mining lease may be submitted to the MNDM at any time after the first prescribed unit of work in respect of the mining claim is performed and approved. Leases can be issued for surface and mining rights, mining rights only or surface rights only. Once issued, the lessee pays an annual rent to the province. Furthermore, prior to bringing a mine into production, the lessee must comply with all applicable federal and provincial legislation.

A mining lease cannot be transferred or mortgaged by the lessee without the prior written consent of the MNDM. The consent process generally takes between two and six weeks and requires the lessee to submit various documentation and pay a fee.

Freehold Mining Lands

A prospector interested in removing minerals from the ground may, instead of obtaining a mining lease, make an application to the Ministry of Natural Resources and Forestry (MNRF) to acquire the freehold interest in the subject lands. If the application is approved, the freehold interest is conveyed to the applicant by way of the issuance of a mining patent. A mining patent can include surface and mining rights or mining rights only.

The issuance of mining patents is much less common today than in the past, and most prospectors will obtain a mining lease in order to extract minerals. If a prospector is issued a mining patent, the mining patent vests in the patentee all of the provincial Crown's title to the subject lands and to all mines and minerals relating to such lands, unless something to the contrary is stated in the patent.

The holder of a mining patent enjoys the freehold interest in the lands that are the subject of such patent, therefore no consents are required for the patentee to transfer or mortgage those lands.



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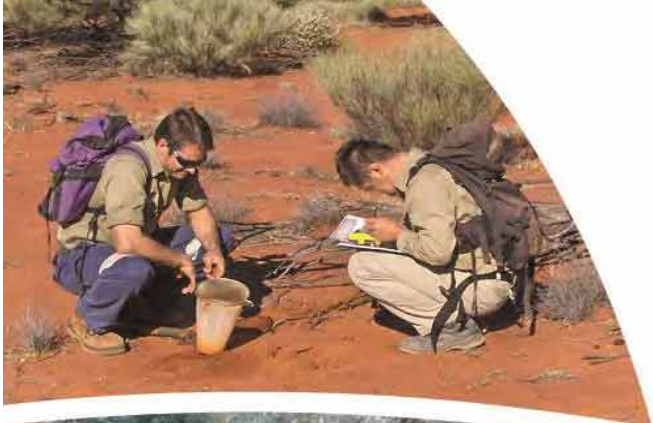
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Attachment C First Cobalt Technical Report



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NI43 101 Technical Report

Technical Report on the Greater Cobalt Project, Larder Lake Mining Division, Ontario

CSA Global Report Nº R258.2017
31 July 2017

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Report prepared for

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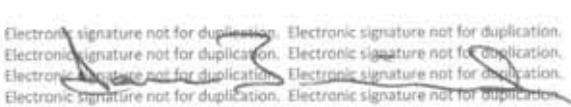
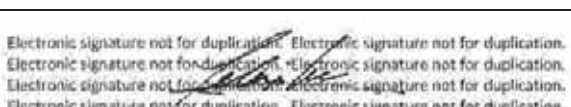
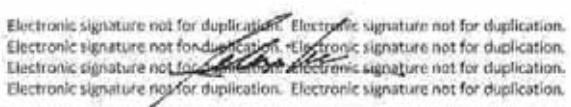
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Date and Signature Page

This Report titled “Technical Report on the Greater Cobalt Project, Larder Lake Mining Division, Ontario” for First Cobalt Corp. and dated 31 July 2017 was prepared and signed by the following author:

[“SIGNED AND SEALED”]

{*Ian Trinder*}

Dated at Toronto, ON

31 July 2017

Report Effective Date:

15 June 2017

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CERTIFICATE OF QUALIFICATION

CERTIFICATE OF QUALIFICATION OF AUTHOR – Ian Trinder, M.Sc., P.Geo.

I, Ian D. Trinder, M.Sc., P.Geo. (ON, MAN), do hereby certify that:

1. I reside at 4185 Taffey Crescent, Mississauga, Ontario, L5L 2A6.
2. I am employed as a Principal Geologist by CSA Global Geosciences Canada Ltd located at 365 Bay St., Suite 501, Toronto, Ontario, Canada. M5H 2V1.
3. I graduated with a degree in Bachelor of Science Honours, Geology, from the University of Manitoba in 1983 and a Master of Science, Geology, from the University of Western Ontario in 1989.
4. I am a Professional Geoscientist (P.Geo.) registered with the Association of Professional Engineers and Geoscientists of Manitoba (APEGM, No. 22924) and with the Association of Professional Geoscientists of Ontario (APGO, No. 452). I am a member of the Society of Economic Geologists and of the Prospectors and Developers Association of Canada.
5. I have approximately 30 years of direct experience with precious and base metals mineral exploration in Canada, USA and the Philippines including project evaluation and management. Additional experience includes the completion of various National Policy 2A and NI 43-101 technical reports for gold and base metal projects.
6. I have read the definition of “qualified person” set out in National Instrument 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101.
7. I have visited the Cobalt Project.
8. I am author of the technical report titled: “Technical Report on the Greater Cobalt Project, Larder Lake Mining Division, Ontario” for First Cobalt Corp. dated 31 July 2017 (the “Report”). I am responsible for all sections of the Report.
9. I have no prior involvement with the Issuer, Vendor or the Property.
10. As of the effective date of the technical report (15 June 2017), to the best of my knowledge, information, and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
11. I am independent of the Issuer, the Vendor and the Property applying all the tests in section 1.5 of National Instrument 43-101.
12. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.
13. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

DATED this 31st day of July 2017

[“SIGNED AND SEALED”]

{*Ian Trinder*}

Ian D. Trinder, M.Sc., P. Geo.

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Appendix

Appendix 1:	Establishing Mineral Rights in Ontario

1 Summary

This technical report (the “Report”) was prepared by CSA Global Canada Geosciences Ltd (CSA Global) at the request of Mr Peter Campbell, Vice President Business Development of First Cobalt Corp. (“First Cobalt” or “the Issuer” or “the Company”) and focuses on the exploration potential of the Issuer’s Greater Cobalt Project (“Project”) in Ontario. The Report is specific to the standards dictated by National Instrument 43-101 (“NI 43-101”), companion policy NI43-101CP and Form 43-101F1 (Standards of Disclosure for Mineral Projects). This Report is dated 31 July 2017 with an Effective Date of 15 June 2017.

First Cobalt’s Greater Cobalt Project in eastern Ontario comprises one group of near contiguous claims in the historic Silver Centre mining camp, herein referred to as the Silver Centre Property, and one group of non-contiguous claims in the historic Cobalt mining camp herein referred to as the Cobalt Area Properties, approximately 400 kilometres (km) north of Toronto. The Cobalt Area Property claims lie within an 8 km radius of the community of Cobalt and the Silver Centre Property is approximately 25 km southeast of the community of Cobalt, west of Lake Temiskaming and the Ottawa River which form the Ontario-Quebec provincial border in this area. As of the Effective Date of this Report, the Project covers a total area of approximately 4,301 hectares (ha).

The Silver Centre Property, situated in South Lorrain Township, comprises:

1. The 619.15 ha Keeley-Frontier claim group comprised of 13 contiguous patented (fee simple) mining claims with surface and mining rights totalling approximately 174.29 ha and five contiguous mining leases with mining rights only totalling approximately 444.86 ha.
2. The CSH claim group comprised of seven contiguous staked mining claims totalling 34 claim units and covering approximately 544 ha.
3. The CIC claim group comprised of 17 contiguous and non-contiguous staked mining claims totalling 136 claim units and covering approximately 2,176 ha.
4. The BMC South claim group comprised of eight contiguous staked mining claims totalling eight claim units and covering approximately 128 ha.

First Cobalt holds an option to earn a 100% interest in the five mining leases, 13 patented mineral claims and seven unpatented mineral claims of the Keeley-Frontier claim group. Upon earning a 100% interest, Canadian Silver Hunter shall be granted a 2% net smelter return royalty, subject to First Cobalt having the right to purchase 1% for \$1 million over the ensuing 10 years. The Company may elect to accelerate the earn-in.

First Cobalt holds a 100% interest in the 17 staked mining claims of the CIC claim group by way of its acquisition of Cobalt Industries of Canada Inc. (Cobalt Industries) announced on 23 January 2017.

As announced on 7 June 2017, First Cobalt holds a 100% interest in the eight staked mining claims of the BMC South claim group which were acquired from Brixton Metals Corp.

The Cobalt Area Properties include:

1. The BMC North claim group comprised of 14 unpatented (staked) mining claims totalling 151 units and 2,416 ha in the townships of Coleman, Gillies Limit and Lorrain.
2. The Yukon Refinery claim group comprised of approximately 16.268 ha (40.2 acres) of surface rights only patents with a tailings management facility and a cobalt-silver extraction refinery.

As announced on 7 June 2017, First Cobalt holds a 100% interest in the 14 staked mining claims which were acquired from Brixton Metals Corp.

First Cobalt announced on 1 June 2017 that it had entered into an option agreement with Cobalt One Limited (Cobalt One) to earn into a 50-50 joint venture on the Yukon cobalt extraction refinery and 16.268 ha (40.2 acres) of permitted property in Cobalt, Ontario. It is anticipated that this joint venture agreement will be superseded by the transaction announced on 26 June 2017 whereby First Cobalt would acquire Cobalt One.

To CSA Global's knowledge, the patents, leases and claims are currently in good standing and there are no current or pending challenges to ownership of the Properties.

As of the Effective Date, First Cobalt does not currently hold any Exploration Plans or Permits for exploration work proposed on mining claims and mining leases in this Report. The Keeley-Frontier group patented claims do not require an Exploration Plan or Permit. First Cobalt warrants that they will acquire any and all government permits required to execute the proposed early exploration activities where required on the Project properties. First Cobalt warrants that it will consult with the appropriate First Nation and Metis communities as required per the Ontario Mining Act.

Environmental, permitting, legal, title, taxation, socio-economic, marketing, and political or other relevant issues could potentially materially affect access, title or the right or ability to perform the work recommended in this report on the Property. However, at the time of this report, CSA Global is unaware of any such potential issues affecting the Properties.

The Greater Cobalt Project is located in the historic Silver Centre and Cobalt mining camps. The various Properties are generally accessible via all weather roads and seasonal all-terrain vehicle (ATV) trails.

Most services and supplies required for a mineral exploration program are available in the City of Temiskaming Shores, approximately 25 km north of the centre of the Project area. Given the mining history of the Cobalt Camp and the proximity of mining communities such as Kirkland Lake and Sudbury and service centres such as North Bay, exploration and mining personnel are readily available in the region. The city of Greater Sudbury is located approximately 200 km by road southwest of the Properties at the intersection of the Trans-Canada Highway, Highway 69S and Highway 144N.

Other than several powerlines, all-weather roads and ATV trails, no infrastructure is present within the Properties. The centre of the Project area lies approximately 15 km east of Provincial Highway 11 and the Ontario Northland rail line. Hydro One 115 kV and 230 kV transmission lines cross or are near the Project property areas. Abundant water resources are present in the lakes, rivers, creeks, and beaver ponds on the Properties.

As of the Effective Date, it appears that First Cobalt both holds and has the option acquire sufficient mining claims necessary for proposed exploration activities and potential future mining operations (including potential tailings storage areas, potential waste disposal areas, and potential processing plant sites) should a mineable mineral deposit be discovered.

The climate in the Project area is warm summer humid continental with warm and often hot summers and long, cold winters. Season-specific mineral exploration may be conducted year-round. Swampy areas and lakes/ponds may be best accessed for drilling and ground geophysical surveys during the winter months when the ground and water surfaces are frozen. Mine operations in the region can operate year-round with supporting infrastructure.

The Project area is characterised by rocky, rolling bedrock hills with locally steep ledges and cliffs, separated by valleys filled with clay, glacial material, swamps and streams. Total relief within the Project area is approximately 200 m with topography varying from 250 m to 380 m above sea level (ASL) in the Silver Centre Property, and 180–355 m ASL in the Cobalt Area Property claims. Local relief is commonly up to 30 m, although some ridges are up to 60 m or more above surrounding lowlands.

Vegetation is typical boreal forest with mixed second growth forest of mixed coniferous and deciduous trees, including poplars, birch, maple, pine, spruce, alders, and willows. Swampy low-lying areas contain abundant tag alders.

The initial discovery of silver in the region was made west of Lake Temiskaming in 1903 during the construction of the Temiskaming and Northern Ontario Railway. This began a rich mining history in the area. The location along the railway was named Cobalt after one of the elements found in the arsenide minerals within the veins. The first mines commenced production as early as 1904 and mining was, more or less, continuous until 1989 with production peaking in 1911 (Petruk *et al.*, 1971). In addition to silver, cobalt, nickel and copper were recovered from the ore. Mineralisation was not just limited to the area immediately around Cobalt, but was recovered from areas with similar geology within the Cobalt embayment of the Southern Province, from Gowganda in the west to Silver Centre in the southeast.

Information on the Project's early exploration and ownership history (pre-1950) is limited and incomplete, particularly with respect to the Ministry of Northern Development and Mines (MNDM) online assessment files. Some additional hardcopy information on early exploration in the Project area is available in historic Resident Geologist's notes and donated files archived at the District Geologist's office in Kirkland Lake.

Three historic mines are located within First Cobalt's Silver Centre Property. The Keeley Mine of Keeley Silver Mines Ltd produced intermittently from 1908 to 1942 with most of the production occurring between 1921 and 1931. Total reported production was 12,154,353 oz Ag (378,043 kg) and 1,617,684 lb (73,377 kg) Co. The Frontier Mine was operated by Mining Corporation of Canada Ltd from 1921 to 1943 and produced 6,695,415 oz (208,251 kg) Ag and 1,683,769 lb (763,746 kg) Co and 12,158 lb (5,515 kg) Ni. Keeley Frontier Mines Ltd/Canadian Keeley Mines Ltd operated the combined Keeley and Frontier mines during the 1963–1965 period and produced 347,645 oz (10,812 kg) Ag, 9,003 lb (4,083 kg) Co and 14,358 lb (6,512 kg) Ni. The 1963–1965 production was primarily from the Keeley Mine and included reprocessed tailings. Sergiades (1968) reported total production of 1,182,772 g (38,027 oz) Ag; 12,930 kg (28,481 lb) Co and 6,085 kg (13,404 lb) Ni from the Bellellen Mine between 1910 and 1943 (intermittent).

The Cobalt/Silver Centre area is underlain by Precambrian rocks of the Superior and Southern provinces (Guindon *et al.*, 2016). Outliers of Paleozoic strata are exposed immediately to the north in the Haileybury area and further to the north between New Liskeard and Englehart.

Archean Keewatin rocks are the oldest rocks in the Cobalt/Silver Centre area and form the southernmost portion of the Western Abitibi sub-province of the Superior Province. These rocks include predominantly intermediate to mafic metavolcanic flows with intercalated metasedimentary rocks. The Archean rocks were folded and intruded by mafic to ultramafic dikes and granite stocks and batholiths. The eroded Archean surface is unconformably overlain by relatively flat lying Paleoproterozoic sedimentary rocks of the Huronian Supergroup which forms the mildly deformed Cobalt Embayment of the Southern Province. At the northeast edge of the Cobalt Embayment in the Cobalt area, the Huronian Supergroup rocks comprise only the Cobalt Group (Gowganda and Lorrain formations) and are commonly found filling interpreted paleo-valleys or troughs in the Archean basement. Early Proterozoic-age Nipissing Diabase intrudes both the Archean basement and the Huronian sediments. The Nipissing Diabase are the most abundant and

widespread igneous rocks intruding the Huronian Supergroup sediments and occur as dykes, and sills up to several hundred metres thick. In the Cobalt area, the Nipissing diabase is interpreted as a thick undulating sheet intruding the Cobalt Group sediments at or immediately above the Archean unconformity.

The grade of regional metamorphism in the area ranges from subgreenschist facies in the Huronian sedimentary rocks to greenschist facies in the Archean metavolcanic rocks (Born and Hitch, 1990). Contact metamorphism of sedimentary rocks of the Gowganda and Lorrain Formations occurred during the emplacement of Nipissing diabase.

The oldest rocks on the Project's Silver Centre Property are folded, faulted, and steeply dipping metamorphosed Archean (Keewatin) intermediate to mafic pillowed flows, tuffs, and agglomerates. Numerous early (Haileyburian) biotite lamprophyre and hornblende lamprophyre intrude the Archean volcanics (McIlwaine, 1970). Huronian-age Gowganda Formation, Coleman Member sediments were subsequently deposited in basins on the erosional surface of the Archean volcanics. Nipissing Diabase intrudes the Archean volcanics and the Huronian sediments and is approximately 277 m thick in the Keeley-Frontier Mine area. Numerous faults are present in the area with several periods of deformation postulated: the earliest faults are pre-ore, and most of this set strike north; there are possibly two ages of northwest-trending faults, pre- and post-olivine diabase intrusion; and finally, a minor north-easterly trending set of faults.

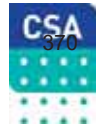
The native silver-cobalt arsenide veins in the Silver Centre area typically contain native silver, cobaltite, lollingite, niccolite, breithauptite, smaltite and calcite (Mayer and Pearson, 1989). Mineralogically, the veins are similar to those in the main Cobalt camp; however, their structural and stratigraphic setting is different. Whereas more than 90% of the silver produced in the main Cobalt camp came from veins in the Huronian Cobalt Group sediments adjacent to (underlying) the lower diabase sill contact, productive veins in the South Lorrain township (Silver Centre) area were predominantly in Archean metavolcanic rocks adjacent to (overlying) the upper contact of the diabase sill. Only limited production came from veins in Archean rocks below the diabase in the Keeley mine (Mayer and Pearson, 1989). No significant silver-bearing veins have yet been found in Cobalt Group sediments in the South Lorrain township area.

The Keeley and Frontier Mines were developed on the most significant and productive veins in the Silver Centre camp on the northwest flank of the South Lorrain diabase dome and comprise both north-south and east-west vein systems. The productive parts of these veins occur within about 120 m (400 ft) of the Nipissing Diabase/Keewatin contact with the richest veins being those that continued into the diabase. Historically, the most important veins on the property were the Woods and Watson which strike north-south and the No. 26, No. 20 and No. 16 veins and to a lesser extent the No. 28 vein, all of which strike approximately east-west (Mayer and Pearson, 1989). Other historic occurrences of quartz-carbonate veining with sporadic arsenide Ag-Co mineralisation are present within the Project area.

The Cobalt Camp (and the satellite Silver Centre Camp) is the type locality of arsenide silver-cobalt vein deposits which are the exploration target at the Greater Cobalt Project. At both camps the veins occur in the Nipissing diabase and in the Huronian Cobalt Group sediments and Archean metavolcanic rocks within about 200 m of their contact with the diabase.

As of the Effective Date of the Report, First Cobalt had initiated its 2017 exploration program designed to increase its understanding of the silver-cobalt potential of the Silver Centre Property. The work underway includes:

- Digital compilation of historic Keeley-Frontier mine data to generate a three-dimensional (3D) geological model



- Detailed and property-scale structural mapping of mineralised veins and host rocks
- Bore-hole geophysics and televiwer imaging of drillholes from the 2012 drilling campaign
- Systematic surface sampling at known prospects and occurrences throughout the property

Results of the program will be compiled, interpreted and reported as the work is completed.

Previous historic surface based exploration has relied largely on prospecting for mineralised fractures supported by overburden stripping and pitting programs. In addition to prospecting methods, the Issuer should consider testing and using modern geophysical and geochemical techniques to identify features controlling arsenide Ag-Co mineralisation or the arsenide Ag-Co veins themselves at the Cobalt Project.

CSA Global concludes that the Greater Cobalt Project and particularly the Silver Centre Property, has potential to host arsenide Ag-Co vein deposits and exploration is warranted. First Cobalt's 2017 exploration program is intended to provide a better understanding of the extent of cobalt mineralisation within the historic Keeley-Frontier Mine as well as explore known silver-cobalt prospects on the Silver Centre Property. These areas will be specifically targeted during this program. Historic exploration and development on the Silver Centre Property focused on the narrow high-grade silver-rich portions of the vein structures. Historic assays indicate cobalt-rich veins were encountered during mining but not often followed up or exploited, as silver was the focus. The Company intends to gain an appreciation for the cobalt zonation within the Keeley-Frontier mine area, the exploration potential of known and potentially new high-grade mineralised structures and of the potential for disseminated mineralisation, which could be amenable for bulk mining.

CSA Global considers the Greater Cobalt Project and its Silver Centre Property to be at an early stage of exploration and recommends a multifaceted exploration program including historical data compilation, prospecting, geological mapping, testing of modern geophysical and geochemical methods and conducting follow-up surveys and finally diamond drill testing of targets developed from the initial studies.

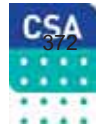
First Cobalt has scheduled a 2017 exploration program for the Silver Centre Property which is now in progress. Work is to include:

- Digital compilation of historic Keeley-Frontier mine data to generate a 3D geological model
- Detailed and property-scale structural mapping of mineralised veins and host rocks
- Bore-hole geophysics and televiwer imaging of drillholes from the 2012 drilling campaign targeting the Beaver Lake Fault west of the former mine
- Systematic surface sampling at known prospects and occurrences throughout the property
- Detailed magnetic survey of the property
- 5,000 m of diamond drilling within the footprint of the Keeley-Frontier Mine testing targets from the 3D geological model
- 2,000 m of regional exploration drilling to identify new mineralised fault systems.

First Cobalt has proposed a preliminary budget of \$1,000,000 for the 2017 work program as detailed below. CSA Global concurs with First Cobalt's program and budget.

Table 1: 2017 Silver Centre Property exploration program and budget (May 2017 to April 2018)

	Task	Budget (\$)
General	Project Geo (1/2 time May 2017 to April 2018)	\$60,000
	Data compilation – 3D model	\$15,000
	Property rehabilitation (July)	\$10,000
Field work	Structural mapping	\$40,000
	Outcrop wash and channel sampling	\$15,000
	Historic drillhole and dump sampling	\$15,000
	Prospecting	\$10,000
	Borehole geophysics and televiewer	\$25,000
Keeley-Frontier mine area drilling	Mine site drilling (5,000 m)	\$400,000
	Mineralogy (GeoMet) (Nov)	\$5,000
	Drilling geo	\$80,000
	Drilling tech	\$40,000
Regional exploration	Airborne mag geophysics	\$50,000
	Magnetic data 3D modelling	\$20,000
	Exploration drilling (2,000 m)	\$200,000
	Borehole geophysics	\$15,000
TOTAL		\$1,000,000



2 Introduction

2.1 Issuer

This technical report ("Report") was prepared by CSA Global at the request of Mr Peter Campbell, Vice President Business Development of First Cobalt, and focuses on the exploration potential of the Issuer's Greater Cobalt Project, in particular the Silver Centre Property in vicinity of Cobalt, Ontario.

First Cobalt's registered office is at Suite 488, 1090 West Georgia St., Vancouver, BC V6E 3V7 and its corporate head office is at Suite 201, 140 Yonge Street, Toronto, ON M5C 1X6. It is a TSX Venture Exchange (TSXV) listed exploration and development company currently focused on cobalt exploration in the Cobalt region of Ontario, Canada and the Central African Copperbelt in the Democratic Republic of Congo.

2.2 Terms of Reference

CSA Global was commissioned by the Issuer to prepare a technical report on its Greater Cobalt Project in Ontario, Canada. The Report is specific to the standards dictated by NI 43-101, companion policy NI43-101CP and Form 43-101F1 (Standards of Disclosure for Mineral Projects). The Report focuses on the exploration potential of the Project and is intended to enable the Issuer and potential partners to reach informed decisions with respect to the Project.

The effective date of this Report is 15 June 2017. The Report is based on information known to CSA Global at that date.

The Issuer reviewed draft copies of this Report for factual errors. Any changes made because of these reviews did not include alterations to the interpretations and conclusions made. Therefore, the statements and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this Report.

2.3 Sources of Information

This report has been prepared by CSA Global based on review of publicly available geological reports, maps, assessment files, mining claim information and technical papers, and company letters and memoranda made available by the Issuer, as listed in Section 19 (References) of this Report. CSA Global has taken reasonable steps to verify the information provided where possible.

CSA Global also had discussions with the management and consultants of the Issuer Dr Frank Santaguida, P.Geo. and Mr Peter Campbell, P.Eng., First Cobalt's Vice Presidents of Exploration and Business Development respectively and Mr David Jamieson, P.Geo., First Cobalt's consulting geologist.

2.4 Qualified Person Property Inspection

Mr Ian Trinder, M.Sc., P.Geo., CSA Global Principal Geologist and Qualified Person (QP), is responsible for the preparation of this report. Mr Trinder has a Master of Science degree in geology and is a registered Professional Geoscientist (P.Geo.) in good standing registered in the Provinces of Ontario and Manitoba Canada (APGO no. 0452, APEGM no. 22924). Mr Trinder has over 30 years' experience in the mining industry with a background in international precious and base metals mineral exploration including resource estimates, project evaluation and management.

The Author completed a one-day field visit at the Greater Cobalt Project on 6 June 2017. First Cobalt's Dr Frank Santaguida, Mr Peter Campbell and Mr David Jamieson accompanied and guided the Author during the field visit, providing valuable insight into the history and current status of the Silver Centre Property and the Keeley-Frontier claim group in particular.

The Author considers that the site visit is current under Section 6.2 of NI 43-101.

2.5 Units and Currency

The Metric System or SI System is the primary system of measure and length used in this Report and is generally expressed in kilometres, metres and centimetres; volume is expressed as cubic metres, mass expressed as metric tonnes, area as hectares, and zinc, copper and lead grades as percent or parts per million. The precious metal grades are generally expressed as grams/tonne but may also be in parts per billion or parts per million. Conversions from the SI or Metric System to the Imperial System are provided below and quoted where practical. Many of the geologic publications and more recent work assessment files now use the SI system but older work assessment files almost exclusively refer to the Imperial System. Metals and minerals acronyms in this report conform to mineral industry accepted usage and the reader is directed to online resources at https://en.wikipedia.org/wiki/List_of_chemical_elements and http://cms.unige.ch/sciences/terre/research/Groups/mineral_resources/opaques/ore_abbreviations.php

Other abbreviations include UTM = Universal Transverse Mercator; NAD = North American Datum; WGS = World Geodetic System.

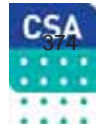
Conversion factors utilised in this report include:

- 1 troy ounce/ton = 34.2857 grams/tonne
- 1 gram/tonne = 0.0292 troy ounces/ton
- 1 troy ounce = 31.1035 grams
- 1 gram = 0.0322 troy ounces
- 1 pound = 0.4536 kilograms
- 1 foot = 0.3048 metres
- 1 mile = 1.609 kilometres
- 1 acre = 0.4047 hectares
- 1 square mile = 2.590 square kilometres.

The term gram/tonne or g/t is expressed as "gram per tonne" where 1 gram/tonne = 1 ppm (part per million) = 1,000 ppb (part per billion). Other abbreviations include ppb = parts per billion; ppm = parts per million; oz/t = ounce per short ton; Moz = million ounces; Mt = million tonne; t = tonne (1,000 kilograms); SG = specific gravity; lb/t = pound/ton; and, st = short ton (2,000 pounds).

Unless otherwise mentioned, all UTM coordinates in this Report are provided in the datum of Canada, NAD83 Zone 17 T.

All currency in this report in Canadian dollars (C\$) unless otherwise noted. As of the effective date of this report, the Bank of Canada exchange rate between the US and Canadian Dollars was approximately US\$1.00 = C\$1.33.



3 Reliance on Other Experts

CSA Global has relied upon the Ontario MNDM for online information on mining claim location and status and patented claim location (Section 4). The MNDM disclaims any guarantee or warranty that their information is accurate, complete or reliable. CSA Global has relied upon the Issuer, its management and legal counsel for information related to underlying contracts and agreements pertaining to the acquisition of the mining claims, mining leases and patented claims and their status (Section 4). CSA Global has not independently verified ownership or mineral title beyond information that is publicly available or been provided by the Issuer. The Property description presented in this report is not intended to represent a legal, or any other opinion as to title.

4 Property Description and Location

4.1 Project Location

First Cobalt's Greater Cobalt Project in eastern Ontario comprises one group of near contiguous claims in the historic Silver Centre mining camp, herein referred to as the Silver Centre Property, and one group of non-contiguous claims in the historic Cobalt mining camp herein referred to as the Cobalt Area Properties, approximately 400 km north of Toronto. The Cobalt Area Property claims lie within an 8 km radius of the community of Cobalt and the Silver Centre Property is approximately 25 km southeast of the community of Cobalt, west of Lake Temiskaming and the Ottawa River which form the Ontario-Quebec provincial border in this area (Figure 1).

The individual properties are approximately centred at the coordinates listed in Table 2.

Table 2: Approximate centre points of the Greater Cobalt Project properties (Zone 17T, NAD83)

Property	UTM east	UTM north	Latitude	Longitude
Cobalt Area	599,400	5,249,500	47°23'30" North	79°41'00" West
Silver Centre	611,875	5,228,140	47°11'50" North	79°31'23" West

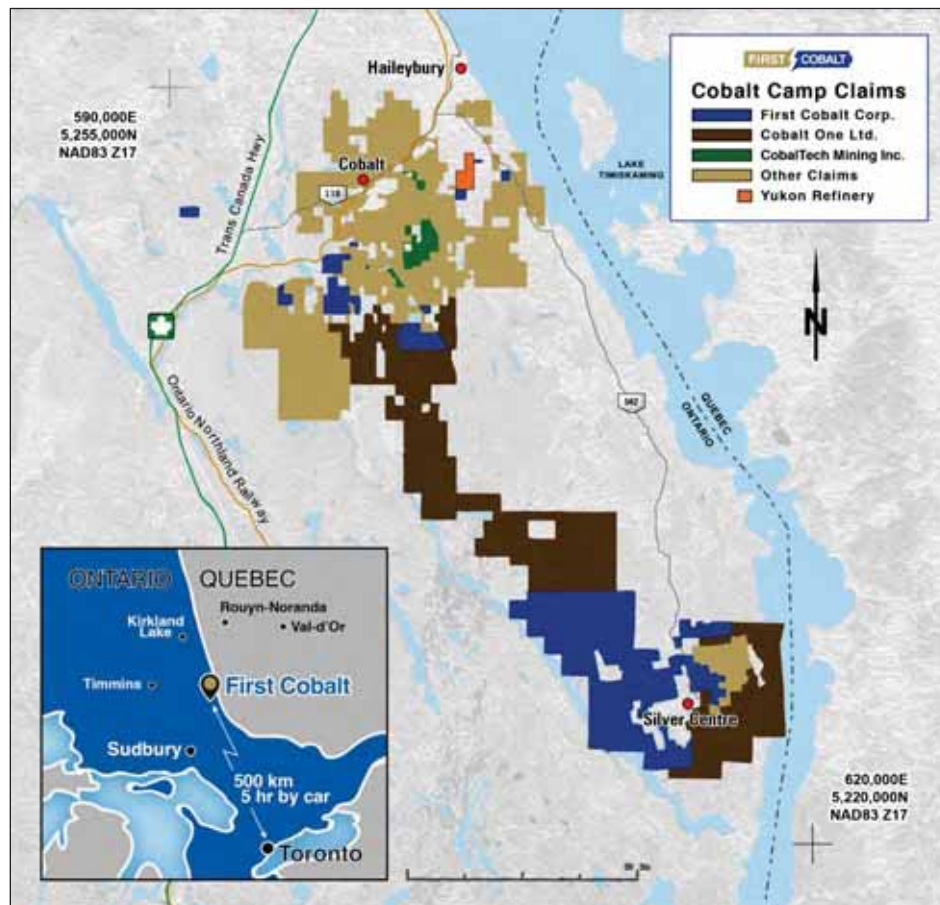
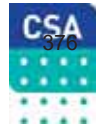


Figure 1: Greater Cobalt Project location



4.2 Project Description and Title

As of the Effective Date of this Report, the Project comprises 46 unpatented claims (229 units totalling approximately 3,664 ha), five leases (approximately 444.862 ha) and 16 patent claims (approximately 191.9 ha). Claim descriptions are summarised in Table 3, Table 4 and Table 5 as property group and type of claim.

The reader is referred to [Appendix 1](#) for a description of Ontario mineral tenure.

Table 3: Description of Crown Grant patented claims of the Greater Cobalt Project

Property	Claim group	Current claim no.	Old claim no.	Parcel description	PIN	Township/ area	Area (ha)	Mining land tax (\$)	Provincial tax (\$)	Rights	Owner	First Cobalt interest
Silver Centre	Keeley-Frontier	T9299	HR17	14082SST	61391-0067	South Lorrain	15.58	62.32	101.00	M+SR	Canadian Silver Hunter	Option to earn 100%
		T9771	HS 39	8342NND	61391-0084	South Lorrain	17.705	70.82	72.00	M+SR	Canadian Silver Hunter	Option to earn 100%
		T10155	HR 16 N pt	4851NND	61391-0037	South Lorrain	7.689	30.76	31.00*	M+SR	Canadian Silver Hunter	Option to earn 100%
			HR 16 S pt	7361NND	61391-0036	South Lorrain	7.689	30.76	31.00	M+SR	Canadian Silver Hunter	Option to earn 100%
		T10285	HR 19	4815NND	61391-0039	South Lorrain	17.705	70.82	72.00	M+SR	Canadian Silver Hunter	Option to earn 100%
		T10286	HR 21	4852NND	61391-0041	South Lorrain	18.009	72.04	74.04	M+SR	Canadian Silver Hunter	Option to earn 100%
		T10287	HR 22	4929NND	61391-0128	South Lorrain	12.788	51.15	73.00	M+SR	Canadian Silver Hunter	Option to earn 100%
		T10288	RL 455	14081SST	61391-0127	South Lorrain	14.771	59.08	74.61	M+SR	Canadian Silver Hunter	Option to earn 100%
		T10289	RL 456	14081SST	61391-0127	South Lorrain	16.187	64.75		M+SR	Canadian Silver Hunter	Option to earn 100%
		T10359	HR 25	5305NND	61391-0038	South Lorrain	8.903	35.61	73.00	M+SR	Canadian Silver Hunter	Option to earn 100%
		10365	HR20	4911NND	61391-0081	South Lorrain	1.35	31.68*	72.54	M+SR	Canadian Silver Hunter	Option to earn 100%
		T19308	HR 68	2730SST	61391-0040	South Lorrain	1.174	4.7	73.00	M+SR	Canadian Silver Hunter	Option to earn 100%
		T32960	-	13533SST	61391-0066	South Lorrain	16.697	66.79	74.00	M+SR	Canadian Silver Hunter	Option to earn 100%
		T46400	-	14999SST	61391-0035	South Lorrain	19.393	77.57	74.00	M+SR	Canadian Silver Hunter	Option to earn 100%
		13		14	14		175.64	728.85*	895.19*			
Cobalt Area	Yukon Refinery Cobalt One JV option	T174	-	8284 SEC SST	61358-0228	Bucke	n/a	n/a	n/a	SRO	36569 Yukon Inc.	Option to earn 50%
		T11517	-	22822 SEC SST	61358-0229	Bucke	n/a	n/a	n/a	SRO	36569 Yukon Inc.	Option to earn 50%
		-	-	24578 SEC SST	61390-0213	Lorrain	n/a	n/a	n/a	SRO	36569 Yukon Inc.	Option to earn 50%
		3					16.268*	n/a**	n/a**			

* Approximate value; ** The refinery has been in receivership for a number years and taxes were not being paid. Under the purchase plan, all back taxes will be paid with proceeds of the sale.
Future annual tax amounts are unknown at this time.

Table 4: Description of 21-year mineral leases of the Greater Cobalt Project

Property	Group	Lease	Parcel	PIN	Lease name	Township	Ha	Start date	Expiry date	Annual property rent	Rights	Owner	First Cobalt interest	Description
Silver Centre	Keeley-Frontier	108217	4621LT	61391-0217 (LT)	T43338	South Lorrain	18.288	9/1/2017	8/31/2028	\$55.00	MRO	Canadian Silver Hunter	Option to earn 100%	Mining Claim T43338
		108218	4622LT	61391-0135 (LT)	CLM112	South Lorrain	210.663	9/1/2017	8/31/2028	\$635.00	MRO	Canadian Silver Hunter	Option to earn 100%	Mining Location CLM112 comprising Mining Claims T44483 to T44494 inclusive, being land and land under the water of the Montreal River
		108219	4623LT	61391-0129 (LT)	CLM111	South Lorrain	186.661	9/1/2017	8/31/2028	\$563.00	MRO	Canadian Silver Hunter	Option to earn 100%	Mining Location CLM111 comprising Mining Claims T43553, T44411, T44412, T44413: T44477 to T44482 inclusive, and T45225, saving and excepting the row of the ONR crossing the said claims
		109383	4977LT	61391-0203 (LT)	T29994	South Lorrain	12.634	6/1/2013	5/31/2034	\$38.00	MRO	Canadian Silver Hunter	Option to earn 100%	Mining Claim T29994 (recorded as Mining Claim T34601)
		109590	5690LT	61391-0205 (LT)	T40521	South Lorrain	16.616	2/1/2015	1/31/2036	\$50.00	MRO	Canadian Silver Hunter	Option to earn 100%	Mining Claim T40521, T/W LT290848
					5		444.862			\$1,341.00				

Table 5: Description of unpatented claims of the Greater Cobalt Project

Property	Claim group	Claim no.	Township	Claim units	Ha	Recording date	Claim due date	Work required	Recorded holder	First Cobalt interest	Notes
Silver Centre	CSH	4250892	South Lorrain	6	96	2010-Jul-16	2017-Jul-16	\$2,400	Canadian Silver Hunter Inc.	Option to earn 100%	MRO in part subject to WP2008-327 Banked credits from 2012 drilling to be filed
		4268658	South Lorrain	2	32	2013-Sep-27	2018-Jan-21	\$800	Canadian Silver Hunter Inc.	Option to earn 100%	
		4269659	South Lorrain	8	128	2012-Jan-09	2019-Jan-09	\$412	Canadian Silver Hunter Inc.	Option to earn 100%	MRO in part subject to WP2008-327
		4269660	South Lorrain	8	128	2012-Jan-09	2019-Jan-09	\$412	Canadian Silver Hunter Inc.	Option to earn 100%	
		4275020	South Lorrain	4	64	2015-May-26	2017-May-26	\$1,600	Canadian Silver Hunter Inc.	Option to earn 100%	\$3,200 assessment filed by FCC on 25 May 2017
		4275021	South Lorrain	3	48	2015-May-26	2017-May-26	\$1,200	Canadian Silver Hunter Inc.	Option to earn 100%	\$2,030 assessment filed by FCC on 25 May 2017
		4286434	South Lorrain	3	48	2017-Jan-23	2019-Jan-23	\$1,200	Canadian Silver Hunter Inc.	Option to earn 100%	Being land under water
		7		34	544			\$8,024			
	CIC	4282446	Lorrain	4	64	2016-Nov-04	2018-Nov-04	\$1,600	Cobalt Industries of Canada	100% by acquisition of Cobalt Industries of Canada announced 23 January 2017	MRO subject to WP2008-333; Excluding patent
		4282449	Lorrain	4	64	2016-Nov-04	2018-Nov-04	\$1,600	Cobalt Industries of Canada	100% as above	MRO subject to WP2008-333/WP2008-327 Excluding patent
		4282748	Lorrain	4	64	2016-Nov-04	2018-Nov-04	\$1,600	Cobalt Industries of Canada	100% as above	MRO subject to WP2008-327
		4278692	South Lorrain	2	32	2016-Nov-04	2018-Nov-04	\$800	Cobalt Industries of Canada	100% as above	MRO in part subject to WP2008-327
		4280570	South Lorrain	1	16	2016-Nov-24	2018-Nov-24	\$400	Cobalt Industries of Canada	100% as above	MRO subject to WP2008-327
		4282406	South Lorrain	14	224	2016-Nov-24	2018-Nov-24	\$5,600	Cobalt Industries of Canada	100% as above	MRO subject to WP2008-333/WP2008-327
		4282445	South Lorrain	4	64	2016-Nov-04	2018-Nov-04	\$1,600	Cobalt Industries of Canada	100% as above	MRO subject to WP2008-333
		4282447	South Lorrain	16	256	2016-Nov-04	2018-Nov-04	\$6,400	Cobalt Industries of Canada	100% as above	MRO subject to WP2008-333
		4282448	South	4	64	2016-Nov-	2018-	\$1,600	Cobalt Industries of	100% as above	MRO subject to WP2008-333/WP2008-327

Property	Claim group	Claim no.	Township	Claim units	Ha	Recording date	Claim due date	Work required	Recorded holder	First Cobalt interest	Notes
			Lorrain			04	Nov-04		Canada		
		4282450	South Lorrain	12	192	2016-Nov-04	2018-Nov-04	\$4,800	Cobalt Industries of Canada	100% as above	MRO subject to WP2008-333/WP2008-327
		4282451	South Lorrain	12	192	2016-Nov-04	2018-Nov-04	\$4,800	Cobalt Industries of Canada	100% as above	MRO in part - 3rd party SRO patents
		4282702	South Lorrain	11	176	2016-Nov-30	2018-Nov-30	\$4,400	Cobalt Industries of Canada	100% as above	
		4282703	South Lorrain	13	208	2016-Nov-30	2018-Nov-30	\$5,200	Cobalt Industries of Canada	100% as above	
		4282704	South Lorrain	1	16	2016-Nov-30	2018-Nov-30	\$400	Cobalt Industries of Canada	100% as above	MRO -3rd party SRO patent MRO in part subject to WP2008-327
		4282747	South Lorrain	7	112	2016-Nov-04	2018-Nov-04	\$2,800	Cobalt Industries of Canada	100% as above	MRO in part – 3 rd party SRO patents MRO subject to WP2008-333/WP2008-327
		4282749	South Lorrain	12	192	2016-Nov-04	2018-Nov-04	\$4,800	Cobalt Industries of Canada	100% as above	MRO subject to WP2008-327
		4282750	South Lorrain	15	240	2016-Nov-04	2018-Nov-04	\$6,000	Cobalt Industries of Canada	100% as above	MRO subject to WP2008-327
		17		136	2176			\$54,400			
		4264322	South Lorrain	1	16	2015-May-26	2019-May-26	\$100	Brixton Metals Corporation (BMC) to be transferred to Cobalt Industries of Canada Inc. (CIC)	100% - Acquisition from Brixton Metals announced June 7, 2017	
		4275041	South Lorrain	1	16	2015-May-26	2019-May-26	\$100	BMC to be transferred to CIC	100% as above	
BMC South		4275042	South Lorrain	1	16	2015-May-26	2019-May-26	\$100	BMC to be transferred to CIC	100% as above	
		4275044	South Lorrain	1	16	2015-May-26	2019-May-26	\$100	BMC to be transferred to CIC	100% as above	
		4275170	South Lorrain	1	16	2014-Oct-20	2018-Oct-20	\$100	BMC to be transferred to CIC	100% as above	
		4275171	South Lorrain	1	16	2014-Oct-20	2018-Oct-20	\$100	BMC to be transferred to CIC	100% as above	
		4278609	South Lorrain	1	16	2015-Jul-02	2019-Jul-02	\$100	BMC to be transferred to CIC	100% as above	

Property	Claim group	Claim no.	Township	Claim units	Ha	Recording date	Claim due date	Work required	Recorded holder	First Cobalt interest	Notes
		4278610	South Lorrain	1	16	2015-Jul-02	2019-Jul-02	\$100	BMC to be transferred to CIC	100% as above	
		8		8	128			\$800			
		1118210	Bucke	6	96	1997-Mar-04	2018-Jul-04	\$400	BMC to be transferred to CIC	100% as above	NE 1/4 OF N 1/2 LOT 14 CON 2 ETAL
		1118211	Bucke	4	64	1997-Mar-04	2018-Jul-04	\$902	BMC to be transferred to CIC	100% as above	NE 1/4 OF N 1/2 LOT 13 CON 2 ETAL
		4243946	Bucke	1	16	2009-Sep-22	2017-Sep-22	\$400	BMC to be transferred to CIC	100% as above	S1/4 OF NW1/4 OFS1/2 LOT 14, CON 1
		4275150	Coleman	1	16	2014-Dec-23	2018-Dec-23	\$300	BMC to be transferred to CIC	100% as above	S1/2 SW 1/4 of Lot 2 & 3, Con 3
		4275168	Coleman	1	16	2014-Oct-20	2019-Oct-20	\$200	BMC to be transferred to CIC	100% as above	NE1/4 N1/2 L16, CON5
		4275169	Coleman	1	16	2014-Oct-20	2019-Oct-20	\$200	BMC to be transferred to CIC	100% as above	NW1/4 N1/2 L15, CON5
		4275037	Gillies Limit	15	240	2015-Feb-02	2018-Feb-02	\$4,000	BMC to be transferred to CIC	100% as above	S1/2 OF BLOCK 6, & PART OF BLOCK 7
		4275043	Gillies Limit	1	16	2015-May-27	2018-May-27	\$400	BMC to be transferred to CIC	100% as above	Part of Block A
		4275172	Gillies Limit	2	32	2014-Oct-30	2017-Oct-30	\$531	BMC to be transferred to CIC	100% as above	PT BLOCK 4
		4275173	Gillies Limit	5	80	2014-Oct-30	2017-Oct-30	\$1,768	BMC to be transferred to CIC	100% as above	PT of Block A
		4275175	Gillies Limit	11	176	2014-Oct-30	2017-Oct-30	\$3,454	BMC to be transferred to CIC	100% as above	Pt of Block 2 and Part of Block 3
		4280114	Gillies Limit	1	16	2016-Sep-22	2018-Sep-22	\$400	BMC to be transferred to CIC Inc.	100% as above	PART OF E 1/2 OF BLOCK A
		4275034	Lorrain	1	16	2015-Feb-02	2018-Feb-02	\$258	BMC to be transferred to CIC	100% as above	NE1/4 L3, N1/2 C12
		4275036	Lorrain	1	16	2015-Feb-02	2018-Feb-02	\$128	BMC to be transferred to CIC	100% as above	NW1/4 LOT 1, S1/2 C12
		14		51	816			\$13,341			

Note: MRO = Mining rights only; SRO = Surface rights only

4.2.1 Silver Centre Property

The Silver Centre Property, situated in South Lorrain Township, comprises:

1. The 619.15 ha Keeley-Frontier claim group comprised of 13 contiguous patented (fee simple) mining claims with surface and mining rights totalling approximately 174.29 ha and five contiguous mining leases with mining rights only totalling approximately 444.86 ha (Table 3 and Table 4, Figure 2).
2. The CSH claim group comprised of seven contiguous staked mining claims totalling 34 claim units and covering approximately 544 ha (Table 5, Figure 2). Some claims have MRO because of Ministry of Natural Resources surface withdrawals as discussed in Section 4.3.3.
3. The CIC claim group comprised of 17 contiguous and non-contiguous staked mining claims totalling 136 claim units and covering approximately 2176 ha (Table 5, Figure 2). Some claims have MRO because of third party overlapping surface rights only patents or Ministry of Natural Resources surface withdrawals as discussed in Section 4.3.3.
4. The BMC South claim group comprised of eight contiguous staked mining claims totalling 8 claim units and covering approximately 128 ha (Table 5, Figure 2).

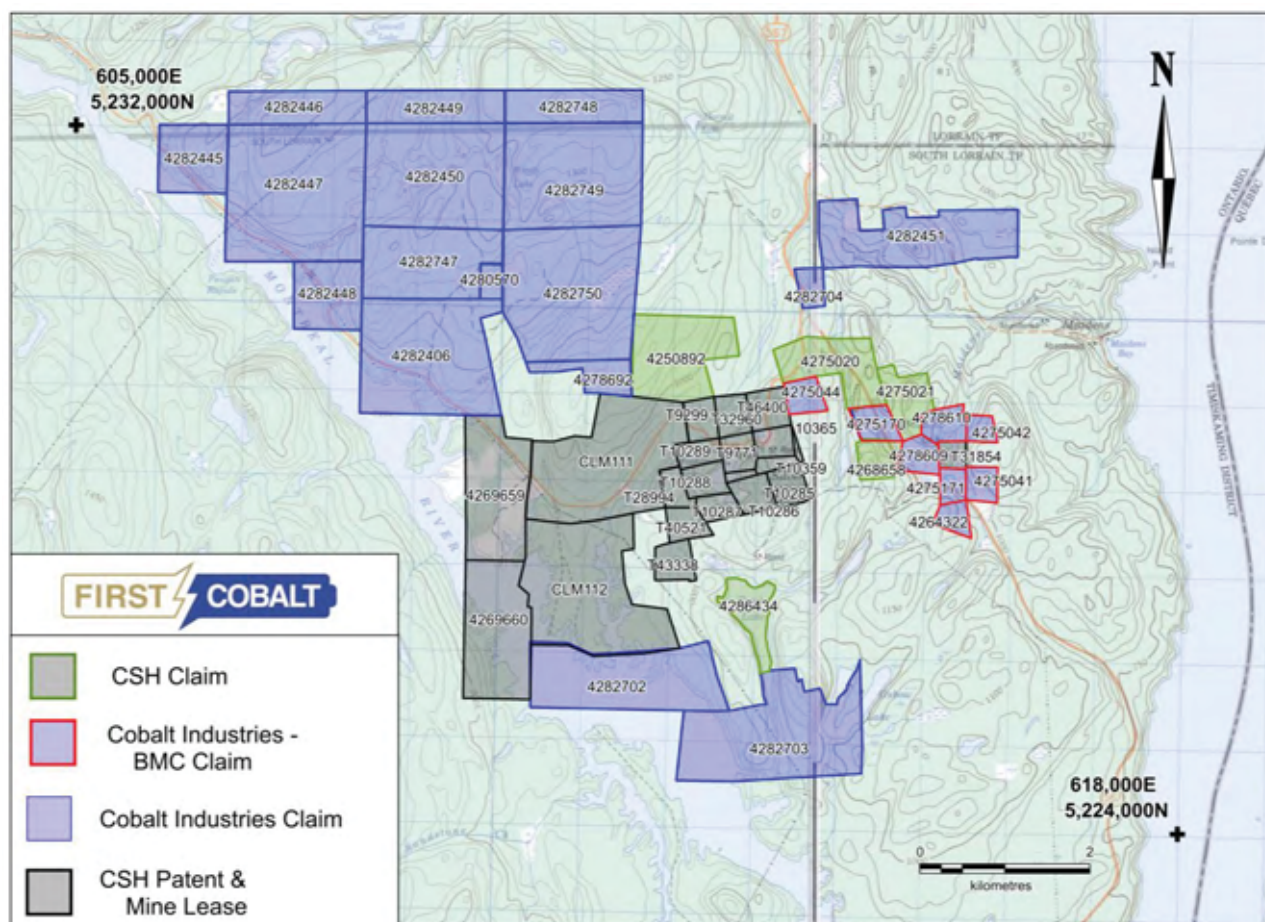
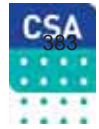


Figure 2: Greater Cobalt Project – Silver Centre Property claim location map



First Cobalt holds an option to earn a 100% interest in the 13 patented mineral claims and 5 mining leases of the Keeley-Frontier claim group, and the 7 unpatented mineral claims of the CSH claim group by way of acquisition of all outstanding share capital of Cobalt Projects International Corp. (Cobalt Projects), a privately-held Ontario-based mineral exploration Company as announced March 16, 2017. As consideration for the acquisition, the Company issued 4.45 million shares to existing shareholders of Cobalt Projects, which shall vest in six equal tranches over a four to 18-month period. Cobalt Projects holds the rights to earn up to a 100% interest in the Keeley-Frontier and CSH groups from Canadian Silver Hunter Inc.

First Cobalt may earn up to a 100% interest in the Keeley-Frontier and CSH groups as follows:

- 50% interest upon payment of \$850,000 (of which \$350,000 has been paid) and incurring expenditures of \$1,750,000 on the property over a period of three years
- 51% interest upon payment of \$200,000 within 60 days of having exercised the first option and producing a technical report in compliance with NI 43-101 – Standards of Disclosure for Mineral Projects by the fourth anniversary (24 January 2021)
- 100% interest upon payment of \$750,000 and incurring additional expenditures of \$1,250,000 by the fifth anniversary (24 January 2022).

Upon earning a 100% interest, Canadian Silver Hunter shall be granted a 2% net smelter return royalty, subject to First Cobalt having the right to purchase 1% for \$1 million over the ensuing 10 years. The Company may elect to accelerate the earn-in.

First Cobalt holds a 100% interest in the 17 staked mining claims of the CIC claim group by way of its acquisition of Cobalt Industries of Canada Inc. (Cobalt Industries) announced 23 January 2017. Cobalt Industries is now a 100% owned subsidiary of First Cobalt and will serve as the holding company for the Greater Cobalt Project properties. In consideration for the acquisition of all the outstanding share capital of Cobalt Industries, the Company issued 6,900,000 common shares. All securities issued in connection with the acquisition are subject to an 18-month escrow arrangement restricting resale of the securities. Under the terms of the escrow arrangement, the securities will be released from escrow in five equal tranches, with the first release occurring six months following completion of the acquisition.

As announced 7 June 2017, First Cobalt holds a 100% interest in the eight staked mining claims of the BMC South claim group which were acquired by making a \$325,000 cash payment to Brixton Metals Corp. for a 22-claim package in the Silver Centre and Cobalt town areas.

4.2.2 Cobalt Area Property

The Cobalt Area Property includes:

1. The BMC North claim group comprised of 14 unpatented (staked) mining claims totalling 151 units and 2,416 ha in the townships of Coleman, Gillies Limit and Lorrain (Table 5, Figure 3).
2. As announced 7 June 2017, First Cobalt holds a 100% interest in the 14 staked mining claims which were acquired by making a \$325,000 cash payment to Brixton Metals Corp. for a 22-claim package in the Silver Centre and Cobalt town areas.
3. The Yukon Refinery claim group comprised of approximately 16.268 ha (40.2 acres) of surface rights only patents (Table 3, Figure 3) with a tailings management facility and a cobalt-silver extraction refinery.
4. First Cobalt announced on 1 June 2017 that it had entered into an option agreement with Cobalt One Limited (Cobalt One) to earn into a 50-50 joint venture on the Yukon cobalt extraction refinery and (40.2 acres) of permitted property in Cobalt, Ontario for potential future processing and tailings

management options. In consideration for the option to enter a 50-50 joint venture, First Cobalt made a non-refundable payment of \$750,000 to Cobalt One. First Cobalt will have until 31 December 2017 to exercise the option. On exercise, First Cobalt will be obligated to pay Cobalt One an additional \$2.25 million and pay the equivalent of 50,000,000 shares of ASX-listed Cobalt One in cash or shares of First Cobalt (approximate value of \$5.5 million). The agreement is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the TSX Venture Exchange. It is anticipated that this joint venture agreement will be superseded by the transaction announced on 26 June 2017 whereby First Cobalt would acquire Cobalt One (see Section 16).

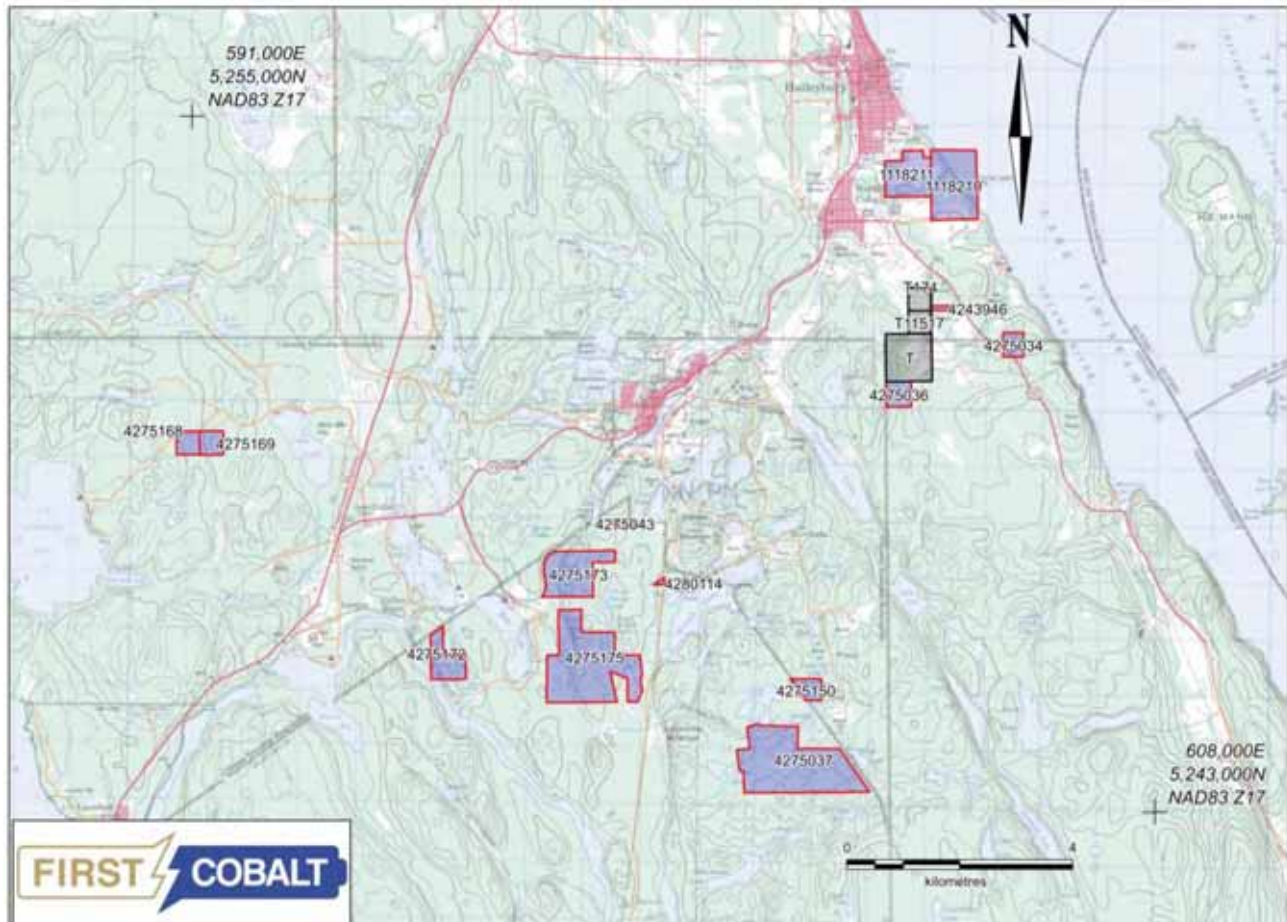


Figure 3: Greater Cobalt Project – Cobalt Area Property claim location map

4.3 Property Claim Status

To the best of CSA Global's knowledge, the Greater Cobalt Project mining claims, mining leases and patented mining claims currently in good standing and First Cobalt warrants that there are no current or pending challenges to ownership of the Project claims of which it is aware.

4.3.1 Patented Mining Claims

The patented claims include both surface and mining rights and would have been legally surveyed at the time of patent application.

The patented lands transferred under the Crown Grant to the patentee are generally subject to the following exclusions/qualifications:

- Five to ten percent (5–10%) of the lands are reserved for the Crown for the purpose of constructing roads;
- All pine trees on the lands are reserved for the Crown and may be cut and removed by any person to whom the Crown grants a timber licence; however, the patentee of the lands may, without a licence, cut and use pine trees for building, fencing and fuel on the land or any other purpose essential to the working of the mines thereon as long as it compensates the Crown or the licence-holder, as applicable, for the value of such trees;
- Free use, passage and enjoyment of navigable waters flowing through any part of the lands are reserved for the Crown; and
- Access and use of shorelines of all rivers, streams and lakes on the lands are reserved for vessels, boats and persons which use such waters for fishery purposes.

In addition, deemed exclusions/qualifications set out in the Ontario Public Lands Act (PLA) include:

- Wood, gravel and other materials required for the construction or improvement of roads may be taken by the Ministry of Natural Resources and Forestry, or a person authorised by it, from the land without compensation to the patentee (Public Lands Act, s. 65(2)); and
- Any portage which exists, or has existed, over the lands may be used by any person travelling on waters connected by said portage without the permission of, or payment to, the owner of the lands (Public Lands Act, s. 65(4)).

CSA Global is unaware of any other encumbrances on the patented mining claims other than a royalty described in Section 4.3.4 below and property tax payments. The patented claims are subject annual property taxes which totalled approximately \$1,625 in 2016 (Section 4.2).

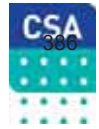
4.3.2 *Mining Leases*

Unless a mining lease states otherwise, a mining lease vests in the leaseholder all title of the Crown in the lands described and all mines and minerals within those lands. Mining leases require a plan of survey approved by the Surveyor General of Ontario. The Silver Centre Property, Frontier-Keeley group's five mining leases are for mining rights only, surface rights are retained by the Crown. A right to lease the surface rights for development purposes exists through the Ontario Mining Act.

Ontario mining leases have an initial term of 21 years and are renewable for further 21-year terms. The holder of a mining lease cannot transfer, mortgage, charge or sublet the lease or make the lease subject to a debenture without the written consent of the Minister.

To maintain a lease in good standing, the holder of a mining lease in Ontario must comply with various requirements under Ontario's Mining Act. The lands, surface rights or mining rights issued under a lease must be used solely for the purposes of the mining industry. Any breach of this requirement could invalidate a lease.

All mining leases issued in Ontario are subject to a number of reservations. These reservations relate to such public interest matters as power lines, pipelines, roads, railways and waterways. In addition, pursuant to modernisation amendments in effect as of 2009, every lease issued under the act, including leases issued or renewed before the enactment of the amendment, includes or is deemed to include the provision that the lessee's rights under the lease are subject to the protection provided for existing Aboriginal or treaty rights



in section 35 of the *Constitution Act 1982* and the lessee shall conduct itself on the demised premises in a manner consistent with the protection provided to any such rights.

CSA Global is unaware of any other encumbrances on the leases other than a royalty described in Section 4.3.4 below and lease rental payments. Total annual rental requirement for the Frontier-Keeley group's five leases is \$1,341.00. The earliest first term lease expiry date is 31 August 2028.

4.3.3 *Unpatented Mining Claims*

The Project's staked mining claims have not been legally surveyed. The staked claims include no surface rights; however, a right to acquire the surface rights for development purposes exists through the Ontario Mining Act. The Mining Act also provides legal access to the land for the purpose of exploration.

Staked claims are generally subject to the following reservations:

- 400 ft surface rights reservation around all lakes and rivers
- Sand and gravel reserved
- Peat reserved.

Certain staked claims also:

- Include land under water
- Are MRO or part MRO where all or part of the surface rights within the claim are held by a third party
- Exclude roads
- Exclude hydro right of ways.

In addition, Silver Centre Property mining claims 4280570, 4282406, 4282445, 4282446 4282447, 4282448, 4282449, 4282450, 4282747, 4282748, 4282749, 4282750, and parts of 4250892, 4269659, 4282704 and 4278692 are subject to wind power area applications for surface rights only (SRO) under the PLA (WP2008-327 and WP2008-333). Under the Mining Act s. 28(2) (3), the wind power PLA SRO applications have priority over the mining claims. Any surface mineral exploration activities conducted on claims will therefore require notification and approval of the company holding the applications; this would be completed as part of the exploration permit/plan application process (see Section 4.6). If the PLA SRO applications lapse, are withdrawn or are not accepted or approved, a mining claim staked during the time that the overlapping application was pending shall be deemed to be amended to include the minerals and rights that were the subject of the application (in this case, SRO) as if the application had never existed.

CSA Global is unaware of any other encumbrances on the staked claims other than a royalty described in Section 4.3.4 below and annual mining claim assessment work requirements and. First Cobalt must perform \$400 worth of approved assessment work per mining claim unit, per year filed on or before the claim due date (anniversary date). Table 5 details the assessment costs and current due dates for the staked mining claims of the Temagami Project. Total annual assessment requirement for the Project's staked mining claims is \$91,600; however, because of previously filed excess assessment work, as of the Effective Date, the total required assessment for the next due dates is only \$76,565. Assessment work for mining claims 4275020 and 4275021 due on 26 May 2017 has been filed with the MNM and is awaiting approval. Mining claim 4250892 26 July 2017 will have banked assessment credits applied. The next claim due will be 22 September 2017 (Table 5).

4.3.4 *Royalties*

Upon First Cobalt earning a 100% interest, the 13 patented mining claims, five leases and seven staked mining claims of the Silver Centre Property's Frontier-Keeley group are subject to a 2% net smelter return royalty payable to Canadian Silver Hunter. First Cobalt will have the right to purchase 1% for \$1 million over the ensuing 10 years.

4.4 **Environmental Liabilities**

4.4.1 *Patented Mining Claims*

Upon earning its 100% interest in the Silver Centre Property Keeley-Frontier group's 13 patented mineral claims First Cobalt will become responsible for all historic environmental liabilities on the patented claims and any necessary rehabilitation. This work would be covered in a mine closure plan for any new proposed mine.

First Cobalt warrants that it has not received from Canadian Silver Hunter or any government authority, notice of, or communication relating to, any actual or alleged breach of any environmental laws, regulations, policies or permits with respect to the Keeley-Frontier patented claims.

Ontario's Abandoned Mines Information System (AMIS) documents four AMIS sites totalling 21 features on the 13 Keeley-Frontier group patented claims (Table 6, Figure 4). The features are historic waste dumps, unconfined tailings, surface trenches and pits, raises and stopes to surface and exploration shafts. Of the features, one is rehabilitated, two are considered not a hazard and 18 are considered a hazard. Since First Cobalt will become responsible for the ongoing maintenance of any remediation efforts on the patents (fencing, signage, etc.) upon earning its 100% interest in the claims, CSA Global recommends that First Cobalt locate and document the hazards and environmental liabilities and inspect them on a semi-annual basis.

4.4.2 *Unpatented Mining Claims*

First Cobalt is not liable for environmental issues existing on its unpatented mining claims prior to their staking date. A claim holder would however become liable for a pre-existing hazard if it were to disturb it, for example excavating a stockpile. If in the future, a party obtains mining rights by taking a mining claim to lease or patent, they will then be responsible for the pre-existing liabilities on the claim (stockpiles, tailings etc.) and any necessary rehabilitation. This work would be covered in a mine closure plan for any new proposed mine.

Of note, under the Mining Act an individual or company not responsible for creating a pre-existing mine hazard may apply to voluntarily undertake mine hazard rehabilitation work without becoming liable for the pre-existing environmental issues on the site. Applications are to be sent to the Director of Mine Rehabilitation for review and if approved, the Director may set conditions that must be met by the applicant. Once approved, applicants shall carry out voluntary rehabilitation according to their approved rehabilitation plan, in accordance with the standards in the Mine Rehabilitation Code of Ontario as specified by the Director.

AMIS documents known abandoned mine features within the Greater Cobalt Project's (staked) mining claims. Eight AMIS sites totalling 21 features are present on the Silver Centre Property's (staked) mining claims (Table 6, Figure 4). The features are historic surface trenches and pits, raises to surface and exploration shafts. Of the features, five are rehabilitated, eight are considered not a hazard, five are

considered a hazard and the status of three are unknown. As noted above, First Cobalt is not liable for these pre-existing hazards. First Cobalt warrants that it has not received from its property vendors or any government authority any notice of, or communication relating to, any actual or alleged breach of any environmental laws, regulations, policies or permits with respect to the Project's staked claims.

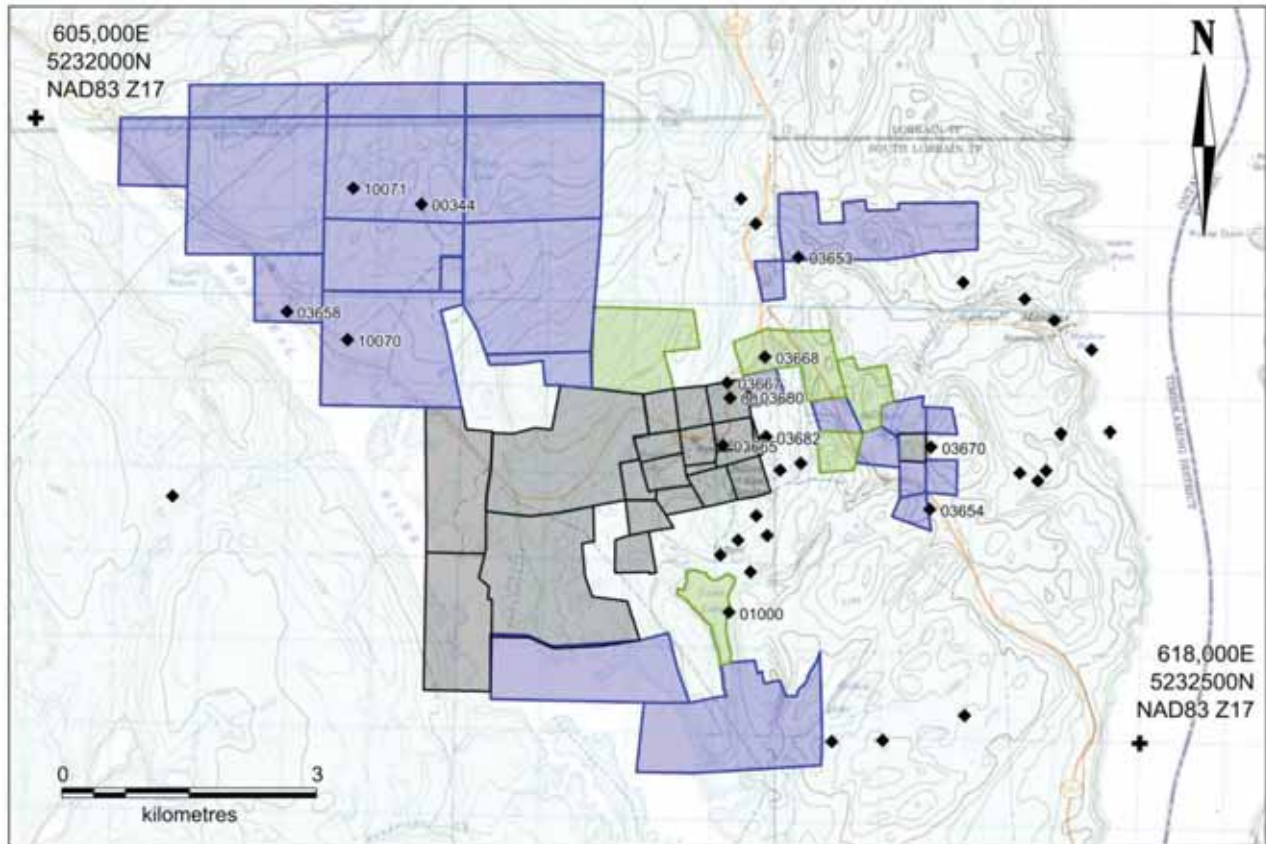


Figure 4: AMIS documented abandoned mine feature locations within the Silver Centre Property

Table 6: AMIS documented abandoned mine feature locations within the Silver Centre Property

Claim group	Claim ID	Patent ID	AMIS site ID	Mine feature ID	Mine feature type description	Mine hazard status	Mine feature condition description	Northing	Easting
CIC	4282450		00344	81814	Exploration shaft – vertical shaft	Not available		5231096	609509
CIC	4282451		03653	74487	Exploration shaft - inclined shaft	Active hazard	2000 assessment; sunk in rock at the edge of a huge outcrop, water filled to 0.5 m below grade surface (bgs). Archives indicate shaft depth of 15 m.	5230567	613910
CIC	4282448		03658	74489	Trench	Not a hazard	2000 assessment; shallow trench.	5229814	607970
CIC	4282703		03673	74527	Exploration shaft – vertical shaft	Rehabilitated	2000 assessment; backfilled using rock dump material (true depth unspecified).	5224710	614027
CIC	4282703		03673	82115	Trench	Not a hazard	2000 assessment; shallow trench.	5224810	614289
CIC	4282406		10070	81815	Exploration shaft – vertical shaft	Not available		5229500	608680
CIC	4282450		10071	81816	Exploration shaft – vertical shaft	Not available		5231268	608710
BMC	4264322		03654	82083	Trench	Not a hazard	2000 assessment; shallow trench.	5227577	615478
BMC	4264322		03654	82084	Trench	Not a hazard	2000 assessment; long shallow trench	5227539	615447
BMC	4275044		03680	74537	Shaft – 2 compartments – vertical shaft	Active hazard	2000 assessment; shaft #1: partially filled-in, backfill material may have subsided.	5228933	613373
BMC	4275044		03680	74538	Shaft – 1 compartment – vertical shaft	Active hazard	2000 assessment; shaft #4: water filled to 1 m below grade surface (bgs), historical depth not specified.	5228867	613392
BMC	4275044		03680	74539	Shaft – 1 compartment – vertical shaft	Active hazard	2000 assessment; shaft #5: historical depth unspecified.	5229158	613576
BMC	4275044		03680	81321	Shaft – 2 compartments – unknown	Rehabilitated	2000 assessment; shaft #6: shaft located on T46581 (formerly R1474); partly backfilled – old pipe sticking out of the ground – small depression in ground suggest subsidence, historical depth of shaft unspecified in report.	5229740	613651
BMC	4275044		03680	81322	Trench	Not a hazard	2000 assessment; long shallow trench.	5229754	613732
BMC	4275044		03680	82285	Raise to surface	Rehabilitated	2000 assessment; raise: suspected raise – filled in or capped, although uncertain, 2 old pipes sticking out (pressure equalisation) suggest capping, historical depth unspecified in report.	5228947	613374
BMC	4275044		03680	82504	Shaft – 2 compartments – vertical shaft	Active hazard	2000 assessment; shaft #2: known as Harris no. 1 shaft – log covered – logs are partially rotted initially fenced but fence is down, water filled to 2.5 m below grade surface. Historical depth of shaft is unspecified.	5228976	613364
Keeley-Frontier	4275020		03668	82167	Shaft – 1 compartment – inclined shaft	Rehabilitated	2000 assessment; shaft #1: backfilled in the northeast trending trench, there is a small metal pipe in the wider part of the trench. The area looks like it was filled a long time ago. Original depth unspecified, slumped to 1 m.	5229397	613543

Claim group	Claim ID	Patent ID	AMIS site ID	Mine feature ID	Mine feature type description	Mine hazard status	Mine feature condition description	Northing	Easting
Keeley-Frontier	4275020		03668	82168	Trench	Not a hazard	2000 assessment; shallow trench lies directly south of shaft #1.	5229389	613543
Keeley-Frontier	4275020		03668	82169	Trench	Not a hazard	2000 assessment; long shallow trench close to pond, shaft #2 inside trench on south end.	5229388	613514
Keeley-Frontier	4275020		03668	82170	Trench	Not a hazard	2000 assessment; shallow trench curves to the west.	5229417	613533
Keeley-Frontier	4275020		03668	82473	Shaft – 1 compartment – vertical shaft	Rehabilitated	2000 assessment; shaft #2: rehabilitated, backfilled.	5229370	613502
Keeley-Frontier		T46400	00573	82057	Shaft – 1 compartment – inclined shaft	Active hazard	2000 assessment; shaft – was fence once but fence is now mostly down. There are rotted logs covering the shaft -- some of the logs have fallen in the shaft.	5228911	613147
Keeley-Frontier		T46400	00573	82058	Waste rock dump	Not a hazard	2000 assessment; rock pile.	5228920	613140
Keeley-Frontier		T10286	03665	74515	Exploration shaft – inclined shaft	Active hazard	2000 assessment; open, inclined exploration shaft: timbered two compartments, inclined at 80° east, Keeley no.4 shaft in literature, true depth unspecified in report.	5227952	613140
Keeley-Frontier		T10285	03665	74516	Shaft – 1 compartment – unknown	Active hazard	2000 assessment; shaft #4: collapsed head frame over the shaft, timber cribbed, Keeley no.3 shaft. Historical depth unspecified.	5227958	613220
Keeley-Frontier		T10155	03665	74517	Shaft – 2 compartments – unknown	Active hazard	2000 assessment; shaft: 2 compartments, backfilled with rock and wood, known as Frontier no.3 shaft. Historical depth of shaft unspecified in report.	5228419	613163
Keeley-Frontier		T10155	03665	74518	Shaft – 1 compartment – inclined shaft	Active hazard	2000 assessment; logs used to cap shaft. Fence is down, Frontier no.1 shaft. Historical depth of shaft unspecified in report.	5228483	613286
Keeley-Frontier		10365	03665	74519	Exploration shaft – vertical shaft	Active hazard	2000 assessment; timber cribbed.	5228479	613450
Keeley-Frontier		T10155	03665	74520	Tailings – unconfined	Active hazard	2008 tailings assessment; approximately 70% of the tailings surface is covered by a pond. A waste rock pad is situated on the southeast edge of the basin, adjacent the site access road. A small tailings beach occurs in the southwest section of basin.	5228539	613011
Keeley-Frontier		T10155	03665	82093	Shaft – 2 compartments – vertical shaft	Active hazard	2000 assessment; shaft covered with logs to form a “cap”; water filled to 12 m below grade surface. Historical depth not specified in report.	5228369	613075
Keeley-Frontier		T10286	03665	82094	Shaft – 2 compartments – vertical shaft	Active hazard	2000 assessment; caving in at surface – rock pile occurs near the shaft, listed as Keeley no.5 shaft in literature – unknown total depth, not specified in report.	5227789	613136
Keeley-Frontier		T10286	03665	82095	Stope	Active hazard	2000 assessment; stope inclined at 35° east, partially filled in on one side. Depth of stope unspecified.	5227999	613143

Claim group	Claim ID	Patent ID	AMIS site ID	Mine feature ID	Mine feature type description	Mine hazard status	Mine feature condition description	Northing	Easting
Keeley-Frontier		T10285	03665	82096	Stope	Active hazard	2000 assessment; small hole on the edge of a "trench". The "trench" was a slope capped with plywood. Now, it is filled with soil and few trees, previously fenced, but fence is now down. Historical depth of stop unspecified in report.	5228000	613303
Keeley-Frontier		T10155	03665	82097	Shaft – 3 compartments – inclined shaft	Active hazard	2000 assessment; shaft: timber cribbed, 3-compartment shaft, inclined at 80° east, known as Haileybury silver shaft. Historical depth of shaft not verified in report.	5228586	613367
Keeley-Frontier		T10285	03665	82468	Exploration shaft – unknown	Rehabilitated	2000 assessment; possible shaft location backfilled, known as Keeley no.1 shaft in literature; the shaft collar was not identified, according to a historical map, the shaft is located between the adjacent concrete structure and the rock pile.	5228113	613292
Keeley-Frontier		T10285	03665	82493	Shaft – 2 compartments – vertical shaft	Active hazard	2000 assessment; known as Keeley no.2 shaft in literature, covered with wood of 50 cm in diameter, there is some regrowth on top of plywood, two old pipes are sticking out. Historical depth of shaft unspecified in report.	5228022	613360
Keeley-Frontier		T10359	03665	82495	Shaft – 2 compartments – vertical shaft	Active hazard	2000 assessment; known as Crompton shaft, timber, partially filled-in. Historical depth of shaft unspecified in report.	5228197	613208
Keeley-Frontier		10365	03665	82496	Open pit	Active hazard	2000 assessment; water filled to 2 m below grade surface. Depth unspecified but > 2 m.	5228469	613459
Keeley-Frontier		T46400	03667	74522	Shaft – 2 compartments – vertical shaft	Rehabilitated	2000 assessment; backfilled (known as former no. 1 shaft in literature). Historical depth of shaft unspecified in report.	5229089	613111
Keeley-Frontier		T46400	03667	74524	Waste rock dump	Not a hazard	2000 assessment; rock pile, report does not specify if rock pile is waste.	5229085	613093
Keeley-Frontier		T46400	03680	82283	Stope to surface	Active hazard	2000 assessment; full of water – log covered – fence down, coordinates taken from site map(approximate).	5228970	613340
Keeley-Frontier		T46400	03680	82284	Shaft – 1 compartment – inclined shaft	Active hazard	2000 assessment; inclined shaft #3: known as Harris no.2 shaft – timbered cribbed fenced needs to be fixed - not solid. Hazard dimensions unspecified in report, depth undetermined in report.	5228961	613331

4.5 Required Exploration Permits

As of the Effective Date, First Cobalt does not currently hold any Exploration Plans or Permits for exploration work proposed on mining claims and mining leases in this Report (Section 18). The Keeley-Frontier group patented claims do not require an Exploration Plan or Permit. First Cobalt warrants that they will acquire any and all government permits required to execute the proposed early exploration activities where required on the Project properties. A brief discussion of exploration plans and permits that might be required for early exploration activities on First Cobalt's mining claims and mining leases follows.

Ontario Mining Act regulations require exploration plans and permits, with graduated requirements for early exploration activities of low to moderate impact undertaken on mining claims, mining leases and licenses of occupation. Exploration plans and permits are not required on patented mining claims.

There are a number of exploration activities that do not require a plan or permit and may be conducted while waiting for a plan or permit is effective. These may include the following:

- Prospecting activities such as grab/hand sampling, geochemical/soil sampling, geological mapping
- Stripping/pitting/trenching below thresholds for permits
- Transient geophysical surveys such as radiometric, magnetic
- Other baseline data acquisition such as taking photos, measuring water quality, etc.

4.5.1 Exploration Plan

Those proposing to undertake minimal to low impact exploration plan activities (early exploration proponents) must submit an exploration plan. Early exploration activities requiring an exploration plan include:

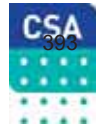
- Geophysical activity requiring a power generator
- Line cutting, where the width of the line is 1.5 m or less
- Mechanised drilling for the purposes of obtaining rock or mineral samples, where the weight of the drill is 150 kg or less
- Mechanised surface stripping (overburden removal), where the total combined surface area stripped is less than 100 m² within a 200-m radius
- Pitting and trenching (of rock), where the total volume of rock is between 1 m³ and 3 m³ within a 200-m radius.

In order to undertake the above early exploration activities, an exploration plan must be submitted and any surface rights owners must be notified. Aboriginal communities potentially affected by the exploration plan activities will be notified by the MNM and have an opportunity to provide feedback before the proposed activities can be carried out.

4.5.2 Exploration Permit

Those proposing to undertake moderate impact exploration permit activities (early exploration proponents) must apply for an exploration permit. Early exploration activities that require an exploration permit include:

- Line cutting, where the width of the line is more than 1.5 m
- Mechanised drilling, for the purpose of obtaining rock or mineral samples, where the weight of the drill is greater than 150 kg



- Mechanised surface stripping (overburden removal), where the total combined surface area stripped is greater than 100 m² and up to advanced exploration thresholds, within a 200-m radius
- Pitting and trenching (rock), where the total volume of rock is greater than 3 m³ and up to advanced exploration thresholds, within a 200-m radius.

The above activities will only be allowed to take place once the permit has been approved by the MNM. Surface rights owners must be notified when applying for a permit. Aboriginal communities potentially affected by the exploration permit activities will be consulted and have an opportunity to provide comments and feedback before a decision is made on the permit.

4.5.3 *First Nation Consultations*

First Cobalt warrants that it will consult with the appropriate First Nation and Metis communities as required per the Ontario Mining Act.

4.5.4 *Exploration on Mining Rights Only Mining Claims*

Under Ontario's Mining Act, surface rights owners must be notified prior to conducting exploration activities. Where there is a surface rights holder of land, a person who:

- Prospects, stakes or causes to be staked a mining claim;
- Formerly held a mining claim that has been cancelled, abandoned or forfeited;
- Is the holder of a mining claim and who performs assessment work; or
- Is the lessee or owner of mining lands and who carries on mining operations,

on such land, shall compensate the surface rights holder for damages sustained to the surface rights by such prospecting, staking, assessment work or operations.

4.6 **Other Significant Factors and Risks**

Environmental, permitting, legal, title, taxation, socio-economic, marketing, and political or other relevant issues could potentially materially affect access, title or the right or ability to perform the work recommended in this report on the Properties. However, at the time of this report, CSA Global is unaware of any such potential issues affecting the Properties.

5 Accessibility, Climate, Local Resources, Infrastructure and Physiography

5.1 Accessibility

The Greater Cobalt Project is located in the historic Silver Centre and Cobalt mining camps. The Property areas are accessible as follows:

5.1.1 Silver Centre Property

The Silver Centre Property is accessible via all-weather paved highway as follows:

1. From Highway 11B in the town of North Cobalt take Lakeview Avenue 1.2 km east.
2. Lakeview avenue changes to Silver Centre Road, continue 2.8 km south.
3. Silver Centre Road changes to Provincial Highway 567, continue south 24.3 km to the gravel access road to the historic Silver Centre camp.
4. Turn right onto the Silver Centre camp road and travel 2.1 km to the historic Frontier Mine area located on the Keeley Frontier group of claims. Several forestry access roads, trails and hydro transmission line right-of-way provide access to portions of the Silver Centre Property. Other than an access trail along the north shore of the Montreal River, the northwestern CSH claims generally have only limited road and trail access.
5. From the Silver Centre turn-off, continue south on Highway 567 three km to the south shore of Maiden Lake to access the eastern CSH and BMC claims of the Silver Centre Property.

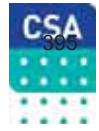
5.1.2 Cobalt Area Property

The various non-contiguous Cobalt Area Property claims are accessible via all-weather gravel roads, trails and hydro transmission line right-of-way located off Highways 11B and 567 in and around the towns of Cobalt and North Cobalt.

5.2 Climate

The climate in the Project area is warm summer humid continental (Koppen climate classification Dfb). This region has warm and often hot summers with long, cold winters. It is situated northeast of the Great Lakes, making it prone to arctic air masses.

Ville Marie, Québec, on the east side of Lake Temiskaming, is the closest centre representative of the Properties for which Environment Canada (2017) climatic records are available (1981 to 2010). Mean summer temperature is approximately 17 degrees Celsius (°C); however, extreme daily summer maximum temperatures can reach 40°C. Mean winter temperature is -12.5°C; however, extreme daily winter minimum temperatures can reach -50°C. Average annual precipitation (combined rain and snow) is approximately 836.5 mm per year. Monthly precipitation is relatively equal year-round but typically the greatest amount of precipitation falls from late spring to early fall and the least precipitation occurs in the winter months. Some snow cover is expected six months of the year. Mean total rainfall is 655.9 mm. Mean total annual snowfall is 180.6 cm. Smaller lakes in the immediate area are typically frozen between December and March.



Season-specific mineral exploration may be conducted year-round. Swampy areas and lakes/ponds may be best accessed for drilling and ground geophysical surveys during the winter months when the ground and water surfaces are frozen. Mine operations in the region can operate year-round with supporting infrastructure.

5.3 Local Resources and Infrastructure

Most services and supplies required for a mineral exploration program are available in the City of Temiskaming Shores (2016 Census population of 9,920), an amalgamated municipality (formerly the Town of Haileybury, New Liskeard and the Township of Dymond) at the head of Lake Temiskaming approximately 25 km north of the centre of the Project area. The Town of Cobalt (2016 Census population of 1,128), at the north end of the Project area offers some basic services. Given the mining history of the Cobalt Camp and the proximity of mining communities such as Kirkland Lake and Sudbury, as well as service centres such as North Bay, exploration and mining personnel are readily available in the region.

The city of Greater Sudbury (2016 Census population of 161,531) is located approximately 200 km by road southwest of the Project at the intersection of the Trans-Canada Highway, Highway 69S and Highway 144N. Sudbury is located 390 km north of Toronto. A world leader in nickel mining, milling, smelting and refining, Greater Sudbury has diversified and is now a regional service centre for northeastern Ontario, having established itself as a major centre of finance, business, tourism, health care, education, government, and science and technology research. Over 300 mining supply and service companies are in Greater Sudbury. A full range of equipment, supplies and services required for any mining development is available in Greater Sudbury.

Other than several powerlines, all-weather roads and ATV trails, no infrastructure is present within the Properties. The centre of the Project area lies approximately 15 km east of Provincial Highway 11 and the Ontario Northland rail line which provides freight services for the transportation of mineral and forest products, chemicals, petroleum and other products to and from northeastern Ontario and northwestern Quebec. Hydro One 115 kV and 230 kV transmission lines cross or are near the Project property areas.

Abundant water resources are present in the lakes, rivers, creeks, and beaver ponds on the Properties.

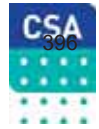
As of the Effective Date, it appears that First Cobalt both holds and has the option acquire sufficient mining claims necessary for proposed exploration activities and potential future mining operations (including potential tailings storage areas, potential waste disposal areas, and potential processing plant sites) should a mineable mineral deposit be discovered.

5.4 Physiography

The major topographic feature of the area is Lake Temiskaming located immediately east of the Project (Figure 1). The Montreal River immediately to the west of the Project and Lake Temiskaming itself (part of the Ottawa River system) are the major drainage channels in the area.

The Project lies adjacent to one of the Canadian Shield's rare "clay belts". These late/post-glacial lacustrine deposits preserve well developed accumulations of sediment that are well suited to agriculture. As a result, the area to the north of the Project area retains a robust agricultural community, particularly north of Lake Temiskaming.

The Project area is characterized by rocky, rolling bedrock hills with locally steep ledges and cliffs, separated by valleys filled with clay, glacial material, swamps and streams. Total relief within the Project area is approximately 200 m with topography varying from 250 m to 380 m ASL in the Silver Centre Property, 180–



300 m ASL in the northeastern Cobalt Area Property claims near Temiskaming Lake and 280–355 m ASL in the southwestern Cobalt Area Property claims. Local relief is commonly up to 30 m, although some ridges are up to 60 m or more above surrounding lowlands.

Vegetation is typical boreal forest with mixed second growth forest of mixed coniferous and deciduous trees, including poplars, birch, maple, pine, spruce, alders, and willows. Swampy low-lying areas contain abundant tag alders. Locally, the clay-belt extends intermittently south into Project area supporting limited farmland but outside of the Project properties.

6 History

6.1 Regional Exploration and Development History

The initial discovery of silver in the region was made west of Lake Temiskaming in 1903 during the construction of the Temiskaming and Northern Ontario Railway. This began a rich mining history in the area. The location along the railway was named Cobalt after one of the elements found in the arsenide minerals within the veins. The first mines commenced production as early as 1904 and mining was more or less, continuous until 1989 with production peaking in 1911 (Petruk *et al.*, 1971). In addition to silver, cobalt, nickel and copper were recovered from the ore. Mineralisation was not just limited to the area immediately around Cobalt, but was recovered from areas with similar geology within the Cobalt embayment of the Southern Province, from Gowganda in the west to Silver Center in the southeast.

Guindon *et al.* (2016) tabulated the historic production (1904 to 1989) from approximately 140 silver-cobalt properties in the Cobalt embayment. First Cobalt's Greater Cobalt Project lies within the Cobalt and Silver Center mining camps. Table 7 presents the historic production from approximately 107 mines in the Cobalt and Silver Centre camps. The information is suspected to be under-reported, in part, due to lease mining during the 1930s (Guindon *et al.*, 2016). Only two of the historic mines are located within First Cobalt's Silver Centre Property. The Author has been unable to verify the information in Table 7 and the information is not necessarily indicative of the mineralisation on the Properties.

Table 7: Silver, cobalt, nickel and copper production at Cobalt and Silver Center mining camps (1904 to 1989)

Mine	Township	Tons milled	Ag (oz)	Co (lb)	Ni (lb)	Cu (lb)	Years of production
Cobalt Camp							
Agaunico and Reuthel Mine	Bucke	NA	980,000	4,350,000	418,717	216,767	1905-1960
Cobalt Contact Mine	Bucke	11,074	26,000	31,000			1912-1944
Dotsee Mine	Bucke	NA	125	8,000			1906-1939
Genesee Mining	Bucke	NA	66,236	12,063			1915-1965
Green-Meehan & Red Rock Mine	Bucke	NA	498,000	27,000		6,000	1905-1939
Harrison-Hibbert & Ruby Mine	Bucke	NA	876,500	214,600	69,458		1920-1963
North Cobalt and Hunter Mine	Bucke	NA	1,453				1909
Casey Cobalt-Silver Mines	Casey	NA	9,373,085	356,418	141,733	88,437	1908-1966
Langis	Casey & Harris	49,542	653,882	25,474	8,013	8,550	1983-1989
Agnico Surface Dumps	Coleman	28,907	51,051	7,455	2,606	15,204	1974-1975
Agnico Tailings Mill	Coleman	312,248	607,097	78,827	1,151,744	124,576	1967-1970
Alexandra Silver (Silverfields)	Coleman	1,322,813	17,793,862	357,501	493,255	238,893	1964-1983
Beaver Consolidated Mines Ltd	Coleman	65,191	7,127,858	139,472	1,397		1907-1940
Beaver-Temiskaming Mine	Coleman	218,816	3,986,761	240,735	76,395	130,614	1977-1988
Ben Tailings	Coleman	1,676	3,715	564	196	511	1969-1970
Brady Lake Property	Coleman	55,485	7,000,000	190,641	8,620	11,320	1910-1960
Buffalo Mines Ltd	Coleman	332,449	14,155,558	152,269			1905-1959
Cart Lake	Coleman	NA	84,193	7,779	2,378	3,070	1966
Chambers Ferland Mining	Coleman	NA	2,030,000				1908-1958

Mine	Township	Tons milled	Ag (oz)	Co (lb)	Ni (lb)	Cu (lb)	Years of production
Chambers Ferland Mining	Coleman	NA	2,175,469	13,000	2,400		1904-1932
Christopher and Cobalt Lode	Coleman	NA	35,378	2,140	511	895	1966
Christopher Silver Mines Ltd	Coleman	NA	4,100,000				1906-1964
City of Cobalt	Coleman	NA	14,000,000	25,000			1907-1930
Cobalt Badger Silver	Coleman	NA	3,475	112	89		1929-1940
Cobalt Lake	Coleman	175,129	6,900,708	146,073	7,920		1908-1943
Cobalt Lode Silver	Coleman	263,140	4,493,542	2,545,117	610,716	459,078	1917-1956
Cobalt Silver Queen	Coleman	6,969	1,406,000	168,311	102		1905-1939
Cobalt Townsite	Coleman	913,268	37,362,032	1,852,765	163,687	90,288	1907-1939
Cochrane Cobalt Mining	Coleman	2,671	33,280	2,702			1913-1939
Colonial Mining	Coleman	63,687	1,211,956	3,671			1907-1954
Coniagas 73 Shaft	Coleman	207,875	889,617	57,576	19,197	143,823	1975-1985
Coniagas Mines	Coleman	750,164	33,963,067	310,557	3,543	47,470	1905-1943
Conisil Mines	Coleman	NA	100,000				1961-1965
Consolidated Silver Banner	Coleman	NA	41,700			412	1927-1964
Cross Lake O'Brien	Coleman	129,670	11,600,000	98,248	38,843	172,611	1928-1966
Crown Reserve mining	Coleman	58,596	20,325,302	33,682			1908-1948
Drummond Mines	Coleman	60,808	3,887,585	245,807			1905-1936
Farah Mining	Coleman	557	8,952				1923-1926
Foster Cobalt Mining	Coleman	2,818	1,159,390	457,164	21,766	24,121	1951-1956
Frontier	Coleman	2,870	39,433	5,538	1,841	2,522	1973
Hargrave Silver Mines	Coleman	1,534	506,927	6,418			1905-1920
Hudson Bay Mines	Coleman	52,370	6,452,266	185,572	1,630		1905-1953
Juno Metals	Coleman	2,674	46,391				1918-1922
Kerr Lake Mining	Coleman	235,503	28,502,037	650,094		1,792	1905-1948
King Edward Mining	Coleman	53,357	1,294,233	3,466	1,310	18,618	1905-1964
LaRose Mines	Coleman	57,544	17,479,977	200,000	111,010		1904-1948
Lawson	Coleman	NA	4,213,513				1905-1953
Little Nipissing	Coleman	NA	82,000				1906-1945
Mayfair Mines	Coleman	NA	26,240				1945-1953
McKinely-Darragh Savage Mines	Coleman	NA	17,300,000				1904-1952
Mensilvo Mines	Coleman	62,571	374,824	149,508	21,605	21,834	1913-1964
Nancy Helen Mines	Coleman	249	91,770				1907-1911
Nerlip Mines	Coleman	613	911	2,949	2,502		1940-1944
New Bailey Mines	Coleman	90,769	3,131,352	76,780		4,084	1912-1966
Nipissing Mines	Coleman	NA	32,000,000				1904-?
Nipissing Mines	Coleman	NA	7,000,000				1904-?
Nipissing Mines	Coleman	NA	1,000				1915-1917
Nipissing Mines	Coleman	1,066,589	32,000,000	3,636,704			1905-1951
Nipissing Mines	Coleman	NA	300,000				1932?
Nipissing Mines	Coleman	NA	20,000,000				1910?-1967

Mine	Township	Tons milled	Ag (oz)	Co (lb)	Ni (lb)	Cu (lb)	Years of production
Nipissing Mines	Coleman	NA	1,750,000				1904-1967
Nipissing Mines	Coleman	NA	300,000				1913-1967
No. 407 Shaft	Coleman	NA	5,200				1926
No. 407 Shaft	Coleman	92,159	1,838,433	157,597	37,687	69,370	1966-1971
No. 96 Shaft	Coleman	56,153	1,236,879	73,970	22,329	46,738	1969-1974
Nova Scotia Silver	Coleman	7,184	1,082,774	114,199			1906-1952
O'Brien	Coleman	NA	33,655,872	835,764	1,481	2,130	1905-1966
O'Brien Dumps	Coleman	8,524	26,709	2,204	710	2,633	1968-1970
Ophir Cobalt Mines (1)	Coleman	NA	69				1921
Penn Canadian Mines	Coleman	189,356	4,418,802	190,650	11,246	26,806	1908-1974
Peterson Lake Silver Cobalt	Coleman	NA	909,064	27,303			1906-1966
Peterson Lake Silver Cobalt	Coleman	60,341	5,627,297				1912-1916
Princess Claim	Coleman	NA	3,713,805				1908-1922
Red Jacket Property	Coleman	NA	3	354			1938-1943
Refinery	Coleman	NA	11,656				1983-1985
Reinhardt Cross Lake Group	Coleman	NA	278,631	2,532	484	141	1949-1951
Right of Way Mines	Coleman	NA	169,000				1906-1935
Right of Way Mines	Coleman	23,073	2,800,000				1906-1935
Savage Mine	Coleman	646,439	4,500,000	465,582	11,348	51,751	1904-1954
Silver Cliff Mining	Coleman	20,552	535,246	9,314	15,380	6,287	1908-1954
Silver Cross Cobalt	Coleman	NA		3,091			1940-1942
Silver Leaf Mining	Coleman	321	495,443	1,206			1906-1931
Smith Cobalt Mines	Coleman	NA		914			1939-1940
Temiskaming Mining	Coleman	149,807	12,118,796	202,687	25,337	6,261	1907-1963
Trethewey Silver Cobalt Mines	Coleman	17,666	7,256,470	216,198			1904-1943
Trout Lake	Coleman	44,705	1,783,536	250,530	85,506	33,312	1969-1977
University Mines	Coleman	400	790,000	82,681			1905-1968
Victoria Silver Cobalt Mines	Coleman	NA	1,000				1906-1910
Violet Mining	Coleman	NA	897,291				1905-1925
Claim A.3	Gillies Limit	NA		900			1935-1940
Cleopatra Mining	Gillies Limit	NA	2,500,000				1964-1968
Cobalt A53 Mining	Gillies Limit	NA		2,251			1946
Provincial Mine	Gillies Limit	258	286,897	54,473	2,842		1908-1940
Waldman Silver Mines	Gillies Limit	58	33,525	2,066			1910-1930
Wyandoh Silver Mines	Gillies Limit	29	33,699	1,234			1910-1937
Harmak Mining	Harris	NA	4,625	12,925			1966
Lang-Caswell	Lorrain	NA	1,503	4,932			1936
Silver Centre Camp							
Bellellen Mine ⁽¹⁾	South Lorrain	NA	38,027	28,481			1910-1943
Canadian Lorrain Mine	South Lorrain	NA	276,825	16,678			1926-1940
Curry Mine	South Lorrain	87	49,821	7,691			1916-1938

Mine	Township	Tons milled	Ag (oz)	Co (lb)	Ni (lb)	Cu (lb)	Years of production
Gilgreer mine	South Lorrain	NA	446	1,732			1936-1943
Harris Mines	South Lorrain	462	13,659	26,286			1925-1939
Keeley and Frontier Mines ⁽¹⁾	South Lorrain	NA	19,197,413	3,310,556	27,252	10,292	1908-1965
Lorrain Lake Mines	South Lorrain	22,405	1,093,404	64,458			1924-1943
Nipissing Lorrain Mine	South Lorrain	NA	350,000	5,521			1925-1929
Silver Eagle Claim	South Lorrain	NA	7,989				1918
Wettlaufer Mine	South Lorrain	6,861	2,593,041	23,910			1909-1940
TOTAL ⁽²⁾		8,007,036	492,538,553	23,279,622	3,624,786	2,087,211	1904-1989

Source: Guindon *et al.*, 2016

Notes: (1) Historic mine located within the First Cobalt's Silver Centre Property area. (2) The Author has been unable to verify the information in Table 7 and the information is not necessarily indicative of the mineralisation on the Properties.

6.2 Exploration History of the Silver Centre Property

6.2.1 Silver Centre Property Peripheral to the Keeley-Frontier Patents

On 13 March 2012, Canadian Silver Hunter announced that it staked seven claims totalling 79 claim units adjacent to its existing Keeley-Frontier patents. Then, on 19 November 2012, Canadian Silver Hunter announced that it acquired a one-third interest in Veinlode Silver Mines Limited (Veinlode), thereby acquiring an indirect interest in certain claims in the Silver Centre area. Canadian Silver Hunter subsequently announced on 19 February 2014, that it acquired from Veinlode a 100% interest in five mining rights only leases and 26 mineral claims adjacent to the its Keeley-Frontier patents.

As announced 16 March 2017, First Cobalt holds an option to earn a 100% interest in Canadian Silver Hunter's five mining leases and seven unpatented mineral claims which together with the 13 Keeley-Frontier patents (see Section 6.2.2) forms the Keeley-Frontier claim group.

First Cobalt also holds a 100% interest in the 17 mining claims of the CIC claim group by way of its acquisition of Cobalt Industries announced 23 January 2017 and a 100% interest in the eight mining claims of the BMC South claim group purchased from Brixton Metals Corp on 7 June 2017.

The known exploration history of these 32 mineral claims and five mining leases in the Silver Centre Property, peripheral to the core Keeley-Frontier patents, is summarised in Table 8, based on available online Ontario government assessment files and MDI files. The approximate locations of the historic work areas are noted in Figure 5 with the Map ID and or MDI number referenced in Table 8. The exploration history of the core Keeley-Frontier patents is presented separately in Section 6.2.2.

Table 8: General exploration history of the Silver Centre Property peripheral to Keeley-Frontier patents

Year	Map ID	Assessment file/reference	Operator	Work history
1950	49	31M03NW0009	H G Miller	PDRILL 2 Ddh/435'
1952	59	31M04NE0040	Macfie Expl Ltd	PDRILL 1 Ddh/266.5'
1956	57	31M04NE0027	W Hammerstrom	GEOLOG Mapping
1959	50	31M04NE0039	W Hammerstrom	ASSAY Dd Core PDRILL 6 Ddh/6011'
1960	33	31M03NW0018	Geoscientific Prospectors Ltd	ASSAY Dd Core PDRILL 2 Ddh/2510'
1961	60	31M04NE0032	Keeley-Frontier Mines	PDRILL 1 Ddh/200'
1963	48	31M03NW0010	E De Camps	PDRILL 1 Ddh/200'
1963	58	31M04NE0033	Bi-met Mines Ltd	PDRILL 1 Ddh/121'
1965	45	31M03NW0021	M Oslund	PDRILL 2 Ddh/202.5'
1970	46	31M04NE0035	J Price	PDRILL 3 Ddh/318'
1973	21	31M04NE0003	Aggressive Mining Ltd	GCHEM 500 Rx Samp/dd Core/co Ag GEOLOG Mapping PDRILL 8 Ddh/3186'/dd Core Samp VLF 30 Lmi
1974	20	31M04NE0024	F Joubin P Hermiston	MAG Unknown
1974	44	31M04NE0029	J Price	PDRILL 1 Ddh/105'
1987	52	31M04NE0021	Place Resc Corp Winteroad Resc Ltd	ASSAY Dd Core PDRILL 2 Ddh/2956'
1995	28	31M03NW0040	John A Gore	MAG 5.1 Km PCUT 5.5 Km VLF 4.2 Km
1995	39	31M03NW0032	Hugh A Moore	MAG 5.6 Km PCUT 5.7 Km VLF 5.6 Km
1996	25	31M03NW0047	John A Gore	ASSAY 15 Samples PCUT 35 Days PROSP 32 Days PSTRIP 11 Areas
1996	31	31M03NW0048	John A Gore	MAG 6.1 Km PCUT 6.1 Km PROSP 3 Claims VLF 5.3 Km
1996	31	31M03NW0033	John A Gore	GCHEM 40 Samples GLCOMP Geol Map Incl Sample Locations
1996	34	31M03NW0042	B Wright	PROSP 7 Days
1997	43	31M03NW0049	Hugh A Moore	GCHEM 39 Samples
1998	10	31M04NE2012	Dave Ross Hanes James Malcolm MacLachlan Sherwood Plunkett	GCHEM 29 Samples PROSP 4 Days
1998	15	31M04NE2011	Wolverine Expl And Mineral Recovery	GCHEM Approx 38 Samples PROSP 3.5 Days
1998	29	31M03NW2002	John A Gore	IP 14.5 Line Km MAG 24.26 Line Km PCUT 31.75 Line Km

Year	Map ID	Assessment file/reference	Operator	Work history
1999	2	31M04NE2010	Dave Ross Hanes James Malcolm MacLachlan Sherwood Plunkett	GCHEM 23 Samples PROSP 20 Days
1999	7	31M04NE2009	Dave Ross Hanes James Malcolm MacLachlan Sherwood Plunkett	GCHEM 11 Samples PROSP 1 Claim
1999	13	31M04NE2013	Dave Ross Hanes James Malcolm MacLachlan Sherwood Plunkett	PROSP 2 Days
1999	19	31M04NE2021	Dave Ross Hanes James Malcolm MacLachlan Sherwood Plunkett	GCHEM 101 Soil 65 Rock GEOL 1:1000 Geol Map MAG 1:2500 Total Field Contour Map PCUT 13 Days PMECH 5 Days Excavator VLF 1:2500 Profiles Map
1999	26	31M03NW2006	John A Gore	ASSAY 96 Samples PDRILL 3 Holes
1999	35	31M03NW2012	John A Gore	ASSAY 67 Samples GEOL2 Maps 1 1:200 1 1:2500
1999	40	31M03NW2004	Hugh A Moore	MAG 2.72 Line Km PCUT 2.72 Line Km VLF 2.72 Line Km
1999	42	31M03NW2009	John A Gore	EM 7 Line Km MAG 8.13 Line Km PCUT 8.13 Line Km VLF 8.13 Line Km
2000	4	31M04NE2023	Dave Ross Hanes James Malcolm MacLachlan Sherwood Plunkett	GCHEM 41 Rock 6 Soil Samples PROSP 28 Days
2000	23	31M04NE2019	Wolverine Expl And Mineral Recovery	GCHEM 4 Soil Samples PROSP 4 Hrs
2000	47	31M03NW2010	John A Gore	ASSAY 34 Samples PDRILL 1 Hole
2000	54	31M04NE2040	Frank Palmay John Ross Moses	ASSAY 58 Core Samples PDRILL 1 Hole
2000	56	31M04NE2020	Frank Palmay John Ross Moses	EM 9.43 Line Km PCUT 10 Line Km
2001	3	31M04NE2030	Dave Ross Hanes James Malcolm MacLachlan Sherwood Plunkett	ASSAY 15 Grab Samples GCHEM 10 Soil Samples GOVER 3 Till Samples PMECH 13 Hrs Backhoe 3 Areas PROSP 5.5 Days
2001	12	31M04NE2029	Marlene R Carr Wolverine Expl And Mineral Recovery	ASSAY 7 Grab Samples GCHEM 4 Alluvial Samples GEOL 1:10000 Geol Map
2001	22	31M05SE2037	Murray Simpson Outcrop Expl Ltd	GCHEM 14 Alluvial Samples

Year	Map ID	Assessment file/ reference	Operator	Work history
2002	1	31M04NE2037	Dave Ross Hanes James Malcolm MacLachlan Sherwood Plunkett	ASSAY 6 Grab Samples GCHEM 4 Soil Samples GOVER 9 Till & 2 Sed Samples LC 11.431 Line Km MAG 11.431 Line Km MICRO 51 Grains Microprobe Analysis PROSP 1:1250 Prosp Maps
2002	9	31M04NE2034	Marlene R Carr Wolverine Expl And Mineral Recovery	ASSAY 13 Samples MICRO 3 Polished Thin Sections PROSP 10 Man Days
2002	14	31M04NE2034	Marlene R Carr Wolverine Expl And Mineral Recovery	ASSAY 13 Samples MICRO 3 Polished Thin Sections PROSP 10 Man Days
2002	55	31M04NE2035	Frank Palmay John Ross Moses	ASSAY 64 Core Samples PDRILL 1 Hole
2003	5	31M04NE2038	Dave Ross Hanes James Malcolm MacLachlan Sherwood Plunkett	PMECH 1 Area Excavater PROSP 4 Man Days PSTRIP 1 Area
2003	11	31M04NE2039	Marlene R Carr Wolverine Expl And Mineral Recovery	PROSP 1:2000 Prosp Map
2003	27	31M03NW2019	John A Gore	PROSP 2 Man Days
2004	8	31M04NE2043	Marlene R Carr Wolverine Expl And Mineral Recovery	ASSAY 2 Rock Samples PROSP 1:2000 Prosp Map 8 Man Days
2004	24	20000000283	John A Gore	PROSP 3 Man Days
2004	51	31M04NE2041	Frank Palmay John Ross Moses	BENEF 1 Sample Caustic Dissolution
2005	53	20000000862	Frank Palmay John Ross Moses	ASSAY 117 Core Samples PDRILL 2 Holes 816 M
2006	32	20000002444	Adroit Resc Inc	work overlapped some of FCC claims AEM 241 Line Km AMAG 241 Line Km
2007	18	20000002299	Dave Ross Hanes James Malcolm MacLachlan Sherwood Plunkett	ASSAY 2 Samples PMAN 10 Man Days
2007	30	20000002465	Adroit Resc Inc	IP 23 Line Km MAG 25 Line Km
2007	32	20000002725	Adroit Resc Inc	work overlapped some of FCC claims ASSAY 64 Rock 42 Soil Samples GCHEM 42 Soil Samples PDRILL 9 Holes 1063m
2009	16	20000000115	Dave Ross Hanes James Malcolm MacLachlan Sherwood Plunkett	ASSAY 1 Sample PMAN 2 M Days
2009		20000004272	John A Gore	LC 2.775 Line Km MAG 2.775 Line Km VLF 2.775 Line Km
2011	6	20000006591	Dave Ross Hanes James Malcolm MacLachlan Sherwood Plunkett	ASSAY 1 Sample PROSP 2 Man Days
2011	17	20000005679	Dave Ross Hanes James Malcolm MacLachlan Sherwood Plunkett	ASSAY 20 Soil Samples GCHEM 26 Soil Samples PMAN 2 Man Days

Year	Map ID	Assessment file/reference	Operator	Work history
2011	36	20000006393	Mhakari Gold Corp.	LC 11.7 L Km MAG 11.7 L Km VLF 11.7 L Km
2011	37	20000006529	John A Gore	LC 1.6 L Km MAG 1.6 L Km
2012	38	20000007308	John A Gore	PMECH 1 M Day
2012	41	20000007783	John A Gore	MAG 3.6 L Km

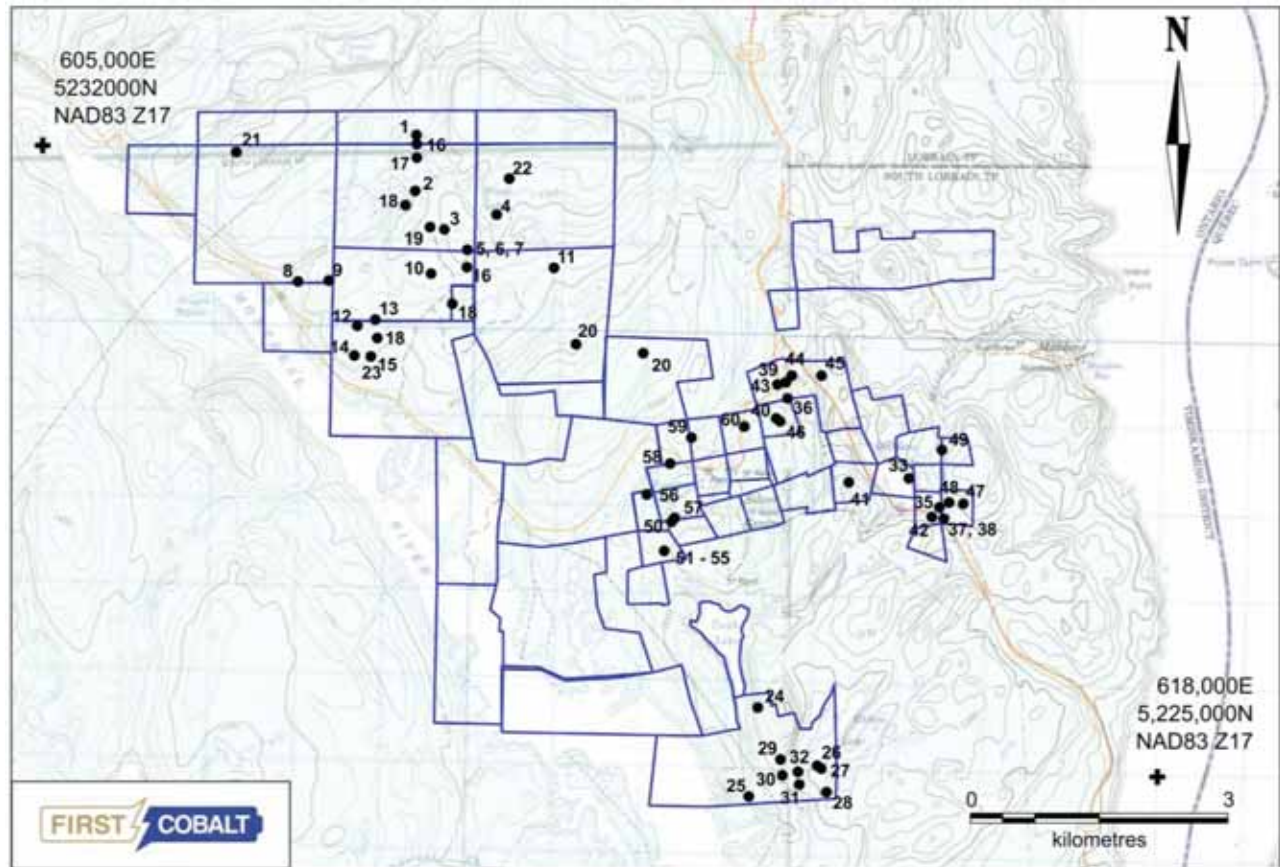


Figure 5: Silver Centre Property – location of assessment work areas peripheral to Keeley-Frontier patents

Note: Numbers correspond to assessment work index numbers in Table 8

6.2.2 Silver Centre Property – Core Keeley-Frontier Patented Claims Exploration History

As announced 16 March 2017, First Cobalt entered an option to earn a 100% interest in Canadian Silver Hunter's 13 core Keeley-Frontier patent claims, which together with five mining leases and seven unpatented mineral claims form the Silver Centre Property's Keeley-Frontier claim group. The exploration and development history is reasonably well documented as summarised below, however details are limited.

The original discovery of silver mineralisation on the Keeley claim (HR 19) was made in 1907 by prospectors J.M. Wood, R.J. Jowsey, and C. Keeley, leading to development of the Keeley Mine. In 1908, J.M. Wood discovered the Wood vein on the adjacent Beaver Lake claim (HR-21). Claims HR 19 and HR21 were sold to interests connected with "Farmers Bank" however the bank was never owner of the mine. The property,

under the name of Keeley Mine Limited, was worked by interests associated with the bank until 1911. The Farmers Bank then became involved, and the bank failed. The liquidators of the bank gained possession of the Keeley mine. The operating company, Keeley Mine Limited was kept in good standing and not allowed to fail. In 1913, Associated Gold Mines of Western Australia acquired an option on the property from Keeley Mine Limited and in August 1919, following several option renewals, the property and the majority of the stock in Keeley Mine Limited was transferred to Associated Gold (Knight, 1922). Keeley Silver Mines Ltd and the property were acquired by Anglo-Huronian Limited in 1933.

What is now known as the Frontier mine originated in the south half of the Haileybury Silver Mining Company's claim, HR 16. Henry Newburger, of Memphis, Tennessee, bought the south half of HR 16 from the Haileybury Silver Mining Company in 1912 and formed the Haileybury Frontier Company. Haileybury Frontier sank two shafts. Minor drifting and crosscutting was completed on the 75 and 150-foot levels of the northern of the two shafts. Both levels showed a strong vein carrying smaltite, but no significant silver. Henry Newburger died and the company went into liquidation in 1914. Joseph Newburger, brother of the deceased, bought in the property in the interests of his brother's widow, and the mine remained closed until the autumn of 1920. During the summer of 1920, Joseph Newburger had the mine dewatered and examined by representatives of several silver-mining companies. In 1920, a United States-based company represented by Horace Strong purchased the Haileybury Silver property (north half of HR16) and secured a one-year lease option to purchase the Frontier Mine (south half HR 16) (Knight, 1922). Strong discovered high-grade silver on the south half of claim HR 16 in 1921 immediately north of the Keeley claim (Willars, 1965). In 1921, the Mining Corporation of Canada amalgamated several companies and claims, including the Haileybury Silver Mines and Frontier Mine properties (north and south halves of HR 16 respectively), the former Compton (HR 25), Little Keeley (HS 40) and the Keeley Extension properties (HR39, HR 41) into Frontier Silver Mines Limited.

Both the Keeley and the Frontier Mines have extensive underground workings (Figure 6). As summarised by McIlwaine (1970), during initial operations five shafts were sunk on the Keeley property and three on the Frontier property. The main working shaft of the Keeley Mine was the No. 3 shaft, which extended to a depth of 174 m. The No. 1 shaft was an emergency exit and ventilation shaft. The No. 2 shaft served as a prospect shaft for the No. 4 vein. The No. 4 and No. 5 shafts were prospect shafts on the Woods vein. In addition to the shafts, there were originally six winzes, only two of which were operative in the last phase of mining in the 1960s. At the Frontier Mine the main working shaft was the No. 3 shaft sunk to a depth of 194 m. The F8 and F9 winzes extended to depths of 415 m and 444 m respectively. Sixteen shafts and winzes totalling 2,513 m were sunk on the Keeley Frontier group patents providing access to a maximum depth of 427 m.

The Keeley Mine of Keeley Silver Mines Ltd produced intermittently from 1908 to 1942 with most of the production occurring between 1921 and 1931. The Frontier Mine was operated by Mining Corporation of Canada Ltd from 1921 to 1943. A summary of reported production from the Keeley and Frontier Mines is presented in Section 6.5.1.

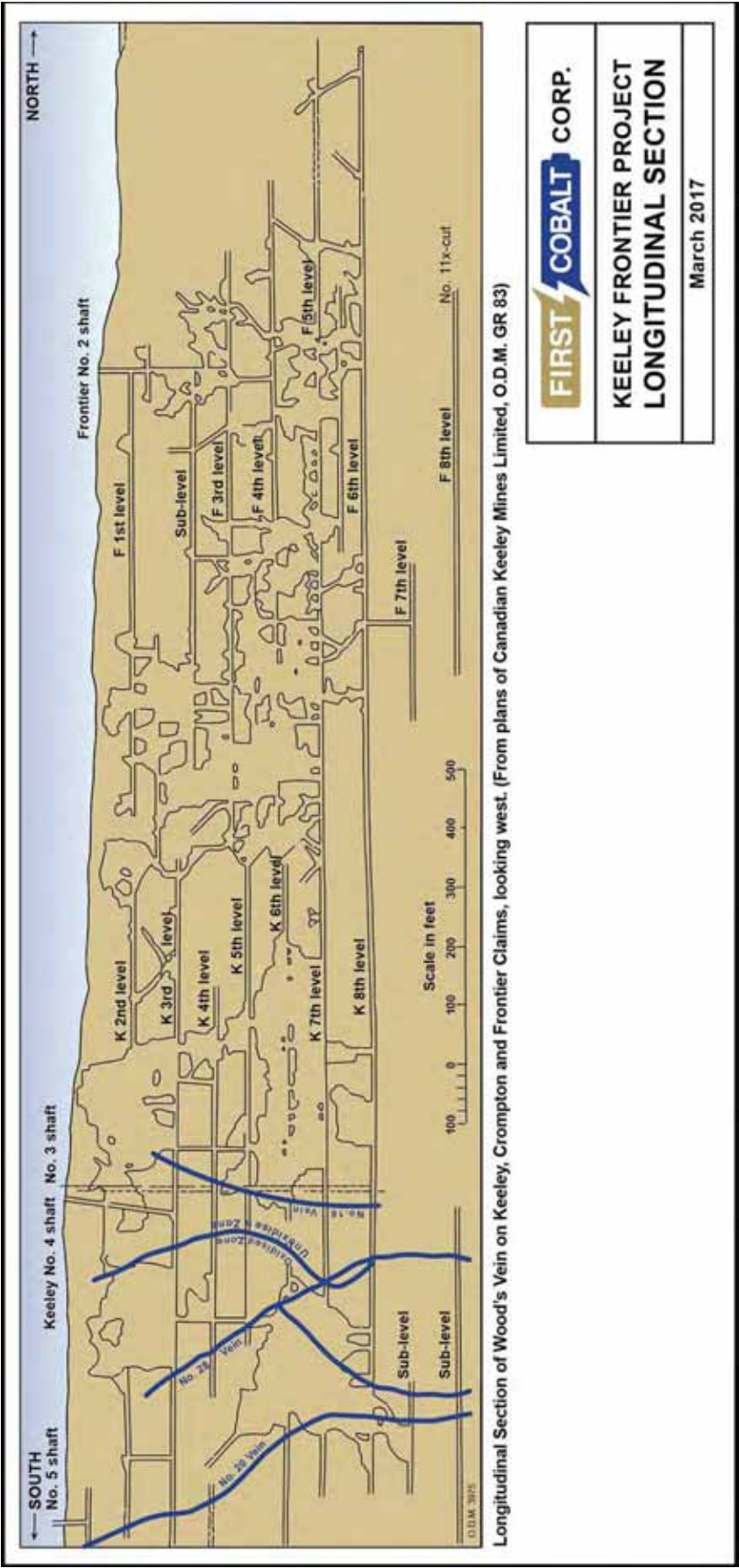


Figure 6: Longitudinal section Keeley-Frontier mine workings on the Woods vein looking west

In 1961 Keeley-Frontier Mines Limited purchased and consolidated the 13 patented claims that now form the core Keeley-Frontier patent claim group:

- Keeley claims HR19 and HR21 from Anglo-Huronian Limited that controlled Keeley Silver Mines Limited
- Frontier claims HR16, HR17, HR20, HR25, HR68 and HS39 from The Mining Corporation of Canada Limited which controlled Frontier Silver Mines Limited
- Claims HR22, RL455 and RL456 from Keeley Extension Mines Limited
- Claims T32960 and T46400 (formerly HS40 or the Little Keeley claim) from N. Oslund of Haileybury, Ontario.

Keeley-Frontier Mines Limited was subsequently re-organised as Canadian Keeley Mines Ltd in 1964, and then became Keeley Frontier Resources Inc. in 1980.

Keeley-Frontier began work on the property in 1961 and in 1962 the Keeley and Frontier mines were dewatered and rehabilitated. Keeley-Frontier connected the two mines at three points including the main haulage way between the 6th level of the Frontier Mine and the 8th level of the Keeley Mine. Access and services were provided largely through the Frontier No. 3 shaft and the 828 winze, which was deepened by Keeley-Frontier from the 11th to the 12th level. Development totals occurring between 1961 and 1965, include 1,110 m of drifting, 341 m of cross cutting, 39 m of shaft sinking and 1,117 m of raising. Little diamond drill exploration was done at the mines prior to 1961, but from 1961 to 1965, five surface drillholes and 276 underground drillholes were completed for a total of 15,922 m.

The Woods vein had been mined out by this time and the 1963–1965 Keeley-Frontier production as summarised in Table 11 (Section 6.5.1) came primarily from the Keeley Mine and reprocessed tailings.

Based on limited information available on level plans filed as assessment files with the MNDM, Agnico Eagle optioned the property circa 1969 to 1972 and completed an underground drill program.

M & M Porcupine Gold Mines (M & M Porcupine) acquired the property from Keeley Frontier Resources in 1984 (Pearson and Kerr, 1985).

155433 Canada Limited, a subsidiary of LaChib Development Corporation (LaChib) acquired the property from M & M Porcupine in 1987 (Mayer and Pearson, 1989). Geological consultants Derry, Michener, Booth and Wahl recommended a 4,570-m diamond drill program focusing on fault vein systems near Beaver Lake (Mayer and Pearson, 1989). This proposal incorporated many of the targets proposed by Hammerstrom, Thoday and Watts (1981). No exploration was conducted.

Circa 1994, Transway Capital Inc. (Transway) acquired the property from LaChib. Transway sold to Cobatec Ltd approximately 10,000 tons of surface muck which was removed to the latter's cobalt recovery plant under construction in the Cobalt area (Trussler, 1994). In 1995 Transway contracted JVX Ltd of Richmond Hill, Ontario to conduct time-domain spectral induced polarisation/resistivity (IP/RES), VLF-EM, magnetic and time domain electromagnetic (TDEM) surveys on the property, excluding the area covered by Beaver Lake, (JVX, 1996). Field work was completed between 5 June and 6 July 1995. Total coverage was 8,925 m of IP/RES with "a"-spacing of 25 and 50 m, 25,550 m of VLF-EM, 24,488 m of magnetics and approximately 6,650 m of TDEM. Truncations of magnetic patterns with coincident IP/RES and/or time domain EM surveys or VLF-EM surveys were interpreted to indicate the presence of five geophysical targets suggestive of disseminated to massive sulphide mineralisation and warranting diamond drill testing.

1695255 Ontario Inc. acquired the property from Transway on 13 April 2007. 1695255 Ontario Inc. changed its name to Silver Centre Resources Inc. (Silver Centre) effective 20 February 2007.

In 2010, Silver Centre contracted JVX Ltd to conduct magnetic, pole-dipole IP/RES and moving loop transient EM (TerraTEM) surveys over the Beaver Lake area in the southwestern part of the Keeley-Frontier group patents. Field work was completed in the 4–19 February 2010 period. Production was 61 sounding of TerraTEM, 3.2 km of magnetics, and 1.3 km of IP/RES using a grid with lines 50 m apart and oriented 075°. The magnetic data indicates the possible location of north-trending faults identified by previous property operators, which are now CSH targets. The TerraTEM survey was only conducted on Beaver Lake and produced ambiguous results. Pole-dipole IP/RES data for the whole project area has identified 50 IP anomalies of which 33 are classified as strong. Four of the IP anomalies have an associated resistivity high and 6 have an associated resistivity low, and 40 have no clear resistivity expression. The best quality anomalies reside in the 1995 IP/RES survey (JVX, 1996). The present IP/RES survey did not identify additional quality targets underneath Beaver Lake. The VLF-EM data did not present an easily interpretable array of information. However, given the shallow nature of the overburden, some of the responses are indicative of fault/shear zones, generally trending north-south.

Silver Centre Resources Inc. changed its name Canadian Silver Hunter Inc. effective 23 November 2010.

During 2012, Canadian Silver Hunter completed a six hole, 2,058 m diamond drill program on the Keeley-Frontier group claims (Table 9). The focus of the 2012 diamond drilling program were areas of the Beaver Lake Fault that had been the final target of exploration and mining when the mine closed in 1968.

Table 9: 2012 Canadian Silver Hunter diamond drill program

Drillhole	Easting UTM Z17 NAD83	Northing UTM Z17 NAD83	Collar elevation (m Est)	Collar azimuth (True)	Collar dip	Length (m)	Start date	Stop date	Samples	Remarks
CSH12-01	612607.99	5228414.47	307.52	220	-60.2	317	10 Jan 2012	14 Jan 2012	53	Test mineralisation potential at northern extension of Beaver Lake Fault
CSH12-02	612774.52	5228311.27	304.46	254	-47.6	362	14 Jan 2012	19 Jan 2012	64	Test mineralisation potential at north extension of Beaver Lake Fault and reported mineralisation intersected in in DDH U-106 (20.1 opt/10 ft, 7.6 opt/10 ft)
CSH12-03	612887.25	5227767.46	320.04	296	-62	404	23 Jan 2012	26 Jan 2012	79	Test mineralisation potential at intersection of #16 structure and Beaver Lake Fault
CSH12-04	612775.14	5228061.88	309.46	237	-58	338	27 Jan 2012	30 Jan 2012	74	Test mineralisation potential at intersection of Beaver Lake Fault and #28 structure
CSH12-05	612838.99	5227913.88	309.48	258	-58	362	31 Jan 2012	3 Feb 2012	69	Drilled to confirm reported Ag mineralisation below Level 12 Beaver Lake stope. Intersected Level 12 drift
CSH12-06	612838.99	5227913.88	309.48	253	-60	275	7 Feb 2012	9 Feb 2012	155	As with CSH12-05. Dip adjustment to avoid stope opening
TOTALS						2,058			494	

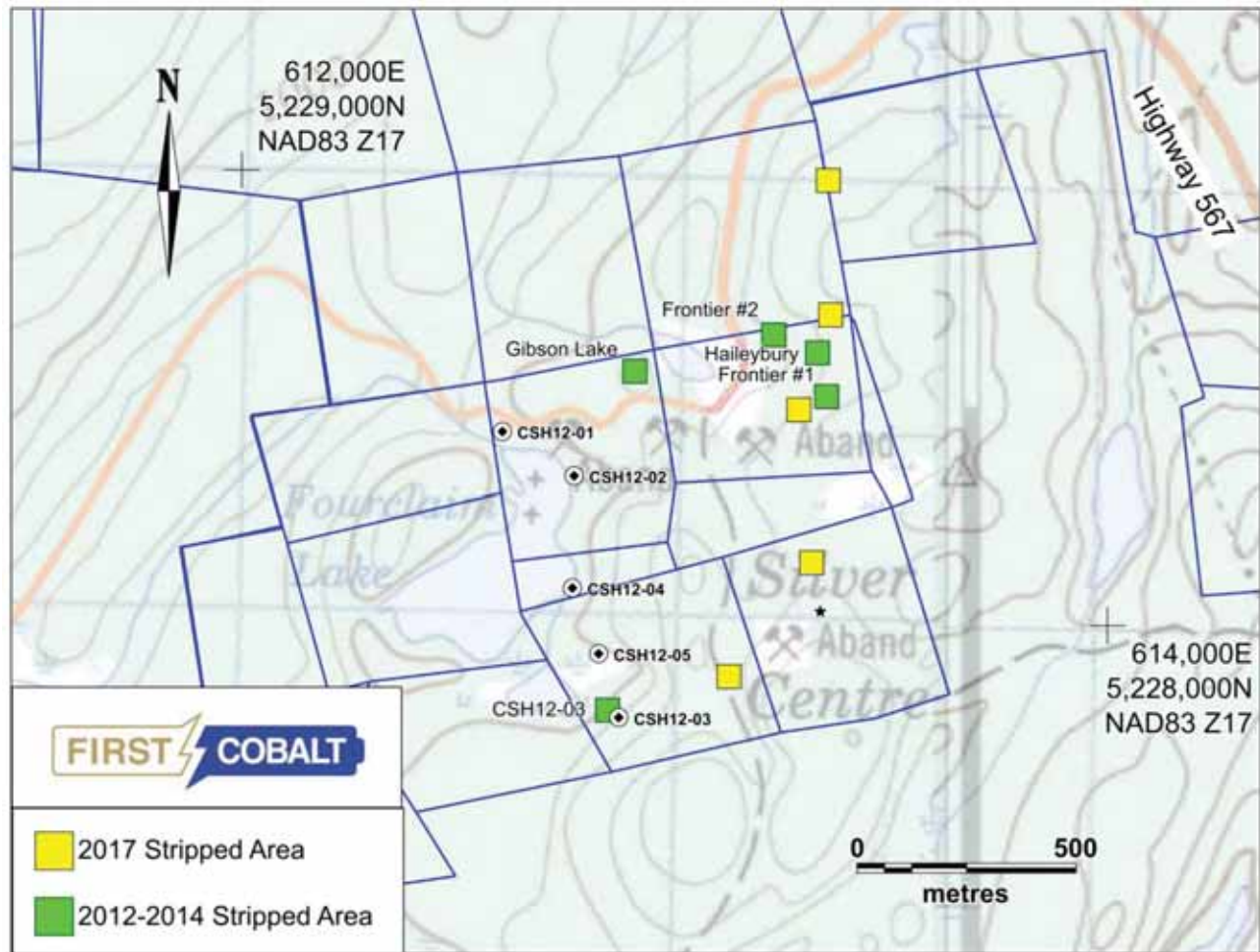
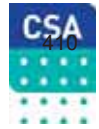


Figure 7: Location of Canadian Silver Hunter 2012 diamond drill collars and 2012-2014 power stripping and channel sampling

Diamond drilling was done under contract to Laframboise Drilling of Earlton, Ontario. The drill rig was mobilised on 8 January 2012 and was demobilised on 3 March 2012. Core was logged and cut in a rented facility in North Cobalt. Logging of the core was completed by Val Volodine of Richmond Hill, Ontario, and Dean Cutting, P.Geo. (APGO #1080) of Rouyn Noranda, Quebec. Assistance was provided by Al Kon of Haileybury, Ontario, Steve Novosel of Cobalt, Ontario, Charles Tatai of Cobalt Ontario, and Skylar Huard of Cobalt, Ontario. The program was managed by David Jamieson P.Geo., Dean Cutting P.Geo., and JVX Ltd.

The NQ drill core was sawed in half at the North Cobalt facility, with one half returned to the core box for archive and the other half bagged and sent for aqua regia digestion and multielement (including Ag, Co, Ni, Bi, Sb) analysis (ICPOES finish) at AGAT Laboratories Ltd. Sample core lengths varied from 0.15 m to 1.5 m. AGAT collected the split core samples from the Company's core shack and delivered them to its preparation lab in Sudbury, Ontario. Pulps were then sent to AGAT facilities in Mississauga, Ontario for analysis. AGAT is a fully accredited laboratory and conforms with the requirements of CANP4E (ISO/IEC 17025:2005) and CANP1579 by the Standards Council of Canada.

Canadian Silver Hunter's quality assurance and quality control (QAQC) program included the use of certified reference standards and blank samples inserted into the assay stream by the Company's personnel every 25 samples in addition to the AGAT's internal QAQC programs. Samples assaying greater than 100 g/t Ag are



fire assayed with a gravimetric finish. QAQC also included sending selected pulp samples for check assays at an independent lab (ALS Chemex) using both four acid (MEMS61) and aqua regia (MEMS41) digestions for multielement analysis. Selected higher grade silver and several random sample rejects were chosen for screen metallic analysis for silver only, at AGAT Laboratories. A final silver number for the database was arrived at by averaging duplicate geochemical values; geochemical values were replaced by fire assay or screen metallic analyses when available. Canadian Silver Hunter indicated that screen metallic assaying is required to more accurately quantify silver values in higher grade portions of the mineralised zones due to the presence of coarse native silver.

Archived drill core is currently stored in a locked ocean shipping container at the historic Keeley-Frontier mine site.

Selected highlights are presented in Table 10. Diamond drillhole CSH12-03 returned significant silver values potentially in the historic # 40 vein structure between 111.0 m and 122.3 m downhole, with a composite silver value of 72.47 g/t Ag over 11.3 m, including 168.22 g/t over 4.2 m, with no individual silver assay below 2.4 g/t. The interval included the following screen metallic assays:

- 1,517 g/t over 0.3 m
- 479 g/t over 0.4 m
- 91 g/t over 0.3 m.

This # 40 vein system received relatively little historic underground drifting and there is no record of any historic surface drilling in the area. Further down hole, disseminated arsenides and fine calcite veining occur in what may be a parallel or second branch of the # 40 zone. Elevated copper and bismuth values also occur within both zones.

CSH12-04 returned a composite silver assay of 25.9 g/t over 4.3 m, starting at 254 m downhole which appears to correlate to the north extension of the Beaver Lake Fault.

CSH12-05 and CSH12-06 were drilled to test beneath the one stope developed on the Beaver Lake Fault before mine closure. CSH12-05 returned a composite silver value from the Beaver Lake Fault of 398.42 g/t over 1.9 m, however 0.9 m of this intersection was lost core or void due to the hole intercepting what is interpreted to be old workings at 258.8 m downhole. At 249 m, it appears that the hole broke into the corner of Beaver Lake drift, resulting in 0.9 m of lost core within a 1.1 m interval. Angular fragments of altered volcanic material containing cobalt arsenides were recovered and assayed 447 g/t Ag. The hangingwall samples assayed 226 g/t Ag over 0.4 m, and 65.9 g/t Ag over 0.4 m, while the footwall sample assayed 12.7 g/t Ag over 0.4 m.

A second zone of interest was located at 143 m in the form of a dark grey streaked calcite vein 33 cm in core length, which assayed 26.2 g/t Ag over 0.55 m. Several samples of faulted material between 15 m and 75 m returned anomalous silver, arsenic, cobalt values.

CSH12-06 was drilled to test within 25 m below and west of CSH12-05 to avoid the historic drift/stope area and returned a composite silver value of 58.21 g/t over 0.95 m. At 253 m, a 0.65 metre sample in the immediate hangingwall of the Beaver Lake Fault assayed 86.9 g/t Ag, and 108 ppm Bi, with subsequently check assaying returning 68 g/t Ag by screen metallic methods. This sample is described as having hairline carbonate veinlets with associated hematite and epidote alteration; chalcopyrite, arsenopyrite (possibly cobalt arsenides), bismuthite? and pyrite are common as grains and small masses.

The Beaver Lake Fault is interpreted to be located between 254.5 m and 255.1 m, consisting of a brittle fault zone with a 5.5 cm core length of pink carbonate-quartz vein at 60° to the core axis with grey metallic streaks and local silvery blebs (bismuthite?). The fault itself assayed 32.8 g/t Ag, 0.1% Co and 60 ppm Bi.

Table 10: 2012 Canadian Silver Hunter diamond drill program assay results

Drillhole	From (m)	To (m)	Length (m)*	Silver (g/t)**	Cobalt (ppm)**	Comment
CSH12-01	105.8	106.1	0.3	6.5		Anomalous As, Cu, Bi, Co; Beaver Lake Fault?
CSH12-02	285.75	286.05	0.3	3.3		Anomalous Cu, Bi, Co, Pb; Beaver Lake Fault?
CSH12-03	111	122.3	11.3	72.5		New Zone
including	117.9	122.3	4.4	168.2		New Zone
including	121.6	122.3	0.7	923.9		New Zone
CSH12-04	254	258.3	4.3	25.9		Beaver Lake Fault – North Drift Extension
CSH12-05	248	249.9	1.5	405.64		Beaver Lake Fault
including	248	248.4	0.4	65.9		
	248.4	248.8	0.4	226.0	17.5	
and	248.8	249.9	1.1	447.0	69.0	Sample interval 0.9 m of lost core (drift opening)
	249.9	250.3	0.4	12.7		
CSH12-06	253.85	254.8	0.95	58.2		Beaver Lake Fault
including	253.85	254.50	0.65	86.9	28.2	
and	254.50	254.80	0.30	32.8	1080	

* Intervals reported are core lengths; true widths of mineralisation are not known. ** Assay results are length weighted

In November 2012, Canadian Silver Hunter completed a bedrock stripping and channel sampling program on the Keeley-Frontier patent claim block at the DDH CSH12-03 collar area (#40 Vein System) and immediately west of Gibson Lake. The mechanical stripping, washing, and channel sampling was performed under contract by Laframboise Drilling of Earlton, Ontario. A John Deere 240D excavator was mobilised to the property on 1 November 2012 and was demobilised on 9 November 2012. Washing of the bedrock exposed by the excavator was then undertaken using a “Wajax Type” high pressure water pump supported by man and mechanical shoveling and brushing. After the exposed outcrops were washed, geological mapping was undertaken followed by markup of channel sampling intervals based on geological observations. Cold late fall temperatures limited the amount of detailed mapping possible, however basic geological observations were completed, and channel cut samples examined for mineralisation by the field geologist.

Channel samples were cut using a Stihl gas powered cut all saw using a diamond blade and chipped out using both manual chiseling and mechanical electric hammer chisel methods. After the channel samples were collected the channels were mapped, sample numbers assigned to the bags and aluminum tags with the sample numbers fixed in the channels at the end of the intervals. Samples were sealed in their bags and removed from the field sites to the core shack facility in North Cobalt for detailed examination and description. Samples were then resealed in their bags. Standards and blanks were inserted into the sample stream at the core facility roughly every 25 samples. In addition, the lab’s internal QAQC programs were relied upon. AGAT Laboratories provided pickup of the channel samples from the Company’s core shack in North Cobalt, and delivery to its preparation lab in Sudbury, Ontario. Analysis is performed at AGAT facilities in Mississauga, Ontario. AGAT is a fully accredited laboratory and conforms to the requirements of CANP4E (ISO/IEC 17025:2005) and CANP1579 by the Standards Council of Canada. Samples were submitted for aqua regia digestion and multielement (including Ag, Co, Ni, Bi, Sb) analysis (ICPOES finish). Samples returning

greater than 100 g/t Ag were fire assayed with a gravimetric finish. Sample channel lengths typically varied from 0.15 m to 1.5 m. The program was managed by David R. Jamieson P.Geo. (APGO #1843) of Peterborough, Ontario with field work performed by Dean R. Cutting P.Geo. (APGO #1080) of Rouyn-Noranda, Quebec.

The CSH12-03 collar area was stripped to expose bedrock in the area of the drillhole where it is interpreted to have intercepted the #40 vein system (Figure 7). Results returned in the drillhole were 168.22 g/t Ag over 4.2 m within an interval grading 72.47 g/t Ag over 11.3 m (Table 10). The stripping of the overburden was undertaken along the surface trace of hole CSH12-03 from the collar approximately 60 m to the west. The overburden was significantly deeper than expected requiring additional time and handling. Cold weather and the exposed outcrop rough surface prevented adequate power washing for mapping and channel sampling of the exposure. The work at this site was therefore suspended to await improved field conditions. No detailed geological mapping or channel sampling of the outcrop was undertaken in 2012. The outcrop exposure measures about 61 m by 10 m in an irregular shape. As of the Effective Date, it has yet to be mapped and sampled, and remains available for future evaluation.

The second area of mechanical stripping in the 2012 program is located immediately to the west of Gibson Lake (Figure 7 and Figure 8) to follow-up on grab sample results taken in the summer of 2012 from a historic blasted surface trench while prospecting geophysical IP anomalies.

There are no available records of previous exploration results in the Gibson Lake area. Silver and cobalt production are known to have occurred 300 m to the east from the Woods and Watson veins.

The stripped area of approximately 48 m by 10–15 m (Figure 8) exposed a pillowed mafic volcanic cut by numerous brittle looking fractures and faults trending principally between 310° and 330°, variably though normally steeply dipping. Disseminated pyrite grains and blebs, chalcopyrite, galena, sphalerite, arsenopyrite, native silver and bismuth were visible within and in proximity to many of the fractures in the system. Pyrite mineralisation is also associated with the pillow selvages. A total of 50.45 m of channel samples were collected in 77 samples. The average length weighted composite analysis for all 77 samples collected was 11.33 g/t Ag, 0.12% Pb, 0.14% Zn, and 0.12% Cu. Silver values ranged from 0.4 to 190 g/t with only seven samples assaying below 1.0 g/t. A similar widespread dispersion of Cu, Pb and Zn values was also noted with a high correlation to Ag values (65.9 ppm to 5,760 ppm Cu; 17 ppm to 1.46% Pb and 39.9 ppm to 1.72% Zn).

Selected highlights include:

- Channel line 2 returned a composite silver value of 70.4 g/t Ag over 1.85 m, including 190 g/t Ag over 0.6 m.
- Channel line 7 returned composite silver values of 69.3 g/t Ag over the full length of 2.9 m, including 86.8 g/t Ag, 0.91% Pb, 0.65% Zn, 0.28% Cu over 2.25 m. One sample returned a value of 174 g/t Ag and 1.46% Pb over 0.95 m.
- Channel line 8 returned a composite silver value of 28.0 g/t Ag over 2.05 m, with 0.58% Pb, and 0.69% Zn. The composite included a 0.6 m of 70 g/t Ag, 1.31% Pb, 1.64% Zn and 0.42% Cu.

It is significant to note that the Gibson Lake stripping area is approximately 100 m above the historic “productive zone” above the Nipissing diabase with which the Keeley-Frontier high grade silver zones are associated. Canadian Silver Hunter personnel recommended additional mechanical stripping, detailed mapping and channel sampling on the Gibson Lake structure extending to the northwest. Additional follow-up geophysics followed by shallow diamond drilling may be warranted after receipt of the channel sample analyses.

Historic exploration and production in the Silver Centre and Cobalt camps focused on trenching and underground drifting along narrow high-grade structures. Wider zones of lower grade mineralisation were not historically targeted but may now represent a valid exploration target for bulk mineable silver and cobalt mineralisation. These lower grade zones are potentially traceable using geophysics, surface drilling or mechanical stripping. Notably, strong chargeability anomalies from earlier Canadian Silver Hunter IP surveying suggests the presence of disseminated sulphide/arsenide targets along a northwest trending anomaly 100 m wide by at least 400 m long stretching northwest from the Gibson Lake stripping area.

In addition to the bedrock stripping and channel sampling, backhoe sampling was completed in 2012 along the edge of Little Beaver Lake at one location to examine the depth of tailings and distribution of silver and other metals in the tailings profile. Five samples were assayed at AGAT Labs and returned silver values between 74.8 g/tonne (2.18 ounces per ton) and 404 g/tonne (11.78 ounces per ton).

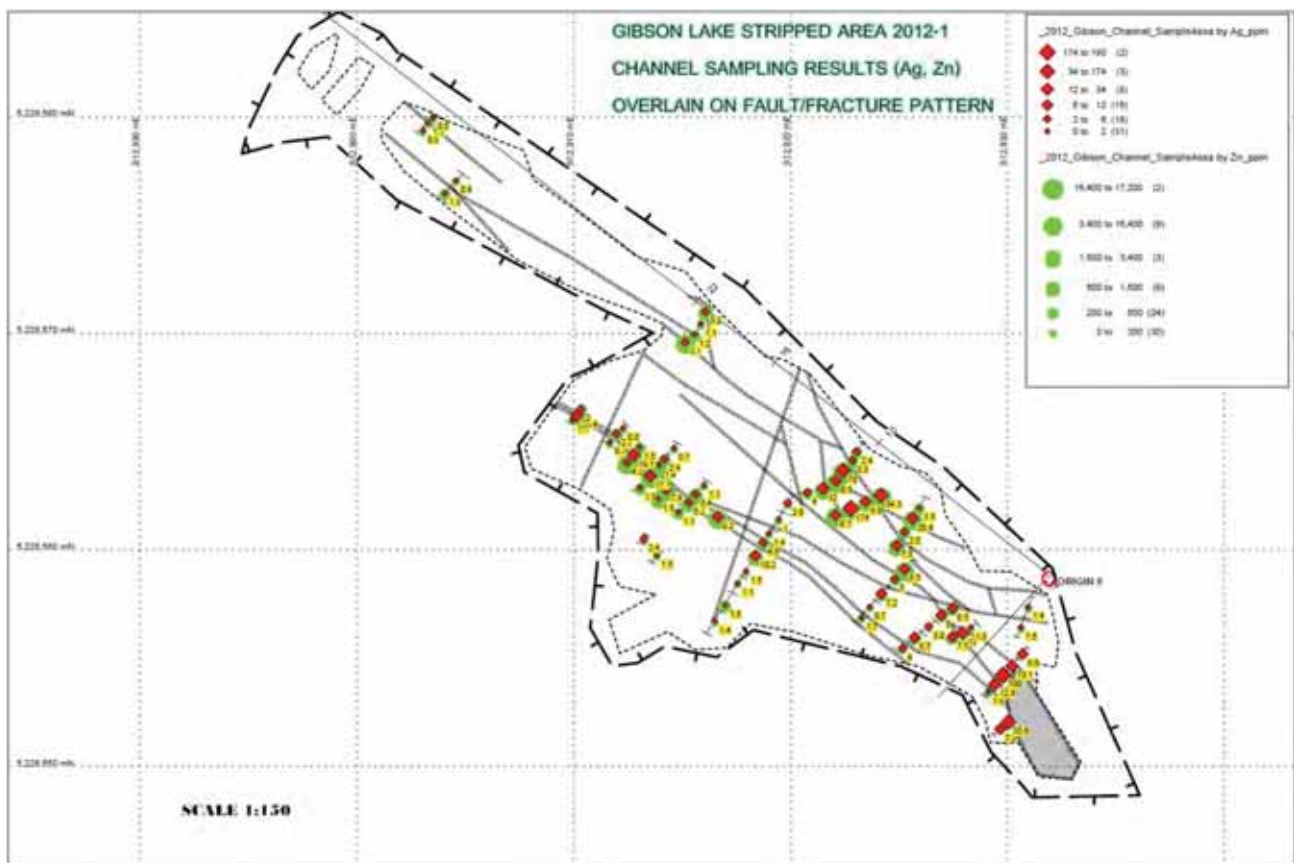


Figure 8: 2012 Gibson Lake stripped area – Channel sample results (Ag)

In 2013, Canadian Silver Hunter power-stripped an area along the #1 Fault structure, proximal to the Frontier #1 Shaft, approximately 440 m east of the Gibson Lake stripping area (Figure 7). No channel sampling was completed in 2013 due to depth of overburden and flooding of the trenches. In 2014, the area was revisited, with additional power-stripping, mapping and channel sampling. Results indicate that the #1 Fault structure in this area consists of a wide (20 m) zone of fractured, epidotized and silicified pillowed metavolcanics, cut by syenitic and micaceous dykes.

The Frontier #1 Shaft area channel samples returned anomalous silver, arsenic, and copper (up to 20.7 g/t Ag, 0.16% As and 25.7 to 1,650 ppm Cu). No discrete veins were sampled; higher metal values are associated

with pyrrhotite-pyrite-chalcopyrite veinlets within patchy epidote-silica altered metavolcanics. The mineralisation and assay results are similar to the Gibson Lake area, although the Gibson Lake area returned locally higher silver, zinc and lead values including 86.6 g/t Ag, 0.28% Cu, 0.65% Zn and 0.91% Pb over 2.25 m.

The excavating, power washing and channel cutting program was carried out under contract by Laframboise Drilling Inc. of Earlton Ontario, managed and supervised by David R. Jamieson P.Geo. and Dean R. Cutting P.Geo. Channel samples were cut with a gas-powered saw using a diamond blade, and sent for aqua regia digestion and multielement analysis (ICPOES finish) at AGAT Laboratories Ltd in Mississauga, Ontario. Sample collection, analysis and QAQC procedures were the same as those described for the 2012 stripping and channel sampling programs.

6.3 Exploration History of the Cobalt Area Properties

The Issuer's Cobalt Area Properties comprise 11 small non-contiguous claim blocks which are not part of the Greater Cobalt Project's immediate (2017) exploration plans. These properties have been acquired as part of a longer-term acquisition strategy in the Cobalt camp.

The exploration histories of the Cobalt Area Properties will not be presented in this report as they are not considered material as of the Effective Date.

6.4 Significant Historic Mineral Resource and Mineral Reserve Estimates

There are no significant historical Mineral Resource and Mineral Reserve estimates applicable to Greater Cobalt Project Properties and mineral occurrences.

6.5 Historic Mineral Production

6.5.1 Silver Centre Property – Keeley Frontier Claim Group – Keeley and Frontier Mines Historic Production

The Keeley Mine of Keeley Silver Mines Ltd produced intermittently from 1908 to 1942 with most of the production occurring between 1921 and 1931. Total reported production was 12,154,353 oz Ag (378,043 kg) and 1,617,684 lbs (73,377 kg) Co (Table 11).

The Frontier Mine was operated by Mining Corporation of Canada Ltd from 1921 to 1943 and produced 6,695,415 oz (208,251 kg) Ag and 1,683,769 lb (763,746 kg) Co and 12,158 lb (5,515 kg) Ni (Table 11).

Keeley Frontier Mines Ltd/Canadian Keeley Mines Ltd operated the combined Keeley and Frontier mines during the 1963–1965 period and produced 347,645 oz (10,812 kg) Ag, 9,003 lb (4,083 kg) Co and 14,358 lb (6,512 kg) Ni (Table 11). The 1963–1965 production was primarily from the Keeley Mine and included reprocessed tailings.

Table 11: Keeley and Frontier Mine production (1908 to 1965)

Year	Silver (oz)	Silver (kg)	Cobalt (lb)	Cobalt (kg)	Nickel (lb)	Nickel (kg)	Copper (lb)	Copper (kg)
Frontier								
1921	47,227	1,469						
1922	508,958	15,830	31,529	14,301				
1923	1,300,323	40,445	143,545	65,111				
1924	466,047	14,496	54,687	24,806				
1925	1,158,854	36,044	253,191	114,846				
1926	1,104,597	34,357	80,582	36,551				
1927	902,591	28,074	88,980	40,361				
1928	395,692	12,307	117,418	53,260				
1929	14,295	445	7,162	3,249				
1930	404,903	12,594	292,351	132,608				
1931	320,302	9,963	550,773	249,827				
1932	22,144	689	6,517	2,956				
1935	14,000	435	2,000	907				
1936	7,306	227	10,253	4,651				
1937	8,368	260	3,804	1,725				
1938	2,097	65	5,235	2,375	3,157	1,432		
1939	5,278	164	15,881	7,204	7,954	3,608		
1940	4,327	135	1,470	667	1,047	475		
1941	4,233	132	7,910	3,588				
1942	3,007	94	7,516	3,409				
1943	866	27	2,965	1,345				
Subtotal	6,695,415	208,251	1,683,769	763,746	12,158	5,515		
Keeley								
1908	13,124	408	24,800	11,249				
1909	11,213	349	236	107				
1914	3,524	110						
1918	39,199	1,219	2,410	1,093				
1919	4,586	143	3,160	1,433				
1920	8,253	257	9,897	4,489				
1921	281,659	8,761	16,167	7,333				
1922	775,349	24,116	167,062	75,778				
1923	1,655,323	51,486	175,689	79,691				
1924	1,903,793	59,215	231,005	104,782				
1925	1,446,679	44,997	167,020	75,759				
1926	1,705,531	53,048	210,764	95,601				
1927	1,153,024	35,863	99,402	45,088				
1928	690,168	21,467	99,841	45,287				
1929	837,331	26,044	119,766	54,325				
1930	1,351,121	42,025	91,700	41,594				
1931	265,458	8,257	196,089	88,945				
1935	2,412	75						
1942	6,606	205	2,776	1,259	736	334		
Subtotal	12,154,353	378,043	1,592,748*	722,459	736	334		

Year	Silver (oz)	Silver (kg)	Cobalt (lb)	Cobalt (kg)	Nickel (lb)	Nickel (kg)	Copper (lb)	Copper (kg)
Keeley-Frontier								
1963	136,274	4,239	9,003	4,084	14,322	6,496	10,292	4,668
1964	93,609	2,912			26	12		
1965	117,762	3,663						
Subtotal	347,645	10,813	9,003	4,084	14,348	6,508	10,292	4,668
TOTAL (1908 to 1965)	19,197,413	597,107	3,285,520*	1,490,289	27,242	12,357		

*McIlwaine's (1970) 1908–1942 Keeley Mine cobalt production total was reported at 1,617,784 lb Co but the column actually totals 1,592,748 lb Co. The reason for the error is unknown, the Author has utilised the latter total in the Keeley subtotal and corrected the 1908–1965 total production from the Keeley and Frontier Mines in Table 11.

Source: McIlwaine, 1970

Actual production is probably higher than recorded in Table 11 because under the Delora Smelter contract, the smelter accepted ore for either its silver content or its cobalt content. For example, in 1930 and 1931 when the silver price was too low for profitable mining, both mines shipped cobalt ore with considerable silver content but were only credited for the cobalt content (Hammerstrom *et al.*, 1981). Similarly, cobalt production shipped from the Frontier Mine under Mining Corporation contract with Delora was credited to its main operation in Cobalt proper, not the Frontier Mine (Hammerstrom *et al.*, 1981). Credits were not readily given for minor elements present; Ni, Bi, As, Sb etc. (Harron, 2011)

To the end of 1965, South Lorrain Township (Silver Centre) had produced a total of 23,338,906 oz of silver with 82% of this coming from the Keeley and Frontier Mines, and over 50% from the Keeley Mine itself (McIlwaine, 1970).

6.5.2 Silver Centre Property – BMC Claim Group – Bellellen Mine Historic Production

Sergiades (1968) reported total production of 1,182,772 g (38,027 oz) Ag; 12,930 kg (28,481 lb) Co and 6,085 kg (13,404 lb) Ni from the Bellellen Mine between 1910 and 1943 (intermittent).

7 Geological Setting and Mineralisation

7.1 Regional Geology

The following summary is largely taken from Andrews *et al.* (1986), Smyk and Watkinson, (1990), Born and Hitch (1990), Guindon *et al.* (2016), and others.

The Cobalt/Silver Centre area is underlain by Precambrian rocks of the Superior and Southern provinces. Outliers of Paleozoic strata are exposed immediately to the north in the Haileybury area and further to the north between New Liskeard and Englehart.

Archean Keewatin rocks are the oldest rocks in the Cobalt/Silver Centre area and form the southernmost portion of the Western Abitibi sub-province of the Superior Province. These rocks include predominantly massive and pillowed intermediate to mafic metavolcanic flows with intercalated pyroclastics and metasedimentary rocks, including cherty and sulphidic interflow sediments; felsic metavolcanic rocks are relatively rare. The Archean rocks were folded and intruded by mafic to ultramafic dikes and granite stocks and batholiths (Table 12).

The eroded Archean surface is unconformably overlain by relatively flat lying Paleoproterozoic sedimentary rocks of the Huronian Supergroup which forms the mildly deformed Cobalt Embayment of the Southern Province. The Supergroup comprises four individual shelf type sedimentary cycles. Each cycle consists of a lower sequence of conglomerate of probable glacial origin succeeded by mudstone, siltstone and coarse arenite; some chemical sediments are associated with the uppermost cycle (Cobalt Group). Southwest of Sudbury the Huronian Supergroup attains a thickness of 12 km and thins northward across the Cobalt Embayment due to wedging out of lower cycles, a thinning of clastic units and erosion within the sequence (Harron, 2008). At the northeast edge of the Cobalt Embayment in the Cobalt area (Figure 9), the Huronian Supergroup rocks comprise only the Cobalt Group (Gowganda and Lorrain Formations) and are commonly found filling interpreted paleo-valleys or troughs in the Archean basement (Table 12).

Early Proterozoic-age Nipissing Diabase, a suite of tholeiitic gabbroic intrusive rocks and differentiates, intrude both the Archean basement and the Huronian Supergroup sediments. The Nipissing Diabase are the most abundant and widespread igneous rocks intruding the Huronian sediments and occur as dykes, and sills up to several hundred metres thick uniformly distributed across the Cobalt Embayment. In the Cobalt area, the Nipissing Diabase is interpreted as a thick undulating sheet intruding the Cobalt Group sediments at or immediately above the Archean unconformity. Minor Middle Proterozoic diabase dikes intrude all the rocks (Table 12).

The grade of regional metamorphism in the area ranges from subgreenschist facies in the Huronian sedimentary rocks to greenschist facies in the Archean metavolcanic rocks (Born and Hitch, 1990). Contact metamorphism of sedimentary rocks of the Gowganda and Lorrain Formations occurred during the emplacement of Nipissing Diabase at around 2219 Ma, including chlorite-spotted alteration and feldspar clotting. Mineral assemblages in Nipissing Diabase rocks generally reflect greenschist metamorphism which probably occurred during the Penokean Orogeny at around 1900 Ma.

The Lake Temiskaming Structural Zone (graben) trends north-northwest from the Grenville Front and extends across the Cobalt Embayment well beyond the Cobalt/Kirkland Lake area. The axial portion of the graben is filled with flat lying Ordovician and Silurian sedimentary rocks that rest unconformably upon both Archean and Proterozoic terranes. Faulting affects these Paleozoic rocks.

Cretaceous to Jurassic age kimberlite intrusions occur within and proximal to the Lake Temiskaming Graben. Recent exploration indicates that some of the (20 or more) kimberlite intrusions are diamondiferous (Harron, 2008). Sage (1996) notes that kimberlites of the Cobalt-New Liskeard area are often spatially associated with northwest-trending Lake Temiskaming structures and oblique cross structures.

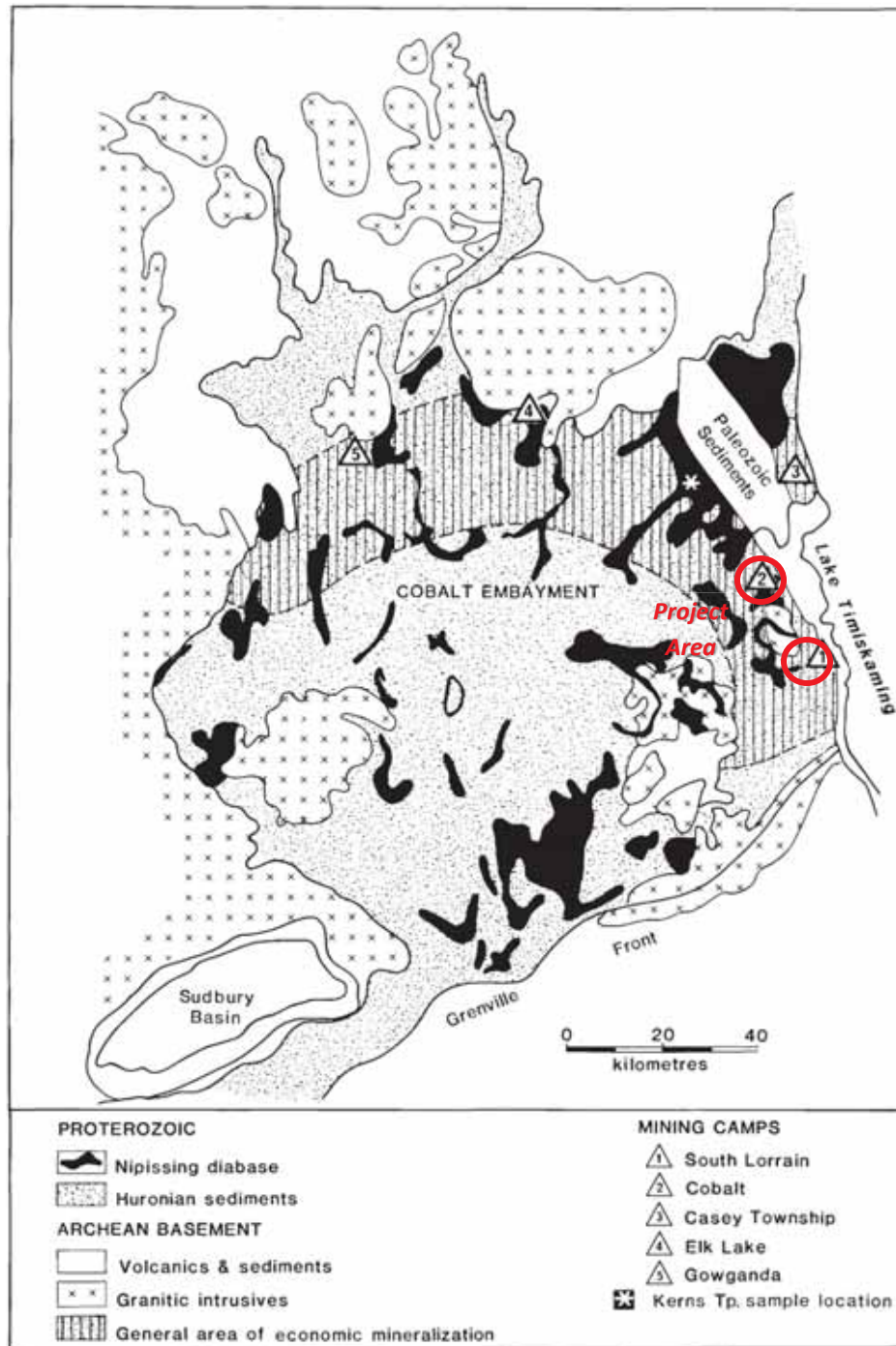


Figure 9: Simplified geology of the Cobalt Embayment

Source: Andrews *et al.*, 1986

Table 12: Lithologic units in the Cobalt region

PHANEROZOIC**CENOZOIC****QUATERNARY****PLEISTOCENE AND RECENT***Sand, gravel, clay and swamp deposits***UNCONFORMITY****PRECAMBRIAN****MIDDLE PROTEROZOIC****Lamprophyre Dikes and Diatreme Breccia***Lamprophyre dikes, Lake Temagami-type diatreme breccia***Olivine Diabase Dikes (Sudbury Swarm)***Fine-grained (chilled), coarse-grained and plagioclase porphyritic olivine diabase***INTRUSIVE CONTACT****EARLY PROTEROZOIC****Mafic Intrusive Rocks****Nipissing Diabase***Gabbro, hypersthene gabbro, quartz gabbro, leucogabbro, varied textured gabbro, granophyre, sheared and/or hydrothermally altered gabbro***INTRUSIVE CONTACT****HURONIAN SUPERGROUP****Cobalt Group****Lorrain Formation***Arkose, shaly mudstone quartzite, contact metamorphic rocks***CONFORMABLE CONTACT****Gowganda Formation****Firstbrook Member***Siltstone, mudstone, arenite; contact metamorphic rocks; tectonically brecciated sediments***CONFORMABLE CONTACT****Coleman Member***Basal (regolithic) conglomerate; clast-supported, massive conglomerate; matrix-supported conglomerate; pebbly wacke and lesser arenite; shaly mudstone; sheared and tectonically brecciated sediments***UNCONFORMITY****ARCHEAN****Felsic to Intermediate Plutonic Rocks***Mafic diorite and minor quartz diorite; tonalite; granodiorite; granite***INTRUSIVE CONTACT****Metavolcanic Rocks****Intermediate to Felsic Metavolcanic Rocks***Dacite; rhyolite; lapilli-stone tuffs and pyroclastic flows***Mafic to Intermediate Metavolcanic Rocks***Amphibolite; basalt; pillowed basalt; plagioclase-phyric basalt; variolitic basalt; andesite; minor sedimentary and/or pyroclastic debris flows*

Source: Born and Hitch, 1990

7.2 Property Geology

7.2.1 Silver Centre Property Geology

The oldest rocks on the Property are folded, faulted, and steeply dipping metamorphosed Archean (Keewatin) intermediate to mafic pillowed flows, tuffs, and agglomerates. Numerous early (Haileyburian) biotite lamprophyre and hornblende lamprophyre intrude the Archean volcanics (McIlwaine, 1970). McIlwaine (1970) noted that the Keeley No. 16 vein follows a biotite lamprophyre dike for most of its length and other veins have been found in a similar environment; the opinion has been expressed that the lamprophyre dikes take a part in localising the silver-cobalt veins of the Silver Centre area (Kent, 1965).

A small granodiorite body intrudes the Archean age volcanic rocks near Beaver Lake.

A major erosional unconformity resulted in the development of basins and highlands on the surface of Archean metavolcanics and intrusives. In the Property area, Huronian-age Gowganda Formation, Coleman Member sediments were deposited in the basins and remain relatively undeformed. The beds are generally close to flat-lying, except in the areas of faults where they dip steeply (McIlwaine, 1970). The vertical thickness of the Coleman Member is interpreted to be between 55 m and 240 m in the vicinity of the Property based on historic drill logs (McIlwaine, 1970). McIlwaine (1970) suggests that the variation in thicknesses represents irregular basement topography on which the Coleman Formation was deposited, with the suggestion of a local trough trending east-northeast subparallel to the flanks of the diabase domes. South of the dome, McIlwaine (1970) estimated that the Coleman Formation might reach a maximum thickness of approximately 300 m based on bedding attitudes and topography. The rocks of the Coleman Member are a heterogeneous mixture of greywacke and quartzose siltstone, arkose, argillite, and conglomerate. Conglomerate pebbles, cobbles, and rare boulders are generally pink granitic rocks with minor white granite, "greenstone", and diabase. They are generally sub-angular to sub-rounded and range up to 15–20 cm in diameter.

The Nipissing Diabase intrudes the Archean volcanics and the Huronian sediments and is approximately 277 m (910 ft) thick in the Keeley-Frontier Mine area. McIlwaine (1970) considers the Nipissing Diabase in South Lorrain Township to be a single sheet, with numerous rolls, both major and minor. On the east side of the Property, the diabase is in the form of a dome, with the central part removed by erosion. The axis of the dome strikes north-northeast. This axis is subparallel to the margin of the interpreted basin of deposition of the Cobalt Group sedimentary rocks. The south flank of the dome which lies southeast of the Property dips steeply southeast, and on the northwest and wider flank, contours of the top of the diabase, based on historical underground workings and diamond drilling, indicate an anticlinal limb dipping to the west across the property. The average dip of the sill is 15° to 34°, but Kent (1965, p- 4) states that there is evidence of a marked flattening to about 8° on claim T46400 and that there is possibly a major downthrow farther west. The north contact of the northwest flank dips to the south and thus forms a minor basin within the dome. A second diabase dome with an erosional window through its core exposing underlying Archean metavolcanics is present in the northwest part of the property suggesting a diabase basin structure lies between the two domes (Figure 10). The diabase is typical a fine- to medium-grained, fresh to slightly altered rock.

Numerous faults are present in the area with several periods of deformation postulated: the earliest faults are pre-ore, and most of this set strike north – as supported by McIlwaine's (1970) observation that lamprophyre dykes are contained within the same north trending structures as the Woods and Watson Veins; there are possibly two ages of northwest-trending faults, pre- and post-olivine diabase intrusion; and

finally, a minor north-easterly trending set of faults, for which the evidence indicates that these are the youngest Precambrian faults in the area (McIlwaine, 1970).

Based on the Lake Temiskaming Fault, and several northwest-striking faults in the Cobalt area being post-Silurian in age it is suggested that some of the faults in South Lorrain Township are also post-Silurian and probably branches of the Lake Temiskaming Fault (McIlwaine, 1970).

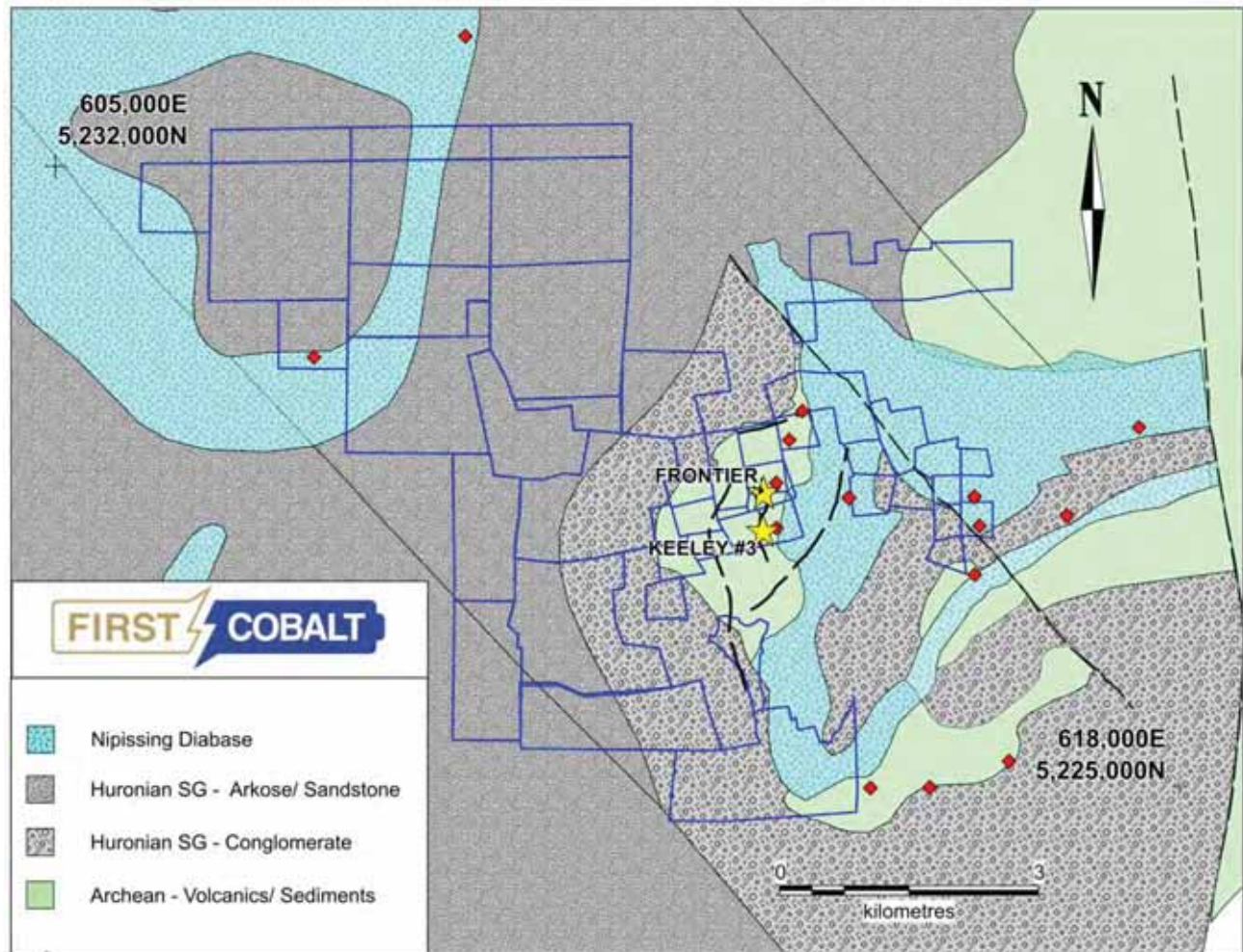


Figure 10: Silver Centre Property Geology

7.2.2 Geology of the Cobalt Area Properties

The Issuer's Cobalt Area Properties comprise 11 small non-contiguous claim blocks which are not part of the Greater Cobalt Project's immediate (2017) exploration plans. These properties have been acquired as part of a longer-term acquisition strategy in the Cobalt camp.

The detailed geology of the Cobalt Area Properties will not be presented in this report as they are not considered material as of the Effective Date.

7.3 Significant Mineralised Zones on the Cobalt Project

7.3.1 Silver Centre Property

The native silver-cobalt arsenide veins in the South Lorrain township area typically contain native silver, cobaltite, lollingite, niccolite, breithauptite, smaltite and calcite (Mayer and Pearson, 1989). Mineralogically, the veins are similar to those in the main Cobalt camp; however, their structural and stratigraphic setting is different. Whereas more than 90% of the silver produced in the main Cobalt camp came from veins in the Huronian Cobalt Group sediments adjacent to (underlying) the lower diabase sill contact, productive veins in the South Lorrain township area were predominantly in Archean metavolcanic rocks adjacent to (overlying) the upper contact of the diabase sill. Only limited production, approximately 300,000–400,000 oz., came from veins in Archean rocks below the diabase in the Keeley mine (Mayer and Pearson, 1989; Figure 11). While many workers suggest that the Archean rocks below the diabase in the Silver Centre Camp are less prospective than those above the upper diabase contact, this may be more apparent than real given the historic lack of significant exploration beneath the diabase in the camp. No significant silver-bearing veins have yet been found in Cobalt Group sediments in the South Lorrain township area. Mayer and Pearson (1989) speculate that this may be because to the east, Huronian sediments are adjacent to (underlie) the historically less favourable lower contact of the Nipissing Diabase at Silver Centre, while to the west the Huronian sediments are too high, +/- 250 m (800 ft) above the diabase and are outside the “productive horizon” above the diabase sill.

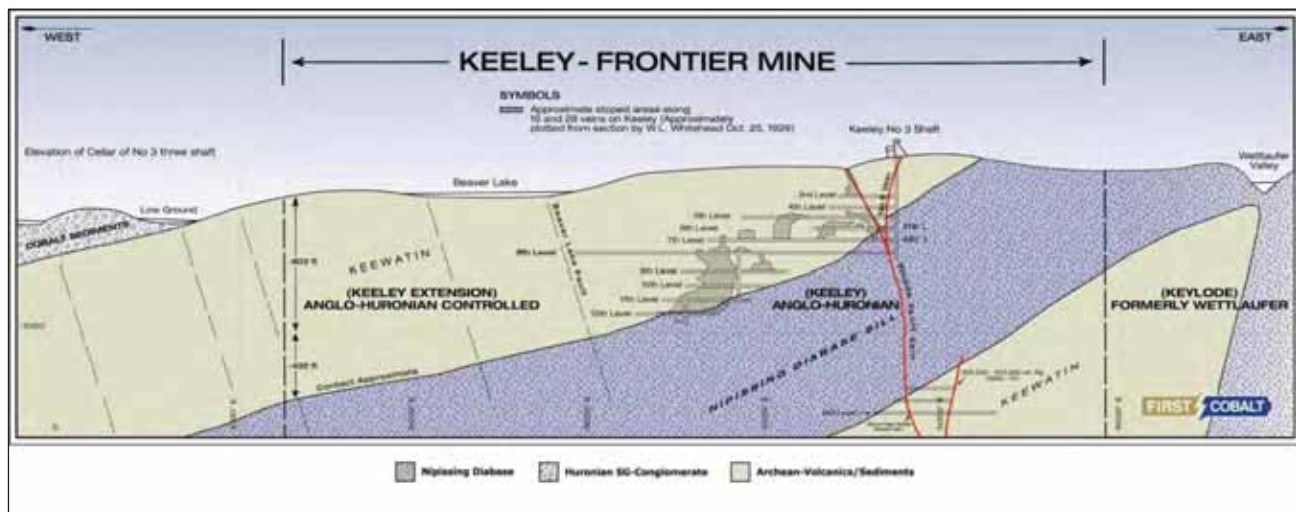


Figure 11: Section through the Keeley-Frontier Mine showing spatial relationship of mineralisation and the Nipissing Diabase/Archean metavolcanic contact

Keeley Frontier Mines

The Keeley and Frontier Mines were developed on the most significant and productive veins in the Silver Centre camp on the northwest flank of the South Lorrain diabase dome. The Keeley and Frontier Mines comprise both north-south and east-west vein systems. The productive parts of these veins occur within about 120 m (400 ft) of the Nipissing Diabase/Keewatin contact with the richest veins being those that continued into the diabase. Within this favourable area along and above the upper contact the most important factors controlling development are as follows (McIlwaine, 1970):

1. The intersection of two or more veins;

2. The intersection of veins with unmineralised faults or with flat faults;
3. A flexure or “roll” in a vein caused by an abrupt change in strike and/or dip; and
4. The intensity of fracturing in the vicinity of faults.

Factors 1 and 2 are most useful for regional exploration. Once a vein structure has been located, however, the latter two criteria are more important.

Ore shoots tend to be controlled by a marked variation in attitudes (“rolls”) in fault-vein structures and to a limited extent by hornblende lamprophyre dykes which appear to locally control ore deposition (McIlwaine, 1970). Ore shoots ranged from 3 m to 30 m in length, 15 cm to 1 m wide; one shoot measured 31 m by 10.7 m and up to 1.02 m wide (Harron, 2011).

Historically, the most important veins on the property were the Woods and Watson which strike north-south and the No. 26, No. 20 and No. 16 veins and to a lesser extent the No. 28 vein, all of which strike approximately east-west (Figure 12; Mayer and Pearson, 1989).

The Woods Vein was the most productive vein and was mined for a strike length of 670 m (2,200 ft). It accounted for about 70% of total production in both mines. This fault structure strikes north and dips 55° to 69°E and contained several very high-grade silver-bearing ore shoots, two of which are as follows (Knight, 1922; Mayer and Pearson, 1989):

1. 300 ft level on the Crompton Mine (now part of Frontier). This shoot was 31 m (102 ft) long, having an average height of 10.7 m (35 ft), produced 900,000 oz Ag to the end of 1923. Assuming a 1.5 m (5 ft) mining width and a tonnage factor of 12 cu. ft/ton, this would represent about 1,490 tons grading 604 oz Ag/ton (Mayer and Pearson, 1989).
2. “N” shoot on the 7th level of the Keeley Mine (Figure 3). This shoot was 60 m (198 ft) long and had an average assay of 370 oz/ton Ag across a 48 cm (19 in) average vein width, or 117 oz/ton Ag over a 1.5 m (5 ft) mining width (Mayer and Pearson, 1989).

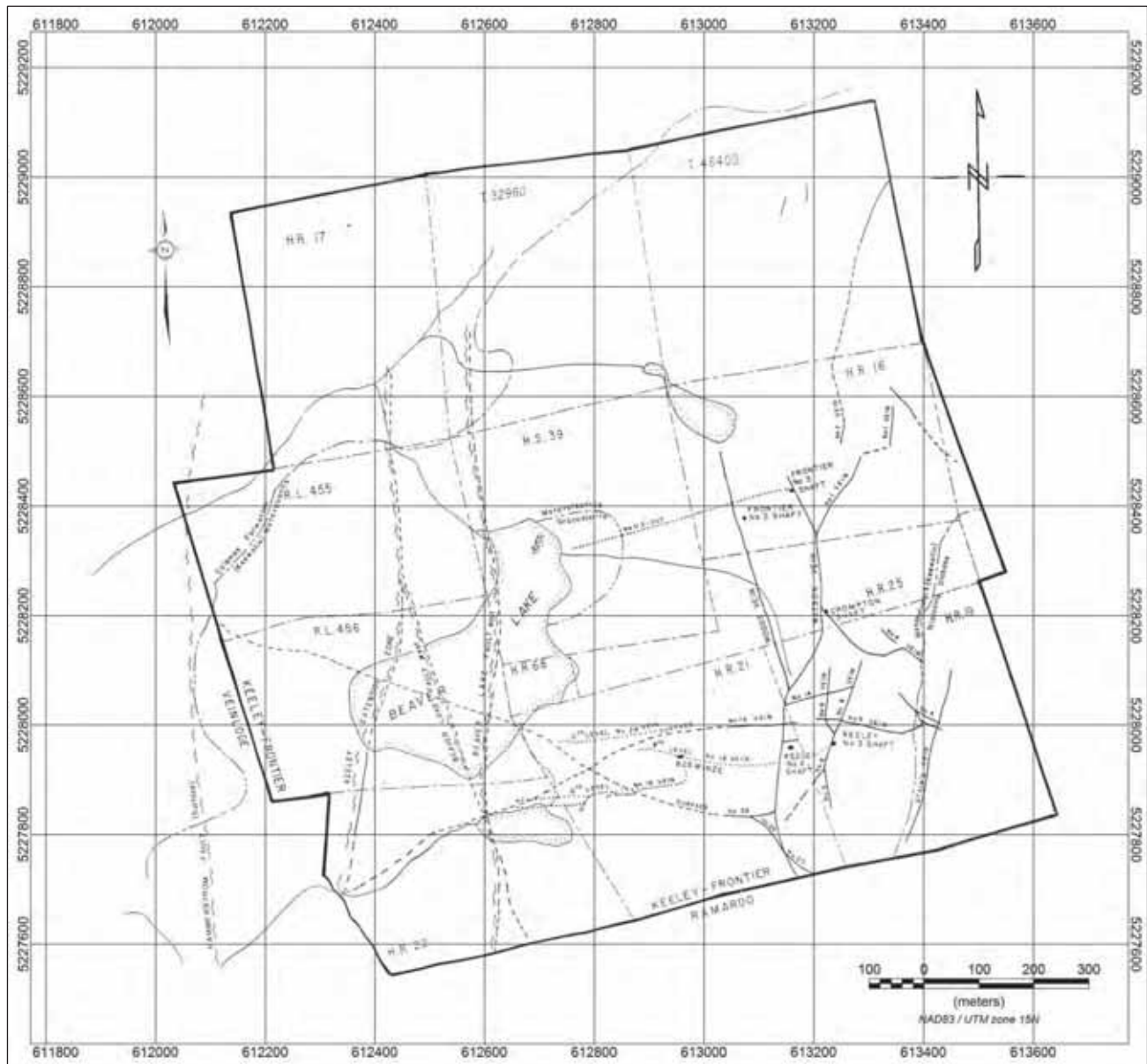


Figure 12: Silver Centre Property – Keeley-Frontier patent claim geology and vein distribution

Source: Mayer and Pearson, 1989

Figure 13 is a longitudinal section of the Woods Vein showing underground development in both the Keeley and Frontier mines. Planimeter measurements by Mayer and Pearson (1989) of the stopes on the original mine section indicate that about 150,000 tons of ore was mined assuming a 1.5 m (5 ft) average mining width and a tonnage factor of 12 cu.ft/ton. According to W. Hammerstrom, who was the mine geologist during much of the production period, total production from the Woods Vein was about 6,000,000 oz Ag in the “N” shoot; about 3,000,000 oz Ag from the “D” orebody in the No. 3 Keeley shaft area; and 4,000,000 oz Ag from the Frontier Mine portion of the vein (Mayer and Pearson, 1989). Total production from the Woods Vein was therefore about 13,000,000 oz Ag from 150,000 tons of ore for an average mining grade of 87 oz/ton Ag (Mayer and Pearson, 1989).

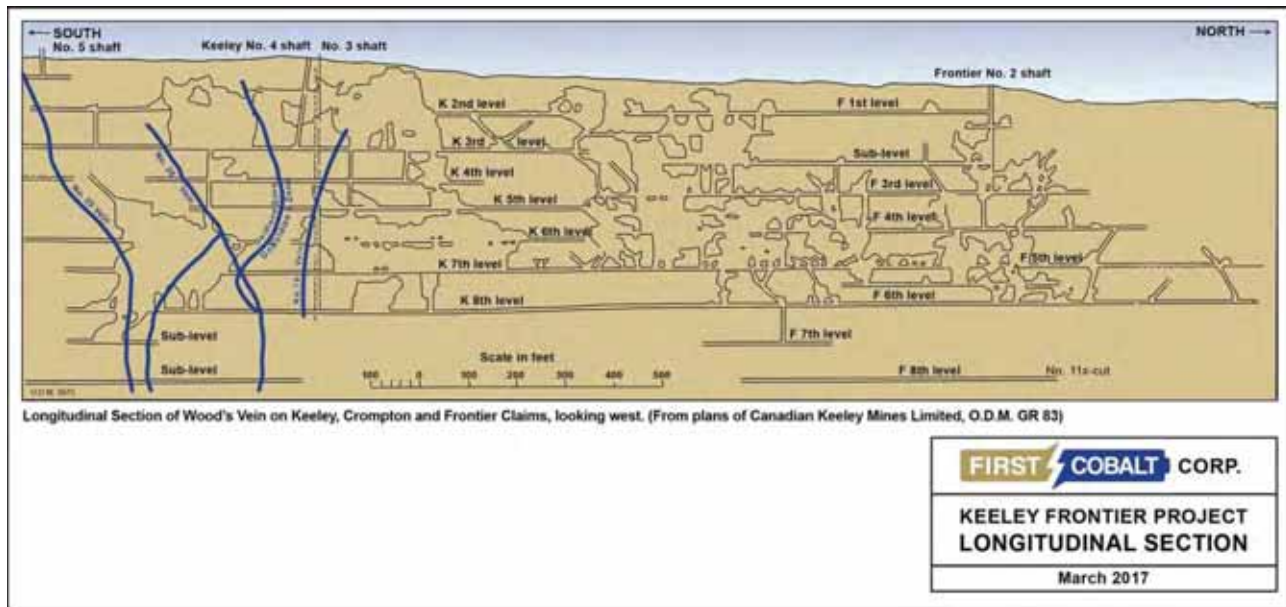


Figure 13: Longitudinal section Keeley-Frontier mine workings on the Woods vein looking west

An unusual feature of the Woods Vein is the presence of significant secondary (i.e. supergene) enrichment due to preserved pre-glacial weathering which extends to a depth of 146 m (McIlwaine, 1970), particularly in the "N" shoot. The vein is altered to soft, brownish-red hematite-rich rock. Wallrock adjacent to the vein, particularly Nipissing Diabase, is strongly kaolinized (Mayer and Pearson, 1989). The vein is vuggy and silver is in leaf, wire, ruby and spongy forms, smaltite is both massive and vuggy in grape-like form (McIlwaine, 1970).

The Watson Vein is a branch of the Woods Vein and intersects the No. 1 vein to the north (Figure 12). About 80 m (260 ft) south of the No. 1 vein junction, the Watson Vein was reported by Knight (1922) to contain a shoot 9.1 m (30 ft) long and 6.7 m (22 ft) high with a maximum width of 58 cm (23 in), which produced 125,000 oz Ag. According to W. Hammerstrom, total production from the Watson vein was about 3,000,000 oz Ag and production from the No. 1 vein was about 100,000 oz Ag (Mayer and Pearson, 1989).

The No. 26 and No. 20 veins are branches of the Woods Vein to the west and east, respectively, which occur near the junction of the Woods and 28 veins. These veins are probably the same structure and although they have limited strike length, they extend from surface to about the Keeley No. 10 level. The richest area in the mine, the "N" shoot, was at the intersection of the No. 26 and No. 20 veins with the Woods Vein near the Nipissing Diabase/Archean metavolcanic contact (Figure 12 and Figure 13; Mayer and Pearson, 1989).

The No. 26 vein contained a very high-grade shoot 22.6 m (74 ft) long which had an average assay of 2,600 oz Ag across a 38 cm (15 in) average width, which is equivalent to 650 oz Ag/ton over a 1.5 m (5 ft) mining width. According to company reports, not less than 250,000 oz of silver was removed from 22.6 m (74 ft) of drifting muck on this vein before any stoping was carried out (Mayer and Pearson, 1989). The No. 20 vein was also mined; however, no production and grade data are available.

The No. 16 vein varies in width from 1.3 cm (0.5 in) to 61 cm (2 ft), averaging about 13 cm (5 in) and is associated with a 2.1 m (7 ft) wide biotite lamprophyre dyke for most of its length. The vein strikes east-west, dips 65°S in the volcanic rocks but steepens to near vertical in the underlying Nipissing Diabase. On the sixth level of the Keeley Mine immediately west of the Woods Vein, a rich shoot in the 16 Vein, 9.1 m

(30 ft) long and 7.6 m (25 ft) high, produced 150,000 oz Ag (Knight, 1922); 480 oz Ag/ton over a 1.5 m (5 ft) mining width (Mayer and Pearson, 1989).

The No. 28 vein, in the area mined, strikes east-west, dips 50–60°N, and intersects the No. 16 vein at about 122–152 m (400–500 ft) below surface. Typically, the No. 28 vein is marked by a wide, up to 2.1 m (7 ft) gouge zone. Combined production from the No. 16 and No. 28 veins, was estimated by Hammerstrom to be about 3,000,000 oz, of which the No. 16 accounted for about 70% (Mayer and Pearson, 1989). Planimeter measurements of old stope plans, using the same assumptions as for the Woods Vein, gives an estimated tonnage of 33,000 tons with an average grade of 91 oz Ag/ton (Mayer and Pearson, 1989).

Very little data is available on the grades and distribution of cobalt in the veins previously mined on the Keeley-Frontier property. The production records, however, indicate that the cobalt content was appreciable at about 0.2 lb. Co for every ounce of Ag produced (Mayer and Pearson, 1989). Assuming that the Woods Vein accounted for 70% of cobalt production, this would give about 1,048,000 kg (2,310,000 lb) Co from 136,078 t (150,000 tons) of feed for an average grade of about 0.8% Co (Mayer and Pearson, 1989). The actual mine grade was probably higher because of the unreported cobalt content in silver concentrates shipped to the Delora smelter (Mayer and Pearson, 1989).

Bellellen Mine

At the Bellellen Mine, a 91 m long north-trending calcite vein up to 38 cm wide occurs in steeply dipping Keewatin volcanics that strike north. Underground workings on the vein extended to a depth of 104 m below surface. The volcanics are intruded by the west side of a domed Nipissing quartz diabase sheet up to 300 m thick that dips about 40° west beneath the mine workings. The veins are mineralised with chloanthite (the diarsenide of nickel) as well as native silver and smaltite (cobalt iron nickel arsenide). On the first level (28 m below surface) the calcite vein was reported to be 15–18 cm wide and the mineralisation in the vein a maximum of 15 cm wide. The mineralisation is characterised by high nickel content. Reported grades were: 1,259 oz/ton Ag from 24 tons mined in 1910–1911 and 43 oz/ton Ag, 159 lb/ton Co, and 275 lb/ton Ni from 35 tons mined in 1916. The 12.27 tons shipped in 1943? ran 9.25% Co and 11.55% Ni (McIlwaine, 1970). Total production (intermittent from 1910 to 1943) was: 1,182,772 g (38,027 oz) Ag; 12,930 kg (28,481 lb) Co and 6,085 kg (13,404 lb) (Guindon *et al.*, 2016).

8 Deposit Types

The exploration target at the Greater Cobalt Project is arsenide Ag-Co vein deposits of which the historic Cobalt Camp and satellite Silver Centre Camp are the type locality. The arsenide Ag-Co vein deposit type is also referred to as the Five-Element (Ni-Co-As-Ag-Bi) Vein (FEV) deposit type (Kissin, 1993). The following descriptions of the arsenide silver-cobalt vein deposit model (Sections 8.1 and 8.2) are extracted and modified from Ruzicka and Thorpe (1996).

8.1 Physical Model – Arsenide Ag-Co Vein Deposits

Arsenide silver-cobalt vein deposits are localised in areas affected by basinal subsidence and rifting and are spatially related to regional fault systems and closely associated with intrusions of mafic rocks. The arsenide Ag-Co vein deposits in the Cobalt Camp are associated with Aphebian conglomerate, quartzite, and greywacke rocks of the Cobalt Group (Coleman Member of the Gowganda Formation), as well as with major sill-like bodies of Nipissing Diabase and with Archean mafic and intermediate lavas and intercalated pyroclastic and sedimentary rocks (Figure 14).

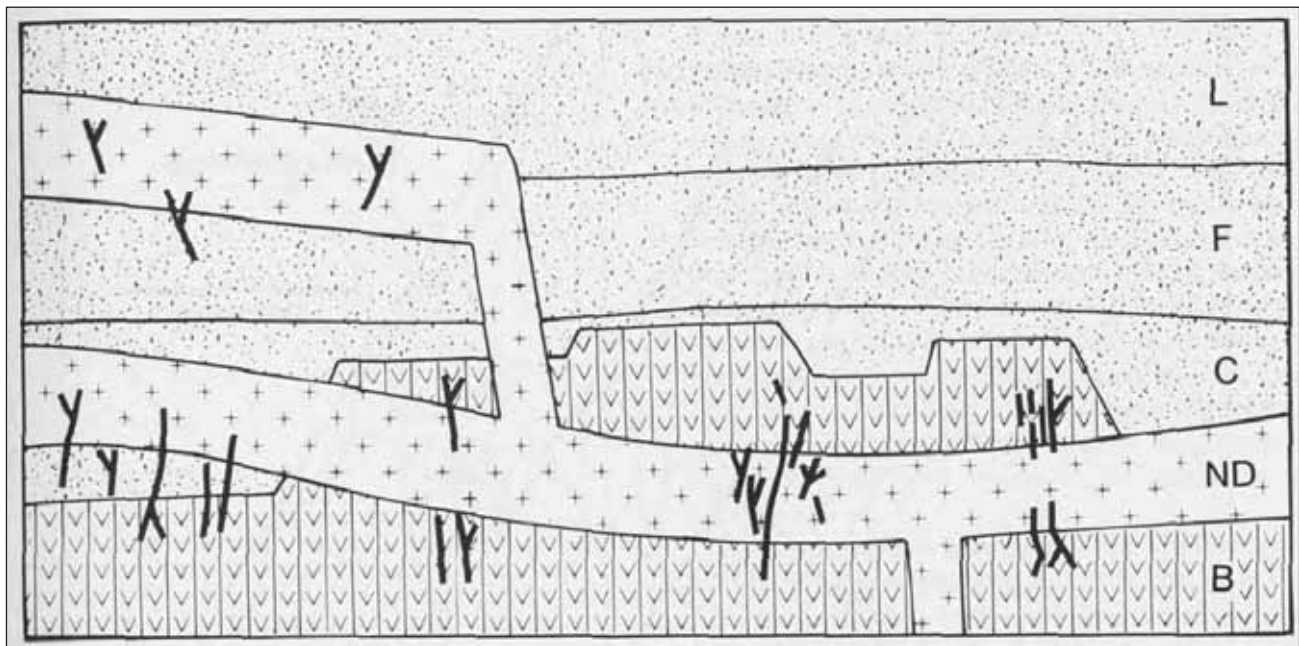


Figure 14: Simplified geological schematic section showing relationship between major lithological units and distribution of arsenide silver-cobalt vein systems (black lines)

Note: Huronian sediments include the Lorrain Formation (L), and the Gowganda Formation's Firstbrook Member (F) and Coleman Member (C). Archean basement rock (B) are steeply dipping metavolcanic sequences. All units are intruded by Nipissing diabase (ND).

Source: Andrews *et al.*, 1986a

The deposits in the Cobalt Camp contain three principal mineral assemblages: (i) a relatively minor base metal sulphide assemblage, which is confined to Archean metasedimentary and metavolcanic rocks; (ii) the arsenide Ag-Co assemblage, which occurs prevalingly at and near the contacts between the Nipissing Diabase and the sedimentary rocks of the Cobalt Group, and is present to a lesser extent along contacts

between the diabase and the Archean rocks; and (iii) a late stage sulphide assemblage, which is in part distributed along the margins of arsenide-rich veins, where these have apparently been reopened.

The age of the arsenide Ag-Co veins has been established from geological evidence and from dating of the associated diabase sheets. In the Cobalt area, the arsenide Ag-Co veins cut the Nipissing Diabase, but are displaced by post-mineralisation reverse faults, which are contemporaneous with the intrusion of the quartz diabase dykes. Therefore, the deposition of the mineralisation must have taken place after intrusion of the Nipissing Diabase sills, but before intrusion of the quartz diabase dykes, i.e. between 2.22 Ga and 1.45 Ga. The bulk of the mineralisation apparently formed shortly after intrusion of the Nipissing Diabase sheets, which took place about 2.22 Ga (Jambor, 1971a; Corfu and Andrews *et al.*, 1986a).

Distribution of the Ag-Co veins in the Cobalt Camp is controlled by the contact between the Nipissing diabase sheets and the rocks of the Cobalt Group (Gowganda Formation) and to a lesser extent the Archean metavolcanic and metasedimentary rocks. The veins occur in the diabase and in the Aphebian and Archean rocks within about 200 m of their contact with the diabase. They dip steeply, extend horizontally as much as 1,000 m and vertically as much as 120 m, and are as wide as 1.2 m. A typical deposit consists of a few short anastomosing veins of variable thickness from a few centimetres to two or three decimetres.

The metallic minerals occur in irregular high-grade lenses surrounded by aureoles of low grade material. Arsenides, sulpharsenides, and antimonides of Ni, Co, and Fe as well as native Ag, are the principal metallic constituents of the veins. The mineralised veins in the Cobalt area contain native Ag, dyscrasite, acanthite, rammelsbergite, skutterudite, arsenopyrite, gersdorffite, cobaltite, glaucodot, nickeline, breithauptite, chalcopyrite, tetrahedrite, and native Bi. Native Ag and the Co-Ni arsenides are the most abundant metallic minerals. Quartz, chlorite, calcite, and dolomite are the most common gangue minerals (Lang *et al.*, 1970; Petruk *et al.*, 1971a, b, c, d; Jambor, 1971c).

The metallic minerals occur in masses, lenses, veinlets, and disseminations with or without associated gangue minerals and in various textural forms, such as intergrowths, disseminations, dendrites, rosettes, and monocrystals. They are present in distinct mineral assemblages, such as Ni-arsenide, Ni-Co-arsenide, Co-arsenide, Co-Fe-arsenide, Fe-arsenide, sulphide, and oxide (Petruk, 1971), with the following features:

- The Ni-arsenide assemblage is localised in many cases at the periphery of major veins, but also occurs in various places in small veins.
- The nickel-cobalt arsenide assemblage occupies a transitional position between the Ni-arsenide and Co-arsenide assemblages. Much of the best Ag mineralisation is associated with this assemblage.
- The Co-arsenide assemblage occurs generally in the main parts of the veins.
- The Co-Fe-arsenide assemblage is less common than the preceding ones.
- Minerals of the Fe-arsenide assemblage tend to be concentrated at the ends of the veins. They are commonly accompanied by native Bi, galena, and marcasite.
- The sulphide assemblages typically contain chalcopyrite and tetrahedrite, although more than thirty sulphide minerals have been reported (Petruk, 1971). They occur in some of the main carbonate veins, usually in the peripheral portions of highly mineralised sections.
- Oxide minerals, hematite, magnetite, rutile, anatase, ilmenite, and wolframite, occur in the veins only in small amounts. They are typically associated with the carbonate gangue.

The host rocks of the deposits in the Cobalt Camp were affected by several phases of alteration. Intrusion of the diabase sheets was accompanied by contact metasomatic alteration of the country rocks and by deuteric alteration of the diabase itself. A specific kind of contact alteration is the spotted chloritic

alteration, which developed in the vicinity of the Nipissing Diabase prior to mineralisation. It is characterised by the occurrence of chlorite-rich spots, which are surrounded by chlorite-deficient aureoles, and affected many of the rocks intruded by the diabase.

The most prominent alteration was, however, associated with formation of the mineralised veins. Its effects depended upon the composition of the rocks involved. For instance, the alteration of diabase resulted in: (i) replacement of pyroxene by actinolite and some chlorite; (ii) retrogression of plagioclase to muscovite, epidote, and albite; and (iii) replacement of ilmenite and magnetite by leucoxene and titanate (Andrews *et al.*, 1986). The hydrothermal wall rock alteration along the mineralised veins is developed in narrow zones, typically a few centimetres wide. The most distinct alteration zones are developed in the diabase and consist of two or three layers. The first (inner) layer, immediately adjacent to the veins, contains albite, chlorite, and anatase; the second layer has calcite, epidote, and small amounts of muscovite; and the third (outer) layer comprises increased amounts of muscovite (Jambor, 1971b; Andrews *et al.*, 1986).

8.2 Genetic Model – Arsenide Ag-Co Vein Deposits

The solutions that deposited Ag-arsenide ores were initially as hot as 400°C in some cases, although wide ranges of fluid inclusion temperatures (mostly 100° to 250°C) and salinities have been recorded (Franklin *et al.*, 1986; Kerrich *et al.*, 1986; Jennings, 1987; Kissin, 1988). The fluids may have been variable mixtures of basinal brines and meteoric waters. Kissin (1988) has suggested that the deposits were formed in an environment characterised by incipient rifting of continental crust.

In the case of the arsenide Ag-Co veins in the Cobalt area, genetic models have been postulated that involve derivation of the Ag, Ni, Co, As, Sb, Bi, Cu, and Hg either from the Archean sedimentary beds, with minor contributions from certain volcanic flows (Boyle and Dass, 1971), or, more recently, from the formational brines of the Archean carbonaceous, pyritic tuffs or their clastic derivatives in the Proterozoic sedimentary sequence (Watkinson, 1986). The latter hypothesis is supported by fluid inclusion and oxygen isotopic data. Watkinson (1986) inferred from the relatively homogeneous Pb isotopic ratios (Thorpe *et al.*, 1986) that the metalliferous brines had a long residence time in the sulphide-bearing rocks, but were released into tensional fractures upon intrusion of the Nipissing Diabase sills. The sudden release of pressure caused rapid precipitation of the mineralisation in fractures at the diabase contacts (Watkinson, 1986). According to sulphur isotope studies, the mineralisation took place under temperatures between 130°C and 254°C (Goodz *et al.*, 1986). The mineralisation components, principally native Ag, As, and Co, were introduced into the fractures along with carbonate gangue by hydrothermal solutions of high pH and low Eh.

The reader is referred to Kissin (1992, 1993) for a discussion of alternative genetic models for arsenide Ag-Co deposits.

8.3 Exploration Guides – Arsenide Ag-Co Vein Deposits

Selection of exploration targets areas for arsenide-silver-cobalt vein deposits should consider:

1. The contact between the Nipissing diabase sheets and the rocks of the Cobalt Group (Gowganda Formation) and to a lesser extent the Archean metavolcanic and metasedimentary rocks. Known veins occur in the diabase and in the Aphebian and Archean rocks within about 200 m of their contact with the diabase.
2. In addition to recognition of the prospective envelope relative to the Nipissing Diabase contact, previous workers have noted that many of the significant deposits hosted by the Coleman Member sediments are at or near the contact with the basement Archean rock (Nichols, 1988). The Coleman

Member sedimentary rocks are often in “basins or troughs” developed on the Archean paleotopography proximal Nipissing diabase intrusions.

3. Based on work in the main Cobalt Camp, the occurrence of sulphide-bearing carbonaceous tuffaceous horizons (reductants) in the Archean and/or Proterozoic complexes located beneath diabase sills (Ruzicka and Thorpe, 1996). Nichols (1988) noted sulphide enrichment of the Archean interflow sediments adjacent to high grade mineralised veins. Although a relationship between the quantity of sulphides and the quantity of Ag was not established, the relative amount of Cu, Pb and Zn sulphides increased with proximity to Ag mineralisation in each interflow. Thus, as an exploration guideline, the relative amount of base metal sulphides, particularly chalcopyrite, in an interflow chert can be interpreted as an indication of proximity to a high-grade shoot. Based on historic and current work this does not seem to be an important guide in the Silver Centre area; interflow sediments in volcanic units are not reported.
4. Permeable rocks in the overlying sequence capable of yielding formational metalliferous brines (Ruzicka and Thorpe, 1996).
5. Presence of favourable structural features, which include broad dome-like arches of the base of a diabase sill and possible associated structural traps in the form of fracture systems favourable for deposition of metallic minerals from hydrothermal solutions (Ruzicka and Thorpe, 1996).
6. When targeting cobalt mineralisation, bear in mind observed metal zonation in the arsenide-Ag-Co vein deposits. Historic mining generally targeted the Ag-rich portions of the veins, Co-rich zones if present may therefore have locally been left underexplored and undeveloped if the Ag grade did not meet cut-off grade.
7. Nichols (1988) also noted the strike of Archean volcanics appears to have a definite influence on Ag mineralisation. Thus, the strike of volcanics should be determined very early in an exploration program. The remainder of the program should then test the ideal host rock environment for veins parallel or sub-parallel to the strike of the Archean basement rocks.

In the Cobalt area, past surface-based exploration has relied largely on prospecting for mineralised fractures supported by overburden stripping and pitting programs.

In addition to prospecting methods, exploration of the Cobalt Project should consider the use of the following techniques and guides to identify the features controlling arsenide Ag-Co mineralisation or the arsenide Ag-Co veins alone:

- Airborne and ground based geophysical surveys including magnetic, EM and IP methods to map lithology and structure.
- Detailed geological mapping to map prospective lithology, alteration and structure.
- Quaternary geology mapping to aid in planning and interpretation of soil and overburden geochemical surveys. Sampling of the basal till for mineral exploration and tracing of mineralised float is most easily and efficiently accomplished in areas of ground moraine and follow-up exploration should be easier than in other glacial landforms, such as hummocky moraine.
- Selective multi-element (Ni-Co-As-Ag) geochemical surveys including soils and basal till. Soil gas surveys may be useful. Contamination of the surface soils by previous mining activities may locally limit the utility of soil geochemical surveys.
- Diamond drilling testing of any geological geophysical and geochemical targets should consider the 200 m vertical prospective envelope above and below the Nipissing diabase contacts with the Cobalt sediments and the Archean metavolcanics and metasediments. Targeting should also consider the

evidence that many of the significant deposits hosted by the Coleman Member sediments are at or near the contact with the basement Archean rock.

8.4 First Cobalt's Exploration Strategy

First Cobalt's 2017 exploration program is intended to provide a better understanding of the extent of economic metals that include silver, cobalt, nickel and copper at the Keeley-Frontier deposit. Historically, only silver had been considered for mining and exploration. Cobalt, nickel, and copper rich veins were found and selectively mined and processed from stockpiles when metal prices were ideal. Therefore, annual production numbers for Co and Ni may not reflect that specific year's mining. Very little is known about the spatial distribution of the metals in relation to silver since only a few assays have been reported from within Keeley-Frontier Mine, although "Co" is recorded on historic maps where visible Co-bearing minerals occur. Drilling within the Mine is sparse and Co was not routinely assayed in the holes, so the presence of Co-Ni-Cu in the hydrothermal selvages of the veins is essentially unknown. In addition, Co-rich veins were not fully developed in mining so the true strike length and depth extent of these vein systems is open. Comparable vein-style metallic mineral deposits; epithermal, epigenetic, volcanogenic etc., demonstrate metal zoning related to chemical controls (e.g. temperature, solubility, acidity etc.). Research has not been done at an appropriate scale in the Cobalt Mining district to address this to help the exploration model.

It has been well demonstrated throughout the Cobalt Mining district that a spatial relationship exists between silver-cobalt mineralisation and the Nipissing Diabase sills. Many historic maps from Keeley-Frontier Mine highlight a 100–200 m "productive zone" away from the contact with the Archean volcanic rocks. Kissin (1992) and Watkinson (1986) have suggested that the sills are not necessarily a heat source for the hydrothermal system, but the persistence of this relationship cannot be dismissed. The rheologic contrast of the diabase sills compared to the volcanic rocks and Proterozoic sedimentary rocks is a likely controlling factor on the development of brittle deformation in the region. The relationship of these regional deformation structures to the emplacement of the silver-cobalt veins is also unknown.

First Cobalt's initial exploration program in 2017 is directed at these unknowns. Initial field work will include mapping, prospecting, assaying, geophysics and downhole geophysics with televiwer imaging. Sampling of bedrock and existing drillholes will be done to specifically generate continuous metal values from silver-cobalt veins into the wallrock at a scale of 10's of metres. Structural mapping will also be done both at the detailed scale (1:100 scale at stripped outcrops), deposit-scale (1:1,000) and property scale (1:5,000). A preliminary drill program will also be designed to test for metal distribution near surface at Keeley-Frontier and several cobalt-rich areas which lack extensive historical development. The Company intends to gain an appreciation for the cobalt zonation within the Keeley-Frontier mine area and of the potential for disseminated mineralisation, which could be amenable for bulk mining. Details are provided in Section 9.

9 Exploration

On 3 May 2017, First Cobalt announced an exploration program designed to increase its understanding of the silver-cobalt potential of the Silver Centre Property. The proposed program is to include:

- Digital compilation of 50 years of historic Keeley-Frontier mine data to generate a 3D geological model
- Detailed and property-scale structural mapping of mineralised veins and host rocks
- Bore-hole geophysics and televiewer imaging of drillholes from the 2012 drilling campaign targeting the Beaver Lake Fault west of the former mine
- Systematic surface sampling at known prospects and occurrences throughout the property for assay analyses
- Detailed magnetic survey of the property
- 5,000 m of diamond drilling within the footprint of the Keeley-Frontier Mine testing targets from the 3D geological model
- 2,000 m of regional exploration drilling to identify new mineralised fault systems,

Although still at an early stage, work on the 2017 exploration program that has been initiated as of the effective date of this Report include:

9.1 Digital Compilation and 3D Geological Model

First Cobalt has initiated the acquisition and digital data compilation of available historic Keeley-Frontier mine data for the purpose of generating a 3D geological model of the mine and surrounding area. The preliminary 3D model, focused on mine infrastructure: shafts, drifts, stopes, and winzes, is anticipated to be completed by the end of July 2017. The Nipissing Diabase-volcanic rock contact will be modelled with the available data. This will be used to in part constrain the drillhole locations. Integration of underground drilling information will also be incorporated as well as new information from mapping and eventually the 2017 drilling results will continue to improve the 3D model.

9.2 Bore-Hole Geophysics and Televiewer Imaging

DGI Geoscience Inc. was engaged to conduct a borehole geophysics and televiewer program at the Silver Centre Property. The program, completed 2–7 June 2017, consisted of taking measures from within six drillholes completed by Canadian Silver Hunter in 2012 on the Beaver Lake Fault in an area known as the Keeley Extension. The Beaver Lake Fault was previously mined but only to a limited extent. The fault is located to the west of the main silver-cobalt ore zone of the Keeley-Frontier Mine (Figure 12).

Four of the six holes were surveyed for resistivity, natural gamma and magnetic susceptibility. Resistivity and natural gamma are measured to determine alteration of the rocks related to mineralisation. Magnetic susceptibility variations, specifically in the host mafic volcanic rocks, can be used to determine their depth extension below the Huronian sedimentary rocks providing future targets for drilling. The data from this program could allow the Company to more accurately project the depth to the volcanic unit that hosts mineralisation.

The southernmost hole from the 2012 drill program (CSH12-03), intersected an 11.3 m interval containing a composite value of 72.47 g/t Ag. Cobalt mineralisation was not specifically targeted by the 2012 program therefore some intervals were unsampled. Other short intervals of Ag-Co-Ni mineralisation were intersected

in other holes. The geophysical surveys were conducted to determine geophysical signatures for this mineralisation as well as establish the background response from the host rocks.

Optical televiewer and acoustic televiewer surveys were completed on three holes for detailed, in-situ structural information and to measure the true orientation of the lithological contacts. The televiewer information will therefore allow for a better appreciation of the structural context within the holes. Data will be integrated with the ongoing structural mapping program to predict extensions of known mineralisation and infer new areas for drill targeting.

Interpretation of the geophysical and televiewer data by DGI Geoscience and First Cobalt is ongoing as of the effective date of the Report, final synthesis is estimated to be available in September 2017 when it will be integrated with results from the field mapping program.

The program is intended to help First Cobalt improve its understanding of the controlling structures in the mineralised system(s) at the Silver Centre Property. The Woods Vein was historically the largest productive vein for Keeley and is well defined. However, other north-trending structures and east-west cross faults were not well defined. By improving the understanding of the broader structural environment, the Company anticipates it will be in a better position to predict where additional vein structures may lie.

9.3 Detailed and Property-Scale Structural Mapping

First Cobalt has initiated 1:5000 structural mapping of the Keeley Frontier patent claim area and detailed 1:1000 structural geology mapping of the immediate Keeley Frontier mines area. Historic and new stripped bedrock exposures will be mapped at 1:100 scale. Mapping, compilation and interpretation are estimated to be completed by September 2017.

9.4 Systematic Surface Sampling at Known Prospects and Occurrences

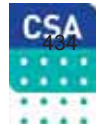
First Cobalt has engaged Canadian Exploration Services of Larder Lake, Ontario to provide equipment and personnel to conduct outcrop stripping and channel sampling at the Keeley-Frontier area. Mobilisation to site was 13 June 2017. New areas will be stripped at areas including the Bellellen prospect. Areas previously stripped by Canadian Silver Hunter including the Keeley #3 shaft, Frontier #1 shaft and Gibson Lake will be expanded as necessary.

Proposed stripping will be conducted utilizing a backhoe and exposed bedrock will be washed and cleaned utilising a high-pressure pump and firehose.

Proposed channel samples are to be collected from the stripped areas as follows:

- The channel sample interval will be laid out with spray paint on the bedrock surface approximately perpendicular to the trend of the targeted structure. Sample intervals may vary between 0.3 m and 1 m depending on lithology structure and mineralisation content. Two parallel cuts approximately 4 cm apart and each 5 cm to 7 cm deep will be made into the bedrock utilising a portable cut-off saw with a diamond blade. A water-feed will provide lubrication and cooling of the blade.
- After the saw cuts are completed, each sample interval will be removed from the channel using a hammer and chisel. Each sample will be separately bagged in a large polyethylene sample bag, a unique pre-labelled sample tag will be placed in each sample bag and the outside of the bag labelled with the same number using permanent ink marker. The bags will be closed and secured.

In addition, First Cobalt intends to conduct systematic grab and chip sampling of known prospects and occurrences within the Silver Centre Property area.



10 Drilling

First Cobalt has conducted no drilling on the Greater Cobalt Project as of the Effective Date. Historic drilling by previous operators is discussed in Section 6.

11 Sample Preparation, Analyses, and Security

As noted in Section 10, First Cobalt has initiated a surface stripping and sampling program at the Keeley Frontier claim group. Channel sample collection will be completed in August and final analytical results are expected by end of August 2017.

AGAT Laboratories Ltd (AGAT) in Mississauga, Ontario will be used as the primary analytical facility for the Keeley-Frontier program. The method being used is Sodium Peroxide Fusion followed by ICP-OES and ICP-MS finish. For QAQC, certified reference standards and blanks are inserted (interchangeably) every 20 samples. For drilling, sample duplicates by quarter cutting of core will be done every 50 samples or at the discretion of the geologist where samples are predicted to be high grade (Co, Ni, Ag, Cu). Pulp check will be conducted regularly by submitting 5% of samples to another analytical lab on a monthly basis. AGAT is a fully accredited laboratory and conforms with the requirements of CANP4E (ISO/IEC 17025:2005) and CANP1579 by the Standards Council of Canada.

Sample chain of custody will be maintained. Sample bags are to be moved from the trenches and placed in rice bags for organisation and ease of transport. Presently, First Cobalt personnel deliver the samples in rice bags directly to the AGAT analytical facility in Mississauga.

AGAT Laboratories and their employees are independent from First Cobalt. First Cobalt personnel and consultants and contractors were not involved in sample preparation and analysis.

CSA Global recommends that during any future systematic surface sampling or drill program, a robust QAQC program continue to be implemented which would include the insertion of certified reference materials and coarse blanks to independently check the laboratory for potential systematic errors, contamination and instrument drift over time. Duplicates, preparation duplicates and pulp check duplicates should also be inserted to confirm the reproducibility of results and suitability of the sampling methodology.

The following is a description of known historical sample preparation, analyses and security protocols and procedures utilised during previous sampling programs on the Property (Section 6), in particular the 2012–2014 Canadian Silver Hunter programs.

11.1 Prior to 2012

Sample preparation and analytical techniques employed by historic mines and exploration companies at the Silver Centre Property area prior to 2012 are largely unknown.

CSA Global is therefore unable to determine whether the sample preparation and analytical techniques employed by those companies were appropriate for the sample media and mineralisation type and conform to current industry standards. For this reason, it is CSA Global's opinion that historic analytical results should be viewed for historical reference only and should not be relied upon. CSA Global notes however that the historical production records of the Keeley and Frontier mines indicate that significant mineralisation was in place within and mined and processed from known structures on the Silver Centre Property utilising methods available at the time (Section 6.5.1).

11.2 Canadian Silver Hunter (2012 to 2014)

11.2.1 Sample Security

Samples were collected and placed into plastic bags and sealed in the field. Security of samples prior to dispatch to the analytical laboratory was maintained by limiting access of unauthorised persons. Samples were transported from the field at the end of each field day and were in the possession of Canadian Silver Hunter contractors until they were delivered to the AGAT sample preparation facility in Sudbury, Ontario. The labelled sample bags were packed in polypropylene rice bags and sealed. The assay preparation laboratory completed sample preparation operations and employed bar coding and scanning technologies that provide complete chain of custody records for every sample.

Following analysis, the laboratory pulps from the 2012 diamond drill program and 2012/2014 channel sampling programs were returned to Canadian Silver Hunter and are currently stored with archived 2012 drill core in the locked ocean shipping container at the historic Frontier mine site.

CSA Global believes the security and integrity of the samples submitted for analyses is un-compromised, given the adequate record keeping, storage locations, sample transport methods, and the analytical laboratories' chain of custody procedures.

11.2.2 Sample Preparation and Analysis

AGAT collected split core samples and surface channel samples from the Canadian Silver Hunter's core shack/warehouse and delivered them to its preparation lab in Sudbury, Ontario. Pulps were then sent to AGAT facilities in Mississauga, Ontario for analysis using aqua regia digestion and multielement (including Ag, Co, Ni, Bi, Sb) analysis (ICPOES finish). AGAT is a fully accredited laboratory and conforms with the requirements of CANP4E (ISO/IEC 17025:2005) and CANP1579 by the Standards Council of Canada.

AGAT and their employees are independent from Canadian Silver Hunter. Canadian Silver Hunter personnel and consultants and contractors were not involved in sample preparation and analysis.

It is CSA Global's opinion that security, sample collection, preparation and analytical procedures undertaken on the Silver Centre Property during the 2012–2014 programs are appropriate for the sample media and mineralisation type and conform to industry standards.

11.2.3 Quality Assurance and Quality Control

Canadian Silver Hunter's QAQC program included the use of certified reference standards and blank samples inserted into the assay stream by the Company's personnel every 25 samples in addition to AGAT's internal QAQC programs. Samples assaying greater than 100 g/t Ag were fire assayed with a gravimetric finish. QAQC also included sending selected pulp samples for check assays at an independent lab (ALS Chemex) using both four acid (MEMS61) and aqua regia (MEMS41) digestions for multielement analysis. Selected higher grade silver and several random sample rejects were chosen for screen metallic analysis for silver only, at AGAT. A final silver number for the database was arrived at by averaging duplicate geochemical values; geochemical values were replaced by fire assay or screen metallic analyses when available. Canadian Silver Hunter indicated that screen metallic assaying is required to more accurately quantify silver values in higher grade portions of the mineralised zones due to the presence of coarse native silver.

Internal laboratory quality control samples including certified reference materials, blanks, and duplicates are inserted within each analytical run. The minimum number of quality control samples required to be inserted are based on the rack size specific to the method.

12 Data Verification

At the time of the site visit, First Cobalt was in the process of mobilising geological and geo-technical field crews to Silver Centre Property. As such, First Cobalt samples were not yet available for verification sampling at the time of the site visit and as of the Effective Date of the Report.

12.1 CSA Global 2017 Site Visit

CSA Global's representative and Author, Mr Ian Trinder, completed a one-day field visit at the Silver Centre Property on 6 June 2017 as part of CSA Global's due diligence in the preparation of this Report. Confirmation of the existence of selected historic shafts, trenches, collapsed stopes and work sites in addition to more recent areas of recent power-stripping, channel sampling and diamond drilling (2012 to 2014) was conducted by the Author.

First Cobalt's Dr Frank Santaguida, Mr Peter Campbell and Mr David Jamieson accompanied and guided the Author during the field visit, providing valuable insight into the history and current status of the Silver Centre Property and the Keeley-Frontier claim group in particular.

First Cobalt's proposed exploration objectives and activities, methodologies, QAQC procedures and security were discussed. The Property and technical observations were generally as reported in historic documents and First Cobalt's current public documents. Several verification samples were collected.

12.2 CSA Global 2017 Verification Sampling

CSA Global conducted limited verification sampling of three archived intervals from Canadian Silver Hunter diamond drillhole CSH12-03 and two mineralised structures from 2012–2014 power stripped bedrock exposures. The Author personally collected the continuous chip samples from the bedrock structures and sealed the sample bags with ladder lock ties. The Author marked the three archived half-drill core intervals for quarter-core sampling and secured the core box with a lid. The author handed possession of the bagged bedrock samples and core box to Bill Bonney of Canadian Exploration Services of Larder Lake, Ontario, an independent mineral exploration contractor. Canadian Exploration Services personnel cut the three quarter-core samples, placing one quarter of the sample into plastic sample bags and returning the remaining quarter-core to the core box for archive. The five sealed sample bags were then delivered to SGS Minerals Services at 185 Concession St., Lakefield, Ontario for analysis.

The SGS Lakefield laboratory has accreditation from the Standards Council of Canada (No. 184) conforming to requirements of CAN-P-1579 (Mineral Analysis) and CAN-P-4E (ISO/IEC 17025:2005) for methods including those requested by CSA Global (see next paragraph). Sample preparations follow industry best practices and procedures. The analytical methods used are routine.

All CSA Global verification samples submitted to SGS were prepared and analysed using SGS preparation code G-PRP89 in which the sample is weighed, dried, crushed to 75% passing 2 mm screen, a 250 g split is then taken and pulverised to 85% passing 75 microns. The pulverised material was then analysed using SGS analytical codes GO FAG313 Ag and GO FAG313 Ag. GO FAG313 Ag is a 30 g Fire assay for silver with gravimetric finish and detection limits of 10–5,000 ppm. GE ICP90A is a sodium peroxide (Na_2O_2) fusion with an ICP-OES finish. Lower detection limits are 10 ppm for the elements analysed (Co, Cu, Ni).

SGS and their employees are independent from CSA Global and First Cobalt. CSA Global and First Cobalt personnel and consultants and contractors were not involved in sample preparation and analysis.

CSA Global's verification samples are too few to permit a statistical comparison with the historic samples, however, they do provide an independent confirmation of the presence of silver, cobalt and nickel mineralisation at the Silver Centre Property. Note that CSA Global sample 16904 is 30 cm in length whereas the comparable Canadian Silver Hunter claim was 0.6 m. The start and end of the Canadian Silver Hunter 60 cm channel sample was uncertain at the time of the Author's site visit therefore only the main 30 cm mineralised structure was sampled within the 60 cm Canadian Silver Hunter interval (Table 13).

It is the opinion of CSA Global that the sample preparation and analytical procedures implemented by previous operator Canadian Silver Hunter were adequate for the exploration conducted during 2012–2014.

Table 13: CSA Global verification sample results and comparison to 2012–2014 Canadian Silver Hunter results

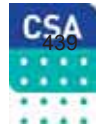
CSA Global sample #	Sample width (m)	Sample weight (kg)	Ag (g/t)	Co (ppm)	Cu (ppm)	Ni (ppm)	Canadian Silver Hunter sample #	Sample width (m)	Ag (g/t)	Co (ppm)	Ni (ppm)
16901	0.5	0.3339	17	240	975	116	1726076	0.5	29.6	258	101
16902	0.55	0.4837	<10	43	272	130	1726077	0.55	8.3	34.9	103
16903	0.3	0.237	31	981	1,834	129	1726078	0.3	15.5	612	103
16904	0.3	1.0244	1,253	4,118	821	476	1726632	0.6	190	1,080	220
16905	0.3	0.8589	<10	12,684	188	9,699	n/a	n/a	n/a	n/a	n/a
REP-16901			18								
REP-16903				980	1879	132					

CSA Global sample #	Occurrence	DDH from or UTM E	DDH to or UTM N	Sample description
16901	DDH CSH12-03	118.3 m	118.8 m	Logged as lamprophyre. Minor calcite veining with weak sulphides and arsenides
16902	DDH CSH12-03	118.8 m	119.35 m	Logged as lamprophyre. Rare calcite veinlet
16903	DDH CSH12-03	119.35 m	119.65 m	Logged as lamprophyre. Minor calcite veining with weak sulphides and arsenides
16904	Gibson Lake	612935	5228548	Approximately 30 cm wide sulphide bearing carbonate vein trending 145/85.
16905	Haileybury Vein	613367	5228590	Approximately 20–30 cm wide carbonate vein trending 330/80. Contains smaltite, minor erythrite.

12.3 General

The Author has reviewed available historic third party technical reports provided by First Cobalt, online MNDM historic third-party exploration assessment reports, online MNDM mineral deposit inventory (MDI) files and various OGS geological publications pertinent to the current Project areas.

First Cobalt provided CSA Global with limited historic third-party exploration reports and assay data in digital format. CSA Global completed a spot check comparison of approximately 10% of historic assay data against available digital scans/PDF files of laboratory certificates to verify accuracy and completeness. No errors were detected.



CSA Global has not independently conducted any title or other searches, but has relied upon Ontario government online mining claims databases and First Cobalt and its lawyers for information on the status of the claims, property title, agreements, and other pertinent permitting and environmental conditions (see Section 4).

It is CSA Global's and the Author's opinion that the historic information and data available to CSA Global are a reasonable and accurate representation of the Greater Cobalt Project, particularly the Silver Centre Property, and are of sufficient quality to provide the basis for the conclusions and recommendations reached in this report.

CSA Global recommends that during the ongoing and any future systematic surface sampling or drill program, a robust QAQC program continue to be implemented which would include the insertion of certified reference materials and coarse blanks to independently check the laboratory for potential systematic errors, contamination and instrument drift over time. Duplicates, preparation duplicates and pulp check duplicates should also be inserted to confirm the reproducibility of results and suitability of the sampling methodology.



13 Mineral Processing and Metallurgical Testing

As of the Effective Date of this Report, no mineral processing or metallurgical testwork have been completed by First Cobalt on the Greater Cobalt Project.



14 Mineral Resource Estimates

As of the date of this Report, First Cobalt has found no new significant mineral deposit in the Greater Cobalt Project areas and no Mineral Resources have been estimated.



15 Adjacent Properties

The Cobalt and Silver Centre areas have recently experienced an increase of staking activity and interest in the area's cobalt exploration potential both by the Issuer and third parties; however, there are currently no significant exploration or development properties in the immediate area of the Greater Cobalt Project.

16 Other Relevant Data and Information

Post Effective Date of the Report, First Cobalt and Cobalt One announced on 26 June 2017 that both parties signed a letter of intent on 23 June 2017, pursuant to which First Cobalt intends to acquire all of the issued and outstanding common shares of Cobalt One by way of a court approved scheme of arrangement

Post Effective Date of the Report, First Cobalt and CobalTech Mining Inc. (CobalTech) announced on 26 June 2017 that both parties signed a letter of intent on 23 June 2017, pursuant to which First Cobalt intends to acquire all of the issued and outstanding common shares of CobalTech by way of a court approved scheme of arrangement

No additional information or explanation is necessary to make the technical report understandable and not misleading.

17 Interpretation and Conclusions

The Greater Cobalt Project lies within the historic Cobalt mining camp and its southern satellite, the Silver Centre mining camp in the Lake Temiskaming area of Ontario. The Cobalt Camp and satellite Silver Centre Camp is the type locality of arsenide Ag-Co vein deposits which are the exploration target at the Greater Cobalt Project.

Arsenide Ag-Co vein deposits are localized in areas affected by basinal subsidence and rifting and are spatially related to regional fault systems and closely associated with intrusions of mafic rocks. The arsenide Ag-Co vein deposits in the Cobalt and Silver Centre camps are associated with Aphebian conglomerate, quartzite, and greywacke rocks of the Cobalt Group (Coleman Member of the Gowganda Formation), as well as with major sill-like bodies of Nipissing Diabase and with Archean mafic and intermediate lavas and intercalated pyroclastic and sedimentary rocks. Distribution of the Ag-Co veins in the Cobalt Camp is controlled by the contact between the Nipissing Diabase sills and the rocks of the Cobalt Group (Gowganda Formation) and to a lesser extent the Archean metavolcanic and metasedimentary rocks. Distribution of the known Ag-Co veins in the Silver Centre camps, however, is controlled by the contact between the Nipissing Diabase sills and the Archean metavolcanic and metasedimentary rocks. In both camps, the veins occur in the diabase and in the Aphebian and Archean rocks within about 200 m of their contact with the diabase.

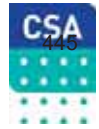
The Keeley-Frontier patents of the Silver Centre Property had significant historic silver and cobalt production. The Keeley-Frontier Mine's combined total 1908–1965 production is recorded as 19,197,413 oz (597,107 kg) Ag, 3,285,520 lb (1,490,289 kg) Co and 27,252 lb (12,357 kg) Ni. Actual production is probably higher than recorded because under the Delora Smelter contract, the smelter accepted ore for either its silver content or its cobalt content, but not both metals (Pearson and Kerr, 1985). To the end of 1965, South Lorrain Township (Silver Centre) had produced a total of 23,338,906 oz of silver with 82% of this coming from the Keeley and Frontier Mines, and over 50% from the Keeley Mine itself (McIlwaine, 1970).

The Greater Cobalt Project claims and properties peripheral to the Silver Centre Property's Keeley-Frontier group are underlain by the rock types associated with the historic arsenide Ag-Co vein deposits elsewhere in the Cobalt and Silver Centre camps, namely Archean (Keewatin) metavolcanics and metasediments, Proterozoic (Huronian) Cobalt Group sediments and Nipissing Diabase. The relatively fewer number of arsenide Ag-Co vein occurrences in Silver Centre Property area compared to the main Cobalt Camp could be due to an unknown geological control but it may also in part reflect masking overburden cover hindering prospecting efforts and the poor accessibility of the areas during the time that the camp was most active in the first half of the 20th century.

As noted by McIlwaine (1970), with respect to the observed favourable area for high grade mineralised shoots along and above the upper Nipissing Diabase/Archean metavolcanics, the most important factors controlling development are as follows:

1. The intersection of two or more veins;
2. The intersection of veins with unmineralised faults or with flat faults;
3. A flexure or "roll" in a vein caused by an abrupt change in strike and/or dip; and
4. The intensity of fracturing in the vicinity of faults.

Factors 1 and 2 are most useful for regional exploration. Once a vein structure has been located, however, the latter two criteria are more important.



Ore shoots tend to be controlled by a marked variation in attitudes (“rolls”) in fault-vein structures and to a limited extent by hornblende lamprophyre dykes which appear to locally control ore deposition.

Previous work in both the Cobalt camp and South Lorrain district has also demonstrated that only strong major fault systems such as the Woods fault, which was been mined for a strike length of 2,200 ft, penetrate the Nipissing Diabase. Less well-defined faults and fracture zones generally do not penetrate the more competent diabase. Exploration, therefore, should focus on major fault structures, particularly where they are intersected by other veins and/or faults and are near the Nipissing Diabase/Keewatin contact.

Previous historic surface based exploration has relied largely on prospecting for mineralised fractures supported by overburden stripping and pitting programs. In addition to prospecting methods, the Issuer should consider testing and using modern geophysical and geochemical techniques to identify features controlling arsenide Ag-Co mineralisation or the arsenide Ag-Co veins themselves at the Cobalt Project.

First Cobalt’s 2017 exploration program is intended to provide a better understanding of the extent of cobalt mineralisation within the historic Keeley-Frontier Mine as well as explore known silver-cobalt prospects on the Silver Centre Property. These areas will be specifically targeted during this program. Historic exploration and development on the Silver Centre Property focused on the narrow high-grade silver-rich portions of the vein structures. Historic assays indicate cobalt-rich veins were encountered during mining but not often followed up or exploited, as silver was the focus. The Company intends to gain an appreciation for the cobalt zonation within the Keeley-Frontier mine area, the exploration potential of known and potentially new high-grade mineralised structures and of the potential for disseminated mineralisation, which could be amenable for bulk mining.

CSA Global concludes that the Greater Cobalt Project and particularly the Silver Centre Property, has potential to host arsenide Ag-Co vein deposits and exploration is warranted.

18 Recommendations

CSA Global considers the Greater Cobalt Project and its Silver Centre Property to be at an early stage of exploration and recommends a multifaceted exploration program including historical data compilation, prospecting, geological mapping, testing of modern geophysical and geochemical methods and conducting follow-up surveys and finally diamond drill testing of targets developed from the initial studies.

First Cobalt has scheduled a 2017 exploration program for the Silver Centre Property which is now in progress. Work is to include:

- Digital compilation of historic Keeley-Frontier mine data to generate a 3D geological model
- Detailed and property-scale structural mapping of mineralised veins and host rocks
- Bore-hole geophysics and televiwer imaging of drillholes from the 2012 drilling campaign targeting the Beaver Lake Fault west of the former mine
- Systematic surface sampling at known prospects and occurrences throughout the property
- Detailed magnetic survey of the property
- 5,000 m of diamond drilling within the footprint of the Keeley-Frontier Mine testing targets from the 3D geological model
- 2,000 m of regional exploration drilling to identify new mineralised fault systems.

First Cobalt has proposed a preliminary budget of \$1,000,000 for the 2017 work program as detailed in Table 14. CSA Global concurs with First Cobalt's program and budget.

Table 14: 2017 Silver Centre Property exploration program and budget (May 2017 to April 2018)

	Task	Budget (\$)
General	Project Geo (1/2 time May 2017 to April 2018)	\$60,000
	Data compilation – 3D model	\$15,000
	Property rehabilitation (July)	\$10,000
Field work	Structural mapping	\$40,000
	Outcrop wash and channel sampling	\$15,000
	Historic drillhole and dump sampling	\$15,000
	Prospecting	\$10,000
	Borehole geophysics + televiwer	\$25,000
Keeley-Frontier Mine area drilling	Minesite drilling (5,000 m)	\$400,000
	Mineralogy (GeoMet) Nov	\$5,000
	Drilling Geo	\$80,000
	Drilling Tech	\$40,000
Regional exploration	Airborne mag geophysics	\$50,000
	Mag data 3D modelling	\$20,000
	Exploration drilling (2,000 m)	\$200,000
	Borehole geophysics	\$15,000
TOTAL		\$1,000,000

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Appendix 1: Establishing Mineral Rights in Ontario

Mining Claims

In Ontario, Crown lands are available, for the purposes of mineral exploration, to a person or entity that holds a prospector's licence from the Ministry of Northern Development and Mines (MNDM). The prospector must complete the Mining Act Awareness Program (MAAP) within 60 days before applying for a licence or a licence renewal. MAAP is an online program that provides basic information on the mining sequence. It includes information on staking claims, early exploration and Aboriginal consultation requirements.

A licensed prospector must first stake a mining claim to gain the exclusive right to prospect on Crown land. The owner of a mining claim is not granted title or ownership to the land and cannot extract or sell any resources removed from the land. Claim staking is governed by O. Reg. 43/11: Claim Staking and Recording under Mining Act, R.S.O. 1990, c. M.14 and is administered through the Provincial Mining Recorder and Mining Lands offices of the MNDM.

Claims are currently staked in Ontario by ground staking or in the case of southern Ontario only, map staking. Ontario is in the process of converting to an online system of claim registration using a cell-based provincial grid which will replace ground and map staking. At conversion, ALL active, unpatented claims would be converted from their legally defined location by claim posts on the ground or by township survey to the cell-based provincial grid. Following conversion, the claims would be legally defined by their cell on the grid and coordinate location in CLAIMaps. As of the effective date of this Report, the date of this conversion is undetermined. Legislation to enable the process of conversion, the Aggregate Resources and Mining Modernization Act (Bill 39), received second reading and was referred to the Standing Committee on Justice Policy on 15 November 2016 for review. Following planned public hearings in the first quarter of 2017 the committee will then review the Bill section by section and consider amendments. MNDM will keep clients informed as implementation processes are finalized.

Ground Staking

An unpatented mining claim is a square or rectangular area of open Crown land or Crown mineral rights that a licensed prospector marks out with a series of claim posts and blazed lines. Mining claims can be staked either in a single unit or in a block consisting of several single units. In un-surveyed territory, a single unit claim is laid out to form a 16 ha (40 acre) square with boundary lines running 400 m (1,320 ft) astronomic north, south, east and west. Multiples of single units, up to a maximum of 16 units (256 ha), may be staked with only a perimeter boundary as one block claim but must be staked in a square or rectangular configuration.

Each corner of the mining claim must be marked with a post. These posts are known as corner posts. Corner posts can be constructed from a standing tree, commercial timber or a loose post. They must stand 1.2 m above ground when erected. A metal tag, known as a claim corner post tag, must be affixed to each corner post. Claim corner post tags are engraved with a unique number, known as a claim number, which identifies the mining claim. They also have a second number, which indicates which corner post the tag is to be placed on. Tags may be purchased from the Provincial Recording Office or other offices, such as the Mining Land Consultant Office, or Service Ontario. A clearly marked line, known as a claim boundary, must be made between the four corner posts. Claim boundaries are usually marked by blazing trees and cutting underbrush with an axe. Piles of loose rock, known as cairns, or stakes cut from other smaller trees, known as pickets, are acceptable if trees are not available or undesirable to cut. A line post is used in conjunction with a claim line to mark the perimeter of a mining claim. For unsurveyed areas, line posts must be erected

at every 400 m along a claim line and at locations where the boundary changes direction. A metal tag, known as a claim line post tag, must be affixed to each line post. Claim line post tags are blank when purchased and must be engraved with the claim number found on the claim corner post tags along with the distance and direction from the last corner post.

Global Positioning System (GPS) georeferencing data must be included on the application to record a mining claim staked on or after 1 November 2012. This requirement only applies to ground staked mining claims on lands that are unsurveyed. It does not apply to land surveyed into lots and concession.

Upon completion of staking, and not later than 30 days after the day on which the staking was completed, a recording application form is filed with payment to the Provincial Recording Office. Staking completion time takes priority, meaning that if two licensees file applications to record the staking of all or part of the same lands, then the applicant with the earliest completion time will have priority. Where the time limited for any proceeding or for the completion of said proceeding in an office of a mining recorder or an office of the Commissioner or an office of the Minister or Deputy Minister expires or falls upon a day on which the relevant office is closed, the time so limited extends to and the recording may be done on the day next following the day on which the relevant office was closed. All claims are liable for inspection at any time by the Ministry and may be cancelled for irregularities or fraud in the staking process. Disputes of mining claims by third parties will not be accepted after one year of the recording date or after the first unit of assessment work has been filed and approved.

The staker must notify all persons who own surface rights to any part of the land located within the claim area that their land has been staked for the purpose of mineral exploration. A surface rights holder is a person who own rights to a piece of land which do not include the mineral rights. The staker must send proof of an attempt to notify surface rights holders to the Provincial Mining Recorder within 60 days after making the application to record the claim, in order for the mining claim to remain valid

A mining claim remains valid as long as the claim holder properly completes and files the assessment work as required by the Mining Act and the Minister approves the assessment work. A claim holder is not required to complete any assessment work within the first year of recording a mining claim. In order to keep an unpatented mining claim current, the mining claim holder must perform \$400 worth of approved assessment work per mining claim unit, per year; immediately following the initial staking date, the claim holder has two years to file one year's worth of assessment work. No payments in lieu of work can be made. Claims are forfeited if the assessment work is not done.

A mining claim can be transferred, charged or mortgaged by the prospector without obtaining any consents. Notice of the change of owner of the mining claim or charge thereof should be filed with the MNDM at the district mining recorder's office.

Map Staking

Introduced in November 2012, map staking is only permitted in surveyed areas in Southern Ontario, provided there are no registered surface rights owners.

Map staking is the action of staking a mining claim using a map reference system, without having to physically be on the land. A map staked mining claim must have common boundaries with the section, lot or concession lines established by the original survey. It must provide a description of the claim with reference to the original survey fabric. A title search at the Land Registry Office may be required prior to map staking.

Mining Leases

A claimholder may prospect or carry out mineral exploration on the land under a mining claim. However, the land covered by these claims must be converted to leases before any development work or mining can be performed. Mining leases are issued for 21-year terms and may be renewed for further 21-year periods upon submission of an application to the MNDM within 90 days before the expiry date of the lease. Pursuant to the provisions of the Mining Act, the holder of a mining claim is entitled to a lease if it has complied with the provisions of the Act in respect of those lands. An application for a mining lease may be submitted to the MNDM at any time after the first prescribed unit of work in respect of the mining claim is performed and approved. Leases can be issued for surface and mining rights, mining rights only or surface rights only. Once issued, the lessee pays an annual rent to the province. Furthermore, prior to bringing a mine into production, the lessee must comply with all applicable federal and provincial legislation.

A mining lease cannot be transferred or mortgaged by the lessee without the prior written consent of the MNDM. The consent process generally takes between two and six weeks and requires the lessee to submit various documentation and pay a fee.

Freehold Mining Lands

A prospector interested in removing minerals from the ground may, instead of obtaining a mining lease, make an application to the Ministry of Natural Resources and Forestry (MNRF) to acquire the freehold interest in the subject lands. If the application is approved, the freehold interest is conveyed to the applicant by way of the issuance of a mining patent. A mining patent can include surface and mining rights or mining rights only.

The issuance of mining patents is much less common today than in the past, and most prospectors will obtain a mining lease in order to extract minerals. If a prospector is issued a mining patent, the mining patent vests in the patentee all of the provincial Crown's title to the subject lands and to all mines and minerals relating to such lands, unless something to the contrary is stated in the patent.

The holder of a mining patent enjoys the freehold interest in the lands that are the subject of such patent, therefore no consents are required for the patentee to transfer or mortgage those lands.



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Attachment D CobalTech Technical Report

NI 43-101 TECHNICAL REPORT
ON THE
DUNCAN KERR PROPERTY
LARDER LAKE MINING DIVISION, NORTHEASTERN ONTARIO
FOR
BIG NORTH GRAPHITE CORP.



Prepared by:

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Garry J. Clark, P.Geo.

October 14th, 2016

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Appendix I: Purchase Agreement

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1. EXECUTIVE SUMMARY

At the request of Big North Graphite Corp. (“BNG”), the authors have completed a geological review of the Duncan Kerr Property (the “Property”) and prepared this technical report (the “Technical Report”) in compliance with NI 43-101, Companion Policy NI43-101CP, and Form 43-101F1.

The authors have prepared this report to provide a summary of scientific and technical data on the Property, including historical exploration activities, and have made recommendations concerning future exploration and development of the Property. This Technical Report is based on exploration and Property information supplied to the author by BNG, Trio Resources AG Inc. (“Trio”), as well as by the review of geological and exploration information available in the public domain. A site visit was completed by Joerg Kleinboeck on September 27th, 2016.

On October 13th, 2016, BNG acquired 100% ownership in two patented mining claims in Coleman Township, 1831NND and 3694NND along with equipment owned by Trio. The claims are located on property parcel PT E 1/2 of N 1/2, Lot 3, Con 4, and SW 1/4 of N 1/2, Lot 3, Con 4 respectively. BNG acquired the assets from Trio for the purchase price of \$2,000,000. The purchase by BNG included a cash payment of \$125,000 and the issuance of 8,500,000 common shares on the closing date. The cash payment was made in trust and to be used to satisfy secured debts owing on Trio’s assets. An additional \$650,000 is to be paid on or before the date that is 9 months following the closing date, and \$1,225,000 is to be paid on or before the date that is 24 months following the closing date.

The Property is situated approximately 3 km southeast of the town of Cobalt, Ontario in Coleman Township, Larder Lake Mining Division. The Property consists of 2 contiguous patented mining claims known as Parcels 1831 NND, and 3694 NND, totalling 32.374 ha in area. The Property encompasses the part of the historical mine workings of the Kerr Lake Mine that are located on Parcel 1831 NND, as well as the historical mine workings of the Lawson Mine that are located on Parcel 3694 NND. An estimated total of 32,715,590 oz of Ag have been produced from the Kerr Lake and Lawson Mines (Cunningham, 1963). A well maintained municipal road and power line service the Property. The Property is bounded approximately by UTM NAD83 Z17T coordinates 600901E to 601691E, and 5247333N to 5247875N.

The Property is located within the Cobalt embayment in the Southern Province of the Canadian Shield. The oldest rocks on the Property are Archean mafic volcanics that have been intruded

by several lamprophyre dykes. These rocks have been unconformably overlain by Proterozoic age Huronian sediments. A large south-southeast dipping Nipissing diabase sill intrudes the Archean mafic volcanics and Huronian sediments. This sill is part of a domed Nipissing diabase sheet that is also exposed to the north of the Property. Most of the silver deposits in the Cobalt mining camp are located proximal to the Huronian-Archean unconformity and are spatially associated with the Nipissing diabase sills.

Silver mineralization on the Property has been exploited by several mining operations from 1905 through to the 1960's. An estimated 32,715,590 oz of Ag have been produced from the Kerr Lake and Lawson Mines (Cunningham, 1963). The Property encompasses the historical mine workings of the Kerr Lake Mine that lie on Parcel 1831 NND, as well as the historical mine workings of the Lawson Mine on Parcel 3694 NND. There has not been sufficient exploration work completed by Trio or Big North Graphite to describe significant mineralized zones encountered on the Property.

Exploration potential exists south of the Kerr Lake Mine where the Huronian/Archean unconformity may exist beyond the mine workings. A review of a north-south orientated long section from an unknown source in the Ministry of Northern Development and Mines ("MNDM") government assessment files shows a profile through the Kerr Lake Mine. The interpretation of that section shows the diabase contact becoming very steeply dipping at approximately 70 degrees south. This may have been inferred or implied from geological observations seen on the 2nd level of the Kerr Lake Mine, but in contrast the diabase contact to the west on the Conisil and Lawson Mines has a generally shallow dipping contact at approximately 20 to 30 degrees south-southeast with local areas where the contact dips steeply over a short strike length. Assuming this is the case south of the Kerr Lake Mine, potential may exist for a southern, relatively shallow dipping, extension of the Huronian-Archean unconformity or at the Archean-diabase contact. Silver was mined at the Conisil, Lawson, and Kerr Lake Mines within the diabase near the Archean contact. For example, the Number 3 vein at the Kerr Lake Mine produced over 3 Moz of Ag, and it was hosted in diabase and Archean rocks (Cunningham, 1963).

It is recommended that a GIS (Geographic Information System) compilation be completed prior to commencement of any work programs. Prospecting, geological mapping, and geophysical surveys are recommended to map in the geological contacts and structures on the Property which will assist in the preparation of future work programs. A diamond

drill program is also recommended totaling 1,500 m. The aggregate expenditure of the work programs proposed for 2016 is estimated to be \$235,015.

2. INTRODUCTION AND TERMS OF REFERENCE

2.1 Introduction

At the request of Big North Graphite (“BNG”), the authors have prepared this Technical Report to provide a summary of scientific and technical data on the Property. This Technical Report provides a summary and results from exploration work on the Property carried out by previous operators, and publicly available information.

2.2 Terms of Reference

The authors were retained by BNG to carry out an independent technical review of the Property. The review commenced September 27th, and continued to October 14th, 2016.

The author’s assignment consisted of:

- 1) Reviewing and summarizing historical exploration data generated on the Property prior to BNG’s acquisition of the Property;
- 2) Undertaking a site visit to confirm historical and current data;
- 3) Preparing a technical report on the Property; and
- 4) Making recommendations for future exploration activities on the Property.

2.3 Sources of Information

The historical exploration information was mostly gathered from the Ontario government databases and from documents provided by BNG and the vendor Trio Resources AG Inc. (“Trio”). Information in regards to the Property and work completed by Trio was provided by Duncan Reid, Trio’s Chief Executive Officer.

For geographical reference purposes, all UTM locations used in this Technical Report are using NAD83 Zone 17N projection. Tenure information presented in this Technical Report was valid on the MNDM website on October 2nd, 2016. Other online database sites providing basic geographic information used for this Technical Report, such as topographic contours, digital elevation models, drainage systems and roads, include: <http://geogratis.cgdi.gc.ca/> and <http://www.geobase.ca/>.

2.4 Details of Personal Inspection of the Property

A site visit by Joerg Kleinboeck was completed on September 27th, 2016. The site visit included meeting representatives of BNG and Trio, reviewing the Property and regional geology, viewing the stockpile B, and heavy equipment owned by Trio. The author noticed that stockpile A was not located where shown by Golder's resource estimate report, and that stockpile B has been reshaped at the top. Stockpile C, located inside the building, was not visited. **The authors have not verified the volume or tenure of the stockpiles. No attempt was made to reconcile the Golder Associates Ltd. calculations of volume or tenure that was completed in 2014.**



Photo 1: Stockpile A, Duncan Kerr Property, moved from original location located outside (photograph supplied by Trio).



Photo 2: Stockpile B, Duncan Kerr Property.



Photo 3: Stockpile C, Duncan Kerr Property (photograph supplied by Trio).

2.5 Units and Currency

This Technical Report uses both the Imperial and Metric Systems (System International or “SI”) as systems of measure and length. Conversions from the Metric System to the Imperial System are provided below and quoted where practical. Many of the geologic publications and more recent work assessment files now use the SI system but older work assessment files almost exclusively refer to the Imperial System. Metal and mineral acronyms in this Technical Report conform to mineral industry accepted usage.

Conversion factors utilized in this Technical Report include: 1 inch = 2.54 centimetres (cm); 1 pound (lb.) = 0.454 kilograms (kg); 1 foot (ft) = 0.3048 metres (m); 1 mile (mi) = 1.609 kilometres (km); 1 acre (ac) = 0.405 hectares (ha); and, 1 sq mile = 2.59 square kilometres.

Table 1 lists the common abbreviations that are used in this Technical Report. Dollars are expressed in Canadian currency (\$) unless otherwise noted. Unless otherwise mentioned, all coordinates in this Technical Report are provided as UTM datum NAD83, Zone 17N.

Table 1: Abbreviations

Abbreviation	Unit or Term
Ag	silver
ASL	above sea level
As	arsenic
Au	gold
Ga	billion years
C	celsius
cm	centimetre
Co	cobalt
CRM	certified reference material
Cu	copper
ft ²	square foot
ft ³	cubic feet
°	degree (degrees)
ddh	diamond drill hole
ft	foot (feet)
g	gram
GIS	Geographic Information System
g/t	gram per tonne
ha	hectare
km	kilometre
km ²	square kilometres
M	metre
mm	millimetre
Moz	million troy ounces
Ma	million years
MNDM	Ministry of Northern Development and Mines
Ni	nickel
NI 43-101	Canadian National Instrument 43-101
oz	ounce(s), Troy ounce(s)
%	percent
PGE's	platinum-group elements
ppb	parts per billion
ppm	parts per million
QA/QC	Quality Assurance/Quality Control
SG	specific gravity
ton	short ton (2,000 pounds)
T	metric tonne (2,000 kg) (2,204.6 pounds)
Zn	zinc

3. RELIANCE ON OTHER EXPERTS

The authors have made every attempt to accurately convey the content of historical geological information, but cannot guarantee either the accuracy, validity, or completeness of the data contained within those files. However, it is believed that these reports were written with the objective of presenting the results of the work performed, without any promotional or misleading intent.

4. PROPERTY DESCRIPTION AND LOCATION

4.1 Location

The Property is situated approximately 3 km southeast of the town of Cobalt, Ontario in Coleman Township, Larder Lake Mining Division (Figure 1). A well maintained municipal road and power line service the Property. The Property is bounded approximately by UTM NAD83 Z17T coordinates 600901E to 601691E, and 5247333N to 5247875N, and is covered by National Topographic System (NTS) map sheet 31M/5.

4.2 Mineral Dispositions

On October 13th, 2016, BNG acquired 100% ownership in two patented mining claims in Coleman Township, 1831NND and 3694NND (Figure 2). The claims are located on property parcel PT E 1/2 of N 1/2, Lot 3, Con 4, and SW 1/4 of N 1/2, Lot 3, Con 4 respectively (Table 2).

BNG acquired assets from Trio for the purchase price of \$2,000,000. The purchase by BNG included a cash payment of \$125,000 and the issuance of 8,500,000 common shares on the closing date. The cash payment was made in trust and to be used to satisfy secured debts owing on Trio's assets. An additional \$650,000 is to be paid on or before the date that is 9 months following the closing date, and \$1,225,000 is to be paid on or before the date that is 24 months following the closing date. The purchase agreement is provided in Appendix I.

At the time of report writing, the authors understand that the patented mining claims are currently held 100% by Trio.

Recent title searches were supplied by Trio. These are provided in Appendix 3. Several liens are registered to the claims. However, in a letter of intent supplied by BNG, a cash payment of \$125,000 was to have been made in trust upon the closing date of the purchase agreement, and is to be used to satisfy secured debts on Trio's assets. A review of the Property Index Map is also provided in Appendix 3. Two narrow parcels bisect claims 1831NND and 3694NND. These two parcels, known as 61389-0073 and 61389-0111, are owned by The Temiskaming and Northern Ontario Railway Commission. Trio has entered into discussions with the Ontario Northland Railway Commission to obtain title to these two parcels.

The authors have not sought a formal legal opinion with regard to the ownership status of the claims comprising the Property and have in all aspects of tenure relied on materials made available on the MNDM's website (https://www.mci.mndm.gov.on.ca/claims/clm_mmen.cfm), by BNG, and by Trio. The authors express no opinion as to the ownership status of the Property. Both surface and mineral rights are attached to the patents that comprise the Property as indicated by Trio. The patents are held "Fee Simple", which requires the annual payment of \$129.50 Mining Land Tax. Property taxes for the two claims totalled \$2,364.18 for 2015. There is an outstanding amount of \$5,139.28 that is owed to the Township of Coleman for the 2014 and 2015 taxes.

Table 2: Claim Details

Township	Parcel Number	PIN Number	Claim Type	Claim Size (ha)	Annual Mining Land Taxes
Coleman	1831 NND	61389-0059	Patented	16.187	\$64.75
Coleman	3694 NND	61389-0074	Patented	16.187	\$64.75

The Ontario Mining Act requires exploration plans and permits for exploration to be undertaken on Crown Lands. Once the application has been received, the MNDM circulates the exploration plan and permit to the Environmental Registry and to Aboriginal communities whose traditional lands may be impacted by the work. The processing periods for exploration plans is 30 days, and 50 days for exploration permits. Consultations with the affected Aboriginal communities identified by the MNDM are recommended. No exploration plan or permit is required to complete exploration work for patented mining claims, thus BNG does not need to apply for early exploration activities.

The authors are unaware of any other significant factors and risks that may affect access, title, or the right or ability to perform work on the Property.

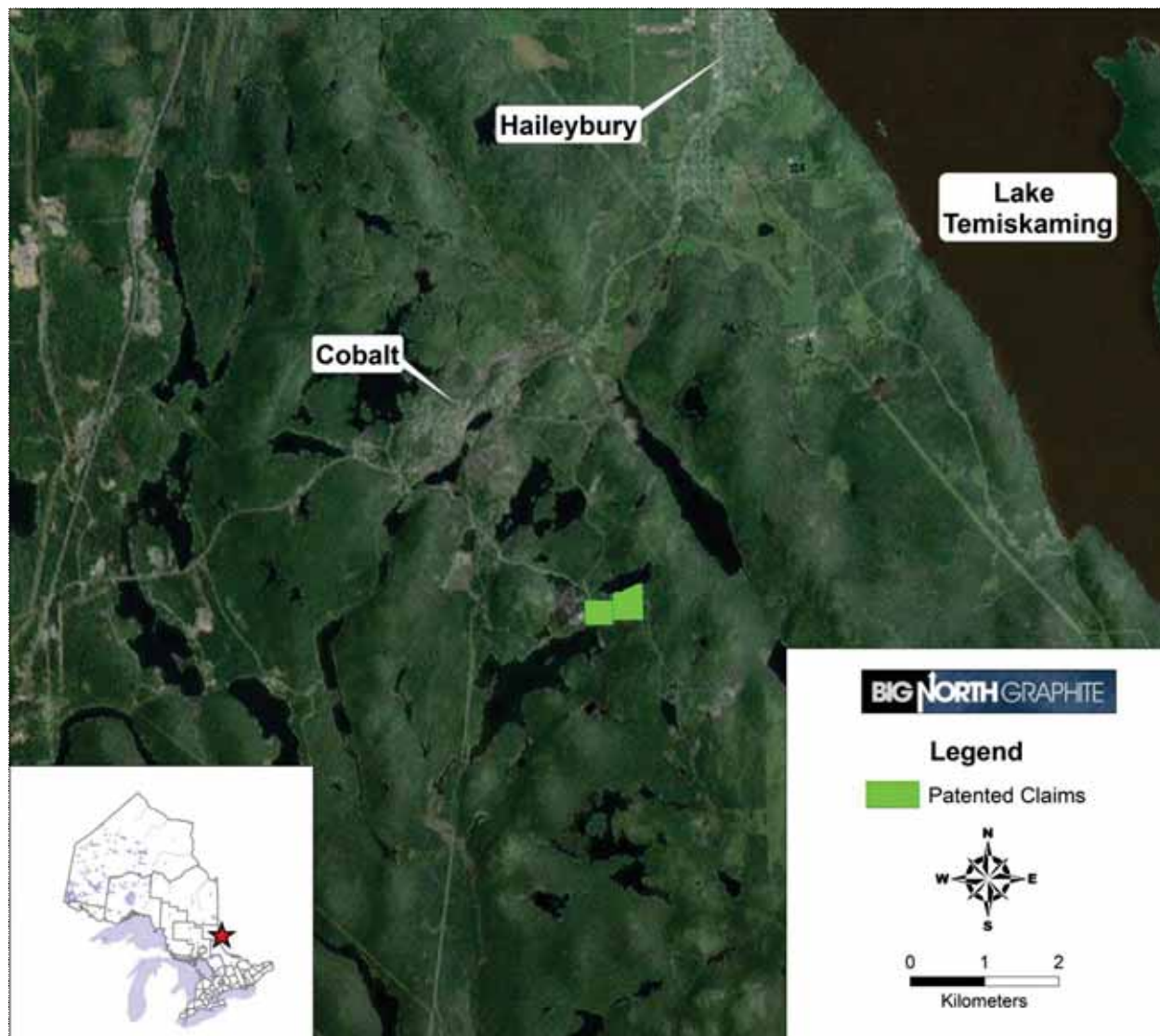


Figure 1: Location of the Duncan Kerr Property, Cobalt, Ontario

4.3 Environmental Liabilities and Permitting

The Property hosts parts of the past producing Kerr Lake Mine which operated intermittently from 1905 through to 1964, and the Lawson Mine which operated intermittently from 1909 through to the 1960's.

BNG is responsible for all environmental and mine hazards located on the Property. The majority of the mine hazards have been addressed, but according to inspection reports, several

hazards still exist on the Property. As well, BNG is responsible for the ongoing maintenance of the remediation efforts such as maintaining fencing, signage, etc. It is recommended that the hazards and environmental liabilities on the property be documented by BNG and inspected on a semi-annual basis. Appendix 2 provides the closure plan that was submitted by Agnico Eagle Mines Ltd. in 1994, and a site inspection report completed by the MNDM in 2014.

An environmental due diligence study should be completed by BNG to identify the nature and extent of any environmental liabilities that may be present on the Property.

5. ACCESS, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

5.1 Accessibility

The Property is located approximately 3 km southeast of the town of Cobalt, Ontario in Coleman Township. A well maintained year-round municipal road and power line service the Property. The Property is bounded approximately by UTM NAD83 Z17T coordinates 600901E to 601691E, and 5247333N to 5247875N.

5.2 Climate

The Property is under the influence of a moist boreal climate. The mean January temperature is -16.4°C; the mean July temperature is 18.1°C. The annual precipitation is approximately 785.1 mm (<http://climate.weatheroffice.gc.ca>). The beginning of permanent snow cover varies from year to year, sometimes starting in November and lasting until late April.

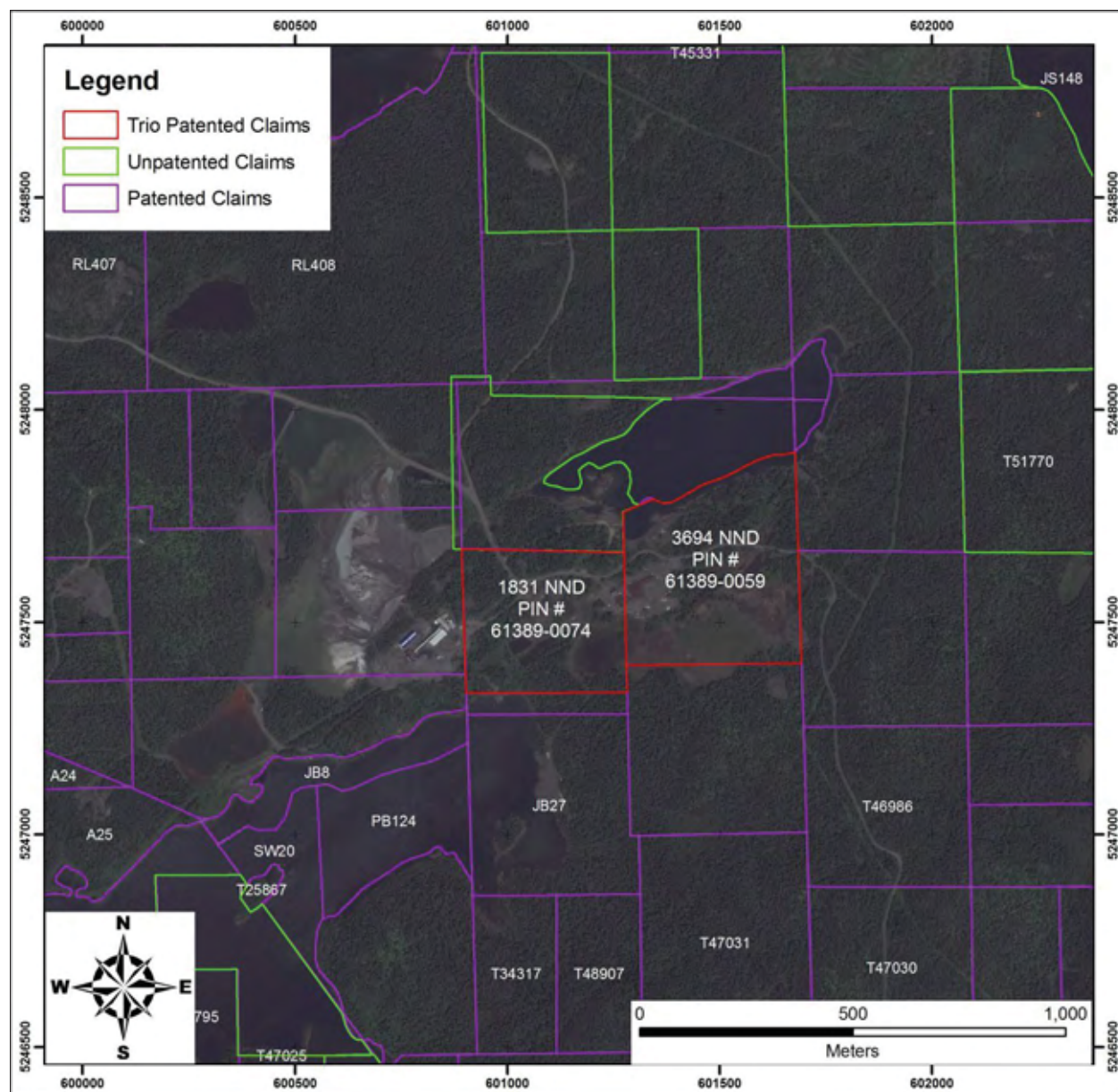


Figure 2: Land Tenure of the Duncan Kerr Property

5.3 Local Resources and Infrastructure

Local resources on the Property consist of an abundance of fresh water, and mixed deciduous and coniferous trees.

Several buildings are present on the Property, including a 4,000 ft² partially heated warehouse. The Property is serviced by hydro. Highway 11 is located approximately 10 km to the west of

the Property. Most supplies and services can be found in Temiskaming Shores, Ontario, a city with a population of approximately 10,500.

5.4 Physiography

The physiography is typical of the Precambrian Shield area in northeastern Ontario with general rolling and steep ledges and cliffs with occasional swamps, lakes, and streams. Typical vegetation on the Property consists of a boreal forest with a mixture of coniferous and deciduous trees, including poplars, birch, maple, pine, spruce, alders, and willows. The elevation of the Property is approximately 310 m above sea level and the maximum topographical relief is generally less than 25 m.

6. HISTORY

6.1 Historical Mineral Exploration

Historical exploration in the area of the Property dates back to 1903 with the discovery of silver in Cobalt, Ontario. Silver production of the Cobalt Camp is reported to be 464,853,101 oz (Pressacco, Webster, and Zalnieriunas, 2008).

The Kerr Lake deposit was discovered in 1904, and production commenced in 1905 whereby the Kerr Lake Mine was operated intermittently until it finally closed in 1964. The original Kerr Lake property was comprised of three claims historically referred to as Parcel 1764 NND (under Kerr Lake), 1831 NND, and 4821 NND (referred to as the Kerr Lake fraction). From 1905 through to 1956, 28,502,037 oz of Ag was produced from the three claims (Cunningham, 1963). A total of 8 shafts and were sunk on the Kerr Lake claims, along with one adit that was driven south from the shoreline of Kerr Lake. The main shaft, known as the Number 3 shaft, was sunk to a depth of 550 ft with 9 levels being developed. The underground workings were connected to the Hargrave, Conisil, and Lawson Mines located to the southeast, south, and west respectively.

The Lawson deposit was discovered in 1905 and production commenced at the Lawson Mine in 1909. A total of 4 shafts were sunk on the Lawson claim (Parcel 3694 NND). The deepest shaft, the No 8, was sunk to a depth of approximately 410 ft. All underground workings were

connected and 6 levels were developed. When the mine initially closed in 1919, a total of 4,213,553 oz of Ag had been produced (Cunningham, 1963). From 1922 through to 1944, the Lawson Mine was operated pursuant to several leases. The mine was later re-opened in 1953 and was operated through to 1960 by Silver Miller Mines Ltd. No records of silver production were recorded during this period as the ore was mixed with other Silver Miller ores from the surrounding mines (Cunningham, 1963).

In 1977, St. Joseph Exploration Ltd. constructed the Canadaka Mill on the Lawson claim (parcel 3694NND). It was designed to process up to 500 tons per day, but was estimated to have only processed 350 tons per day. The mill was designed as an ore concentrator by combining gravity and flotation methods to process ore from the company's area mines. The mill was closed in 1980 when the company's mines ceased production.

In 1983, the mill was bought by Sulpetro Minerals Ltd. and was modified to process tailings being mined at the Chambers-Ferland tailings containment area. Milling rates averaged 450 to 500 tons per day. The tailings were deposited to the south of the Main Shaft in a series of three ponds that were formed by damming a small creek flowing from Kerr Lake to Giroux Lake. At the time, the tailings capacity had not been reached and an estimated 500,000 tons of tailings could be added (Anderson, 1993). The mill was later sold prior to Trio's acquisition of the Property.

In 2012, Trio completed 8 short AQ diameter (2.7 cm) diamond drill holes, with the longest drill hole, DK12-07, drilled to a depth of 165.1 ft. The author re-logged four drill holes, DK12-02, DK12-04, DK12-07, and DK12-08 in 2013. No core samples had been submitted for analysis. All four holes that were logged intersected Cobalt series sediments (Figure 5). In diamond drill hole DK12-07, local sections of mineralization consisting of cobaltite +/-silver veinlets up to several mm's in width were intersected. Drill hole DK12-07 was drilled at a vertical inclination, and would have been orientated sub-parallel to the known orientation of the veins on the Property. This is supported by several mineralized fractures that are orientated 0° to the core axis. The diamond drilling program was not conducted to industry standards as outlined by CIM Best Practice guidelines. The author attempted to validate the drill results, and it is the opinion of the author that the results should not be considered reliable.

In 2014, Trio commissioned Golder Associates Ltd. to complete a resource calculation on three above ground stockpiles of crushed rock and mill residual material sourced from the Duncan

Kerr Property (Photos 1, 2, and 3). A total of 6,588 Tonnes grading 761 g/t Ag, 0.08 g/t Au, 0.33% Ni, 0.95% Co, and 5.92% As, was estimated in the indicated category (Thomas, Palmer, 2014). **The resource estimate is a historical estimate as defined by National Instrument 43-101. . It is important to note that a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and the issuer is not treating the historical estimate as current mineral resources or mineral reserves. There was been no review of the methods and results of this historical resource estimate by a Qualified Person. During the site visit, the author noticed that stockpile A had been moved inside the building, and that stockpile B had been reshaped. Stockpile C was not visited. The authors have not verified the volume or tenure of the stockpiles. No attempt was made to reconcile the Golder Associates Ltd.'s calculations of volume or tenure completed in 2014. Trio has disclosed to the authors that they have spent in excess of \$100,000 on the Golder Associates Ltd. Resource Estimate Report and associated work.**

As at the date of this Technical Report, limited historical information was available. It is recommended that on-going efforts be made to locate historical reports that pertain to the Property.

7. GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The Property is located within the Cobalt Embayment in the Southern Province of the Canadian Shield. Huronian Supergroup sedimentary rocks unconformably overly Archean basement rocks, and are commonly found filling paleo-valleys or troughs in the Archean basement. The Archean rocks are summarized as a steeply dipping sequence of mafic to felsic volcanics, intercalated with cherty and sulphidic interflow sediments, along with intrusions of mafic to ultramafic dykes and sills. Both the Huronian sediments and Archean rocks have been intruded by Proterozoic-aged Nipissing diabase occurring as both sills and dykes (Figure 3).

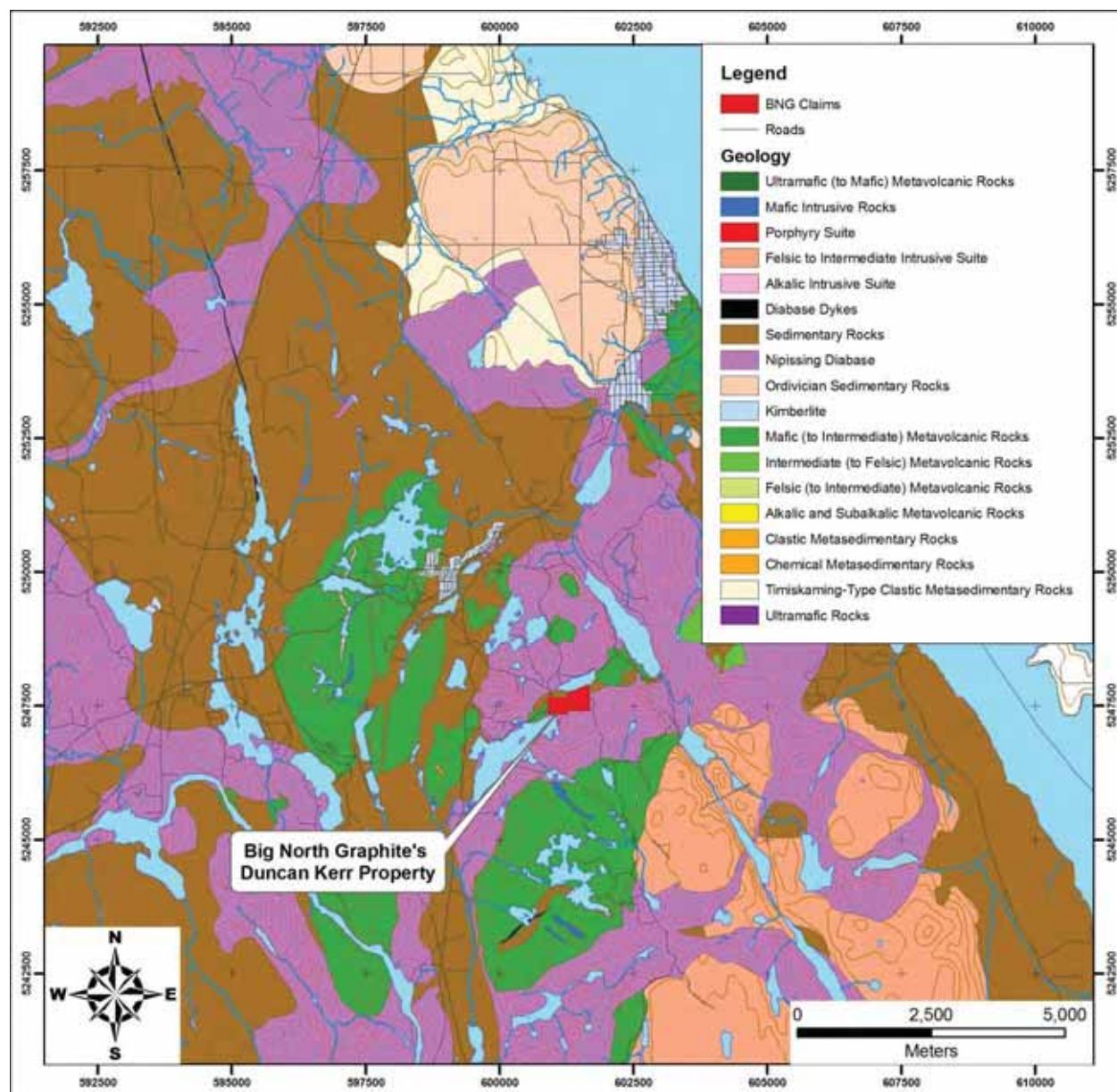


Figure 3: Regional Geology of the Cobalt Area, Ontario (after OGS MRD 282).

7.2 Property Geology

The oldest rocks on the Property are Keewatin-age volcanic rocks that have been overlain by Huronian sediments of Proterozoic age. A large south-southeast dipping Nipissing diabase sill intrudes the Archean mafic volcanics and Huronian sediments. This sill is part of a domed Nipissing diabase sheet that is also exposed to the north of the Property. The current level of erosion has exposed the underlying Cobalt Series sediments and Keewatin volcanic rocks (Figure 4).

Exploration potential exists south of the Kerr Lake Mine where the Huronian/Archean unconformity may exist beyond the mine workings. A review of a north-south orientated long section from an unknown source in the MNM government assessment files shows a profile through the Kerr Lake Mine. The interpretation of that section has the diabase contact becoming very steeply dipping at approximately 70 degrees south. This may have been inferred or implied from geological observations seen on the 2nd level of the Kerr Lake Mine, but in contrast the diabase contact to the west on the Conisil and Lawson Mines has a generally shallow dipping contact at approximately 20 to 30 degrees south-southeast with local areas where the contact dips steeply over a short strike length. Assuming this is the case south of the Kerr Lake Mine, potential may exist for a southern, relatively shallow-dipping, extension of the Huronian-Archean unconformity or at the Archean-diabase contact. Silver was mined at the Conisil, Lawson, and Kerr Lake Mines within the diabase near the Archean contact.

7.3 Mineralization

Silver mineralization on the Property has been exploited by several mining operations from 1905 through to the 1960's. An estimated 32,715,590 oz of Ag have been produced from the Kerr Lake and Lawson Mines (Cunningham, 1963). The Property encompasses the historical mine workings of the Kerr Lake Mine that lie on Parcel 1831 NND, as well as the historical mine workings of the Lawson Mine on Parcel 3694 NND. There has not been sufficient exploration work completed by Trio or Big North Graphite to describe significant mineralized zones encountered on the Property.

8. DEPOSIT TYPES

Most of the silver deposits in the Cobalt Camp are located proximal to the Huronian-Archean unconformity and are spatially associated with the Nipissing diabase sills. The majority of the historical silver production from the Cobalt Camp has been within 200 m of the contacts of the diabase.

The veins hosting the mineralization in the Cobalt Camp are referred to as five-element veins, containing Ni, Co, As, Ag, and Bi. The veins are characteristically open-space filling, and the replacement of wall rock is not extensive. Most veins are directly or indirectly associated with

vertical to sub-vertical fault systems. Veins are commonly completely filled with hydrothermally deposited minerals and pinch and swell from cm to m scale thicknesses.

Mineralization is typically discontinuous along the structure with high-grade ore pockets commonly occurring in the vicinity of vein intersections, or at the intersections of veins with late, shallow-dipping shear zones, and at lithological contacts. Ore minerals occur in a wide variety of forms including massive pods, bands, dendrites, plates, leaves, and zoned rosettes.

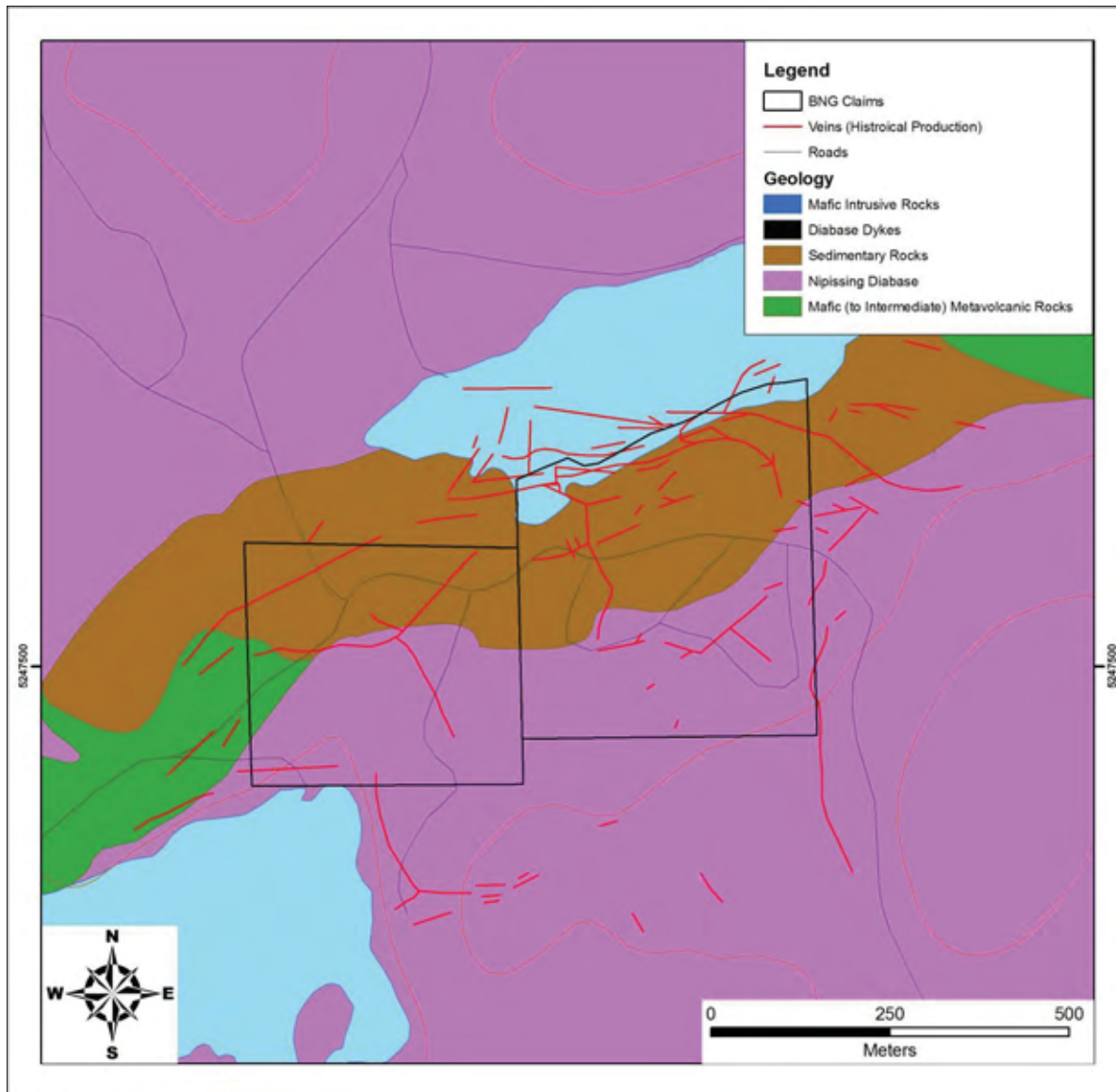


Figure 4: Property Geology with approximate location of historical veins projected to surface (after OGS MRD 282).

9. EXPLORATION

BNG has not completed any exploration activities on the Property.

10. DRILLING

10.1 Historical Drilling

No records of any surface diamond drilling were located from the OGS digital database and through searching through assessment files at the Kirkland Lake Resident Geologist Office. Several underground drill holes were shown on level plan maps.

In 2012, Trio completed 8 short AQ diameter (2.7 cm) diamond drill holes, with the longest drill hole, DK12-07, drilled to a depth of 165.1 ft. No assays were report. In 2013, Mr. Joerg Kleinboeck did review the core in four drill holes, DK12-02, DK12-04, DK12-07, and DK12-08. No core samples were submitted for analysis at the time. The diamond drilling program was not conducted to industry standards as outlined by CIM Best Practice guidelines. At the time, Mr. Joerg Kleinboeck attempted to validate the drill results, and it is the opinion of the author that the results should not be considered reliable.

10.2 Drilling

BNG has not completed any diamond drilling on the Property.

11. SAMPLE PREPARATION, ANALYSES, AND SECURITY

BNG has not carried out any sampling programs on the Property.

12. DATA VERIFICATION

12.1 Historical Data Verification

Historical data verification included a site visit to the former locations of the Kerr Lake and Lawson Mines, as well as the tailings facility. In 2013, the author also reviewed historical maps and reports pertaining to the Property that are located at the Kirkland Lake Resident Geologist Office. The authors believe this information is generally of sufficient accuracy to form the basis of an exploration program on the Property.

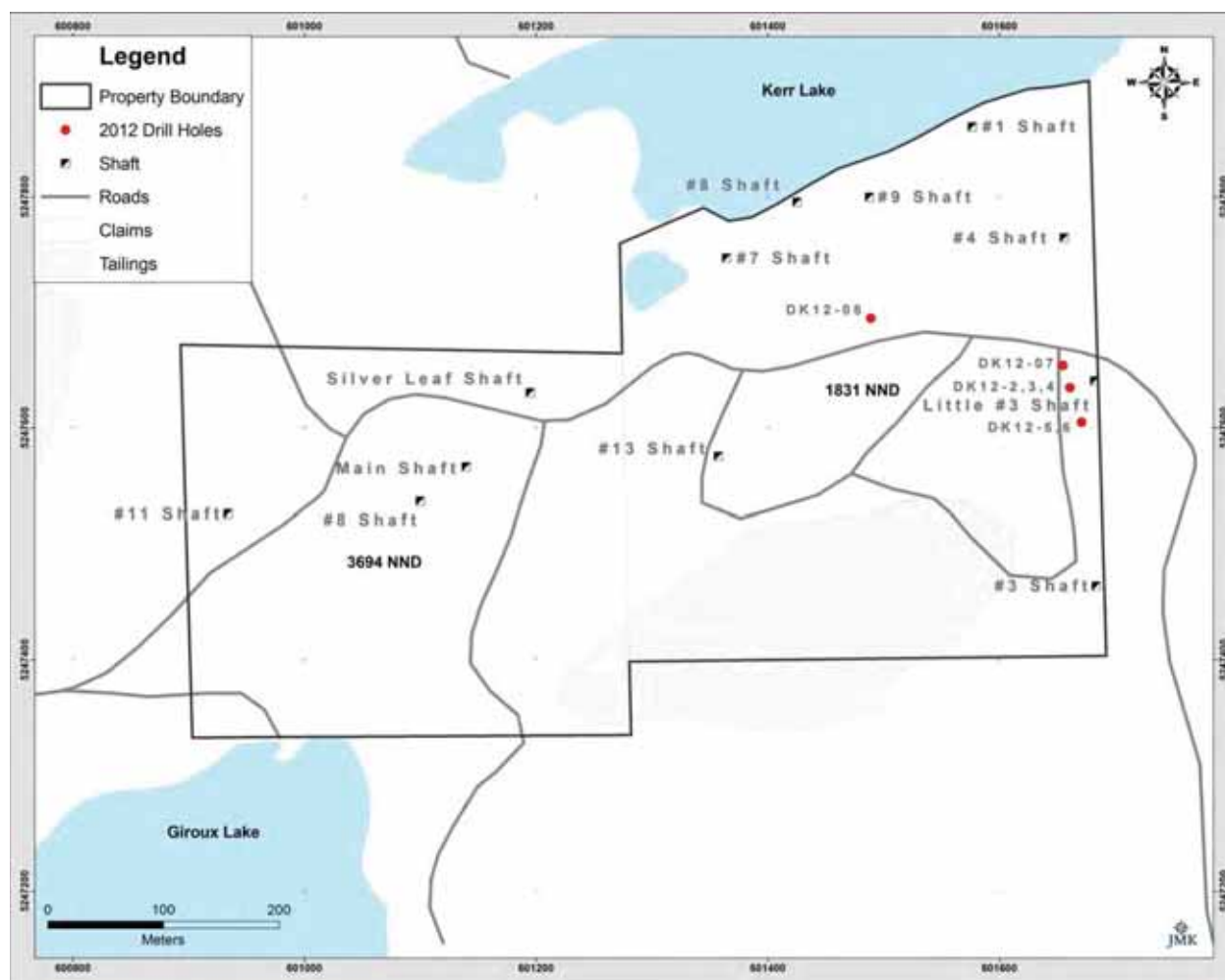


Figure 5: 2012 Diamond drill hole locations.

12.2 Recent Data Verification

The diamond drilling program completed in 2012 by Trio was reviewed by the author in 2013. At the time, the author logged four drill holes, DK12-02, DK12-04, DK12-07, and DK12-08 as part of the technical review at the time. No core samples were submitted for assay. As previously noted, the diamond drilling program was not conducted to industry standards as outlined by CIM Best Practice guidelines. In 2013, the author attempted to validate the diamond drilling results, and it is the opinion of the author that the diamond drilling results should not be considered reliable.

13. MINERAL PROCESSING AND METALLURGICAL TESTING

The Property is at the exploration stage and no metallurgical testing has been carried out.

14. MINERAL RESOURCE ESTIMATES

There has not been sufficient work on the Property to undertake a mineral resource estimate.

15. MINERAL RESERVE ESTIMATES

There is no mineral reserves yet defined on the Property.

16. MINING METHODS

Not applicable.

17. RECOVERY METHODS

Not applicable.

18. PROJECT INFRASTRUCTURE

Not applicable.

19. MARKET STUDIES AND CONTRACTS

Not applicable.

20. ENVIRONMENTAL STUDIES, PERMITTING, AND SOCIAL OR COMMUNITY IMPACT

Not applicable.

21. CAPITAL AND OPERATING COSTS

Not applicable.

22. ECONOMIC ANALYSIS

Not applicable.

23. ADJACENT PROPERTIES

The Property hosts parts of the past producing Kerr Lake Mine, and the Lawson Mine, which represent two of the numerous past producing mines that have operated over the past century in the Cobalt Camp. The majority of the mines in the Cobalt Camp contained mineralization similar to that in the Kerr Lake and Lawson Mines.

24. OTHER RELEVANT DATA AND INFORMATION

The author is unaware of any further data or relevant information that could be considered of any practical use in this report.

25. INTERPRETATION AND CONCLUSIONS

Exploration potential exists south of the Kerr Lake Mine where the Huronian/Archean unconformity may exist beyond the mine workings. A review of a north-south orientated long section from an unknown source in the MNM government assessment files show a profile through the Kerr Lake Mine. The interpretation of that section has the diabase contact becoming very steeply dipping at approximately 70 degrees south. This may have been inferred or implied from geological observations seen on the 2nd level of the Kerr Lake Mine, but in contrast the diabase contact to the west on the Conisil and Lawson Mines has a generally shallow dipping contact at approximately 20 to 30 degrees south-southeast with local areas where the contact dips steeply over a short strike length. Assuming this is the case south of the Kerr Lake Mine, potential may exist for a southern, relatively shallow-dipping, extension of the Huronian-Archean unconformity or at the Archean-diabase contact. Silver was mined at the Conisil, Lawson, and Kerr Lake Mines within the diabase near the Archean contact. For example, the Number 3 vein at the Kerr Lake Mine produced over 3 Moz of Ag and it was hosted in diabase and Archean rocks (Cunningham, 1963).

In regard to the historical resource estimate completed by Golder Associates Ltd., the significant risks and uncertainties that could reasonably be expected to affect the reliability or confidence in the resource estimate is that there is a possibility that the mineralization within the stockpiles is

not homogeneous or consistent, and additional sampling would be required. As well, there was no attempt made to reconcile the volume or tenure of the stockpiles as reported by Golder Associates Ltd.

26. RECOMMENDATIONS

Subsequent to the research conducted for this Technical Report, and taking into consideration information provided by Trio and BNG, the authors recommend a one phase exploration program:

Phase 1:

- 1) Creation of a GIS database, including all geological, geophysical and historical information should be completed. This would entail digitization of historical plans and sections, along with the supporting assay data. This will help to assist in the preparation of future work programs along with targeting the most prospective areas on the Property.
- 3) A surface work program is recommended prior to the commencement of any diamond drilling. This should include geological mapping, prospecting, line cutting, and possible geophysical surveys such as induced polarization, VLF, and magnetometer surveys to assist in identifying diamond drill targets.
- 4) A 1,500 m diamond drill program is recommended for the Property.

Tables 3 and 4 summarize the budget and recommendations of a one phase exploration program for the Property.

Table 3: Phase 1 Surface Exploration Budget

Personnel costs (GIS compilation)	Unit	Unit cost	Sub-Total
Project Manager/Geologist	10 days	\$700/day	\$ 7,000
Personnel costs (geological mapping, prospecting)			
Project Manager/Geologist	15 days	\$700/day	\$10,500
Fixed contract costs	Unit	Unit cost	Sub-Total
Line cutting	5 km	\$600/km	\$3,000
Magnetometer & VLF Survey	5 km	\$400/km	\$2,000
Other costs	Unit	Unit cost	Sub-Total
Meals and accommodation	25	\$100/day	\$2,500
Assays	100	\$40	\$4,000
Supplies	1	\$5,000	\$5,000
Reports	1	\$6,000	\$6,000
Total:			\$40,000

Table 4: Phase 1 Diamond Drilling Budget (1,500 m)

Personnel costs (diamond drilling)	Unit	Unit cost	Sub-Total
Project Manager/Geologist	25 days	\$700/day	\$17,500
Technician	25 days	\$300/day	\$ 7,500
Fixed contract costs	Unit	Unit cost	Sub-Total
Diamond Drilling (all inclusive)	1,500 m	\$85/m	\$127,500
Other costs	Unit	Unit cost	Sub-Total
Supplies	1	\$5,000	\$5,000
Diamond Saw Rental	1 mth	\$650	\$650
Meals and accommodation	25	\$100	\$2,500
Assays	250 samples	\$40/Sample	\$10,000
Report	1	\$3,000	\$3,000
Total:			\$ 173,650

Sub-Total: \$213,650
Contingency (10%): \$21,365
Total: \$235,015

27. DATE AND SIGNATURE PAGE

This report titled “NI 43-101 Technical Report on the Duncan Kerr Property, Larder Lake Mining Division, Northeastern Ontario” for Big North Graphite Corp., dated October 14th, 2016, was prepared and signed by the following authors:

Signed by:

“Joerg M. Kleinboeck”

Joerg M. Kleinboeck, P.Geo.

“J. Garry Clark”

J. Garry Clark, P.Geo

28. REFERENCES

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CERTIFICATE OF QUALIFIED PERSON

I, Joerg M. Kleinboeck, of 147 Lakeside Dr., North Bay, Ontario do hereby certify that:

1. I am a Consulting Geologist offering geological exploration services to the mineral exploration industry.
2. I hold the following academic qualifications: B.Sc. Geology (2000) Laurentian University.
3. I am a member of the Association of Professional Geoscientists of Ontario (Member #1411).
4. I have worked as a geologist for over 13 years on a variety of exploration properties targeting gold, Ni-Cu-PGE, base metals, diamonds, and industrial minerals.
5. "Technical Report" refers to the report titled "NI 43-101 Technical Report on the Duncan Kerr Property, Larder Lake Mining Division, Northeastern Ontario.", and dated effective October 14th, 2016. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, the Technical Report, contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
6. In accordance with section 1.5 of NI 43-101, I am independent of Trio Resources AG, Inc., and Big North Graphite Corp.
7. I have read National Instrument 43-101 and the Technical Report has been prepared in compliance with National Instrument 43-101.
8. I am jointly responsible for sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 25, and 26. I am solely responsible for sections 13 through to 24.
9. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements as a Qualified Person for the purposes of NI 43-101.
10. I last visited the Duncan Kerr Property on September 27th, 2016 for a period of 2 hours.
11. Since 2013, I have occasionally provided geological consulting services to Trio in respect to the Duncan Kerr Property. I have prepared an NI 43-101 report for Trio in 2013. I have also completed GIS data collection and drafting.

Dated this 14th Day of October, 2016



The image shows a handwritten signature in cursive, which appears to read 'Joerg M. Kleinboeck'. To the right of the signature is a circular professional seal. The seal contains a stylized three-leaf plant logo in the center. The text around the logo reads 'ASSOCIATION OF PROFESSIONAL GEOSCIENTISTS' at the top and 'ONTARIO' at the bottom. Inside the circle, below the logo, it says 'JOERG M. KLEINBOECK', 'PRACTISING MEMBER', and '1411'.

Joerg M. Kleinboeck, P.Geol.

CERTIFICATE OF QUALIFIED PERSON

I, J. Garry Clark, P. Geo. (#0254), do hereby certify that:

1. I am a consulting geologist with an office at 1000 Alloy Dr., Thunder Bay, Ontario.
2. I graduated with the degree of Honours Bachelor of Science (Geology) from Lakehead University, Thunder Bay, in 1983. I have been a consulting geologist since 1987 working extensively in Ontario and Quebec but also internationally. I have completed all aspect of gold and base metal exploration from prospecting to resource definition drilling. I have written qualifying property reports for companies such as Rainy River Resources and Parkside Resources.
3. "Technical Report" refers to the report titled "NI 43-101 Technical Report on the Duncan Kerr Property, Larder Lake Mining Division, Northeastern Ontario.", and dated effective October 14th, 2016.
4. I am a registered Professional Geoscientist with the Association of Professional Geoscientists of Ontario (#0245) and a member Ontario Prospectors Association.
5. I have worked as a Geologist for over 30 years since my graduation from university.
6. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements as a Qualified Person for the purposes of NI 43-101.
7. I am jointly responsible for ITEMS: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 25, and 26. As a co-author I also reviewed and edited the entire report.
8. I am independent of Big North Graphite, and Trio in regard to transaction for which the Technical Report is required, other than providing consulting services, and in the application of all of the tests in section 1.5 of NI 43-101.
9. I have had no prior involvement with the mineral property that forms the subject of this Technical Report.
10. I have read NI-43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that Instrument and Form.
11. I did not visit the Property.
12. As of the date of this certificate, and to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 14th day of October, 2016.

SIGNED

"J. Garry Clark"

J. Garry Clark, P.Geo.

Appendix I: Purchase Agreement

Attachment E Scheme Implementation Deed

Scheme Implementation Deed

First Cobalt Corp.
Cobalt One Limited

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Date: 14 July 2017

Parties

- 1 **First Cobalt Corp.** with its registered and records office at Suite 201, 140 Yonge Street, Toronto, ON M5C 1X6 (**Bidder**)
 - 2 **Cobalt One Limited** ABN 50 127 411 796 of Level 1, 35 Richardson Street, West Perth, Western Australia 6005 (**C-One**)
-

Background

- A The parties have agreed that Bidder will acquire C-One by means of a scheme of arrangement under Part 5.1 of the Corporations Act between C-One and Scheme Shareholders.
- B At the request of Bidder, C-One intends to propose the Scheme and issue the Scheme Booklet.
- C The parties have agreed to implement the Scheme on and subject to the terms of this deed.

The parties agree

1 Defined terms and interpretation

1.1 Defined terms

A term or expression starting with a capital letter which is defined in the dictionary in Schedule 1 has the meaning given to it in the dictionary.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this deed.

2 Agreement to proceed with Transaction

- (a) C-One agrees to propose the Scheme on and subject to the terms of this deed.
 - (b) Bidder agrees to assist C-One to propose the Scheme on and subject to the terms of this deed.
 - (c) The parties agree to implement the Transaction on and subject to the terms of this deed.
-

3 Conditions precedent

3.1 Conditions precedent

Subject to this clause 3, the Scheme will not become Effective, and the obligations of Bidder under clause 4.2(b) are not binding, until and unless each of the following conditions precedent is satisfied or waived in accordance with clause 3.3.

	CONDITIONS PRECEDENT
(a)	(Court approval) The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.
(b)	(C-One Shareholder approval) C-One Shareholders (other than Excluded Shareholders) agree to the Scheme at the Scheme Meeting by the requisite majorities under section 411(4)(a) of the Corporations Act.
(c)	(Bidder Shareholder approval) Bidder's shareholders approving: (i) any changes to the Bidder's constating documents required by ASX for the admission of Bidder to the official list of ASX; and (ii) to the extent required by the TSXV, the Transaction.
(d)	(Restraints) No temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or Government Agency or other material legal restraint or prohibition preventing the Transaction is in effect at 8:00am on the Second Court Date.
(e)	(C-One Material Adverse Change) No C-One Material Adverse Change occurs, is announced or is otherwise discovered by Bidder (whether or not it becomes public) between the date of this deed and 8:00am on the Second Court Date.
(f)	(Bidder Material Adverse Change) No Bidder Material Adverse Change occurs, is announced or is otherwise discovered by C-One (whether or not it becomes public) between the date of this deed and 8:00am on the Second Court Date.
(g)	(C-One Prescribed Occurrence) No C-One Prescribed Occurrence occurs between the date of this deed and 8:00am on the Second Court Date.
(h)	(Bidder Prescribed Occurrence) No Bidder Prescribed Occurrence occurs between the date of this deed and 8:00am on the Second Court Date.
(i)	(TSXV quotation) The New Bidder Shares to be issued pursuant to the Scheme have, before 8:00am on the Second Court Date, been conditionally approved for listing on the TSXV subject only to the satisfaction of customary listing conditions and to the Scheme becoming Effective and such approval remains in full force and effect in all respects and does not become

	subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.
(j)	(ASX quotation) The New Bidder Shares in the form of CDIs to be issued pursuant to the Scheme have, before 8:00am on the Second Court Date, been approved for official quotation on the ASX subject only to any conditions which ASX may reasonably require and to the Scheme becoming Effective and such approval remains in full force and effect in all respects and does not become subject to any notice, intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.
(k)	(C-One Options) Before 8.00am on the Second Court Date, binding agreements have been entered into for a sufficient number of C-One Options in accordance with clause 4.5 so as, when taking into account any exercised C-One Options, Bidder is permitted to compulsorily acquire the remaining C-One Options in accordance with Part 6A of the Corporations Act.
(l)	(Restricted Securities) Each holder of Restricted Securities enters into a deed, in a form acceptable to Bidder and C-One, acting reasonably, under which the Restricted Securities holder agrees, during the Escrow Period, not to Deal with the New Bidder Shares or CDIs received as Scheme Consideration or under the agreements contemplated by clause 3.1(k) for the Restricted Securities without the prior written consent of Bidder.

3.2 Reasonable endeavours

- (a) C-One must use reasonable endeavours to procure that the condition precedent in clause 3.1(g) is satisfied.
- (b) Bidder must use reasonable endeavours to procure that the conditions precedent in clause 3.1(h), (i) and (j) are satisfied.
- (c) Each party must use reasonable endeavours to procure that:
 - (i) the conditions precedent in clauses 3.1(a), (b), (c), (k) and (l) are satisfied; and
 - (ii) there is no occurrence or non-occurrence within the control of such party that prevents, or would be reasonably likely to prevent, the satisfaction of any condition precedent.
- (d) Without limiting clause 3.2(c):
 - (i) before sending any submission or material correspondence to a Government Agency in connection with any regulatory matter, each party must consult

with the other party in relation to, and provide the other party with a draft copy of, such submission or correspondence as soon as practicable and consider in good faith any reasonable comments received from the other party in relation to such submission or correspondence;

- (ii) each party must act co-operatively with the other party and in a timely manner in connection with obtaining any regulatory approval, including responding to reasonable requests for information (whether made by the other party, a Government Agency or any other person) at the earliest practicable time; and
- (iii) a regulatory approval will be deemed to have been granted or obtained notwithstanding that it is subject to conditions, provided that the conditions are acceptable to both parties (acting reasonably).

3.3 Waiver of conditions precedent

- (a) The conditions precedent in clauses 3.1(a), (b), (d), (i) and (j) cannot be waived.
- (b) The conditions precedent in clause 3.1(c) is for the benefit of C-One and Bidder and any breach or non-fulfilment of either of these conditions precedent may only be waived with the written consent of both C-One and Bidder (each in its absolute discretion).
- (c) The conditions precedent in clauses 3.1(e), (g), (k) and (l) are for the sole benefit of Bidder and any breach or non-fulfilment of either of these conditions precedent may only be waived by Bidder (in its absolute discretion) in writing.
- (d) The conditions precedent in clauses 3.1(f) and (h) are for the sole benefit of C-One and any breach or non-fulfilment of either of these conditions precedent may only be waived by C-One (in its absolute discretion) in writing.
- (e) If a party waives the breach or non-fulfilment of a condition precedent, that waiver does not prevent it from suing the other party for any breach of this deed that resulted in the breach or non-fulfilment of the condition precedent.
- (f) Waiver of a breach or non-fulfilment of a condition precedent does not constitute:
 - (i) a waiver of breach or non-fulfilment of any other condition precedent resulting from the same event; or
 - (ii) a waiver of breach or non-fulfilment of that condition precedent resulting from any other event.

3.4 Termination on failure of condition precedent

- (a) Subject to clause 5.8 and the fiduciary duties of C-One directors, if any conditions precedent contained in clause 3.1 are not satisfied or waived by the date specified in this deed for its satisfaction or if the Scheme has not become Effective by the End Date, then the parties will consult in good faith with a view to determining whether:
 - (i) the Scheme or a transaction which results in the acquisition of C-One by Bidder may proceed by way of an alternative approach and, if so, to agree on the terms of such an alternative approach;

- (ii) to agree to extend the date for satisfaction of the relevant condition precedent to another date agreed by C-One and Bidder;
 - (iii) to extend the End Date; or
 - (iv) to adjourn or change the date of an application to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme (as applicable).
- (b) If the condition precedent in clause 3.1(b) is not satisfied by reason only of the non-satisfaction of the Headcount Test and:
- (i) either Bidder or C-One considers, acting reasonably, that Share Splitting or some abusive or improper conduct may have caused or materially contributed to the Headcount Test not having been satisfied; and
 - (ii) legal advisers to C-One have opined that the application in clause 3.4(b)(ii)(A) more likely than not to succeed,
- then C-One must, subject to the fiduciary duties of C-One directors:
- (A) apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and
 - (B) make such submissions to the Court and file such evidence as counsel engaged by C-One to represent it in Court proceedings related to the Scheme, in consultation with Bidder, considers is reasonably required to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act by making an order to disregard the Headcount Test.
- (c) If the Court agrees to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test, it will not be necessary to meet the Headcount Test in order to satisfy the condition precedent in clause 3.1(b).
- (d) If the parties are unable to reach agreement under clause 3.4(a) within 5 Business Days of the earlier of becoming aware of the relevant occurrence or relevant date or by the End Date, then unless that condition is waived in accordance with clause 3.3, either party may (subject to clause 3.4(e)) terminate this deed without liability to the other party because of that termination.
- (e) A party may not terminate this deed under clause 3.4(d) if the relevant condition in clause 3.1 has not been satisfied, or is incapable of being satisfied, or there is an occurrence that will prevent the relevant condition being satisfied by the date specified in this deed for its satisfaction, as a result of an act or omission by that party or any of its Related Bodies Corporate which results in a material breach of this deed.

3.5 Certain notices

Each party must promptly notify the other parties in writing if:

- (a) a condition precedent has been satisfied, in which case that party must comply with any reasonable requests for evidence of such satisfaction made by the other party;

- (b) there is a breach or non-fulfilment of a condition precedent;
- (c) it becomes aware of any fact, matter or circumstance that has resulted, will result or is reasonably likely to result in:
 - (i) a condition precedent becoming incapable of satisfaction or otherwise not being satisfied in accordance with its terms;
 - (ii) a breach of a Representation and Warranty provided by that party under this deed or such a Representation and Warranty ceasing to be true and correct in all material respects; or
 - (iii) a material breach of this deed by that party.

4 Transaction outline

4.1 Terms of Scheme

C-One must not consent to any modification of, or amendment to, the Scheme, or to the making or imposition by a court of any condition in respect of the Scheme, without the prior written consent of Bidder, not to be unreasonably withheld.

4.2 Scheme Consideration

- (a) Under the Scheme, each Scheme Shareholder (other than an Ineligible Foreign Holder) will be entitled to receive 0.145 New Bidder Shares in the form of CDIs or New Bidder Shares for every 1 Scheme Share held by that Scheme Shareholder (**Scheme Consideration**).
- (b) In consideration of the transfer to Bidder of all the Scheme Shares, Bidder covenants in favour of C-One (in its own right and separately as trustee for each Scheme Shareholder) that it will:
 - (i) accept that transfer; and
 - (ii) issue, or cause to be issued, the Scheme Consideration to each Scheme Shareholder (other than Ineligible Foreign Holders who will be dealt with in accordance with clause 4.4) prior to 12:00pm on the Implementation Date,

in each case in accordance with the terms of the Scheme. To avoid doubt, nothing in this clause 4.2(b) shall derogate from the obligations of Bidder under the Deed Poll, which shall prevail to the extent of any inconsistency with this clause 4.2(b) such that full compliance by Bidder with the Deed Poll will be taken as compliance by it with this clause 4.2(b).
- (c) The Bidder will procure that the New Bidder Shares or CDIs to be issued as Scheme Consideration will be validly issued, fully paid and rank equally with the Bidders other issued common shares or CDIs from their date of issue.
- (d) Any fractional entitlement of a Scheme Shareholder to New Bidder Shares or CDIs:
 - (i) of 0.5 or more will be rounded up to the nearest whole number; and
 - (ii) of less than 0.5 will be rounded down to the nearest whole number.

4.3 No amendments to Scheme without consent

C-One must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior consent of Bidder, such consent not to be unreasonably withheld or delayed.

4.4 Ineligible Foreign Holders

Bidder will be under no obligation under the Scheme to issue, and will not issue any CDIs or New Bidder Shares to Ineligible Foreign Holders, and instead:

- (a) all the CDIs or New Bidder Shares which would otherwise be required to be issued to any Ineligible Foreign Holder under the Scheme, if they were eligible to receive them, will be issued to the Nominee;
- (b) Bidder will procure that, as soon as reasonably practicable (and in any event not more than 30 Business Days after the Implementation Date), the Nominee sells on ASX or TSXV all of the CDIs or New Bidder Shares issued to the Nominee pursuant to clause 4.4(a) in such manner, at such price and on such other terms as the Nominee determines in good faith (and at the risk of the Ineligible Foreign Holders), and remits to Bidder the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**);
- (c) Bidder will pay to each Ineligible Foreign Holder such proportion of the Proceeds as the number of CDIs or New Bidder Shares which would have been issued to that Ineligible Foreign Holder (if they were eligible to receive CDIs or New Bidder Shares) represents as a portion of all CDIs or New Bidder Shares which would have been issued to all Ineligible Foreign Holders (if they were eligible to receive CDIs or New Bidder Shares) in full satisfaction of the Bidder's obligations to those Ineligible Foreign Holders under the Scheme in respect of the Scheme Consideration;
- (d) Bidder will pay the relevant proportion of the Proceeds to each Ineligible Foreign Holder by either:
 - (i) dispatching, or procuring the dispatch, to that Ineligible Foreign Holder by prepaid post to that Ineligible Foreign Holder's Registered Address (at the Record Date), a cheque in the name of that Ineligible Foreign Holder; or
 - (ii) making a deposit in an account with any ADI (as defined in the *Banking Act 1959* (Cth)) in Australia notified by that Ineligible Foreign Holder to C-One (or the Share Registry) and recorded in or for the purposes of the Share Register at the Scheme Record Date,

for the relevant amount, with that amount being denominated in Australian dollars; and
- (e) for the purposes of this clause 4.4, each Ineligible Foreign Holder appoints C-One as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Nominee is required to provide to Ineligible Foreign Holders under the Corporations Act.

4.5 Small shareholders

Scheme Shareholders who are entitled to receive 675 or less CDIs (or such other number as may be agreed between Bidder and C-One in writing) (**Small Shareholder**) under the

Scheme will be given the option to have the Scheme Consideration to which it is entitled issued to the Nominee in the form of CDIs and/or New Bidder Shares, in which case:

- (a) Bidder will procure that, as soon as reasonably practicable (and in any event not more than 30 Business Days after the Implementation Date) the Nominee sells on ASX or TSXV all of the CDIs and/or New Bidder Shares issued to the Nominee in such manner, at such price and on such terms as the Nominee determines in good faith (and at the risk of the Small Shareholder), and remits to the Bidder the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**);
- (b) Bidder will pay to each Small Shareholder such fraction of the Proceeds as is equal to the number of CDIs or New Bidder Shares which would have been issued to that Small Shareholder divided by the total number of CDIs and/or New Bidder Shares issued to the Nominee under clause 4.5(a) promptly after the last sale of CDIs and/or New Bidder Shares by the Nominee in full satisfaction of the Bidder's obligations to those Small Shareholders under the Scheme in respect of the Scheme Consideration;
- (c) Bidder will pay the relevant fraction of the Proceeds to each Small Shareholder by either:
 - (i) dispatching or procuring the dispatch, to that Small Shareholder by prepaid post to that Small Shareholder's Registered Address (at the Record Date), a cheque in the name of that Small Shareholder; or
 - (ii) making a deposit in an account with any ADI (as defined by the Banking Act 1959 (Cth)) in Australia notified by that Small Shareholder to the Bidder (or the Share Registry) and recorded in or for the purposes of the Share Register at the Record Date,

for the relevant amount, with that amount being denominated in Australian dollars; and
- (d) for the purposes of this clause 4.5, each Small Shareholder appoints C-One as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Nominee is required to provide to Small Shareholders under the Corporations Act).

4.6 Transfer or cancellation of C-One Options

The parties must use reasonable endeavours (acting co-operatively and in good faith) to procure that, as soon as practicable after the date of this deed, a sufficient number of holders of C-One Options so as to permit the Bidder to compulsorily acquire the remaining C-One Options in accordance with Part 6A of the Corporations Act, enters into a deed with Bidder and C-One, in a form acceptable to both Bidder and C-One (each acting reasonably), under which:

- (a) each individual holder agrees, to the extent they have not exercised their C-One Options and received Scheme Shares prior to the Record Date, to the transfer to the Bidder or to cancellation of their C-One Options in exchange for the consideration per C-One Option set out in Attachment D, with such transfer or cancellation to be subject to the Scheme becoming Effective and to take effect on the Implementation Date;
- (b) Bidder agrees to provide, or procure the provision of, the consideration referred to in clause 4.6(a) to the holder on the Implementation Date; and

- (c) C-One agrees to cooperate with the Bidder to facilitate the exercise, transfer or cancellation of C-One Options (including, if required the C-One Board making any necessary lawful amendment, consent or determination, and seeking any required shareholder approval for any such thing, for the purposes of the relevant terms and conditions upon which the C-One Options were issued and using reasonable endeavours to procure ASX granting any necessary waivers).

4.7 Exercise of certain C-One Options

The parties acknowledge that each of Alex Passmore, Jason Bontempo and Nicholas Rowley have undertaken to exercise all of the C-One Options held by them so as to receive Scheme Shares prior to the Scheme Record Date, subject only to receipt of any required shareholder approval to permit the exercise of those C-One Options held by them which are subject to restrictions on exercise. If shareholder approval is not received as contemplated, the parties acknowledge that each of Alex Passmore, Jason Bontempo and Nicholas Rowley have undertaken to exercise the Bidder options received as consideration for their C-One Options as soon as practicable, and in any event within 120 days, after the issue of the Bidder options to them.

4.8 Resignation of Alex Passmore

Both parties acknowledge Alex Passmore has resigned from the Board of Directors of C-One effective from the date of execution of this deed.

5 Implementation

5.1 C-One obligations

C-One must take all steps reasonably necessary to implement the Scheme in accordance with the Timetable and otherwise on and subject to the terms of this deed. Without limiting the foregoing, C-One must (to the fullest extent applicable):

- (a) **(Independent Expert)** as soon as reasonably practicable after the date of this deed, appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report (and any update to that report);
- (b) **(preparation of Scheme Booklet)**
 - (i) prepare the Scheme Booklet (other than the Bidder Information and the Independent Expert's Report) in accordance with all applicable laws, including the Corporations Act, Corporations Regulations, RG 60, the Listing Rules;
 - (ii) provide Bidder with drafts of the Scheme Booklet and, acting reasonably and in good faith, take into account any reasonable comments from Bidder and its Representatives on those drafts, where such comments are provided in a timely manner;
- (c) **(apply for ASX and ASIC relief)** use its reasonable endeavours to obtain all waivers, exemptions and modifications from ASX and ASIC as may be required to facilitate implementation of the Scheme;
- (d) **(lodgement of Regulator's Draft)**

- (i) provide an advanced draft of the Scheme Booklet (**Regulator's Draft**) to ASIC for its review for the purposes of section 411(2) of the Corporations Act; and
- (ii) keep Bidder informed of any material issues raised by ASIC in relation to the Regulator's Draft and any steps taken to address any such issues (provided that, where such issues relate to Bidder Information, C-One must not take any steps to address them without Bidder's prior written consent);
- (e) **(no objection statement)** apply to ASIC for a statement under section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (f) **(First Court Hearing)** apply to the Court for an order under section 411(1) of the Corporations Act directing C-One to convene the Scheme Meeting;
- (g) **(approval and registration of Scheme Booklet)**
 - (i) procure that a meeting of the C-One Board is convened to approve the Scheme Booklet for registration with ASIC and despatch to C-One Shareholders; and
 - (ii) after receipt from Bidder of the written confirmation referred to in clause 5.2(e), request that, in accordance with section 412(6) of the Corporations Act, ASIC register the explanatory statement in relation to the Scheme, as included in the Scheme Booklet;
- (h) **(Scheme Meeting)** as soon as reasonably practicable following registration of the Scheme Booklet by ASIC, despatch the Scheme Booklet to C-One Shareholders and convene and hold the Scheme Meeting in accordance with the orders made by the Court at the First Court Hearing;
- (i) **(supplementary disclosure)** if, after despatch of the Scheme Booklet, it becomes aware:
 - (i) that information included in the Scheme Booklet is or has become misleading or deceptive in any material respect (whether by omission or otherwise); or
 - (ii) of information that is required to be disclosed to C-One Shareholders under any applicable law (including RG 60),

promptly consult with Bidder as to the need for, and form of, any supplementary disclosure to C-One Shareholders, and make any such disclosure that it considers reasonably necessary as soon as reasonably practicable and having regard to applicable laws (including RG 60);
- (j) **(conditions precedent certificate)** at the Second Court Hearing, provide to the Court (through its counsel):
 - (i) a certificate confirming (in respect of matters within its knowledge) whether or not the conditions precedent (other than the condition precedent in clause 3.1(a)) have been satisfied or waived in accordance with clause 3, a draft of which certificate must be provided to Bidder by 5:00pm on the Business Day prior to the Second Court Date; and
 - (ii) any certificate provided to it by Bidder pursuant to clause 5.2(g);

- (k) **(Second Court Hearing)** subject to the conditions precedent (other than the condition precedent in clause 3.1(a)) being satisfied or waived in accordance with clause 3, apply (and to the extent necessary and reasonable, re-apply) to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme;
- (l) **(Court Documents)** prepare the Court Documents, provide drafts of those documents to Bidder and, acting reasonably and in good faith, take into account any reasonable comments from Bidder and its Representatives on those drafts, where such comments are provided in a timely manner;
- (m) **(Bidder representation at Court Hearings)** allow, and not oppose, any application by Bidder for leave of the Court to be represented by counsel at a Court Hearing;
- (n) **(lodgement of Court order)** for the purposes of section 411(10) of the Corporations Act, lodge with ASIC an office copy of the order made by the Court under section 411(4)(b) of the Corporations Act before 5:00pm on the Business Day following the day on which such office copy is received;
- (o) **(quotation of C-One Shares and ASX listing)** apply to ASX to have:
 - (i) trading in C-One Shares suspended from the close of trading on the Effective Date; and
 - (ii) C-One removed from the official list of ASX, and quotation of C-One Shares on the ASX terminated, by the close of trading on the trading day immediately following the Implementation Date,

and not do anything to cause any of these things to happen before the date specified in this clause 5.1(o);
- (p) **(compliance with laws)** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all applicable laws, regulations and policy;
- (q) **(implementation)** if the Scheme becomes Effective, do all things contemplated of it under the Scheme and all other things (if any) necessary to lawfully give effect to the Scheme;
- (r) **(communications with C-One Shareholders)** participate in, and ensure the C-One Board participates in, all communications, presentations and other measures reasonably requested by Bidder to promote the merits of the Transaction, subject always to the C-One Directors not changing or withdrawing their recommendation to C-One Shareholders to vote in favour of the Scheme because of a Superior Proposal or because the Independent Expert concludes that the Scheme is not in the best interests of C-One Shareholders;
- (s) **(CobalTech Transaction)** act reasonably and in good faith when reviewing and forming conclusions on the results of Bidder's due diligence in respect of the CobalTech Transaction, as outlined in clause 5.2(s);
- (t) **(Registry details)** subject to the Scheme:
 - (i) provide all necessary information about the C-One Shareholders to Bidder which Bidder requires in order to assist Bidder to identify the Scheme Shareholders and which can be provided under Australian law; and

- (ii) direct C-One's share registry to promptly provide any information that Bidder reasonably requests in relation to the register of members maintained by (or on behalf of) C-One in accordance with the Corporations Act, including any sub-register and, where requested by Bidder, C-One must procure such information to be provided to Bidder in such electronic form as is reasonably requested by Bidder; and
- (u) **(Restricted Shares)** use reasonable endeavours to procure that, as soon as practicable after the date of this deed, each holder of C-One Restricted Shares enters into the deed contemplated by clause 3.1(l).

5.2 Bidder obligations

Bidder must take all steps reasonably necessary to implement the Scheme in accordance with the Timetable and otherwise on and subject to the terms of this deed. Without limiting the foregoing, Bidder must (to the fullest extent applicable):

- (a) **(prepare Bidder Information)**
 - (i) as soon as reasonably practicable after the date of this deed, prepare the Bidder Information for inclusion in the Scheme Booklet in accordance with all applicable laws, including the Corporations Act, Corporations Regulations, RG 60, the Listing Rules and Canadian securities laws; and
 - (ii) provide C-One with drafts of the Bidder Information and, acting reasonably and in good faith, take into account any reasonable comments from C-One and its Representatives on those drafts, where such comments are provided in a timely manner;
- (b) **(assistance with Scheme Booklet and Court Documents)** provide any assistance or information reasonably requested by C-One or its Representatives in connection with the preparation of the Scheme Booklet (including any supplementary disclosure to C-One Shareholders) or any Court Documents;
- (c) **(review of scheme booklet)** review the drafts of the Scheme Booklet prepared by C-One and provide comments promptly on those drafts in good faith;
- (d) **(Independent Expert's Report)** provide any assistance or information reasonably requested by C-One or its Representatives, or by the Independent Expert directly, in connection with the preparation of the Independent Expert's Report (and any update to that report);
- (e) **(confirmation of Bidder Information)** as soon as reasonably practicable after C-One requests that it do so and having regard to the Timetable, confirm in writing to C-One that:
 - (i) it consents to the inclusion of the Bidder Information in the Scheme Booklet, in the form and context in which it appears; and
 - (ii) the Bidder Information, in that form and context, is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (f) **(update Bidder Information)** promptly advise C-One in writing if it becomes aware:
 - (i) of information which should have been included in any Bidder Information previously provided to C-One (including if known at the time or if new

information which has arisen after the Scheme Booklet has been despatched to C-One Shareholders); or

- (ii) that any Bidder Information previously provided to C-One is misleading or deceptive in any material respect (whether by omission or otherwise), and promptly provide C-One with any information required to correct the misleading or deceptive statements,

until the date of the Scheme Meeting;

- (g) **(conditions precedent certificate)** before 8:00am on the Second Court Date, provide to C-One for provision to the Court at the Second Court Hearing a certificate confirming (in respect of matters within its knowledge) whether or not the conditions precedent (other than the condition precedent in clause 3.1(a)) have been satisfied or waived in accordance with clause 3, a draft of which certificate must be provided to C-One by 5:00pm on the Business Day prior to the Second Court Date;
- (h) **(representation at Court)** ensure that it is represented by counsel at the First and Second Court Hearing and give such undertakings (if any) to the Court (through its counsel) as are reasonably necessary to ensure the Court makes an order under section 411(4)(b) of the Corporations Act approving the Scheme;
- (i) **(Deed Poll)** before 5:00pm on the Business Day prior to the First Court Date, enter into the Deed Poll and deliver it to C-One, and, if the Scheme becomes Effective, fully comply with its obligations under the Deed Poll;
- (j) **(apply for ASX and ASIC relief)** use its reasonable endeavours to obtain all waivers, exemptions and modifications from ASX or ASIC as may be required to facilitate implementation of the Share Scheme;
- (k) **(maintain TSXV listing)** take all reasonable and appropriate steps to maintain the Bidders listing on TSXV, notwithstanding any suspension of the quotation of Bidders shares, up to and including the Effective Date;
- (l) **(apply for TSXV approval)** use its reasonable endeavours to obtain all approvals, waivers, exemptions and modifications from TSXV or applicable Canadian securities regulatory authorities as may be required to facilitate implementation of the Scheme;
- (m) **(share transfer)** if the Scheme becomes Effective:
 - (i) accept a transfer of the Scheme Shares as contemplated by clause 4.2(b)(i); and
 - (ii) execute instruments of transfer in respect of the Scheme Shares;
- (n) **(Scheme Consideration)** if the Scheme becomes Effective, procure the provision of, the Scheme Consideration in the manner and amount contemplated by clause 4 and the terms of the Scheme and the Deed Poll;
- (o) **(C-One Restricted Shares)** not unreasonably withhold their consent to the terms of the deed to be entered into in respect of Restricted Shares and to the Dealing with New Bidder Shares or CDIs, as referred to in clause 3.1(l);
- (p) **(notice of meeting)** lodge the notice of meeting required by clause 3.1(c) to call the Bidders Shareholder meeting within 2 weeks of executing this deed;

- (q) **(financing)** keep C-One reasonably informed of all discussions with financiers regarding proposed financing arrangements for Bidder after the Effective Date and must consult with C-One in relation to the proposed financing arrangements;
- (r) **(communications with Bidder Shareholders)** participate in, and ensure the Bidder Board participates in all communications, presentations and other measures reasonably requested by C-One to promote the merits of the Transaction;
- (s) **(CobalTech Transaction):**
 - (i) undertake all necessary and appropriate due diligence in relation to the CobalTech Transaction, including, but not limited to:
 - (A) confirmation of legal title to all material assets which it is expected that CobalTech owns, based on public information as at the date of this deed;
 - (B) a thorough review of CobalTech's existing and past contracts;
 - (C) identification of CobalTech's actual and contingent liabilities; and
 - (D) identify CobalTech's agreements to issue securities; and
 - (ii) consult with C-One in respect of the results of the due diligence outlined in (i) above and take into account C-One's queries concerning and assessment of that due diligence for the purposes of Bidder's assessment of the CobalTech Transaction and its completion (acting reasonably and in good faith);
- (t) **(promote transaction)** participate in efforts reasonably requested by C-One to promote the merits of the Transaction and the Scheme Consideration, including meeting with key Bidder or C-One Shareholders at the reasonable request of C-One and providing C-One with such information and assistance that C-One reasonably requests to enable it to promote the merits of the Transaction; and
- (u) **(compliance with laws)** do everything reasonably within its power to ensure that the Transaction is effected in accordance with all applicable laws, regulations and policy.

5.3 Scheme Booklet

- (a) If the parties are unable to agree on the form or content of a particular part of the Scheme Booklet, then:
 - (i) if the relevant part of the Scheme Booklet is Bidder Information, C-One will make such amendments to that part of the Scheme Booklet as required by Bidder (acting reasonably and in good faith); and
 - (ii) if the relevant part of the Scheme Booklet is C-One Information, C-One (acting reasonably and in good faith) will decide the form and content of that part of the Scheme Booklet.
- (b) The parties agree that the Scheme Booklet will contain a responsibility statement to the effect that:
 - (i) C-One is responsible for the C-One Information contained in the Scheme Booklet;

- (ii) Bidder is responsible for the Bidder Information contained in the Scheme Booklet; and
- (iii) the Independent Expert has provided and is responsible for, the Independent Expert's Report,

and neither of C-One, Bidder or their directors and officers assume any responsibility for the accuracy or completeness of the Independent Expert's Report.

- (c) Each party must undertake appropriate verification processes for the information supplied by that party for the Scheme Booklet and must make such verification material available to the other party on request by it.

5.4 Conduct of business

- (a) Subject to clause 5.4(b), from the date of this deed up to and including the Implementation Date, each of C-One and Bidder must in respect of any assets or businesses owned by a member of the C-One Group or Bidder Group respectively:
 - (i) conduct its business and operations, and must cause each other member of the C-One Group or member of the Bidder Group (as applicable) to conduct its respective business and operations, in the ordinary course consistent with the manner in which such business has been conducted in the 12 months prior to the date of this deed;
 - (ii) ensure the expenditure is undertaken in a manner materially consistent with its board-approved budget for the 2017/18 financial year, activities undertaken in the 2016/2017 financial year or other board approved activities prior to the execution of this deed;
 - (iii) promptly notify the other party of any material Claim which may be threatened, brought, asserted or commenced against any member of the C-One Group or Bidder Group, or their officers, and consult with the other party in relation to such matter to the extent the other party reasonably requires;
 - (iv) not enter into, or agree to enter into, any material joint venture, partnership or similar arrangement other than in the ordinary course of business;
 - (v) for matters that are not within the board-approved budget for the 2017/8 financial year not:
 - (A) enter into, vary or terminate any contract or commitment which is for more than \$100,000 (in the case of the C-One Group) or more than C\$100,000 (in the case of the Bidder Group) in any month;
 - (B) incur any capital expenditure exceeding \$100,000 (in the case of the C-One Group) or more than C\$100,000 (in the case of the Bidder Group) in any month;
 - (C) purchase, lease or otherwise acquire or agree to acquire any individual asset, with a value of more than \$100,000 (in the case of the C-One Group) or more than C\$100,000 (in the case of the Bidder Group) in any month;
 - (vi) ensure that between (and including) the date of this deed and 8.00am on the Second Court Date, to the extent within the relevant party's control, no C-One Prescribed Occurrence or Bidder Prescribed Occurrence occurs;

- (vii) not make or permit any change to the terms and conditions of the current employment contracts of the senior management of the C-One Group or Bidder Group. For the avoidance of doubt, remuneration paid to Jason Bontempo and Nicholas Rowley for their respective work in relation to the Transaction is not a change to their current respective employment contracts for the purpose of this clause;
 - (viii) subject to the Listing Rules, the TSXV Exchange Rules and applicable laws, use reasonable endeavours to advise the other party of developments which would be considered material from a continuous disclosure perspective relating to or affecting the C-One Group or Bidder Group (as applicable), its financial position and its prospects; and
 - (ix) make reasonable efforts to:
 - (A) keep available the services of the key management personnel of the C-One Group or Bidder Group;
 - (B) maintain and preserve the C-One Group's or Bidder Group's relationships with operators, lessors, customers, suppliers, investors, Government Agencies, licensors, licensees and others with whom it has business dealings (including using reasonable endeavours to obtain any required consents or waivers from Third Parties under any change of control provisions in material contracts or arrangements to which a member of the C-One Group or Bidder Group (as applicable) is a party, where the other party advises it in writing of such contracts or arrangements); and
 - (C) ensure that the C-One Group or Bidder Group does not enter into any lines of business or other activities in which the C-One Group or Bidder Group (as applicable) is not engaged as at the date of this deed.
- (b) Nothing in clause 5.4(a) restricts the ability of C-One or Bidder to:
- (i) take any action which:
 - (A) is required by any applicable law or Government Agency;
 - (B) it considers is reasonably necessary or desirable to ensure that the business of the C-One Group or Bidder Group (as applicable) is able to continue to be conducted in a manner generally consistent with the manner in which such business has been conducted in the 12 months prior to the date of this deed, including disposing of assets in the ordinary course of business or where the other party consents to such disposal (such consent not to be unreasonably withheld or delayed);
 - (C) is required or permitted by this deed or the Scheme;
 - (D) has been Fairly Disclosed in the Disclosure Materials or any announcement to or filing with ASX, publicly disclosed by way of a news release filed on SEDAR or ASIC prior to the date of this deed; or
 - (E) has been agreed to in writing by the other party;

- (F) is a reasonable and prudent response to an emergency or disaster (including a situation giving rise to a risk of personal injury or damage to property);
- (ii) employ or engage additional directors, officers, employees, contractors or other persons where the demands of the business of the C-One Group or Bidder Group require such additions and the C-One Board or Bidder Board (as applicable) considers it reasonably necessary or desirable to do so;
- (iii) terminate the employment or engagement of directors, officers, employees, contractors or other persons in accordance with the terms of any applicable agreement or document governing such arrangement, where it considers it reasonably necessary or desirable to do so, provided it shall use reasonable endeavours to obtain qualified personnel for vacant positions, to the extent the relevant position is considered necessary or desirable to the C-One Group or Bidder Group (as applicable) going forward;
- (iv) respond to a Competing Proposal in accordance with clause 8.
- (c) In this deed, references to the business of the C-One Group or Bidder Group are to that business taken as a whole.
- (d) From the date of this deed until the Second Court Date, each of C-One and Bidder will promptly notify the other of anything of which it becomes aware:
 - (i) that makes any material information publicly filed by C-One or Bidder (as applicable) (either on its own account or in respect of any other member of the C-One Group or member of the Bidder Group (as applicable)) to be, or reasonably likely to be, incomplete, incorrect, untrue or misleading in any material respect;
 - (ii) that makes any of the Representations and Warranties false, inaccurate, misleading or deceptive in any material respect;
 - (iii) that makes any information provided in the Disclosure Materials incomplete, incorrect, untrue or misleading in any material respect; or
 - (iv) in relation to:
 - (A) a public statement that has been made by a third party; or
 - (B) any matter that it determines it will need to disclose to the ASX or by way of a news release filed on SEDAR,
 in each case, relating to the termination or non-renewal of a Material Contract, (including if it receives any notice of termination or non-renewal of such Material Contract).

5.5 Integration

Between the date of this deed and the Implementation Date, C-One must co-operate with the Bidder to seek material third party consents which will be necessary or reasonably required as a result of the implementation of the Scheme and provide the Bidder with reasonable access to information, premises and senior executives of any member of the C-One Group, where Bidder requests such access for the purposes of:

- (a) implementation of the Scheme; or

- (b) Bidder obtaining an understanding, or furthering its understanding, of the C-One Group's business, financial position, prospects and affairs in order to allow and facilitate the development and the implementation of Bidder's plans for the C-One Group following implementation of the Scheme,

provided that compliance with any such request would not, in the reasonable opinion of C-One (acting in good faith), result in undue disruption to the C-One Group's business, and provided that nothing in this clause 5.5 shall require C-One to provide Bidder with any information:

- (c) in breach of an obligation of confidentiality to any person; or
- (d) concerning the consideration of the Transaction or any actual or potential Competing Proposal by the C-One Board (or a sub-committee of the board) or C-One management.

5.6 Appointment and resignation of directors

- (a) The parties agree that with effect on and from (and subject to) implementation of the Scheme, and each individual consenting to act, Paul Matysek, Jason Bontempo and Robert Cross will be appointed to the Bidder Board.
- (b) Subject to the Scheme becoming Effective, Bidder must procure that, as soon as reasonably practicable after the Scheme becomes Effective (and, in any event, before the Scheme Record Date) each Bidder Director, other than those identified in accordance with clause 5.6(a), resigns in writing to Bidder (as applicable) with effect on and from (and subject to) implementation of the Scheme.
- (c) Subject to the Scheme becoming Effective, C-One and Bidder must procure that, as soon as reasonably practicable after the Scheme becomes Effective (and, in any event, before the Scheme Record Date) each C-One Director identified in accordance with clause 5.6(a), who is not already a member of the Bidder Board is appointed to the Bidder Board with effect on and from (and subject to) implementation of the Scheme.

5.7 Option term sheet

The option term sheet entered into between the parties, announced to ASX by C-One on 2 June 2017, is terminated on and from the Effective Date.

5.8 Appeal process

- (a) If the Court refuses to make orders convening the Scheme Meeting or approving the Scheme, C-One must appeal the Court's decision except:
 - (i) to the extent that the parties agree otherwise;
 - (ii) C-One's directors reasonably consider it is not consistent with their fiduciary duties; or
 - (iii) C-One's legal advisers in relation to the Scheme indicate that, in their opinion, an appeal would have less than a 50% prospect of success,

in which case either party may terminate this deed in accordance with clause 12.
- (b) All reasonable costs of C-One in appealing the Court's decision in accordance clause 5.8(a) must be borne equally by the parties.

6 Agreed announcements

6.1 Announcement of Scheme

Immediately after execution of this deed, C-One and Bidder must issue the Agreed Announcements.

6.2 No announcement

Neither party may make any public announcement relating to the subject matter of this deed or make public this deed (or any of its terms) unless the public announcement:

- (a) is required by clause 6.1 or any other provision of this deed;
- (b) has the prior approval of the other party, such approval not to be unreasonably withheld or delayed; or
- (c) is required to be made by any applicable law or stock exchange rules.

6.3 Notice of announcement

If a party is required to make a public announcement under clause 6.2(c), it must, to the extent practicable without that party breaching any applicable law or stock exchange rules, give to the other party:

- (a) such notice as is reasonable in the circumstances of its intention to make the announcement; and
- (b) a draft of the announcement and an opportunity, which is reasonable in the circumstances, to comment on the contents of the draft announcement.

6.4 Termination of this deed

If this deed is terminated under clause 12, either party may publicly disclose by way of announcement to ASX or on SEDAR, as the case may be, the fact that this deed has been terminated, where such disclosure is in the reasonable opinion of that party required to ensure that the market in its securities is properly informed, and provided, where reasonably practicable, that party consults with the other party as to (and gives the other party a reasonable opportunity to comment on) the form and content of the announcement prior to its disclosure.

7 Board support of Transaction

7.1 C-One confirmation

C-One must use reasonable endeavours to procure that all of the C-One Board:

- (a) recommends that C-One Shareholders (other than Excluded Shareholders) vote in favour of the Scheme at the Scheme Meeting; and
- (b) intend to vote, or cause to be voted, all C-One Shares which they control in favour of the Scheme at the Scheme Meeting,

in each case in the absence of a Superior Proposal and subject to the Independent Expert concluding in the Independent Expert's Report that the Scheme is in the best interests of C-One Shareholders (other than Excluded Shareholders).

7.2 C-One Maintenance of Recommendation and Voting Intention

C-One must use reasonable endeavours to procure that the C-One Directors do not withdraw, change or modify their recommendation, as set out in clause 7.1(a) (**C-One Recommendation**), or their voting intention, as set out in clause 7.1(b) (**C-One Voting Intention**), unless:

- (a) a Superior Proposal is made;
- (b) the Independent Expert concludes in the Independent Expert's Report (or any update to that report) that the Scheme is not in the best interests of C-One Shareholders (other than Excluded Shareholders); or
- (c) a C-One Director or the C-One Board considers (after having obtained legal advice) that the failure by that C-One Director specifically, or by any C-One Director generally, to withdraw, change or modify their C-One Recommendation or C-One Voting Intention may involve a breach by that C-One Director of their fiduciary or statutory duties.

7.3 Bidder acknowledgement

Bidder acknowledges that without derogating from a party's rights or obligations under clause 9 or 12, if any of the events referred to in clause 7.2 occur, any C-One Director may withdraw, change or modify their Recommendation or Voting Intention.

7.4 Bidder confirmation

If Bidder is required to seek the approval of its shareholders of any matter to satisfy the condition in clause 3.1(c) and that condition is not waived, Bidder must use reasonable endeavours to procure that all of Bidder Board:

- (a) recommends that Bidder shareholders vote in favour of the approval of that matter; and
- (b) intend to vote, or cause to be voted, all Bidder Shares which they control in favour of approval of that matter.

7.5 Bidder Maintenance of Recommendation and Voting Intention

If Bidder is required to seek the approval of its shareholders of any matter reasonably necessary to implement the Scheme, Bidder must use reasonable endeavours to procure that Bidder Directors do not withdraw, change or modify their recommendation, as set out in clause 7.4(a) (**Bidder Recommendation**), or their voting intention, as set out in clause 7.4(b) (**Bidder Voting Intention**), unless:

- (a) the C-One Board withdraws its recommendation given under clause 7.1(a);
- (b) it becomes apparent to Bidder that the condition precedent in 3.1(b)(C-One Shareholder approval) has not been, or will not be, satisfied; or
- (c) a Bidder Director or the Bidder Board considers (after having obtained legal advice) that the failure by that Bidder Director specifically, or by any Bidder Director generally, to withdraw, change or modify their Bidder Recommendation or Bidder

Voting Intention may involve a breach by that Bidder Director of their fiduciary or statutory duties.

8 Exclusivity

8.1 Commencement of Exclusivity Period

From the start of the Exclusivity Period, each of C-One and Bidder must:

- (a) terminate any existing discussions or negotiations in relation to a Competing Proposal; and
- (b) cease providing or making available to any Third Party any non-public information which might be reasonably expected to lead to a Competing Proposal.

8.2 No-shop

Subject to clause 8.4, during the Exclusivity Period, each of C-One and Bidder must not, and must take reasonable steps to ensure that its Representatives do not, directly or indirectly:

- (a) solicit, invite, encourage or initiate (including by the provision of non-public information to any Third Party) any inquiry, expression of interest, offer, proposal or discussion by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal; or
- (b) communicate to any person any intention to do any of the things referred to in clause 8.2(a).

Nothing in this clause 8.2 prevents each of C-One and Bidder from continuing to make normal presentations to, and to respond to enquiries from, brokers, portfolio investors and analysts in the ordinary course in relation to the Scheme or its business generally.

8.3 No-talk

Subject always to clauses 8.4 and 8.6 but without limiting clause 8.2, during the Exclusivity Period, each of C-One and Bidder must not, and must take reasonable steps to ensure that its Representatives do not, directly or indirectly:

- (a) participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer, proposal or discussion by any person to make, or which would reasonably be expected to encourage or lead to the making of, an actual, proposed or potential Competing Proposal or participate in or continue any negotiations or discussions with respect to any actual, proposed or potential Competing Proposal;
- (b) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding an actual, proposed or potential Competing Proposal;
- (c) disclose or otherwise provide any non-public information about the business or affairs of the C-One Group or the Bidder Group to a Third Party with a view to obtaining or which would reasonably be expected to encourage or lead to receipt of, an actual, proposed or potential Competing Proposal (including, without limitation, providing such information for the purposes of the conduct of due

diligence investigations in respect of the C-One Group or Bidder Group , other than in the ordinary course of business or as required by law; or

- (d) communicate to any person any intention to do any of the things referred to in the preceding paragraphs of this clause 8.3.

8.4 Fiduciary exception

In respect of a bona fide Competing Proposal that is or may be received by, or become known to, either of C-One or Bidder without any breach by C-One or Bidder (as applicable) of its obligations under clause 8.2, C-One or Bidder may undertake any action that would otherwise be prohibited, or refuse to take any action that would otherwise be required, **(prohibited action)** by clause 8.3, 8.5 or 8.6 if (and only to the extent that) the C-One Board or Bidder Board (as applicable) determines, acting in good faith that not undertaking or undertaking the prohibited action, as applicable, may involve a breach by a C-One Director or Bidder Director (as applicable) of their fiduciary or statutory duties.

8.5 Notification of approaches

- (a) Subject to clause 8.4, during the Exclusivity Period, each of C-One and Bidder must as soon as possible after becoming aware of any of the matters set out below notify the other party in writing if it, or any of its Representatives, becomes aware of any:
 - (i) negotiations or discussions, approach or attempt to initiate any negotiations or discussions, or intention to make such an approach or attempt to initiate any negotiations or discussions in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal;
 - (ii) proposal made to it or any of its Representatives, in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Competing Proposal; or
 - (iii) provision by it or any of its Representatives of any material non-public information concerning the business or operations of the C-One Group (in the case of C-One) or the Bidder Group (in the case of Bidder) to any to a Third Party (other than a Government Agency) in connection with an actual, proposed or potential Competing Proposal,

whether direct or indirect, solicited or unsolicited, and in writing or otherwise. For the avoidance of doubt, any of the acts described in paragraphs (i) to (iii) may only be taken by C-One or Bidder (as applicable) if not prohibited by clauses 8.2 or 8.3 or if permitted by clause 8.4.

- (b) Subject to clause 8.4, a notification given under clause 8.5(a) must include all material terms and conditions of the actual, proposed or potential Competing Proposal (including, to the extent known, the identity of the relevant person or persons making or proposing the relevant actual, proposed or potential Competing Proposal, the price, conditions precedent, an indication of the initial proposed timing and break fee (if any)).

8.6 Matching right

Subject to clause 8.4, if, at any time during the Exclusivity Period, C-One receives a Superior Proposal, the following provisions apply:

- (a) C-One must immediately give Bidder notice in writing of that fact and that notice must provide all material details of the Superior Proposal as required by clause 8.5;
- (b) if C-One gives Bidder a notice under clause 8.6(a), C-One agrees that it will not, until the end of the day which is three (3) Business Days following the receipt of that notice by Bidder, enter into any legally binding agreement with respect to the Superior Proposal;
- (c) if C-One gives Bidder a notice under clause 8.6(a), Bidder agrees that the notice and its contents are to be kept confidential (subject to all applicable laws and the rules of the relevant stock exchange);
- (d) if C-One gives Bidder a notice under clause 8.6(a), Bidder will have the right, but not the obligation, at any time until the end of the day which is three (3) Business Days following receipt of the notice to:
 - (i) offer to amend the terms of the Transaction; or
 - (ii) propose any other transaction,

(each a **Counterproposal**), and if Bidder does so, the C-One Board must review the Counterproposal in good faith and in what the C-One Board considers is required to comply with its fiduciary and statutory duties, to determine whether the Counterproposal is more favourable to C-One Shareholders than the Superior Proposal;
- (e) if the C-One Board determines, in good faith and in order to satisfy what the C-One Board considers to be its fiduciary and statutory duties, that the Counterproposal is more favourable to C-One Shareholders than the Superior Proposal, then:
 - (i) if the Counterproposal contemplates an amendment to the Transaction, the parties must use best endeavours to enter into a document amending this deed in relation to the Transaction and reflecting the Counterproposal; and
 - (ii) C-One must make an announcement as soon as reasonably practicable recommending the Counterproposal, in the absence of a more favourable proposal, and the parties must pursue implementation of the Counterproposal in good faith.
- (f) Despite anything in this clause 8.6, to the extent required to satisfy what the C-One Board have determined in good faith to be their fiduciary or statutory obligations, the C-One Board may release a public announcement acknowledging the receipt of a Competing Proposal and:
 - (i) recommending the C-One Shareholders take no action in relation to a Competing Proposal; and
 - (ii) reserving its position in relation to its recommendation of the Competing Proposal and the Scheme.

8.7 CobalTech Transaction

The parties acknowledge for the avoidance of doubt, that the CobalTech Transaction is neither a Competing Proposal nor a Superior Proposal and this clause 8 is not intended to impede the CobalTech Transaction.

9 Break Fee

9.1 Background

This clause 9 has been agreed to in circumstances where:

- (a) each party believes it and its shareholders will derive significant benefits from the implementation of the Scheme;
- (b) each party has incurred and will further incur, significant costs in connection with the Scheme, which will include significant opportunity costs if the Scheme is not implemented;
- (c) each party requested that provision be made for the payment of a Break Fee, and would not have entered into this deed had such provision not been made;
- (d) each party believes that it is appropriate to agree to pay a Break Fee to secure the other party's entry into this deed; and
- (e) each party has received separate legal advice in relation to this deed and the operation of this clause 9.

The parties acknowledge and agree that the costs referred to in clause 9.1(b) are of such a nature that they cannot be precisely quantified, but that the Break Fee is a genuine and reasonable pre-estimate of those costs.

9.2 Payment of Break Fee by C-One

Subject to clauses 9.4 and 9.6, C-One must pay Bidder the Break Fee, without set-off or withholding and within 5 Business Days after any of the following occurs:

- (a) a Competing Proposal for C-One is announced before the date of the Scheme Meeting and a Third Party undertakes any matters comprising or takes steps towards completion of a Competing Proposal involving C-One within 12 months after the date of this deed;
- (b) the C-One Board, prior to termination of this deed makes or authorises a public statement that it:
 - (i) no longer recommends C-One shareholders vote in favour of Scheme or withdraws or adversely changes their recommendation or own voting intention; or
 - (ii) recommends C-One shareholders vote in favour of or accept a Competing Proposal,

other than where a condition precedent has not been and will not be met (other than by reason of a deliberate act or omission amounting to a breach of this deed by C-One), this deed has been terminated in accordance with its terms or the Independent Expert concludes the Scheme is not in the best interests of C-One Shareholders (in the absence of a Competing Proposal); or

- (c) Bidder terminates this deed due to a deliberate act or omission amounting to a breach of this deed by C-One.

9.3 Payment of Break Fee by Bidder

Subject to clauses 9.4 and 9.6, Bidder must pay C-One the Break Fee, without set-off or withholding and within 5 Business Days after any of the following occurs:

- (a) a Competing Proposal for Bidder is announced before the date of the Scheme Meeting and a Third Party undertakes any matters comprising or takes steps towards completion of a Competing Proposal involving Bidder within 12 months after the date of this deed;
- (b) a majority of directors of the Bidder Board, prior to termination of this deed makes or authorises a public statement that he or she:
 - (i) no longer recommends Bidder shareholders vote in favour of any matter reasonably necessary to implement the Scheme or withdraws or adversely changes their recommendation or own voting intention; or
 - (ii) recommends Bidder shareholders vote in favour of or accept a Competing Proposal,

other than where a condition precedent has not been and will not be met (other than by reason of a deliberate act or omission amounting to a breach of this deed by C-One), this deed has been terminated in accordance with its terms or the Independent Expert concludes the Scheme is not in the best interests of C-One Shareholders (in the absence of a Competing Proposal); or

- (c) C-One terminates this deed due to a deliberate act or omission amounting to a breach of this deed by Bidder.

9.4 Payment conditions

- (a) Notwithstanding the occurrence of any event referred to in clauses 9.2 or 9.3, a Break Fee will not be payable under the relevant clause if the Scheme becomes Effective.
- (b) Each party can only ever be liable to pay a Break Fee once.

9.5 Nature of payment

The Break Fee payable under clauses 9.2 and 9.3 is an amount to compensate the relevant party for the following costs and expenses:

- (a) external advisory costs (excluding success fees);
- (b) internal costs such as costs of management and directors' time, risk management costs and capital costs;
- (c) out-of-pocket expenses; and
- (d) opportunity costs incurred in pursuing the Transaction or in not pursuing other alternative acquisitions or strategic initiatives which otherwise could have been developed.

9.6 Compliance with law

This clause 9 imposes obligations on each party only to the extent that the performance of those obligations:

- (a) does not constitute unacceptable circumstances as declared by the Australian Takeovers Panel;
- (b) does not breach the fiduciary or statutory duties of any C-One Director or Bidder Director; and
- (c) is not otherwise unlawful or held to be unenforceable by a court,

(Impugned Obligations),

but each of C-One and Bidder will remain obliged to comply with their respective obligations under clause 9 to the extent they are not Impugned Obligations.

If, and to the extent that, any of clause 9.6(a), 9.6(b) or 9.6(c) applies, a party must reimburse the relevant part of the Break Fee within 10 Business Days after receipt of a written demand for reimbursement from the other party.

9.7 Other claims

- (a) The parties acknowledge and agree that, despite any other provision of this deed but subject to clause 9.7(b):
 - (i) if C-One or Bidder becomes liable to pay a Break Fee and does so in accordance with this clause 9, it will have no further liability to the other party for any breach of this deed;
 - (ii) if C-One or Bidder becomes liable to pay a Break Fee, that fee shall be reduced by any amount previously paid by that party to the other party in connection with a breach by the party of this deed; and
 - (iii) in any event, the liability of C-One or Bidder under or in connection with this deed shall be limited to an amount equal to the Break Fee payable under this clause 9, provided that this limitation shall not apply to breaches of clause 15, and shall not derogate from clause 12.6.
- (b) Nothing in clause 9.7(a) in any way:
 - (i) prevents either party (in its own right or as trustee for another person, as the case may be under this deed) from seeking orders from a court of competent jurisdiction for the specific performance by the other party of any obligations under this deed; or
 - (ii) extinguishes or limits the liability of either party for any:
 - (A) interest payable on any amount payable by that party under or in connection with this deed; or
 - (B) breach of this deed arising from criminal acts or fraud.

10 Representations and Warranties

10.1 Bidder Representations and Warranties

Bidder represents and warrants to C-One that:

- (a) **(validly existing)** each member of the Bidder Group is a validly existing corporation registered under the laws of its place of incorporation;
- (b) **(power)** it has full corporate power and lawful authority to execute, deliver and perform this deed and the Deed Poll;
- (c) **(corporate action)** it has taken all necessary corporate action to authorise the entry into this deed and has taken or will take all necessary corporate action to authorise the performance of this deed and the Deed Poll;
- (d) **(binding)** this deed constitutes legal, valid and binding obligations on it, enforceable in accordance with its terms;
- (e) **(performance)** the execution and performance by it of this deed and each transaction contemplated by this deed did not and will not violate or breach any provision of:
 - (i) an agreement, law or treaty or a judgment, ruling, order or decree binding on it; or
 - (ii) its constating documents;
- (f) **(capital structure)** its capital structure, including all issued securities as at the date of this deed, is as set out in Schedule 2 and, other than pursuant to the CobalTech Transaction or as otherwise permitted by the terms of this deed:
 - (i) it has not otherwise issued or granted (or agreed to issue or grant) any other securities, options, warrants, performance rights or other instruments which are still outstanding and may convert into Bidder Shares (other than those which on issue or grant represent in number no more than 5% of the total number of Bidder Shares on issue as at the date of this deed and which have received C-One's prior written consent to their issue (not to be unreasonably withheld) or are issued on the conversion of any securities set out in Schedule 2); and
 - (ii) it is not otherwise under any obligation to issue or grant, and no person has any right to call for the issue or grant of, any Bidder Shares, options, warrants, performance rights or other securities or instruments in Bidder;
- (g) **(Bidder Information)** the Bidder Information included in the Scheme Booklet, as consented to by it pursuant to clause 5.2, and any supplementary disclosure made to C-One Shareholders pursuant to clause 5.2, will be provided and will not be misleading or deceptive in any material respect (whether by omission or otherwise) and will comply in all material respects with applicable laws, including the Corporations Act, Corporations Regulations, RG 60, the Listing Rules and Canadian securities laws;
- (h) **(all information)** it is not aware of any confidential material change report or any information relating to the Bidder Group or its respective businesses or operations (having made reasonable enquiries) as at the date of this deed that has or could reasonably be expected to give rise to a Bidder Material Adverse Change in respect of the Bidder Group that has not been publicly disclosed by way of a news release filed on SEDAR or in Bidder's Disclosure Materials;
- (i) **(fair and not misleading)** all information provided by or on behalf of Bidder to C-One (including Disclosure Materials) and the Independent Expert will be provided in good faith and is not misleading in any material respect and it has not omitted

any information required to make the information provided to C-One or the Independent Expert not misleading in any material respect;

- (j) **(reliance on information)** all information provided by or on behalf of Bidder to C-One and the Independent Expert will be provided on the understanding that the C-One Board will rely on such information for the purposes of considering and approving the Scheme Booklet and implementing the Transaction, and the Independent Expert will rely on such information for the purposes of producing their report;
- (k) **(honest belief)** any statement of opinion or belief contained in the Bidder Information is honestly held and there are reasonable grounds for that opinion or belief;
- (l) **(regulatory approvals)** other than the approvals specified in clause 3.1, no regulatory approvals are required to be obtained by it in order for it to execute and perform this deed and the Deed Poll;
- (m) **(financial statements)** its audited consolidated financial statements for the year ended 31 March 2017 comply as to form in all material respects with all Canadian laws and accounting requirements applicable to the preparation of financial statements, have been prepared on a basis consistent with past practices in accordance with in all material respects all relevant Canadian laws and accounting standards applicable in Canada, including generally accepted accounting principles in Canada (Canadian GAAP) or International Financial Reporting Standards as issued by the International Accounting Standards Board as applicable at 31 March 2017 and fairly present in all material respects the consolidated financial position of it as at 31 March 2017 and the consolidated results of its operations and cash flows for the periods ended 31 March 2017;
- (n) **(continuous disclosure)** it is not in breach of its continuous or periodic disclosure obligations under any applicable law, rule or regulation, including the TSXV Exchange Rules, subject to the announcement of the execution of this Deed;
- (o) **(Insolvency Event or regulatory action)** no Bidder Insolvency Event has occurred in relation to it or another substantial member of the Bidder Group, nor has any regulatory action of any nature of which it is aware been taken that would prevent or restrict its ability to fulfil its obligations under this deed;
- (p) **(compliance)** so far as the Bidder Board is aware each member of the Bidder Group has complied in all material respects with all Canadian and foreign laws and regulations applicable to them and orders of Canadian and foreign Government Agencies having jurisdiction over them and have all material licenses, authorisations and permits necessary for them to conduct the business of the Bidder Group as presently being conducted; and
- (q) **(Third Party Consents)** so far as the Bidder Board is aware, no Third Party Consents are required;
- (r) **(Material Contracts)** as at the date of this deed, it is not aware of any facts, matters or circumstances in relation to, or that can reasonably be expected to lead to, termination or non-renewal of a Material Contract to which a member of the Bidder Group is party;
- (s) **(Bidder Material Permits):**

- (i) Bidder or a Subsidiary of Bidder is the sole unencumbered legal and beneficial owner of the Bidder Material Permits and, so far as Bidder is aware, there are no royalties payable to any third party (other than a Government Agency) in respect of future production from the Bidder Material Permits;
- (ii) so far as Bidder is aware, the Bidder Material Permits are valid, subsisting, in full force and effect and in good standing in terms of applicable laws and regulations in Ontario, Canada;
- (iii) so far as Bidder is aware, Bidder and its Subsidiaries are not in default in the due and punctual observance a performance of its obligations under the provisions of the Bidder's Material Permits;
- (iv) so far as Bidder is aware, Bidder and its Subsidiaries have:
 - (A) complied in all material respects with all laws and regulations applicable to the Bidder Material Permits and with all orders of Governmental Agencies having jurisdiction over the Bidder Material Permits;
 - (B) not been convicted of any material offence under any Environmental Law and to, Bidder's knowledge, there are no orders issued by any Government Agency or any claims relating to the breach of any Environmental Law or Environmental Permits against Bidder or its Subsidiaries; and
 - (C) complied in all material respects with all applicable Environmental Laws and all Environmental Permits necessary for the conduct and operation of the Bidder Material Permits as presently conducted; and
- (v) so far as Bidder is aware, Bidder and its Subsidiaries have not received any notice or information regarding any circumstances that would result in a material breach of the terms and conditions of the Bidder Material Permits or any application for renewal not being granted; and
- (vi) all fees, charges, penalties, fines and royalties in respect of the Bidder Material Permits which have fallen due for payment have been paid and all renewal applications submitted on time and in accordance with the terms of applicable mining laws in Ontario, Canada.

10.2 C-One Representations and Warranties

C-One represents and warrants to Bidder that:

- (a) **(validly existing)** each member of the C-One Group is a validly existing corporation registered under the laws of its place of incorporation;
- (b) **(power)** each member of the C-One Group has full corporate power and lawful authority to execute, deliver and perform this deed;
- (c) **(corporate action)** it has taken all necessary corporate action to authorise the entry into this deed and has taken or will take all necessary corporate action to authorise the performance of this deed;
- (d) **(binding)** this deed constitutes legal, valid and binding obligations enforceable in accordance with its terms;

- (e) **(Insolvency Event or regulatory action)** so far as the C-One Board is aware, no C-One Insolvency Event has occurred in relation to it or another substantial member of the C-One Group, nor has any regulatory action of any nature of which it is aware been taken that would prevent or restrict its ability to fulfil its obligations under this deed;
- (f) **(performance)** the execution and performance by it of this deed and each transaction contemplated by this deed did not and will not violate or breach any provision of:
 - (i) a law or treaty or a judgment, ruling, order or decree binding on it; or
 - (ii) its constitution;
- (g) **(capital structure)** its capital structure, including all issued securities as at the date of this deed, is as set out in Schedule 2, and
 - (i) it has not otherwise issued or granted (or agreed to issue or grant) any other securities, options, warrants, performance rights or other instruments which are still outstanding and may convert into C-One Shares (other than those which on issue or grant represent in number no more than 5% of the total number of C-One Shares on issue as at the date of this deed and which have received Bidder's prior written consent to their issue (not to be unreasonably withheld) or are issued on the conversion of any securities set out in Schedule 2); and
 - (ii) it is not otherwise under any obligation to issue or grant, and no person has any right to call for the issue or grant of, any C-One Shares, options, warrants, performance rights or other securities or instruments in C-One;
- (h) **(C-One Information)** the C-One Information included in the Scheme Booklet despatched to C-One Shareholders, and any supplementary disclosure made to C-One Shareholders pursuant to clause 5.1(i), will not be misleading or deceptive in any material respect (whether by omission or otherwise) and will comply in all material respects with applicable laws, including the Corporations Act, Corporations Regulations, RG 60 and the Listing Rules;
- (i) **(all information)** it is not aware of any information relating to the C-One Group or its respective businesses or operations (having made reasonable enquiries) as at the date of this deed that has or could reasonably be expected to give rise to a C-One Material Adverse Change in respect of the C-One Group that has not been disclosed to ASX or in C-One's Disclosure Materials;
- (j) **(fair and not misleading)** all information provided by or on behalf of C-One to Bidder (including Disclosure Materials) and the Independent Expert will be provided in good faith and is not misleading in any material respect and it has not omitted any information required to make the information provided to Bidder or the Independent Expert not misleading in any material respect;
- (k) **(reliance on information)** all information provided by or on behalf of C-One to Bidder and the Independent Expert will be provided on the understanding that the Bidder will rely on such information for the purposes of implementing the Transaction, and the Independent Expert will rely on such information for the purposes of producing their report;

- (l) **(honest belief)** any statement of opinion or belief contained in the C-One Information is honestly held and there are reasonable grounds for that opinion or belief;
- (m) **(regulatory approvals)** other than the approvals specified in clause 3.1, no regulatory approvals are required to be obtained by it in order for it to execute and perform this deed;
- (n) **(financial statements)** its audited consolidated financial statements for the half-year ended 31 December 2016 comply as to form in all material respects with all Australian laws and accounting requirements applicable to the preparation of financial statements, have been prepared on a basis consistent with past practices in accordance with in all material respects all relevant Australian laws and accounting standards applicable in Australia, including generally accepted accounting principles in Australia (Australian GAAP) or International Financial Reporting Standards as issued by the International Accounting Standards Board as applicable at 31 December 2016 and fairly present in all material respects the consolidated financial position of it as at 31 December 2017 and the consolidated results of its operations and cash flows for the period ended 31 December 2016;
- (o) **(continuous disclosure)** it has complied in all material respects with the continuous disclosure obligations under the Listing Rules and is not withholding any information pursuant to an exception in Listing Rule 3.1A (save in respect of the Scheme);
- (p) **(compliance)** so far as the C-One Board is aware, each member of the C-One Group has complied in all material respects with all Australian, Canadian and other foreign laws and regulations applicable to them and orders of Australian, Canadian and foreign Government Agencies having jurisdiction over them and have all material licenses, authorisations and permits necessary for them to conduct the business of the C-One Group as presently being conducted;
- (q) **(Third Party Consents)** so far as the C-One Board is aware, no material Third Party Consents are required;
- (r) **(Material Contracts)** as at the date of this deed, it is not aware of any facts, matters or circumstances in relation to, or that can reasonably be expected to lead to, termination or non-renewal of a Material Contract to which a member of the C-One Group is party; and
- (s) **(C-One Material Permits):**
 - (i) C-One or a Subsidiary of C-One is the sole unencumbered legal and beneficial owner of the C-One Material Permits and, so far as C-One is aware, there are no royalties payable to any third party (other than a Government Agency) in respect of future production from the C-One Material Permits;
 - (ii) so far as C-One is aware, the C-One Material Permits are valid, subsisting, in full force and effect and in good standing in terms of applicable laws and regulations in Ontario, Canada;
 - (iii) so far as Bidder is aware, C-One and its Subsidiaries are not in default in the due and punctual observance a performance of its obligations under the provisions of the C-One's Material Permits;
 - (iv) so far as C-One is aware, C-One and its Subsidiaries have:

- (A) complied in all material respects with all laws and regulations applicable to the C-One Material Permits and with all orders of Governmental Agencies having jurisdiction over the C-One Material Permits;
- (B) not been convicted of any material offence under any Environmental Law and to, C-One's knowledge, there are no orders issued by any Government Agency or any claims relating to the breach of any Environmental Law or Environmental Permits against C-One or its Subsidiaries; and
- (C) complied in all material respects with all applicable Environmental Laws and all Environmental Permits necessary for the conduct and operation of the C-One Material Permits as presently conducted;
- (v) so far as C-One is aware, C-One and its Subsidiaries have not received any notice or information regarding any circumstances that would result in a material breach of the terms and conditions of the C-One Material Permits or any application for renewal not being granted; and
- (vi) all fees, charges, penalties, fines and royalties in respect of the C-One Material Permits which have fallen due for payment have been paid and all renewal applications submitted on time and in accordance with the terms of applicable mining laws in Ontario, Canada.

10.3 Qualifications Representations and Warranties

The Representations and Warranties are subject to matters which have been Fairly Disclosed in the Disclosure Materials or in any announcement to or filing with ASX, ASIC, SEDAR or applicable Canadian securities regulatory authorities prior to the date of this deed. In respect of those matters and without limiting the obligations of C-One and Bidder under clause 10, both parties agree that there will be no breach of a Representation and Warranty, and it will not have any claim against the other party or any C-One Indemnified Party or Bidder Indemnified Party, if such a matter would make a Representation and Warranty untrue or incorrect or misleading or deceptive in any respect.

10.4 Survival of Representations and Warranties

Each Representation and Warranty:

- (a) is severable;
- (b) survives termination of this deed; and
- (c) is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this deed.

10.5 Timing of Representations and Warranties

- (a) Each Representation and Warranty is given at the date of this deed, the date of the Scheme Meeting and at 8:00am on the Second Court Date (except where any statement is expressed to be made only at a particular date).
- (b) For the purposes of clause 10.5(a), a Representation and Warranty shall be read with any necessary adjustments to the tense used in the Representation and Warranty.

11 Releases

11.1 Release of C-One Indemnified Parties

- (a) Subject to clause 11.1(b), Bidder releases any and all rights that it may have, and agrees with C-One that it will not make any claim, against any C-One Indemnified Party as at the date of this deed in connection with:
 - (i) any breach of any covenant, representation or warranty given by C-One under this deed;
 - (ii) any disclosures containing any statement which is false or misleading (whether by omission or otherwise); or
 - (iii) any failure to provide information,

except where a C-One Indemnified Party has not acted in good faith or has engaged in wilful misconduct. To avoid doubt, nothing in this clause 11.1(a) limits the rights of Bidder to terminate this deed under clause 12.
- (b) The release in clause 11.1(a) is subject to any restriction imposed by law and will be read down to the extent that any such restriction applies.
- (c) To the extent that clause 11.1(a) relates to an C-One Indemnified Party, C-One receives and holds the benefit of the clause as trustee for that C-One Indemnified Party.

11.2 Release of Bidder Indemnified Parties

- (a) Subject to clause 11.2(b), C-One releases any and all rights that it may have, and agrees with Bidder that it will not make any claim, against any Bidder Indemnified Party as at the date of this deed in connection with:
 - (i) any breach of any covenant, representation or warranty given by Bidder under this deed;
 - (ii) any disclosures containing any statement which is false or misleading (whether by omission or otherwise); or
 - (iii) any failure to provide information,

except where a Bidder Indemnified Party has not acted in good faith or has engaged in wilful misconduct. To avoid doubt, nothing in this clause 11.2 limits the rights of C-One to terminate this deed under clause 12.
- (b) The release in clause 11.2(a) is subject to any restriction imposed by law and will be read down to the extent that any such restriction applies.
- (c) To the extent that clause 11.2(a) relates to a Bidder Indemnified Party, Bidder receives and holds the benefit of the clause as trustee for that Bidder Indemnified Party.

11.3 Deeds of indemnity and insurance

- (a) Subject to implementation of the Scheme and to clause 11.3(b), Bidder undertakes that it will:

- (i) for a period of 7 years from the Implementation Date, ensure that the constitutions of C-One and the other members of the C-One Group contain such rules as are contained in those constitutions at the date of this deed in respect of the indemnification of directors and officers; and
 - (ii) procure that C-One and each member of the C-One Group complies with and preserves the rights under any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time; and
 - (iii) without limiting clause 11.3(a)(ii), ensure that directors' and officers' run-off insurance cover for the directors and officers referred to in that clause is maintained for a period of 7 years from the resignation or retirement date of each such director and officer.
- (b) The undertaking in clause 11.3(a) is subject to any restriction imposed by law and will be read down to the extent that any such restriction applies.
 - (c) To the extent that this clause 11.3 relates to a C-One Indemnified Party, C-One receives and holds the benefit of the clause as trustee for that C-One Indemnified Party.

12 Termination

12.1 Termination by either party

At any time before 8:00am on the Second Court Date, either party may terminate this deed:

- (a) in accordance with clause 3.4;
- (b) at any time before 8:00am on the Second Court Date if the other party commits a material breach of this deed, including any Representations and Warranties ceasing to be true and correct in all material respects, provided that:
 - (i) it has given written notice to the other party setting out the relevant circumstances and stating an intention to terminate this deed; and
 - (ii) the relevant circumstances have continued to exist for 20 Business Days from the time such notice is given (or any shorter period ending at 5:00pm on the Business Day before the Second Court Date).

Termination under clause 12.1(b) will be deemed to take effect at the expiry of the period referred to in clause 12.1(b)(ii).

12.2 Termination by Bidder

Bidder may terminate this deed, with immediate effect at any time before 8:00am on the Second Court Date by notice in writing to C-One if a majority of the C-One Directors publicly:

- (a) withdraw or adversely change their C-One Recommendation or C-One Voting Intention; or
- (b) recommend, promote or otherwise endorse a Competing Proposal in relation to C-One,

in each case provided that this happens following the occurrence of one of the events referred to in clause 7.5 and Bidder has paid the Break Fee if required to do so under this deed.

12.3 Termination by C-One

C-One may terminate this deed, with immediate effect, by notice in writing to Bidder if at any time before 8:00am on the Second Court Date, a majority of the Bidder Directors publicly:

- (a) withdraw or adversely change their Bidder Recommendation or Bidder Voting Intention; or
- (b) recommend, promote or otherwise endorse a Competing Proposal in relation to Bidder,

in each case provided that this happens following the occurrence of one of the events referred to in clause 7.2 and C-One has paid the Break Fee if required to do so under this deed.

12.4 Termination by written agreement

This deed may be terminated by the written agreement of the parties, on such terms as the parties agree.

12.5 Effect of termination

If this deed is terminated by either party in accordance with this clause 12, this deed will cease to have force and effect without any liability or obligation on the part of either party, except that:

- (a) this clause 12 and clauses 9, 10, 11, 13, 15, 16.1, 16.2, 16.3 and 16.4, and Schedule 1, shall survive termination; and
- (b) each party shall retain any rights and remedies that accrued prior to termination, including any rights and remedies in respect of any past breach of this deed or (if applicable) in respect of the breach giving rise to termination.

12.6 Bidder acknowledgement

- (a) Bidder acknowledges and agrees that, if this deed is terminated by C-One under clause 12, Bidder's liability to C-One may not adequately reflect any Loss suffered by C-One Shareholders (unlike the position that would have applied if the Transaction had been implemented by takeover bid and section 670E of the Corporations Act applied).
- (b) Accordingly, subject to clause 12.6(d), if C-One terminates this deed under clause 12.1(b), any C-One Shareholder who:
 - (i) enters into a transaction relating to C-One Shares in reliance on the announcement of the Transaction; and
 - (ii) suffers Loss as a result of the Transaction not proceeding,
 may recover the amount of that Loss from Bidder.

- (c) C-One receives and holds the benefit of clause 12.6(b) as trustee for any C-One Shareholder who is entitled to recover Loss from Bidder under that clause.
- (d) Bidder will not be liable under clause 12.6(b) if Bidder can show that it could not reasonably have been expected to proceed with implementation of the Scheme because:
 - (i) at the time this deed was entered into, circumstances existed that Bidder did not know of and could not reasonably be expected to know of; or
 - (ii) after the date of this deed, a change in circumstances occurred that was not caused, directly or indirectly, by Bidder.

13 Confidentiality

Each party acknowledges and agrees that:

- (a) nothing in this deed derogates from its rights and obligations, or the rights and obligations of Bidder and C-One under the Letter of Intent;
- (b) the Letter of Intent continues to apply with full force and effect; and
- (c) any information provided under this deed is subject to the terms of the Letter of Intent.

14 Duty, costs and expenses

14.1 Stamp duty

Bidder:

- (a) must pay all stamp duties and any related fines and penalties in respect of this deed, the performance of this deed and each transaction contemplated by this deed; and
- (b) indemnifies C-One against any liability arising from or in connection with any failure by it to comply with clause 14.1(a).

14.2 Costs and expenses

Except as otherwise provided in this deed, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution and performance of this deed and the proposed, attempted or actual implementation of the Transaction.

15 GST

15.1 Interpretation

In this clause 15, a word or expression defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the meaning given to it in that legislation.

15.2 GST gross up

- (a) Subject to clause 15.2(b), if a party makes a supply under or in connection with this deed in respect of which GST is payable, the consideration for the supply but for the application of this clause 15.2 (GST exclusive consideration) is increased by an amount equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.
- (b) Clause 15.2(a) does not apply to any consideration that is expressed in this deed to be inclusive of GST.

15.3 Reimbursements and indemnifications

If a party must reimburse or indemnify another party for a Loss, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other party is entitled to for the Loss, and then increased in accordance with clause 15.2.

15.4 Tax invoice

A party need not make a payment for a taxable supply made under or in connection with this deed until it receives a tax invoice for the supply to which the payment relates.

16 General

16.1 Notices

- (a) A notice, consent, approval, waiver or other communication sent by a party under this deed (Notice) must be:
 - (i) in writing;
 - (ii) signed by an authorised representative of the sender; and
 - (iii) marked for the attention of the person named below,
 and must be:
 - (iv) left at, or sent by prepaid ordinary post (or by airmail if posted to or from a place outside Australia) to, the address set out below; or
 - (v) sent by email to the address set out below.

C-One

Attention: Jason Bontempo

Address: Level 1, 35 Richardson Street, West Perth, Western Australia
6005

Email: JBontempo@brcorporation.com.au

with a copy (for information purposes only) to:

sturner@gtlaw.com.au and agabrielson@fasken.com (by email)

Bidder

Attention: Trent Mell
 Address: Suite 201, 140 Yonge Street, Toronto, ON M5C 1X6
 Email: tmell@firstcobalt.com

with a copy (for information purposes only) to:

wmoncrieff@jacmac.com.au (by email); and to
 scole@casselsbrock.com (by email)

- (b) Subject to clause 16.1(c), a Notice is taken to be received:
 - (i) if sent by delivery, when it is delivered;
 - (ii) if sent by post, three days after posting (or seven days after posting if sent from one country to another); or
 - (iii) if sent by email:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) four hours after the time sent (as recorded on the device from which the email was sent), provided that the sender does not receive an automated message that the email has not been delivered,

whichever happens first.
- (c) If a Notice is received or taken to be received under clause 16.1(b):
 - (i) before 9:00am on a Business Day, it will be taken to be received at 9:00am on that Business Day; or
 - (ii) after 5:00pm on any day or on a day other than a Business Day, it will be taken to be received at 9:00am on the next Business Day.

16.2 Governing law and jurisdiction

- (a) This deed is governed by the laws of Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia and courts competent to hear appeals from those courts.

16.3 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this deed, except for representations or inducements expressly set out in this deed and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this deed, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.
- (b) Each party acknowledges and confirms that it does not enter into this deed in reliance on any representation or other inducement by or on behalf of any other person, except for any representation or inducement expressly set out in this deed.

16.4 No merger

The rights and obligations of the parties do not merge on completion of the Transaction. They survive the execution and delivery of any assignment or other document entered into for the purpose of implementing the Transaction.

16.5 Waivers and consents

- (a) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed by any party does not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed.
- (b) Any waiver or consent given by a party under this deed is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this deed operates as a waiver of another breach of that term or of a breach of any other term of this deed.
- (d) Except where this deed expressly provides otherwise, where the consent of a party is required under this deed, such consent may be given or withheld in that party's absolute discretion.

16.6 Variation

This deed may only be varied by a document signed by or on behalf of each of the parties.

16.7 Assignment

A party may not assign, novate or otherwise transfer any of its rights or obligations under this deed without the prior written consent of the other party.

16.8 Further action

Each party will do all things and execute all further documents necessary to give full effect to this deed, at their own expense.

16.9 Entire agreement

This deed supersedes all previous agreements, understandings, negotiations or deeds (other than the Confidentiality Deed) in respect of its subject matter and embodies the entire agreement between the parties.

16.10 Severability

If the whole or any part of a provision of this deed is void, unenforceable or illegal in a jurisdiction, it is severed for that jurisdiction but only to the extent that it is void, unenforceable or illegal and provided that it will have full force and effect in any other jurisdiction. Where a provision (or any part thereof) is severed in a jurisdiction, the remainder of this deed shall have full force and effect in that (and any other) jurisdiction.

This clause 16.10 does not apply to any severance that alters the basic nature of this deed or is contrary to public policy.

16.11 Counterparts

This deed may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

16.12 Remedies and indemnities

The rights and remedies in this deed are in addition to other rights and remedies given by law independently of this deed. The indemnities in this deed are continuing obligations, independent from the other obligations of the parties under this deed and continue after this deed ends. It is not necessary for a party to incur an expense or make payment before enforcing a right to an indemnity under this deed.

For the purpose of this deed C-One is taken to be acting as agent and trustee on behalf of and for the benefit of all C-One Indemnified Parties, and all those persons are to this extent taken to be parties to this deed.

For the purpose of this deed Bidder is taken to be acting as agent and trustee on behalf of and for the benefit of all Bidder Indemnified Parties, and all those persons are to this extent taken to be parties to this deed.

Schedule 1 Dictionary

Aggregate Scheme Consideration means the amount calculated by multiplying the number of Scheme Shares by the Scheme Consideration.

Agreed Announcements means the announcements in relation to the Transaction to be made by C-One and Bidder following execution of this deed in accordance with clause 6, the form of which has been agreed between the parties prior to execution of this deed.

ASIC means the Australian Securities and Investments Commission.

associate has the meaning given in section 12 of the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) or, where the context requires, the financial market operated by it known as the “Australian Securities Exchange”.

BCBCA means the *Business Corporations Act* (British Columbia).

Bidder Board means the board of directors of Bidder.

Bidder Director means a director of Bidder.

Bidder Group means Bidder and each of its Related Bodies Corporate.

Bidder Indemnified Party means a Related Body Corporate of Bidder or a director, officer, employee or adviser of a member of the Bidder Group.

Bidder Information means information regarding the Bidder Group provided by Bidder to C-One in writing for inclusion in the Scheme Booklet, which must include information in relation to Bidder, the funding of the Scheme Consideration and Bidder’s intentions in relation to the C-One Group and its business (including the C-One Group’s employees and assets), and includes any information contained in the Scheme Booklet that is solely based on any information so provided by Bidder.

Bidder Insolvency Event means:

- (a) a member of the Bidder Group resolving that it be wound up or the making of an application or order for the winding up or dissolution of that company other than where the application or order (as the case may be) is set aside within 14 days;
- (b) a liquidator of a member of the Bidder Group being appointed under the BCBCA or the OBCA as the case may be;
- (c) a court making an order for the winding up of a member of the Bidder Group;
- (d) a member of the Bidder Group making an assignment in bankruptcy or a proposal to creditors, or filing a notice of intention to make a proposal, or a court granting a bankruptcy order in relation to Bidder pursuant to the *Bankruptcy and Insolvency Act* (Canada);
- (e) a member of the Bidder Group is or becomes unable to pay its debts when they fall due within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or is otherwise presumed to be insolvent under the *Bankruptcy and Insolvency Act* (Canada) or has committed an act of bankruptcy;

- (f) any proceedings concerning a member of the Bidder Group are commenced under the *Companies Creditor Arrangement Act* (Canada);
- (g) a receiver, or a receiver and manager, being appointed in relation to the whole, or a substantial part, of the property of a member of the Bidder Group; or
- (h) anything having a substantially similar effect to any event or circumstance referred to in subparagraphs (a) to (g) above happens in respect of Bidder under the law of any jurisdiction.

Bidder Material Adverse Change means one or more changes, events, occurrences or matters which (whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind) has had or is reasonably likely to have a material adverse effect on the business, liabilities, assets, financial or trading position of the Bidder Group, taken as a whole, other than changes, events, occurrences or matters:

- (a) required or permitted by this deed or the Scheme;
- (b) Fairly Disclosed in the Disclosure Materials or in any public announcement or filing with SEDAR prior to the date of this deed;
- (c) consented to in writing by C-One;
- (d) arising from:
 - (i) changes in commodity prices, exchange rates or interest rates;
 - (ii) general economic, political or business conditions in Australia, Canada, the United States or elsewhere, including material adverse changes or major disruptions to, or fluctuations in, domestic or international financial markets, and acts of terrorism, war (whether or not declared), natural disaster or the like; or
 - (iii) changes to accounting standards, laws or policies of a Government Agency in Australia, Canada, the United States or elsewhere; or
 - (iv) which comprise a change in the market trading price of Bidder Shares, either: (i) related to this Deed and the Scheme or the announcement thereof; or (ii) related to such a change in the market trading price primarily resulting from a change, effect, event or occurrence excluded from this definition of Bidder Material Adverse Change.

Bidder Material Permits means:

- (a) Bidder Group's exploration and mining permits listed in Schedule 3; and
- (b) any and all other exploration and mining permits applied for or granted in renewal, substitution, variation or extension, in whole or in part, of those permits.

Bidder Prescribed Occurrence means the occurrence of any of the following:

- (a) Bidder converting all or any of its shares into a larger or smaller number of shares;
- (b) Bidder resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;

- (c) Bidder:
 - (i) entering into an issuer bid or buy-back agreement; or
 - (ii) resolving to approve the terms of an issuer bid or buy-back agreement with any shareholder of the Bidder ;
 - (d) a member of the Bidder Group issuing shares, securities convertible into shares (including performance rights) or debt securities or granting an option over its shares, or agreeing to make such an issue or grant such an option other than:
 - (i) as agreed between the parties;
 - (ii) any plan and as agreed between the parties; or
 - (iii) the issue of shares upon exercise of an option or performance right;
 - (e) Bidder paying any distribution to holders of Bidder Shares;
 - (f) the termination or non-renewal of a Material Contract;
 - (g) one or more members of the Bidder Group disposing, or agreeing to dispose, of any asset of the Bidder Group other than disposals in the ordinary course or for less than C\$250,000;
 - (h) one or more members of the Bidder Group creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over any asset of the Bidder Group with a value of more than C\$250,000, other than in the ordinary course of business or a lien which arises by operation of law or legislation;
 - (i) a member of the Bidder Group altering its constating documents;
 - (j) notice of any material investigation, prosecution, arbitration, litigation or dispute threatened against a member of the Bidder Group which could reasonably be expected to give rise to a liability for the Bidder Group in excess of C\$250,000 and for the avoidance of doubt which is not frivolous or vexatious, or circumstances arising which could reasonably be expected to give rise to any liability in excess of C\$250,000. For the avoidance of doubt, this does not include any liability relating to an investigation, prosecution, arbitration, litigation or dispute to the extent that an insurer has agreed to cover the liability under an insurance policy maintained by a member of the Bidder Group;
 - (k) a member of the Bidder Group being deregistered as a company or otherwise dissolved except in the case of a company with less than C\$10,000 in net assets as at the date of this deed; or
 - (l) a Bidder Insolvency Event occurs,
- but does not include any matter:
- (m) relating to vesting or exercise of existing options or warrants;
 - (n) required or permitted by this deed or the Scheme;
 - (o) agreed to in writing by C-One;
 - (p) pursuant to the CobalTech Transaction; or

- (q) Fairly Disclosed in the Disclosure Materials or in a public announcement to or filing with the TSXV or a Canadian securities regulatory authority before the date of this deed.

Bidder Recommendation has the meaning given in clause 7.5.

Bidder Representations and Warranties means the representations and warranties set out in clause 10.1.

Bidder Share means a fully paid common share in the capital of Bidder.

Bidder Shareholder means a holder of one or more Bidder Shares, as shown in the register of members maintained by (or on behalf of) Bidder in accordance with the BCBCA.

Bidder Voting Intention has the meaning given in clause 7.5.

Break Fee means \$1,400,000.

Business Day has the meaning given in the Listing Rules.

C-One Board means the board of directors of C-One.

C-One Director means a director of C-One.

C-One Group means C-One and each of its Related Bodies Corporate.

C-One Indemnified Party means a Related Body Corporate of C-One or a director, officer, employee or adviser of a member of the C-One Group.

C-One Information means all the information in the Scheme Booklet other than the Bidder Information and Independent Expert's Report.

C-One Insolvency Event means:

- (a) a member of the C-One Group resolving that it be wound up or the making of an application or order for the winding up or dissolution of that company other than where the application or order (as the case may be) is set aside within 14 days;
- (b) a liquidator or provisional liquidator of a member of the C-One Group being appointed;
- (c) a court making an order for the winding up of a member of the C-One Group;
- (d) an administrator of a member of the C-One Group being appointed under the Corporations Act or other applicable law;
- (e) a member of the C-One Group is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act unless that company has, or has access to, committed financial support from its parent entity such that it is able to pay its debts;
- (f) a member of the C-One Group executing a deed of company arrangement;
- (g) a receiver, or a receiver and manager, being appointed in relation to the whole, or a substantial part, of the property of a member of the C-One Group; or

- (h) anything having a substantially similar effect to any event or circumstance referred to in subparagraphs (a) to (g) above happens in respect of a member of the C-One Group under the law of any jurisdiction.

C-One Material Adverse Change means one or more changes, events, occurrences or matters which (whether individually or when aggregated with all such changes, events, occurrences or matters of a like kind) has had or is reasonably likely to have a material adverse effect on the business, liabilities, assets, financial or trading position of the C-One Group, taken as a whole, other than changes, events, occurrences or matters:

- (a) required or permitted by this deed or the Scheme;
- (b) Fairly Disclosed in the Disclosure Materials or in any announcement to or filing with ASX or ASIC prior to the date of this deed;
- (c) consented to in writing by C-One;
- (d) arising from:
 - (i) changes in commodity prices, exchange rates or interest rates;
 - (ii) general economic, political or business conditions in Australia, Canada, the United States or elsewhere, including material adverse changes or major disruptions to, or fluctuations in, domestic or international financial markets, and acts of terrorism, war (whether or not declared), natural disaster or the like; or
 - (iii) changes to accounting standards, laws or policies of a Government Agency in Australia, Canada, the United States or elsewhere; or
 - (iv) which comprise a change in the market trading price of C-One Shares, either: (i) related to this Deed and the Scheme or the announcement thereof; or (ii) related to such a change in the market trading price primarily resulting from a change, effect, event or occurrence excluded from this definition of C-One Material Adverse Change.

C-One Material Permits means:

- (e) C-One Group's exploration and mining permits, other than the Refinery Permits, listed in Schedule 4; and
- (f) any and all other exploration and mining permits applied for or granted in renewal, substitution, variation or extension, in whole or in part, of those permits.

C-One Options means the options set out in Schedule 2.

C-One Prescribed Occurrence means the occurrence of any of the following:

- (a) C-One converting all or any of its shares into a larger or smaller number of shares;
- (b) C-One resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) C-One:
 - (i) entering into a buy-back agreement; or

- (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
 - (d) a member of the C-One Group issuing shares, securities convertible into shares (including performance rights) or debt securities or granting an option over its shares, or agreeing to make such an issue or grant such an option other than:
 - (i) as agreed between the parties;
 - (ii) any plan as agreed between the parties; or
 - (iii) the issue of shares upon exercise of an option or performance right;
 - (e) C-One paying any distribution to holders of C-One Shares;
 - (f) the termination or non-renewal of a Material Contract;
 - (g) one or more members of the C-One Group disposing, or agreeing to dispose, of any asset of the C-One Group other than disposals in the ordinary course or for less than \$250,000;
 - (h) one or more members of the C-One Group creating, or agreeing to create, any mortgage, charge, lien or other encumbrance over any asset of the C-One Group with a value of more than \$250,000, other than in the ordinary course of business or a lien which arises by operation of law or legislation;
 - (i) a member of the C-One Group altering its constitution or constituent documents;
 - (j) notice of any material investigation, prosecution, arbitration, litigation or dispute threatened against a member of the C-One Group which could reasonably be expected to give rise to a liability for the C-One Group in excess of \$250,000 and for the avoidance of doubt which is not frivolous or vexatious, or circumstances arising which could reasonably be expected to give rise to any liability in excess of \$250,000. For the avoidance of doubt, this does not include any liability relating to an investigation, prosecution, arbitration, litigation or dispute to the extent that an insurer has agreed to cover the liability under an insurance policy maintained by a member of the C-One Group;
 - (k) C-One being deregistered as a company or otherwise dissolved except in the case of a company with less than \$10,000 in net assets as at the date of this deed; or
 - (l) a C-One Insolvency Event occurs,
- but does not include any matter:
- (m) relating to vesting or exercise of existing options or performance rights;
 - (n) required or permitted by this deed or the Scheme;
 - (o) agreed to in writing by Bidder; or
 - (p) Fairly Disclosed in the Disclosure Materials or in an announcement to or filing with ASX or ASIC before the date of this deed.

C-One Recommendation has the meaning given in clause 7.2.

C-One Representations and Warranties means the representations and warranties set out in clause 10.2.

C-One Share means a fully paid ordinary share in the capital of C-One.

C-One Shareholder means a holder of one or more C-One Shares, as shown in the register of members maintained by (or on behalf of) C-One in accordance with the Corporations Act.

C-One Voting Intention has the meaning given in clause 7.2.

CDIs means Bidder CHESS Depository Interests.

CDN means CHESS Depository Nominees Pty Limited (ACN 071 346 506).

Claim means a demand, claim, action or proceeding, however arising and whether present, unascertained, immediate, future or contingent, including any claim for specific performance.

CobalTech Transaction means the proposed acquisition by Bidder of all of the issued and outstanding shares of CobalTech Mining Inc. pursuant to a plan of arrangement or in a manner as contemplated in the letter of intent dated June 22 2017 between Bidder and CobalTech Mining Inc.

Competing Proposal means any proposed or potential transaction or arrangement (including any takeover bid, scheme of arrangement, share or asset sale, capital reduction or buy back, joint venture or dual listed company structure) in relation to a party to this deed under which a Third Party would, if completed:

- (a) directly or indirectly acquire Control of, or merge with, the relevant party;
- (b) directly or indirectly acquire or obtain an economic interest in 50% or more of the fair market of the assets or business of the relevant party and its Related Bodies Corporate as a whole; or
- (c) directly or indirectly acquire a Relevant Interest in, become the holder of or obtain an economic interest in 50% or more of the relevant party shares;
- (d) directly or indirectly acquire or obtain an economic interest in a material part of the business of the relevant party and its Subsidiaries as a whole;
- (e) otherwise acquire or merge with relevant party through a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, purchase of main undertaking or other business combination; or
- (f) be issued 50% of the shares or other securities in on the relevant party (on a fully diluted basis) as consideration for cash or the assets or securities of another person,

but does not include the CobalTech Transaction or any matter contemplated by the CobalTech Transaction.

Condition Precedent means a condition set out in clause 3.1.

Control has the meaning given in section 50AA of the Corporations Act.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Counterproposal has the meaning given to it in clause 8.6(d).

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by C-One and Bidder.

Court Documents means the documents which C-One determines (acting reasonably) are required for the purposes of a Court Hearing, which may include originating process, affidavits, submissions and draft minutes of Court orders.

Court Hearing means the First Court Hearing or Second Court Hearing (as applicable), and **Court Hearings** means both of them.

Deal, in respect of any C-One Restricted Share, means to:

- (a) sell, assign, transfer or otherwise dispose of, or agree or offer to sell, assign, transfer or otherwise dispose of, that Scheme Consideration or any legal, beneficial or economic interest in that Scheme Consideration;
- (b) create, or agree or offer to create, any security interest in that Scheme Consideration or any legal, beneficial or economic interest in that Scheme Consideration;
- (c) enter into any option which, if exercised, enables or requires the relevant security holder to sell, assign, transfer or otherwise dispose of that Scheme Consideration; or
- (d) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of that Scheme Consideration or any legal, beneficial or economic interest in that Scheme Consideration.

Deed Poll means the deed poll to be entered into by Bidder pursuant to clause 5.2(i), under which Bidder covenants in favour of Scheme Shareholders to provide the Scheme Consideration in accordance with the terms of the Scheme, in the form of Attachment C.

Director Performance Options means 15,000,000 C-One Options granted to C-One Directors described in Schedule 2.

Disclosure Materials means material provided by Jason Bontempo or Trent Mell to the other, respectively, after the Letter of Intent was signed and before the date of this deed.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

End Date means the date 6 months from the date of execution of this deed or such later date as agreed by C-One and Bidder.

Environmental Law means any law or regulation relating to the environment including relating to:

- (a) the discharge or emission of substances (whether solid, liquid or gaseous) to air, water or land;
- (b) contamination of air, water or land;

- (c) the production, use, handling, storage, disposal or transport of waste, hazardous substances;
- (d) the presence of asbestos; or
- (e) any other aspect of protection of the environment or the enforcement of any such law.

Environmental Permit means any permit, licence, authority, approval, certificate of approval, consent or authorisation required by Environmental Laws.

Escrow Period means the period prior to and including the date set out in Attachment E for which the C-One Restricted Shares are escrowed.

Excluded Shareholder means Bidder and any C-One Shareholder who is an associate of Bidder.

Exclusivity Period means the period from 9:00am on the date of execution of this deed to the earlier of:

- (a) the valid termination of this deed under clause 12; and
- (b) the End Date.

Fairly Disclosed means any information disclosed by one party to the other which made, or which could reasonably be expected to have made the other party (acting reasonably) aware of the nature of the matter concerned and the fact it may have financial, operational or other consequences.

First Court Date means the first day on which an application made to the Court for an order under section 411(1) of the Corporations Act directing C-One to convene the Scheme Meeting is heard, with such hearing being the **First Court Hearing**.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian (including the ASX and TSXV as applicable).

GST exclusive consideration has the meaning given in clause 15.2(a).

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution is passed at the Scheme Meeting by a majority in number of C-One Shareholders present and voting, either in person or by proxy.

Implementation Date means the fifth Business Day after the Scheme Record Date or such other day as the parties agree in writing.

Independent Expert means the independent expert to be appointed by C-One to prepare the Independent Expert's Report in accordance with clause 5.1(a).

Independent Expert's Report means the report to be prepared and issued by the Independent Expert in connection with the Scheme for inclusion in the Scheme Booklet.

Ineligible Foreign Holders means a Scheme Shareholder whose address in the register of C-One's Shareholders is in a jurisdiction outside Australia and its external territories,

New Zealand, the British Virgin Islands, Gibraltar and Canada, except where C-One and the Bidder are reasonably satisfied that the issue of New Bidder Shares or CDIs in that jurisdiction under the Share Scheme would be neither prohibited by law nor unduly onerous.

laws means all laws, statutes, regulations, by-laws, statutory rules, orders, ordinances, protocols, codes, guidelines, notices, directions (including all applicable Australian, and Canadian laws), and terms and conditions of any grant of approval, permission, authority or license of any court, Government Agency, statutory body or self-regulatory authority (including the ASX and TSXV as applicable).

Letter of Intent means the letter of intent between Bidder and C-One dated 23 June 2017, as announced on 26 June 2017.

Listing Rules means the official listing rules of ASX.

Loss means all claims, demands, damages, losses, costs, expenses and liabilities.

Material Contract means a contract with a value greater than \$1,000,000 or a contract that is price sensitive.

New Bidder Shares means a fully paid common share in the capital of the Bidder to be issued under the Scheme.

Nominee means the person chosen by C-One and Bidder and approved by ASIC (or any other applicable regulatory authority in Canada) to sell the New Bidder Shares or CDIs that are attributable to Ineligible Foreign Holders and Small Shareholders under the terms of this Scheme (or any nominee of such person).

Notice has the meaning given in clause 16.1(a).

OBCA means the *Business Corporations Act* (Ontario).

Proceeds has the meaning given to it in clause 4.5(a).

prohibited action has the meaning given in clause 8.4.

Refinery Permits means all permits acquired or to be acquired by C-One under the asset purchase agreement with Yukon Inc, which was completed and announced on ASX on 19 June 2017.

Registered Address means, in relation to a Scheme Shareholder, the address of the Scheme Shareholder shown in the Share Register.

Regulator's Draft has the meaning given in clause 5.1(d)(i).

Related Body Corporate has the meaning given in section 50 of the Corporations Act.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Representation and Warranty means a Bidder Representation and Warranty or an C-One Representation and Warranty (as applicable).

Representative means, in respect of a party, an employee, agent, officer, director, adviser or financier of that party (or a Related Body Corporate of that party), and, in the

case of advisers and financiers, includes employees, officers and agents of the adviser or financier (as applicable).

Restricted Securities means the performance and facilitation shares and options set out in Attachment E.

RG 60 means Regulatory Guide 60 issued by ASIC.

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between C-One and the Scheme Shareholders, in the form of Attachment B, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.

Scheme Booklet means the explanatory statement in respect of the Scheme to be prepared by C-One pursuant to section 412 of the Corporations Act and in accordance with clause 5.1(b), and to be despatch to C-One Shareholders in accordance with clause 5.1(h), which shall contain the Independent Expert's Report (or a concise version of that report), a notice of meeting in respect of the Scheme Meeting and a proxy form.

Scheme Consideration means, the consideration to be provided by the Bidder to each Scheme Shareholder for the transfer to C-One of each Scheme Share, as determined in accordance with clause 4.2(a).

Scheme Meeting means the meeting of C-One Shareholders (other than Excluded Shareholders) ordered by the Court to be convened at the First Court Hearing.

Scheme Record Date means 7:00pm on the third Business Day after the Effective Date.

Scheme Share means a C-One Share held by a Scheme Shareholder as at the Scheme Record Date.

Scheme Shareholder means a C-One Shareholder (other than an Excluded Shareholder) as at the Scheme Record Date.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme is heard, with such hearing being the **Second Court Hearing**.

SEDAR means the system for electronic document analysis and retrieval in use in Canada.

Share Register means the register of members of C-One, maintained by the Share Registry, in accordance with the Corporations Act.

Share Registry means Advanced Share Registry Limited ABN 14 127 175.

Share Splitting means an C-One Shareholder splitting its holding of C-One Shares into two or more parcels, or a number of affiliated persons acquiring a number of parcels in different names or other manipulative conduct with the purpose of artificially increasing the number of shareholders in C-One.

Small Shareholder has the meaning given in clause 4.5.

Subsidiary has the meaning given to that term in the Corporations Act or the BCBCA as the context requires.

Superior Proposal means a bona fide Competing Proposal that the C-One Board determines, acting in good faith:

- (a) is reasonably capable of being implemented taking into account all aspects of the Competing Proposal, including its proponent(s), conditionality, structure and financing; and
- (b) would, if completed in accordance with its terms, produce an outcome for C-One Shareholders (other than Excluded Shareholders) (as a whole) that is superior to the outcome that would be produced by the Scheme.

Third Party means a person other than C-One, Bidder and their associates.

Third Party Consent means any consent, agreement, waiver, licence or approval from or by a Third Party in respect of a contract involving C-One Group or Bidder Group, which the parties have agreed, or subsequently agree, in writing is required for implementation of the Transaction.

Timetable means the indicative timetable for the implementation of the Transaction set out in Attachment A.

Transaction means the acquisition of C-One by Bidder by means of the Scheme.

TSXV means the TSX Venture Exchange.

TSXV Exchange Rules means the official rules and policies of the TSXV as from time to time amended or waived in their application to a party.

2 Interpretation

In this deed, the following rules of interpretation apply unless the contrary intention appears.

- (a) Headings are for convenience only and do not affect the interpretation of this deed.
- (b) The singular includes the plural and vice versa.
- (c) Words that are gender neutral or gender specific include each gender.
- (d) Where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (e) The words “include”, “including”, “such as”, “to avoid doubt” and similar expressions are not words of limitation and do not limit what else might be included.
- (f) A reference to:
 - (i) a person includes a natural person, partnership, joint venture, Government Agency, association, corporation or other body corporate or entity (as that term is defined in section 64A of the Corporations Act);
 - (ii) a thing (including a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;

- (iv) a document includes all amendments or supplements to that document;
- (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or a party, schedule or attachment to, this deed (as applicable);
- (vi) this deed includes all schedules and attachments to it;
- (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a Listing Rule and is a reference to that law as amended, consolidated or replaced;
- (viii) an agreement (other than this deed) includes an undertaking or legally enforceable arrangement or understanding (whether or not in writing);
- (ix) a time period includes the date referred to as that on which the period begins and the date referred to as that on which the period ends; and
- (x) a monetary amount is in Australian dollars, unless it is specified as "C\$" in which case it is in Canadian dollars;
- (g) An agreement on the part of two or more persons binds them jointly and severally.
- (h) When the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.
- (i) In determining the time of day, where relevant to this deed, the time of day is the time in Perth, Western Australia.
- (j) No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this deed or any part of it.

Schedule 2 Capital structure

Bidder Securities	Total number on issue	Unissued but agreed to issue
Bidder Shares	57,257,748	2,900,000 Bidder Shares proposed to be issued pursuant to a transaction for the establishment of a joint venture agreement with Madini Minerals.
Bidder options		
Share Purchase Warrants (C\$0.06)	400,000	
Share Purchase Warrants (C\$0.10)	3,200,000	
Incentive Stock Options (C\$0.25)	575,000	
Incentive Stock Options (C\$0.34)	200,000	
Incentive Stock Options (C\$0.35)	350,000	
Incentive Stock Options (C\$0.38)	550,000	
Incentive Stock Options (C\$0.66)	1,975,000	
Incentive Stock Options (C\$0.69)	1,565,000	
C-One Securities	Total number on issue	Unissued but agreed to issue
C-One Shares		
Total quoted fully paid ordinary shares	576,627,602	
Consideration for Refinery acquisition (fully paid ordinary shares issued but not yet quoted)	100,000,000	
C-One options		
Class A options exercisable at \$0.02 and expiring 5 April 2020	8,500,000	
Class D options exercisable at \$0.03 and expiring 30 November 2019	16,000,000	

Class E options exercisable at \$0.08 and expiring 10 February 2020	15,000,000	
Performance A options exercisable at \$0.03 and expiring 9 February 2020	25,000,000	
Performance B options exercisable at \$0.06 and expiring 9 February 2020	25,000,000	
Director Performance Options exercisable at \$0.001 and expiring 15 June 2020	15,000,000	

Schedule 3 Bidder Material Permits

Keeley-Frontier Property – Larder Lake Mining Division, Ontario	
<i>Held by Canadian Silver Hunter Inc., and optioned to Cobalt Projects International Corp. (a wholly-owned subsidiary of Bidder), pursuant to a mining option agreement dated January 3, 2017.</i>	
Claim Type	Tenure/Claim Number
Mining Lease	CLM111108219
Mining Lease	CLM112108218
Mining Lease	T40521-109590
Mining Lease	T29994-109383
Mining Lease	T43338-108217
Patent Claim	T9299
Patent Claim	T32960
Patent Claim	T46400
Patent Claim	T10289
Patent Claim	T10288
Patent Claim	T9771
Patent Claim	T10155
Patent Claim	T19308
Patent Claim	T10359
Patent Claim	T10365
Patent Claim	T10287
Patent Claim	T10286
Patent Claim	T10285
Staked Claim	4269660
Staked Claim	4269659
Staked Claim	4250892
Staked Claim	4275020
Staked Claim	4275021
Staked Claim	4272876
Staked Claim	4268658

South Lorraine Property – Larder Lake Mining Division, Ontario	
<i>Held by Cobalt Industries of Canada Inc. (a wholly-owned subsidiary of Bidder)</i>	
Claim Type	Tenure/Claim Number
Patent Claim	4282446
Patent Claim	4282449
Patent Claim	4282748
Patent Claim	4282451
Patent Claim	4282445
Patent Claim	4282447
Patent Claim	4282448
Patent Claim	4283450
Patent Claim	4282747
Patent Claim	4282749
Patent Claim	4282750

Patent Claim	4278692
Patent Claim	4282704
Patent Claim	4280570
Patent Claim	4282406
Patent Claim	4282702
Patent Claim	4282703

Brixton Properties – Larder Lake Mining Division, Ontario	
<i>Held by Cobalt Industries of Canada Inc. (a wholly-owned subsidiary of Bidder)</i>	
Claim Type	Tenure/Claim Number
Patent Claim	1118210
Patent Claim	1118211
Patent Claim	4243946
Patent Claim	4264322
Patent Claim	4275034
Patent Claim	4275036
Patent Claim	4275037
Patent Claim	4275041
Patent Claim	4275042
Patent Claim	4275043
Patent Claim	4275044
Patent Claim	4275150
Patent Claim	4275168
Patent Claim	4275169
Patent Claim	4275170
Patent Claim	4275171
Patent Claim	4275172
Patent Claim	4275173
Patent Claim	4275175
Patent Claim	4278609
Patent Claim	4278610
Patent Claim	4280114

Gore Property – Larder Lake Mining Division, Ontario	
<i>Held by John Aubrey Gore, and optioned to Cobalt Industries of Canada Inc. (a wholly-owned subsidiary of Bidder), pursuant to a mineral property option agreement dated June 20, 2017.</i>	
Claim Type	Tenure/Claim Number
Patent Claim	4200044

Schedule 4 C-One Material Permits

Location	Permit, prospect or claim number
Northern Territory, Australia	EL25027
Northern Territory, Australia	EL27349
Northern Territory, Australia	EL27747
Northern Territory, Australia	EL26777
Northern Territory, Australia	EL27282
Coleman, Canada	4280138
Coleman, Canada	4283320
Gillies Limit, Canada	1230544
Gillies Limit, Canada	1230840
Gillies Limit, Canada	4278446
Gillies Limit, Canada	4280116
Gillies Limit, Canada	4280120
Gillies Limit, Canada	4280130
Gillies Limit, Canada	4280131
Gillies Limit, Canada	4280132
Gillies Limit, Canada	4280133
Gillies Limit, Canada	4280134
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Lorrain, Canada	4276645
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South Lorrain, Canada	4281640
South Lorrain, Canada	4281664
Eldridge, Canada	4280135
Eldridge, Canada	4286015
Eldridge, Canada	4286016
Lorrain, Canada	PIN 61390-0213(LT)
Bucke, Canada	PIN 61357-0142(LT)
Bucke, Canada	PIN 61358-0001(LT)
Bucke, Canada	PIN 61358-0002(LT)
Bucke, Canada	PIN 61358-0003(LT)
Bucke, Canada	PIN 61358-0004(LT)
Bucke, Canada	PIN 61358-0005(LT)
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Bucke, Canada	PIN 61358-0158(LT)
Bucke, Canada	PIN 61358-0159(LT)
Bucke, Canada	PIN 61358-0160(LT)
Bucke, Canada	PIN 61358-0161(LT)
Bucke, Canada	PIN 61358-0184(LT)
Bucke, Canada	PIN 61358-0198(LT)

Execution page

Executed as a deed

Signed, sealed and delivered by First Cobalt Corp. by:

Signature of President & CEO

Signature of Vice President Exploration

Name of President & CEO (print)

Name of Vice President Exploration (print)

Signed, sealed and delivered by Cobalt One Limited by:

Signature of director

Signature of director/secretary

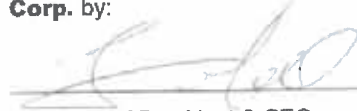
Name of director (print)

Name of director/secretary (print)

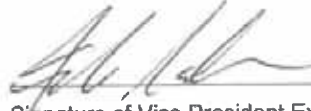
Execution page

Executed as a deed

Signed, sealed and delivered by **First Cobalt Corp.** by:



Signature of President & CEO



Signature of Vice President Exploration



Name of President & CEO (print)



Name of Vice President Exploration (print)

Signed, sealed and delivered by **Cobalt One Limited** by:



Signature of director

Jason Bontempo

Name of director (print)



Signature of director/secretary



Name of director/secretary (print)

Attachment A — Timetable

Event	Target date
Release of Agreed Announcements	14 July 2017
Draft of all Bidder Information to be provided to C-One, subject only to C-One comments and verification	28 July 2017
Regulator's Draft provided to ASIC	By 11 August 2017
First Court Hearing	1 September 2017
Scheme Meeting	13 October 2017
Second Court Hearing	23 October 2017
Effective Date	24 October 2017
Scheme Record Date	27 October 2017
Implementation Date	3 November 2017

Attachment B — Scheme

Scheme of arrangement

Cobalt One Limited

Each person registered as a holder of fully paid ordinary shares in C-One as at the Scheme Record Date (other than Excluded Shareholders)

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Date:

Parties

- 1 **Cobalt One Limited** ABN 50 127 411 796 of Level 1, 35 Richardson Street, West Perth, Western Australia, 6005 (**C-One**)
- 2 Each person registered as a holder of fully paid ordinary shares in C-One as at the Scheme Record Date (other than Excluded Shareholders) (**Scheme Shareholders**)

The parties agree

1 Defined terms and interpretation

1.1 Defined terms

A term or expression starting with a capital letter which is defined in the dictionary in Schedule 1 has the meaning given to it in the dictionary.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this deed.

2 Preliminary matters

- (a) C-One is an Australian public company limited by shares, and has been admitted to the official list of ASX. C-One Shares are quoted for trading on the ASX.
- (b) As at the date of this document, there were 576,377,602 C-One Shares and 104,750,000 C-One Options on issue.
- (c) Bidder is a TSX-V and OTC listed Canadian company.
- (d) If this Scheme becomes Effective:
 - (i) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to Bidder and C-One will enter the name of Bidder in the Share Register in respect of all the Scheme Shares; and
 - (ii) Bidder will issue, or cause to be issued, 0.145 New Bidder Shares in the form of CDIs or New Bidder Shares for every 1 Scheme Share held by that Scheme Shareholder (**Scheme Consideration**) in accordance with this Scheme and the Deed Poll; and
 - (iii) Bidder will ensure that the New Bidder Shares or CDIs to be issued as Scheme Consideration will be validly issued, fully paid and rank equally with the Bidder's other issued common shares or CDIs from their date of issue.
- (e) Bidder and C-One have entered into the Scheme Implementation Deed in respect of (among other things) the implementation of this Scheme.
- (f) This Scheme attributes actions to Bidder but does not itself impose any obligations on Bidder to perform those actions. By executing the Deed Poll, Bidder has agreed

to perform the actions attributed to it under this Scheme. By executing the Deed Poll, Bidder agrees to procure that it performs its obligations under the Deed Poll, including issue of the Scheme Consideration in accordance with the terms of this Scheme.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on, and will not become Effective until and unless, the following conditions precedent are satisfied:

- (a) all the conditions in clause 3.1 of the Scheme Implementation Deed (other than the condition in clause 3.1(a) of the Scheme Implementation Deed relating to Court approval of this Scheme) are satisfied or waived in accordance with the terms of the Scheme Implementation Deed by 8:00am on the Second Court Date;
- (b) neither the Scheme Implementation Deed nor the Deed Poll is terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) this Scheme is approved by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act as are acceptable to C-One and Bidder;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme as are acceptable to C-One and Bidder are satisfied; and
- (e) the order of the Court made under section 411(4)(b) of the Corporations Act approving this Scheme comes into effect pursuant to section 411(10) of the Corporations Act.

3.2 Certificates

- (a) Each of C-One and Bidder will provide a certificate to the Court at the Second Court Hearing confirming (in respect of matters within their knowledge) whether or not the conditions precedent in clause 3.1 of the Scheme Implementation Deed (other than the condition precedent in clause 3.1(a)) have been satisfied or waived in accordance with clause 3 of the Scheme Implementation Deed.
- (b) The certificates given by the C-One and Bidder constitute conclusive evidence that the conditions precedent in clause 3.1 of the Scheme Implementation Deed (other than the condition precedent in clause 3.1(a)) have been satisfied or waived.

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

For the purposes of section 411(10) of the Corporations Act, C-One will lodge with ASIC an office copy of the order made by the Court under section 411(4)(b) of the Corporations Act approving this Scheme before 5:00pm on the Business Day following the day on which such office copy is received by C-One or such later date as C-One and Bidder agree in writing.

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 5.2, the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred to Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by C-One as attorney and agent for Scheme Shareholders under clause 8.5), by:
 - (i) Bidder duly completing and executing the Scheme Transfer (as transferee) and delivering it to C-One; and
 - (ii) C-One duly executing the Scheme Transfer (as transferor), attending to the stamping of the Scheme Transfer (if required) and delivering it for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause (a), C-One must enter, or procure the entry of, the name of Bidder in the Share Register in respect of all the Scheme Shares.

5 Scheme Consideration

5.1 Entitlement to Scheme Consideration

Subject to the terms of this Scheme, each Scheme Shareholder (other than Ineligible Foreign Holders) will be entitled to receive 0.145 New Bidder Shares in the form of CDIs or New Bidder Shares for every 1 Scheme Share held by that Scheme Shareholder on the Scheme Record Date.

5.2 Provision of Scheme Consideration

Bidder will provide the Scheme Consideration by issuing, or causing to be issued, the Scheme Consideration to each Shareholder (other than Ineligible Foreign Holders) prior to 12:00pm on the Implementation Date in accordance with the Scheme.

5.3 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any Scheme Consideration will be issued to the joint holders; and
- (b) any other document required to be sent under this Scheme will be forwarded to the holder whose name appears first in the Share Register as at the Scheme Record Date.

5.4 Fractional Entitlements

Where the calculation of a total number of New Bidder Shares to be issued to (or in respect of) a particular Scheme Shareholder would result in a fractional entitlement to a New Bidder Share, then, any such fractional entitlement:

- (a) of 0.5 or more will be rounded up to the nearest whole number; and
- (b) of less than 0.5 will be rounded down to the nearest whole number.

5.5 Shareholder splitting or division

If Bidder is of the reasonable opinion that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 5.4 or each of whom holds less than or equal to the number of Shares required to classify as a Small Shareholder) have, before the Scheme Record Date, been party to shareholder splitting or division in an attempt to obtain unfair advantage by reference to such rounding, Bidder may give notice to those Scheme Shareholders:

- (a) setting out their names and Registered Addresses;
- (b) stating that opinion; and
- (c) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them

and, after such notice is given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of other provisions of this Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and Registered Addresses are set out in the notice will, for the purposes of the other provisions of this Scheme, be taken to hold no Scheme Shares. Bidder, in complying with the other provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to other Scheme Shareholders named under the notice under the terms of this Scheme.

5.6 Ineligible Foreign Holders

Bidder will be under no obligation under this Scheme to issue, and will not issue any CDIs or New Bidder Shares to Ineligible Foreign Holders, and instead:

- (a) all the CDIs or New Bidder Shares which would otherwise be required to be issued to any Ineligible Foreign Holder under the Scheme, if they were eligible to receive them, will be issued to the Nominee;
- (b) Bidder will procure that, as soon as reasonably practicable (an in any event not more than 30 Business Days after the Implementation Date), the Nominee sells on ASX or TSXV all of the CDIs or New Bidder Shares issued to the Nominee pursuant to clause 5.6(a) in such manner, at such price and on such other terms as the Nominee determines in good faith (and at the risk of the Ineligible Foreign Holders), and remits to Bidder the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**);
- (c) Bidder will pay to each Ineligible Foreign Holder such proportion of the Proceeds as the number of CDIs or New Bidder Shares which would have been issued to that Ineligible Foreign Holder (if they were eligible to receive CDIs or New Bidder Shares) represents as a portion of all CDIs or New Bidder Shares which would have been issued to all Ineligible Foreign Holders (if they were eligible to receive CDIs or New Bidder Shares) in full satisfaction of the Bidder's obligations to those Ineligible Foreign Holders under the Scheme in respect of the Scheme Consideration;
- (d) Bidder will pay the relevant fraction of the Proceeds to each Ineligible Foreign Holder by either:

- (i) dispatching, or procuring the dispatch, to that Ineligible Foreign Holder by prepaid post to that Ineligible Foreign Holder's Registered Address (at the Record Date), a cheque in the name of that Ineligible Foreign Holder; or
- (ii) making a deposit in an account with any ADI (as defined in the *Banking Act 1959* (Cth)) in Australia notified by that Ineligible Foreign Holder to C-One (or the Share Registry) and recorded in or for the purposes of the Share Register at the Scheme Record Date,

for the relevant amount, with that amount being denominated in Australian dollars; and

- (e) each Ineligible Foreign Holder appoints C-One as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Nominee is required to provide to Ineligible Foreign Holders under the Corporations Act.

5.7 Small Shareholders

Each Small Shareholder may elect to either:

- (a) be allotted its entitlement to CDIs in accordance with clause 5.2; or
- (b) have the CDIs to which it is entitled issued to the Nominee in the form of CDIs or Bidder Shares, in which case:
 - (i) Bidder will procure that, as soon as reasonably practicable (and in any event not more than 30 Business Days after the Implementation Date) the Nominee sells on ASX or TSXV all of the CDIs or New Bidder Shares issued to the Nominee pursuant to clause 5.7(b) in such manner, at such price and on such terms as the Nominee determines in good faith (and at the risk of the Small Shareholder), and remits to the Bidder the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**);
 - (ii) Bidder will pay to each Small Shareholder such fraction of the Proceeds as is equal to the number of CDIs or New Bidder Shares which would have been issued to that Small Shareholder divided by the total number of Bidder Shares issued to Nominee under clause 5.7(b)(i) promptly after the last sale of Bidder Shares by the Nominee, in full satisfaction of the Bidder's obligations to those Small Shareholders under the Scheme in respect of the Scheme Consideration;
 - (iii) Bidder will pay the relevant fraction of the Proceeds to each Small Shareholder by either:
 - (A) dispatching or procuring the dispatch, to that Small Shareholder by prepaid post to that Small Shareholder's Registered Address (at the Record Date), a cheque in the name of that Small Shareholder; or
 - (B) making a deposit in an account with any ADI (as defined by the *Banking Act 1959* (Cth)) in Australia notified by that Small Shareholder to the Bidder (or the Share Registry) and recorded in or for the purposes of the Share Register at the Record Date,

for the relevant amount, with that amount being denominated in Australian dollars; and

- (iv) for the purposes of clause 5.7(b), each Small Shareholder appoints C-One as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Nominee is required to provide to Small Shareholders under the Corporations Act).

6 Dealings in C-One Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in C-One Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant C-One Shares at or before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received at or before the Scheme Record Date at the place where the Share Register is kept,

and C-One will not accept for registration, nor recognise for any purpose (except a transfer pursuant to this Scheme), any transfer or transmission application or other request received after the Scheme Record Date or received prior to the Scheme Record Date, but not in registrable or actionable form.

6.2 Share Register

- (a) C-One must register registrable transmission applications or transfers of C-One Shares in accordance with clause 6.1(b) at or before the Scheme Record Date, provided that nothing in this clause 6.2(a) requires C-One to register a transfer that would result in a C-One Shareholder holding a parcel of C-One Shares that is less than a 'marketable parcel' (as defined in the operating rules of ASX).
- (b) If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and C-One will be entitled to disregard any such disposal, purported disposal or agreement.
- (c) For the purpose of determining entitlements to the Scheme Consideration, C-One must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been provided to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for C-One Shares (other than statements of holding in favour of Bidder or any Ineligible Foreign Holder) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries in respect of any Ineligible Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the C-One Shares relating to that entry.
- (e) As soon as possible after the Scheme Record Date, and in any event within one Business Day after the Scheme Record Date, C-One will ensure that details of the

names, Registered Addresses and holdings of C-One Shares for each Scheme Shareholder as shown in the Share Register as at the Scheme Record Date are available to Bidder in the form Bidder reasonably requires.

7 Quotation of C-One Shares

- (a) C-One will apply to ASX to suspend trading on the ASX in C-One Shares with effect from the close of trading on the Effective Date.
- (b) C-One will apply:
 - (i) for termination of the official quotation of C-One Shares on the ASX; and
 - (ii) to have itself removed from the official list of ASX;
 with effect on and from the close of trading on the trading day immediately following the Implementation Date.

8 General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) C-One may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Bidder has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which counsel for C-One has consented to.

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
 - (i) agrees to the transfer of their C-One Shares together with all rights and entitlements attaching to those shares in accordance with this Scheme;
 - (ii) agrees to the variation, cancellation or modification of the rights attached to their C-One Shares constituted by or resulting from this Scheme; and
 - (iii) acknowledges that this Scheme binds C-One and all Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to C-One and Bidder on the Scheme Implementation Date, and appointed and authorised C-One as its attorney and agent to warrant to Bidder on the Scheme Implementation Date, that:
 - (i) all their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all:
 - (A) mortgages, charges, liens, encumbrances, pledges, security interests and interests of third parties of any kind, whether legal or otherwise; and

(B) restrictions on transfer of any kind ; and

- (ii) they have full power and capacity to transfer their Scheme Shares to C-One together with any rights attaching to those shares.

8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares transferred under this Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties, of any kind, whether legal or otherwise.
- (b) Upon the Scheme becoming Effective, Bidder will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by C-One of Bidder in the Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

Upon the Scheme becoming Effective and until C-One registers Bidder as the holder of all Scheme Shares in the Share Register:

- (a) each Scheme Shareholder is deemed to have appointed Bidder as attorney and agent (and directed Bidder in each such capacity) to appoint any director, officer, secretary or agent nominated by Bidder as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution whether in person, by proxy or by corporate representative;
- (b) no Scheme Shareholder may itself attend or vote at any shareholders' meetings or sign any shareholders' resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) each Scheme Shareholder must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder reasonably directs; and
- (d) each Scheme Shareholder acknowledges and agrees that in exercising the powers conferred by clause 8.4(a), Bidder and any director, officer, secretary or agent nominated by Bidder may act in the best interests of Bidder as the intended registered holder of the Scheme Shares.

8.5 Authority given to C-One

On the Effective Date, each Scheme Shareholder, without the need for any further act, irrevocably appoints C-One and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of:

- (a) enforcing the Deed Poll against Bidder; and
- (b) executing any document, or doing or taking any other act, necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including executing the Scheme Transfer,

and C-One accepts such appointment. C-One, as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

8.6 Binding effect of this Scheme

This Scheme binds C-One and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of C-One.

9 General

9.1 Stamp duty

Bidder procures to:

- (a) pay all stamp duty (if any) and any related fines and penalties payable on, or in connection with, the transfer by the Scheme Shareholders of the Scheme Shares to Bidder pursuant to this Scheme or the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

9.2 Consent

Each Scheme Shareholder consents to C-One doing all things necessary or incidental to give full effect to the implementation of this Scheme and the transactions contemplated by it.

9.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to C-One, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at C-One's registered office or at the office of the Share Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a C-One Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law and jurisdiction

- (a) This Scheme is governed by the laws in force in Western Australia.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts competent to determine appeals from those courts in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.5 Further action

C-One must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

9.6 No liability when acting in good faith

Neither the C-One or Bidder, or any of their respective directors, officers or secretaries, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Schedule 1 — Dictionary

1 Dictionary

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market operated by it known as the “Australian Securities Exchange”.

Bidder means First Cobalt Corp. of Suite 201, 140 Yonge Street, Toronto, ON M5C 1X6.

Bidder Share means fully paid common share in the capital of Bidder.

Business Day has the meaning given in the Listing Rules.

C-One Share means fully paid ordinary shares in the capital of C-One.

C-One Shareholder means a holder of one or more C-One Shares, as shown in the member of members maintained by (or on behalf of) C-One in accordance with the Corporations Act.

CDIs means Bidder CHESS Depository Interests.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited and ASX Clear Pty Limited.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by C-One and Bidder.

Deed Poll means the deed poll to be entered into by Bidder pursuant to clause 5.2(i) of the Scheme Implementation Deed under which Bidder covenants in favour of Scheme Shareholders to provide the Scheme Consideration in accordance with the terms of the Scheme.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

End Date means the date 6 months from the date of execution of this deed or such later date as agreed by C-One and Bidder

First Court Date: means the first day on which an application made to the Court for an order under section 411(1) of the Corporations Act directing C-One to convene the Scheme Meeting is heard, with such hearing being the **First Court Hearing**.

Government Agency means any foreign or Australian government or governmental semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian (including the ASX and TSXV as applicable).

Implementation Date means the fifth Business Day after the Scheme Record Date or such other date as the parties to the Scheme Implementation Deed agree in writing.

Ineligible Foreign Holders means a Scheme Shareholder whose address in the register of C-One's Shareholders is in a jurisdiction outside Australia and its external territories, New Zealand, the British Virgin Islands, Gibraltar and Canada, except where C-One and Bidder are reasonably satisfied that the issue of New Bidder Shares in that jurisdiction under the Share Scheme would be neither prohibited by law nor unduly onerous.

Listing Rules means the official listing rules of ASX.

New Bidder Shares means a fully paid common share in the capital of the Bidder to be issued under the Scheme.

Nominee: means the person chosen by the C-One and Bidder and (if necessary) approved by ASIC (or any other applicable regulatory authority in Canada) to sell the Bidder Shares that are attributable to Ineligible Foreign Holders and Small Shareholders under the terms of this Scheme (or any nominee of such person).

Registered Address means, in relation to a Scheme Shareholder, the address shown in the Share Register as at the Scheme Record Date.

Scheme means this scheme of arrangement subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.

Scheme Consideration means the consideration to be provided by the Bidder to each Scheme Shareholder for the transfer to C-One of each Scheme Share, as determined in accordance with clause 4.2(a) of the Scheme Implementation Deed.

Scheme Implementation Deed means the scheme implementation deed dated on or about 13 July 2017 between Bidder and C-One relating to (among other things) the implementation of this Scheme.

Scheme Meeting means the meeting of C-One Shareholders (other than Excluded Shareholders) ordered by the Court to be convened at the First Court Hearing.

Scheme Record Date means 7:00pm on the third Business Day after the Effective Date.

Scheme Share means a C-One Share held by a Scheme Shareholder as at the Scheme Record Date.

Scheme Shareholder means a Scheme Shareholder (other than an Excluded Shareholder) as at the Scheme Record Date.

Scheme Transfer means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or include a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard, with such hearing being the **Second Court Hearing**.

Share Register means the register of C-One Shareholders maintained in accordance with the Corporations Act.

Share Registry means Advanced Share Registry Limited ABN 14 127 175 946.

Small Shareholder means a Scheme Shareholder who holds 675 Bidder Shares or less as at 7.00pm on the Scheme Record Date.

TSX-V means the TSV Venture Exchange.

2 Interpretation

In this Scheme, the following rules of interpretation apply unless the contrary intention appears.

- (a) Headings are for convenience only and do not affect the interpretation of this Scheme.
- (b) The singular includes the plural and vice versa.
- (c) Words that are gender neutral or gender specific include each gender.
- (d) Where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (e) The words “include”, “including” and similar expressions are not words of limitation and do not limit what else might be included.
- (f) In determining the time of day, where relevant to this Scheme, the time of day is the time in Perth, Western Australia.
- (g) A reference to:
 - (i) a person includes a natural person, estate of a natural person, partnership, joint venture, government agency, association, corporation or other body corporate or entity (as that term is defined in section 64A of the Corporations Act);
 - (ii) a thing (including a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or a party, schedule or attachment to, this Scheme (as applicable);
 - (vi) this Scheme includes all schedules to it;
 - (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a Listing Rule and is a reference to that law as amended, consolidated or replaced;
 - (viii) an agreement (other than this Scheme) includes an undertaking or legally enforceable arrangement or understanding (whether or not in writing);
 - (ix) a time period includes the date referred to as that on which the period begins and the date referred to as that on which the period ends; and

(x) a monetary amount is in Australian dollars.

Attachment C — Deed Poll

Deed poll

First Cobalt Corp.

In favour of each person registered as a holder of fully paid ordinary shares in C-One as at the Scheme Record Date (other than Excluded Shareholders)

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Date:

Parties

- 1 **First Cobalt Corp.** of Suite 201, 140 Yonge Street, Toronto, ON M5C 1X6 (**Bidder**)
 - 2 In favour of each person registered as a holder of fully paid ordinary shares in C-One as at the Scheme Record Date (other than Excluded Shareholders) (**Scheme Shareholders**)
-

Background

- A Bidder and C-One have entered into the Scheme Implementation Deed, under which the Scheme Shareholders will be entitled to receive 0.145 New Bidder Shares in the form of CDIs or New Bidder Shares for every 1 Scheme Share by that Scheme Shareholder (**Scheme Consideration**).
- B In the Scheme Implementation Deed, Bidder agreed to enter into this deed poll.
- C Bidder enters into this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to provide the Scheme Consideration in accordance with the terms of the Scheme.

The parties agree

1 Defined terms and interpretation

1.1 Defined terms

Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

1.2 Interpretation

Clause 2 of Schedule 1 of the Scheme applies to the interpretation of this deed poll, except that references to 'Scheme' are to be read as references to 'deed poll'.

1.3 Nature of deed poll

Bidder acknowledges and agrees that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints C-One and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll.

2 Conditions

2.1 Conditions

The deed poll and the obligations of Bidder under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Bidder under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no further force or effect if:

- (a) the Scheme Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme does not become Effective by the End Date.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, then, in addition and without prejudice to any other available rights, powers or remedies available to Bidder or the Scheme Shareholders (as applicable):

- (a) Bidder is released from its obligations to further perform this deed poll except those obligations contained in clause 7.1; and
- (b) each Scheme Shareholder retains the rights, powers or remedies it has against Bidder in respect of any breach of this deed poll which occurs before it was terminated.

3 Scheme obligations

3.1 Undertaking to provide Scheme Consideration

Subject to clause 2, Bidder undertakes in favour of each Scheme Shareholder:

- (a) to acquire the C-One Shares on issue at the Record Date, in accordance with the provisions of the Scheme Implementation Deed;
- (b) to issue, or cause to be issue, the Scheme Consideration to each Scheme Shareholder prior to 12:00pm on the Implementation Date subject to and in accordance with the terms of the Scheme (other than to Ineligible Foreign Holders who will be dealt with in accordance with clause 3.5 and those Small Shareholders who elect to receive cash proceeds instead of CDIs in accordance with clause 3.6); and
- (c) all other actions attributed to it under the Scheme,

subject to and in accordance with the provisions of the Scheme.

3.2 Satisfaction of obligation to provide Scheme Consideration

The obligation of Bidder to provide the Scheme Consideration referred to in clause 3.1(b) will be satisfied by Bidder:

- (a) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue to Scheme Shareholders (other than Ineligible Foreign Holders) and CHESS Depository Nominees Pty Limited (ACN 071 346 506)(**CDN**), Scheme Consideration in the form of New Bidder Shares or CDIs and entering in the register of members of Bidder the name and registered address of Scheme Shareholders (other than Ineligible Foreign Holders) and CDN, in relation to all the New Bidder Shares or CDIs issued to Scheme Shareholders (other than Ineligible Foreign Holders) and CDN in accordance with the Scheme Implementation Deed; valid issue of New Bidder Shares to CDN will be held on trust and that number of New Bidder Shares will enable CDN to issue the Scheme Consideration due to those Scheme Shareholders who will receive CDIs and Small Shareholders who elect to receive cash proceeds instead of CDIs);
- (b) on the Implementation Date, procuring that CDN:
 - (i) issues to each Scheme Shareholder the number of CDIs to which it is entitled under the Scheme; and
 - (ii) enters (or procures to the entry of) the name of each such Scheme Shareholder in the records maintained by CDN as the holder of the CDIs issued to that Scheme Shareholder on the Implementation Date;
- (c) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue to the Nominee all the New Bidder Shares required to be issued to the Nominee under the Scheme rather than to an Ineligible Foreign Holder or a Small Shareholder who elects to receive cash proceeds instead of CDIs, and entering the name and registered address of the Nominee in the register of members of Bidder as the holder of those New Bidder Shares;
- (d) within 5 Business Days after the Implementation Date, dispatching by pre-paid post to Scheme Shareholders who will receive New Bidder Shares and CDN a certificate or uncertificated holding statement representing the number of New Bidder Shares issued to that entity as the registered holder of those New Bidder Shares;
- (e) on the Implementation Date, if required by C-One, executing a valid share transfer form or forms (which may be a master transfer) effecting the transfer of the Scheme Shares from the Scheme Shareholders to Bidder and must deliver such executed share transfer form or forms to C-One for registration; and
- (f) procuring, as soon as reasonably practicable (and in any event not more than 30 Business Days after the Implementation Date) that the Nominee sell any New Bidder Shares issued to it and remit the proceeds to the relevant Ineligible Foreign Holders and Small Shareholders, in accordance with the Scheme Implementation Deed.

3.3 Shares to rank equally

Bidder covenants in favour of each Scheme Shareholder that the New Bidder Shares which are validly issued in accordance with the Scheme will:

- (a) rank equally with all existing Bidder Shares (if any); and
- (b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

3.4 CDIs to rank equally

Bidder covenants in favour of each Scheme Shareholder that the CDIs which are validly issued in accordance with the Scheme will:

- (a) rank equally with all other CDIs to be issued pursuant to the Scheme; and
- (b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

3.5 Ineligible Foreign Holders

Bidder will be under no obligation under the Scheme to issue, and will not issue any CDIs or New Bidder Shares to Ineligible Foreign Holders, and instead:

- (a) all the CDIs or New Bidder Shares which would otherwise be required to be issued to any Ineligible Foreign Holder under the Scheme, if they were eligible to receive them, will be issued to the Nominee;
- (b) Bidder will procure that, as soon as reasonably practicable (an in any event not more than 30 Business Days after the Implementation Date), the Nominee sells on ASX or TSXV all of the CDIs or New Bidder Shares issued to the Nominee pursuant to clause 3.5(a) in such manner, at such price and on such other terms as the Nominee determines in good faith (and at the risk of the Ineligible Foreign Holders), and remits to Bidder the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**);
- (c) Bidder will pay to each Ineligible Foreign Holder such proportion of the Proceeds as the number of CDIs or New Bidder Shares which would have been issued to that Ineligible Foreign Holder (if they were eligible to receive CDIs or New Bidder Shares) represents as a portion of all CDIs or New Bidder Shares which would have been issued to all Ineligible Foreign Holders (if they were eligible to receive CDIs or New Bidder Shares) in full satisfaction of the Bidder's obligations to those Ineligible Foreign Holders under the Scheme in respect of the Scheme Consideration;
- (d) Bidder will pay the relevant proportion of the Proceeds to each Ineligible Foreign Holder by either:
 - (i) dispatching, or procuring the dispatch, to that Ineligible Foreign Holder by prepaid post to that Ineligible Foreign Holder's Registered Address (at the Record Date), a cheque in the name of that Ineligible Foreign Holder; or
 - (ii) making a deposit in an account with any ADI (as defined in the Banking Act 1959 (Cth)) in Australia notified by that Ineligible Foreign Holder to C-One (or the Share Registry) and recorded in or for the purposes of the Share Register at the Scheme Record Date,

for the relevant amount, with that amount being denominated in Australian dollars; and

- (e) each Ineligible Foreign Holder appoints C-One as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Nominee is required to provide to Ineligible Foreign Holders under the Corporations Act.

3.6 Small Shareholders

Scheme Shareholders who are entitled to receive 675 or less CDIs (or such other number as may be agreed between Bidder and C-One in writing) (**Small Shareholder**) under the Scheme will be given the option to have the Scheme Consideration to which it is entitled issued to the Nominee in the form of CDIs or New Bidder Shares, in which case:

- (a) Bidder will procure that, as soon as reasonably practicable (and in any event not more than 30 Business Days after the Implementation Date) the Nominee sells on ASX or TSXV all of the CDIs and/or New Bidder Shares issued to the Nominee in such manner, at such price and on such terms as the Nominee determines in good faith (and at the risk of the Small Shareholder), and remits to the Bidder the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**);
- (b) Bidder will pay to each Small Shareholder such proportion of the Proceeds as the number of CDIs or New Bidder Shares which would have been issued to that Small Shareholder divided by the total number of CDIs and/or New Bidder Shares issued to the Nominee promptly after the last sale of CDIs and/or New Bidder Shares by the Nominee in full satisfaction of the Bidder's obligations to those Small Shareholders under the Scheme in respect of the Scheme Consideration;
- (c) Bidder will pay the relevant fraction of the Proceeds to each Small Shareholder by either:
 - (i) dispatching or procuring the dispatch, to that Small Shareholder by prepaid post to that Small Shareholder's Registered Address (at the Record Date), a cheque in the name of that Small Shareholder; or
 - (ii) making a deposit in an account with any ADI (as defined by the Banking Act 1959 (Cth)) in Australia notified by that Small Shareholder to the Bidder (or the Share Registry) and recorded in or for the purposes of the Share Register at the Record Date,

for the relevant amount, with that amount being denominated in Australian dollars; and
- (d) each Small Shareholder appoints C-One as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Nominee is required to provide to Small Shareholders under the Corporations Act).

3.7 Joint holders

In the case of C-One Shares held by Scheme Shareholders in joint names:

- (a) any entry in the register of members of Bidder required to be made must record the names and registered addresses of the joint holders; and
- (b) any certificates or uncertificated holding statement for CDIs must be issued to Scheme Shareholders in the names of the joint holders and must be forward to the holder whose name first appears in C-One's share register at the Record Date.

4 Warranties

Bidder represents and warrants that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance by it of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) each of the New Bidder Shares to be issued pursuant to the Scheme Implementation Deed will be validly issued, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest and will rank equally in all respects with all existing Bidder Shares then on issue (other than in respect of any dividend already declared and not yet paid by Bidder, where the record date for entitlement to that dividend occurred prior to the Implementation Date).
- (e) each of the CDIs to be issued pursuant to the Scheme will be validly issued, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest and will rank equally in all respects with all other CDIs to be issued pursuant to the Scheme
- (f) this deed poll is valid and binding on it and is enforceable against it in accordance with its terms; and
- (g) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Bidder has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.2.

6 Further assurances

Bidder will do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

7 General

7.1 Stamp duty

Bidder must:

- (a) pay all stamp duty (if any) and any related fines and penalties payable on or in connection with the transfer by the Scheme Shareholders of the Scheme Shares pursuant to the Scheme and this deed poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

7.2 Notices

- (a) Any notice or other communication, including consent, approval request and demand, to Bidder in connection with this deed poll must be:
- (i) in legible writing in English;
 - (ii) signed by the person making the communication or that person's duly authorised agent; and
 - (iii) addressed to Bidder in accordance with the details set out below (or any alternative details nominated by Bidder by Notice).

Bidder

Attention: Trent Mell

Address: Suite 201, 140 Yonge Street, Toronto, ON M5C 1X6

Email: tmell@firstcobalt.com

With a copy to: wmoncrieff@jacmac.com.au

Bidder irrevocably appoints Jackson McDonald (**Agent**) as its agent for the service of process in Australia in relation to any matter arising out of this deed.

- (b) Any notice or other communication given in accordance with clause 7.2(a) will be deemed to have been duly given and received by one of the following methods and at the time set out below:
- (i) if delivered by hand, on delivery to the nominated address;
 - (ii) if sent by pre-paid post to the nominated address in the same country, at 9:00am (addressee's time) on the third Business Day after the date of posting;
 - (iii) if sent by pre-paid post to the nominated address in another country, at 9:00am (addressee's time) on the fifth Business Day after the posting;
 - (iv) if sent by fax:
 - (A) at the time indicated by the sending party's transmission equipment as the time that the fax was sent in its entirety; or
 - (B) if the recipient party informs the sending party within 4 hours after that time that the fax transmission was illegible or incomplete, then the Notice will not be regarded as given or received. When calculating this 4 hour period, only time within a business hours period is to be included; and
 - (v) if sent by email:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) four hours after the time sent (as recorded on the device from which the email was sent), provided that the sender does not receive an automated message that the email has not been delivered,

whichever happens first.

- (c) Any notice that, pursuant to clause 7.2(b), would be deemed to be given:
 - (i) other than on a Business Day or after 5:00pm on a Business Day is regarded as given at 9:00am on the following Business Day; and
 - (ii) before 9:00am on a Business Day is regarded as given at 9:00am on that Business Day,

where references to time are to time in the place the recipient is located.

- (d) A Notice must not be given by electronic means of communication (other than fax and email as permitted in clause 6.2).

7.3 Cumulative rights

The rights, powers and remedies of Bidder and the Scheme Shareholders under this deed poll are cumulative with and do not exclude the rights, powers or remedies provided by law independently of this deed poll.

7.4 Liability for Expenses

Bidder is solely responsible for, and must indemnify each Scheme Shareholder against, and must pay each Scheme Shareholder on demand the amount of, any duty that is payable and any related fines, interest and penalties in respect of or in connection with this deed poll, the performance of this deed poll and each transaction effected by or made or any instrument effected under this deed poll or the Scheme.

7.5 Waiver

- (a) Bidder may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) No Scheme Shareholder may rely on words or conduct of Bidder as a waiver of any right unless the waiver is in writing and signed by Bidder. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (c) Failure to exercise or enforce, a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed poll by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.

7.6 Variation

A provision of this deed poll may not be varied unless: the variation is agreed to by C-One in writing and the Court indicates that the variation would not of itself preclude approval of the Scheme, in which event Bidder must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

7.7 Governing law and jurisdiction

- (a) This deed poll is governed by the laws in force in Western Australia, Australia.

- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts competent to determine appeals from those courts in respect of any proceedings arising out of or in connection with this deed poll.
- (c) The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

7.8 Assignment

- (a) The rights created by this deed poll are personal to Bidder and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Bidder.
- (b) Any purported dealing in contravention of clause 7.8(a) is invalid.

8 Further actions and documents

Bidder must, promptly do all further acts and execute and deliver all further documents (in such form and content reasonably satisfactory to C-One) required by law or reasonably requested by C-One to give full effect to the deed poll and the transactions contemplated by this deed poll.

9 Consent

Bidder consents to C-One producing this deed poll to the Court.

10 Severance and enforceability

Any provision, or the application of any provision, of this deed poll that is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions of this deed poll in that or any other jurisdiction.

Execution page

Executed as a deed poll by First Cobalt Corp.
by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Attachment D — Option consideration

Class	Total number of C-One Options	Consideration
Performance B options	25,000,000 exercisable at \$0.06 and expiring 9 February 2020	In respect of any C-One Options not exercised before the Scheme Record Date, New Bidder Shares or CDIs calculated in accordance with the formula below, divided by 2.
Class A options	8,500,000 exercisable at \$0.02 and expiring 5 April 2020	In respect of any C-One Options not exercised before the Scheme Record Date, New Bidder Shares or CDIs calculated in accordance with the formula:
Class D options	16,000,000 exercisable at \$0.03 and expiring 30 November 2019	
Performance A options	25,000,000 exercisable at \$0.03 and expiring 9 February 2020	$(0.145 \text{ New Bidder Shares} \times Y) - ((X / 0.145) \times (0.145 \text{ New Bidder Shares} \times Y))$, rounded down to the nearest whole number, where: Y is the number of C-One Options held by the C-One Optionholder on the Scheme Record Date; and X is the exercise price of the C-One Option held.
Class E options	15,000,000 exercisable at \$0.08 and expiring 10 February 2020	At the election of the Class E option holder, the consideration outlined in the formula above, or Bidder options exercisable at \$0.55 and expiring 10 February 2020 at the ratio of 0.145 Bidder options for every one Class E option held.
Director Performance Options	15,000,000 exercisable at \$0.001 and expiring 15 June 2020	In respect of any Director Performance Option not exercised before the Scheme Record Date and subject to any required TSX regulatory approval, Bidder options exercisable at \$0.0069 and expiring 15 June 2020 at the ratio of 0.145 Bidder options for every Director Performance Option held. For the avoidance of doubt, there are no hurdles attached to the new Bidder options. If any required TSX regulatory approval is not obtained, 0.145 New Bidder Shares or CDIs per Director Performance Option

Attachment E — Restricted Securities

Securities	Total number on issue	Location of holders	Date Escrow Period ends
Performance shares issued pursuant to Ophiolite agreement	115,000,000	Various holders in Australia, NZ and Canada	09/02/2018
Ordinary shares to be issued as consideration for refinery acquisition	50,000,000	Gibraltar	24 months from date of issue
Ordinary shares to be issued as consideration for refinery acquisition	50,000,000	Gibraltar	12 months from date of issue
Performance A Options	25,000,000	Various holders in Australia, NZ and Canada	09/02/2018
Performance B Options	25,000,000	Various holders in Australia, NZ and Canada	09/02/2018

Restated deed of variation Scheme Implementation Deed

Cobalt One Limited

First Cobalt Corp.

Date: 10 October 2017

Parties

- 1 **First Cobalt Corp.** with its registered and records office at Suite 201, 140 Yonge Street, Toronto ON M5C 1X6 (**Bidder**)
- 2 **Cobalt One Limited** ABN 50 127 411 796 of Level 1, 35 Richardson Street, West Perth, Western Australia 6005 (**C-One**)

Background

- A Bidder and C-One have entered into the Scheme Implementation Deed dated 14 July 2017 (**SID**).
- B Bidder and C-One have entered into a deed of variation dated 22 September 2017 (**First Deed of Variation**), which varied the terms of the SID.
- C In accordance with clauses 4.1 and 16.6 of the SID, the parties agree to vary the terms of the SID on the terms set out in this deed.
- D This deed is intended to replace the First Deed of Variation.

The parties agree

1 Termination of First Deed of Variation

The parties agree that with effect on and from the date of this deed, the First Deed of Variation is terminated and is of no force and effect.

2 Variation to the SID

2.1 Variations

- (a) The parties agree that with effect on and from the date of this deed, clause 3.1(k) of the SID is varied by:
 - (i) deleting the number: “4.5” and replacing it with: “4.6”; and
 - (ii) deleting the reference to: “Part” and replacing it with “Chapter”.
- (b) The parties agree that with effect on and from the date of this deed, clause 4.5 of the SID is varied by inserting the words “or New Bidder Shares” after “Scheme Shareholders who are entitled to receive 675 or less CDIs”.
- (c) The parties agree that with effect on and from the date of this deed, clause 4.5(c)(ii) of the SID is varied by:
 - (i) deleting the reference to: “Bidder”; and

- (ii) replacing it with: "C-One".
- (d) The parties agree that with effect on and from the date of this deed, clause 4.6 of the SID is varied by:
 - (i) deleting the reference to: "Part"; and
 - (ii) replacing it with: "Chapter".
- (e) The parties agree that with effect on and from the date of this deed, clause 5.6(b) of the SID is varied by:
 - (i) deleting all references to: "Bidder"; and
 - (ii) replacing those references with: "C-One".
- (f) The parties agree that with effect on and from the date of this deed, the definition of "Break Fee" in Schedule 1 of the SID is replaced with:

"Break Fee means a fee equal to 1% of the equity value of C-One, as calculated in accordance with Takeovers Panel Guidance Note 7."
- (g) The parties agree that with effect on and from the date of this deed, the "Total quoted fully paid ordinary shares" of C-One in Schedule 2 of the SID is varied by:
 - (i) deleting the number: "576,627,602"; and
 - (ii) replacing it with: "576,426,602".
- (e) The parties agree that with effect on and from the date of this deed, that Schedule 3 of the SID is varied by:
 - (i) deleting the number: "4283450"; and
 - (ii) replacing it with: "4282450".
- (f) The parties agree that with effect on and from the date of this deed, that Schedule 4 of the SID is varied by:
 - (i) deleting the row containing: "EL25027"; and
 - (ii) deleting the row containing: "EL26777".
- (g) The parties agree that with effect on and from the date of this deed, clause 2(b) of Attachment B of the SID is varied by:
 - (i) deleting the current wording of clause 2(b); and
 - (ii) inserting a new clause 2(b) which provides:

"As at 14 July 2017, there were 676,426,602 C-One Shares and 104,750,000 C-One Options on issue."

- (h) The parties agree that with effect on and from the date of this deed, clause 5 of Attachment B of the SID is varied by:
- (i) inserting the word “Scheme” after “Bidder will provide the Scheme Consideration by issuing, or causing to be issued, the Scheme Consideration to each” in clause 5.2;
 - (ii) inserting the words “or New Bidder Shares” after “be allotted its entitlement to CDIs” in clause 5.7(a);
 - (iii) inserting the words “or New Bidder Shares” after “have the CDIs” in clause 5.7(b); and
 - (iv) inserting a new clause 5.8 which provides:

“5.8 Election

- (a) Subject to clauses 5.6, 5.7 and 5.8(b), each Scheme Shareholder will receive the Scheme Consideration in the form of CDIs. A Scheme Shareholder who wishes to receive the Scheme Consideration in the form of CDIs does not need to make an election under this clause 5.8.
- (b) Subject to this clause 5.6, 5.7 and 5.8, each Scheme Shareholder will be entitled to elect to receive the Scheme Consideration in the form of New Bidder Shares, rather than CDIs, by completing the Election Form and returning it to the address specified in the Election Form so that it is received by the Share Register at or before the Scheme Record Date.
- (c) Ineligible Foreign Holders and Small Shareholders making an election under clause 5.7(b), are not entitled to make any election under clause 5.8(b) and any election purportedly made by an Ineligible Foreign Holder or an electing Small Shareholder will have the Scheme Consideration dealt with in accordance with clause 5.6 or 5.7 (as applicable).
- (d) An election under clause 5.8(b) must be made in accordance with the terms and conditions on the Election Form.
- (e) A Scheme Shareholder who does not make a valid election under clause 5.8(b) will be deemed to have elected to receive the Scheme Consideration in the form of CDIs.
- (f) Subject to clause 5.8(g), a valid election made or deemed to be made by a Scheme Shareholder under this clause 5.8 will be deemed to apply in respect of the Scheme Shareholder’s entire holding of Scheme Shares, regardless of whether the Scheme Shareholder’s holding of Scheme Shares is greater or less than the Scheme Shareholder’s holding at the time it made its election.
- (g) A Scheme Shareholder (other than an Ineligible Foreign Holder) that holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person may, in accordance the Election Form, make separate elections under clause 5.8(b) in

relation to each of those parcels of Scheme Shares (subject to it providing to C-One and Bidder any substantiating information they reasonably require), and an election made in respect of any such parcel, or an omission to make an election in respect of such parcel, will not be taken to extend to the other parcels.

- (h) A Scheme Shareholder (other than an Ineligible Foreign Holder) may vary or withdraw any election made by it under this clause 5.8 at any time before the Scheme Record Date. To vary such an election, a Scheme Shareholder must lodge with the Share Register a replacement Election Form at or before the Scheme Record Date. To withdraw such an election, a Scheme Shareholder must follow the procedure set out in the Scheme Booklet or in the Election Form, or as may otherwise be agreed by C-One and Bidder.
- (i) Subject to clause 5.8(j), an election which is not made or deemed to have been made in accordance with this clause 5.8 will not be a valid election for the purposes of this Scheme and will not be recognised by C-One or Bidder for any purpose.
- (j) C-One may, with the agreement of Bidder, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any election made by a Scheme Shareholder under this clause 5.8, and any such decision will be conclusive and binding on C-One, Bidder and the relevant Scheme Shareholder."
- (v) deleting the reference to "Bidder" in clause 5.7(b)(iii)(B) and replacing it with: "C-One".
- (i) The parties agree that with effect on and from the date of this deed, clause 8.3(b) of Attachment B of the SID is varied by:
 - (i) deleting the current wording of clause 8.3(b); and
 - (ii) inserting a new clause 8.3(b) which provides:

"Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder (other than Ineligible Foreign Holders), Bidder will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by C-One of Bidder in the Share Register as the holder of the Scheme Shares."
- (j) The parties agree that with effect on and from the date of this deed, Schedule 1 of Attachment B of the SID is varied by:
 - (i) inserting the following definition of "Election Form":

"**Election Form** means an election form provided for the purposes of a Scheme Shareholder making an election to receive Scheme Consideration in the form of New Bidder Shares, in accordance with clause 5.8 of the Scheme."
 - (ii) inserting the following definition of "Excluded Shareholder":

“Excluded Shareholder means Bidder and any C- One Shareholder who is an associate of Bidder.”

- (iii) deleting the definition of “Small Shareholder”; and replacing it with:

“Small Shareholder means a Scheme Shareholder who is entitled to receive 675 or less CDIs or New Bidder Shares (or such other number as may be agreed between Bidder and C-One in writing) under the Scheme as at 7:00pm on the Scheme Record Date.”

- (k) The parties agree that with effect on and from the date of this deed, clause 1.1 of Attachment C of the SID is varied by replacing the word “Scheme” with:

“scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between C-One and C-One Shareholders (other than an Excluded Shareholder), as amended by the Deed of Variation, together with any alterations or conditions made or required pursuant to section 411(6) of the Corporations Act and agreed or consented to in writing by C-One and Bidder (**Scheme**)”.

- (l) The parties agree that with effect on and from the date of this deed, clause 3.2(c) of Attachment C of the SID is varied by inserting the words “and CDIs” after “validly issue to the Nominee all the New Bidder Shares” and “New Bidder Shares or” after “Small Shareholder who elects to receive cash proceeds instead of”.
- (m) The parties agree that with effect on and from the date of this deed, clause 3.2(f) of Attachment C of the SID is varied by inserting the words “or CDIs” after “New Bidder Shares”.
- (n) The parties agree that with effect on and from the date of this deed, clause 3.6 of Attachment C of the SID is varied by inserting the words “or New Bidder Shares” after “Scheme Shareholders who are entitled to receive 675 or less CDIs”.

2.2 Acknowledgement

The parties agree and acknowledge that the SID remains in full force and effect upon and subject to its provisions, except to the extent varied under clause 1.1.

3 General

3.1 Counterparts

This deed may be executed in any number of counterparts, each of which, when executed, is an original. Those counterparts together make one instrument.

3.2 Further assurances

Except as expressly provided in this deed, each party must, at its own expense, do all things reasonably necessary to give full effect to this deed and the matters contemplated by it.

3.3 Governing law

- (a) This deed is governed by the laws of Western Australia.

- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia and courts competent to hear appeals from those courts.

3.4 Entire agreement

- (a) This deed is the entire agreement between the parties about its subject matter and replaces all previous agreements, understandings, representations and warranties about that subject matter.
- (b) Each party represents and warrants that it has not relied on any representations or warranties about the subject matter of this deed except as expressly provided in this deed.

3.5 Severability

Any term of this deed which is wholly or partially void or unenforceable is severed to the extent that it is void or unenforceable. The validity or enforceability of the remainder of this deed is not affected.

3.6 Interpretation

The interpretation provision contained in Schedule 1 of the SID applies to this deed as if repeated in full here.

Execution page

Executed as a deed.

Signed, sealed and delivered by **First Cobalt Corp.** by:

Signature of President & CEO

Signature of Vice President Exploration

Name of President & CEO

Name of Vice President Exploration

Signed, sealed and delivered by **Cobalt One Limited** in accordance with section 127 of the *Corporations Act 2001 (Cth)* by:

Signature of director

Signature of director/secretary

Jason Bontempo

Nicholas Rowley

Name of director (print)

Name of director/secretary (print)

Execution page

Executed as a deed.

Signed, sealed and delivered by **First Cobalt Corp.** by:



Signature of President & CEO



Signature of CFO

Trent Mell

Name of President & CEO

Kevin Ma

Name of CFO

Signed, sealed and delivered by **Cobalt One Limited** in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Attachment F **Scheme of Arrangement made under section 411
of the *Corporations Act 2001* (Cth)**

Scheme of arrangement

Cobalt One Limited

Each person registered as a holder of fully paid ordinary shares in C-One as at the Scheme Record Date (other than Excluded Shareholders)

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Date:

Parties

- 1 **Cobalt One Limited** ABN 50 127 411 796 of Level 1, 35 Richardson Street, West Perth, Western Australia, 6005 (**C-One**)
- 2 Each person registered as a holder of fully paid ordinary shares in C-One as at the Scheme Record Date (other than Excluded Shareholders) (**Scheme Shareholders**)

The parties agree

1 Defined terms and interpretation

1.1 Defined terms

A term or expression starting with a capital letter which is defined in the dictionary in Schedule 1 has the meaning given to it in the dictionary.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this deed.

2 Preliminary matters

- (a) C-One is an Australian public company limited by shares, and has been admitted to the official list of ASX. C-One Shares are quoted for trading on the ASX.
- (b) As at 14 July 2017, there were 676,426,602 C-One Shares and 104,750,000 C-One Options on issue.
- (c) Bidder is a TSX-V and OTC listed Canadian company.
- (d) If this Scheme becomes Effective:
 - (i) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to Bidder and C-One will enter the name of Bidder in the Share Register in respect of all the Scheme Shares; and
 - (ii) Bidder will issue, or cause to be issued, 0.145 New Bidder Shares in the form of CDIs or New Bidder Shares for every 1 Scheme Share held by that Scheme Shareholder (**Scheme Consideration**) in accordance with this Scheme and the Deed Poll; and
 - (iii) Bidder will ensure that the New Bidder Shares or CDIs to be issued as Scheme Consideration will be validly issued, fully paid and rank equally with the Bidder's other issued common shares or CDIs from their date of issue.
- (e) Bidder and C-One have entered into the Scheme Implementation Deed in respect of (among other things) the implementation of this Scheme.
- (f) This Scheme attributes actions to Bidder but does not itself impose any obligations on Bidder to perform those actions. By executing the Deed Poll, Bidder has agreed

to perform the actions attributed to it under this Scheme. By executing the Deed Poll, Bidder agrees to procure that it performs its obligations under the Deed Poll, including issue of the Scheme Consideration in accordance with the terms of this Scheme.

3 Conditions

3.1 Conditions precedent

This Scheme is conditional on, and will not become Effective until and unless, the following conditions precedent are satisfied:

- (a) all the conditions in clause 3.1 of the Scheme Implementation Deed (other than the condition in clause 3.1(a) of the Scheme Implementation Deed relating to Court approval of this Scheme) are satisfied or waived in accordance with the terms of the Scheme Implementation Deed by 8:00am on the Second Court Date;
- (b) neither the Scheme Implementation Deed nor the Deed Poll is terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) this Scheme is approved by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act as are acceptable to C-One and Bidder;
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme as are acceptable to C-One and Bidder are satisfied; and
- (e) the order of the Court made under section 411(4)(b) of the Corporations Act approving this Scheme comes into effect pursuant to section 411(10) of the Corporations Act.

3.2 Certificates

- (a) Each of C-One and Bidder will provide a certificate to the Court at the Second Court Hearing confirming (in respect of matters within their knowledge) whether or not the conditions precedent in clause 3.1 of the Scheme Implementation Deed (other than the condition precedent in clause 3.1(a)) have been satisfied or waived in accordance with clause 3 of the Scheme Implementation Deed.
- (b) The certificates given by the C-One and Bidder constitute conclusive evidence that the conditions precedent in clause 3.1 of the Scheme Implementation Deed (other than the condition precedent in clause 3.1(a)) have been satisfied or waived.

4 Implementation of this Scheme

4.1 Lodgement of Court orders with ASIC

For the purposes of section 411(10) of the Corporations Act, C-One will lodge with ASIC an office copy of the order made by the Court under section 411(4)(b) of the Corporations Act approving this Scheme before 5:00pm on the Business Day following the day on which such office copy is received by C-One or such later date as C-One and Bidder agree in writing.

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 5.2, the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred to Bidder, without the need for any further act by any Scheme Shareholder (other than acts performed by C-One as attorney and agent for Scheme Shareholders under clause 8.5), by:
 - (i) Bidder duly completing and executing the Scheme Transfer (as transferee) and delivering it to C-One; and
 - (ii) C-One duly executing the Scheme Transfer (as transferor), attending to the stamping of the Scheme Transfer (if required) and delivering it for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause (a), C-One must enter, or procure the entry of, the name of Bidder in the Share Register in respect of all the Scheme Shares.

5 Scheme Consideration

5.1 Entitlement to Scheme Consideration

Subject to the terms of this Scheme, each Scheme Shareholder (other than Ineligible Foreign Holders) will be entitled to receive 0.145 New Bidder Shares in the form of CDIs or New Bidder Shares for every 1 Scheme Share held by that Scheme Shareholder on the Scheme Record Date.

5.2 Provision of Scheme Consideration

Bidder will provide the Scheme Consideration by issuing, or causing to be issued, the Scheme Consideration to each Scheme Shareholder (other than Ineligible Foreign Holders) prior to 12:00pm on the Implementation Date in accordance with the Scheme.

5.3 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any Scheme Consideration will be issued to the joint holders; and
- (b) any other document required to be sent under this Scheme will be forwarded to the holder whose name appears first in the Share Register as at the Scheme Record Date.

5.4 Fractional Entitlements

Where the calculation of a total number of New Bidder Shares to be issued to (or in respect of) a particular Scheme Shareholder would result in a fractional entitlement to a New Bidder Share, then, any such fractional entitlement:

- (a) of 0.5 or more will be rounded up to the nearest whole number; and
- (b) of less than 0.5 will be rounded down to the nearest whole number.

5.5 Shareholder splitting or division

If Bidder is of the reasonable opinion that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 5.4 or each of whom holds less than or equal to the number of Shares required to classify as a Small Shareholder) have, before the Scheme Record Date, been party to shareholder splitting or division in an attempt to obtain unfair advantage by reference to such rounding, Bidder may give notice to those Scheme Shareholders:

- (a) setting out their names and Registered Addresses;
- (b) stating that opinion; and
- (c) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them

and, after such notice is given, the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares will, for the purposes of other provisions of this Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and Registered Addresses are set out in the notice will, for the purposes of the other provisions of this Scheme, be taken to hold no Scheme Shares. Bidder, in complying with the other provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to other Scheme Shareholders named under the notice under the terms of this Scheme.

5.6 Ineligible Foreign Holders

Bidder will be under no obligation under this Scheme to issue, and will not issue any CDIs or New Bidder Shares to Ineligible Foreign Holders, and instead:

- (a) all the CDIs or New Bidder Shares which would otherwise be required to be issued to any Ineligible Foreign Holder under the Scheme, if they were eligible to receive them, will be issued to the Nominee;
- (b) Bidder will procure that, as soon as reasonably practicable (an in any event not more than 30 Business Days after the Implementation Date), the Nominee sells on ASX or TSXV all of the CDIs or New Bidder Shares issued to the Nominee pursuant to clause 5.6(a) in such manner, at such price and on such other terms as the Nominee determines in good faith (and at the risk of the Ineligible Foreign Holders), and remits to Bidder the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**);
- (c) Bidder will pay to each Ineligible Foreign Holder such proportion of the Proceeds as the number of CDIs or New Bidder Shares which would have been issued to that Ineligible Foreign Holder (if they were eligible to receive CDIs or New Bidder Shares) represents as a portion of all CDIs or New Bidder Shares which would have been issued to all Ineligible Foreign Holders (if they were eligible to receive CDIs or New Bidder Shares) in full satisfaction of the Bidder's obligations to those Ineligible Foreign Holders under the Scheme in respect of the Scheme Consideration;
- (d) Bidder will pay the relevant fraction of the Proceeds to each Ineligible Foreign Holder by either:

- (i) dispatching, or procuring the dispatch, to that Ineligible Foreign Holder by prepaid post to that Ineligible Foreign Holder's Registered Address (at the Record Date), a cheque in the name of that Ineligible Foreign Holder; or
- (ii) making a deposit in an account with any ADI (as defined in the *Banking Act 1959* (Cth)) in Australia notified by that Ineligible Foreign Holder to C-One (or the Share Registry) and recorded in or for the purposes of the Share Register at the Scheme Record Date,

for the relevant amount, with that amount being denominated in Australian dollars; and

- (e) each Ineligible Foreign Holder appoints C-One as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Nominee is required to provide to Ineligible Foreign Holders under the Corporations Act.

5.7 Small Shareholders

Each Small Shareholder may elect to either:

- (a) be allotted its entitlement to CDIs or New Bidder Shares in accordance with clause 5.2; or
- (b) have the CDIs or New Bidder Shares to which it is entitled issued to the Nominee in the form of CDIs or Bidder Shares, in which case:
 - (i) Bidder will procure that, as soon as reasonably practicable (and in any event not more than 30 Business Days after the Implementation Date) the Nominee sells on ASX or TSXV all of the CDIs or New Bidder Shares issued to the Nominee pursuant to clause 5.7(b) in such manner, at such price and on such terms as the Nominee determines in good faith (and at the risk of the Small Shareholder), and remits to the Bidder the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**);
 - (ii) Bidder will pay to each Small Shareholder such fraction of the Proceeds as is equal to the number of CDIs or New Bidder Shares which would have been issued to that Small Shareholder divided by the total number of Bidder Shares issued to Nominee under clause 5.7(b)(i) promptly after the last sale of Bidder Shares by the Nominee, in full satisfaction of the Bidder's obligations to those Small Shareholders under the Scheme in respect of the Scheme Consideration;
 - (iii) Bidder will pay the relevant fraction of the Proceeds to each Small Shareholder by either:
 - (A) dispatching or procuring the dispatch, to that Small Shareholder by prepaid post to that Small Shareholder's Registered Address (at the Record Date), a cheque in the name of that Small Shareholder; or
 - (B) making a deposit in an account with any ADI (as defined by the *Banking Act 1959* (Cth)) in Australia notified by that Small Shareholder to C-One (or the Share Registry) and recorded in or for the purposes of the Share Register at the Record Date,

for the relevant amount, with that amount being denominated in Australian dollars; and

- (iv) for the purposes of clause 5.7(b), each Small Shareholder appoints C-One as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Nominee is required to provide to Small Shareholders under the Corporations Act).

5.8 Election

- (a) Subject to clauses 5.6, 5.7 and 5.8(b), each Scheme Shareholder will receive the Scheme Consideration in the form of CDIs. A Scheme Shareholder who wishes to receive the Scheme Consideration in the form of CDIs does not need to make an election under this clause 5.8.
- (b) Subject to this clause 5.6, 5.7 and 5.8, each Scheme Shareholder will be entitled to elect to receive the Scheme Consideration in the form of New Bidder Shares, rather than CDIs, by completing the Election Form and returning it to the address specified in the Election Form so that it is received by the Share Register at or before the Scheme Record Date.
- (c) Ineligible Foreign Holders and Small Shareholders making an election under clause 5.7(b), are not entitled to make any election under clause 5.8(b) and any election purportedly made by an Ineligible Foreign Holder or an electing Small Shareholder will have the Scheme Consideration dealt with in accordance with clause 5.6 or 5.7 (as applicable).
- (d) An election under clause 5.8(b) must be made in accordance with the terms and conditions on the Election Form.
- (e) A Scheme Shareholder who does not make a valid election under clause 5.8(b) will be deemed to have elected to receive the Scheme Consideration in the form of CDIs.
- (f) Subject to clause 5.8(g), a valid election made or deemed to be made by a Scheme Shareholder under this clause 5.8 will be deemed to apply in respect of the Scheme Shareholder's entire holding of Scheme Shares, regardless of whether the Scheme Shareholder's holding of Scheme Shares is greater or less than the Scheme Shareholder's holding at the time it made its election.
- (g) A Scheme Shareholder (other than an Ineligible Foreign Holder) that holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person may, in accordance the Election Form, make separate elections under clause 5.8(b) in relation to each of those parcels of Scheme Shares (subject to it providing to C-One and Bidder any substantiating information they reasonably require), and an election made in respect of any such parcel, or an omission to make an election in respect of such parcel, will not be taken to extend to the other parcels.
- (h) A Scheme Shareholder (other than an Ineligible Foreign Holder) may vary or withdraw any election made by it under this clause 5.8 at any time before the Scheme Record Date. To vary such an election, a Scheme Shareholder must lodge with the Share Register a replacement Election Form at or before the Scheme Record Date. To withdraw such an election, a Scheme Shareholder must follow the procedure set out in the Scheme Booklet or in the Election Form, or as may otherwise be agreed by C-One and Bidder.

- (i) Subject to clause 5.8(j), an election which is not made or deemed to have been made in accordance with this clause 5.8 will not be a valid election for the purposes of this Scheme and will not be recognised by C-One or Bidder for any purpose.
- (j) C-One may, with the agreement of Bidder, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any election made by a Scheme Shareholder under this clause 5.8, and any such decision will be conclusive and binding on C-One, Bidder and the relevant Scheme Shareholder.

6 Dealings in C-One Shares

6.1 Determination of Scheme Shareholders

To establish the identity of the Scheme Shareholders, dealings in C-One Shares or other alterations to the Share Register will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant C-One Shares at or before the Scheme Record Date; and
- (b) in all other cases, registrable transfer or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received at or before the Scheme Record Date at the place where the Share Register is kept,

and C-One will not accept for registration, nor recognise for any purpose (except a transfer pursuant to this Scheme), any transfer or transmission application or other request received after the Scheme Record Date or received prior to the Scheme Record Date, but not in registrable or actionable form.

6.2 Share Register

- (a) C-One must register registrable transmission applications or transfers of C-One Shares in accordance with clause 6.1(b) at or before the Scheme Record Date, provided that nothing in this clause 6.2(a) requires C-One to register a transfer that would result in a C-One Shareholder holding a parcel of C-One Shares that is less than a 'marketable parcel' (as defined in the operating rules of ASX).
- (b) If this Scheme becomes Effective, a Scheme Shareholder (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Scheme Record Date otherwise than pursuant to this Scheme, and any attempt to do so will have no effect and C-One will be entitled to disregard any such disposal, purported disposal or agreement.
- (c) For the purpose of determining entitlements to the Scheme Consideration, C-One must maintain the Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been provided to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) All statements of holding for C-One Shares (other than statements of holding in favour of Bidder or any Ineligible Foreign Holder) will cease to have effect after the Scheme Record Date as documents of title in respect of those shares and, as from that date, each entry current at that date on the Share Register (other than entries

in respect of any Ineligible Shareholder) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the C-One Shares relating to that entry.

- (e) As soon as possible after the Scheme Record Date, and in any event within one Business Day after the Scheme Record Date, C-One will ensure that details of the names, Registered Addresses and holdings of C-One Shares for each Scheme Shareholder as shown in the Share Register as at the Scheme Record Date are available to Bidder in the form Bidder reasonably requires.

7 Quotation of C-One Shares

- (a) C-One will apply to ASX to suspend trading on the ASX in C-One Shares with effect from the close of trading on the Effective Date.
- (b) C-One will apply:
 - (i) for termination of the official quotation of C-One Shares on the ASX; and
 - (ii) to have itself removed from the official list of ASX;

with effect on and from the close of trading on the trading day immediately following the Implementation Date.

8 General Scheme provisions

8.1 Consent to amendments to this Scheme

If the Court proposes to approve this Scheme subject to any alterations or conditions:

- (a) C-One may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which Bidder has consented; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which counsel for C-One has consented to.

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder:
 - (i) agrees to the transfer of their C-One Shares together with all rights and entitlements attaching to those shares in accordance with this Scheme;
 - (ii) agrees to the variation, cancellation or modification of the rights attached to their C-One Shares constituted by or resulting from this Scheme; and
 - (iii) acknowledges that this Scheme binds C-One and all Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting).
- (b) Each Scheme Shareholder is taken to have warranted to C-One and Bidder on the Scheme Implementation Date, and appointed and authorised C-One as its attorney and agent to warrant to Bidder on the Scheme Implementation Date, that:

- (i) all their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme will, at the date of transfer, be fully paid and free from all:
 - (A) mortgages, charges, liens, encumbrances, pledges, security interests and interests of third parties of any kind, whether legal or otherwise; and
 - (B) restrictions on transfer of any kind ; and
- (ii) they have full power and capacity to transfer their Scheme Shares to C-One together with any rights attaching to those shares.

8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares transferred under this Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties, of any kind, whether legal or otherwise.
- (b) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder (other than Ineligible Foreign Holders), Bidder will be beneficially entitled to the Scheme Shares to be transferred to it under this Scheme pending registration by C-One of Bidder in the Share Register as the holder of the Scheme Shares.

8.4 Appointment of sole proxy

Upon the Scheme becoming Effective and until C-One registers Bidder as the holder of all Scheme Shares in the Share Register:

- (a) each Scheme Shareholder is deemed to have appointed Bidder as attorney and agent (and directed Bidder in each such capacity) to appoint any director, officer, secretary or agent nominated by Bidder as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolution whether in person, by proxy or by corporate representative;
- (b) no Scheme Shareholder may itself attend or vote at any shareholders' meetings or sign any shareholders' resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 8.4(a));
- (c) each Scheme Shareholder must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder reasonably directs; and
- (d) each Scheme Shareholder acknowledges and agrees that in exercising the powers conferred by clause 8.4(a), Bidder and any director, officer, secretary or agent nominated by Bidder may act in the best interests of Bidder as the intended registered holder of the Scheme Shares.

8.5 Authority given to C-One

On the Effective Date, each Scheme Shareholder, without the need for any further act, irrevocably appoints C-One and each of its directors, officers and secretaries (jointly and each of them severally) as its attorney and agent for the purpose of:

- (a) enforcing the Deed Poll against Bidder; and

- (b) executing any document, or doing or taking any other act, necessary, desirable or expedient to give effect to this Scheme and the transactions contemplated by it, including executing the Scheme Transfer,

and C-One accepts such appointment. C-One, as attorney and agent of each Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 8.5 to all or any of its directors, officers or employees (jointly, severally or jointly and severally).

8.6 Binding effect of this Scheme

This Scheme binds C-One and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of C-One.

9 General

9.1 Stamp duty

Bidder procures to:

- (a) pay all stamp duty (if any) and any related fines and penalties payable on, or in connection with, the transfer by the Scheme Shareholders of the Scheme Shares to Bidder pursuant to this Scheme or the Deed Poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 9.1(a).

9.2 Consent

Each Scheme Shareholder consents to C-One doing all things necessary or incidental to give full effect to the implementation of this Scheme and the transactions contemplated by it.

9.3 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to C-One, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at C-One's registered office or at the office of the Share Registry.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a C-One Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.4 Governing law and jurisdiction

- (a) This Scheme is governed by the laws in force in Western Australia.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts competent to determine appeals from those courts in respect of any proceedings arising out of or in connection with this Scheme. The parties irrevocably waive any objection to the venue of any legal

process in these courts on the basis that the process has been brought in an inconvenient forum.

9.5 Further action

C-One must do all things and execute all documents necessary to give full effect to this Scheme and the transactions contemplated by it.

9.6 No liability when acting in good faith

Neither the C-One or Bidder, or any of their respective directors, officers or secretaries, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

Schedule 1 — Dictionary

1 Dictionary

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market operated by it known as the “Australian Securities Exchange”.

Bidder means First Cobalt Corp. of Suite 201, 140 Yonge Street, Toronto, ON M5C 1X6.

Bidder Share means fully paid common share in the capital of Bidder.

Business Day has the meaning given in the Listing Rules.

C-One Share means fully paid ordinary shares in the capital of C-One.

C-One Shareholder means a holder of one or more C-One Shares, as shown in the member of members maintained by (or on behalf of) C-One in accordance with the Corporations Act.

CDIs means Bidder CHESS Depository Interests.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited and ASX Clear Pty Limited.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by C-One and Bidder.

Deed Poll means the deed poll to be entered into by Bidder pursuant to clause 5.2(i) of the Scheme Implementation Deed under which Bidder covenants in favour of Scheme Shareholders to provide the Scheme Consideration in accordance with the terms of the Scheme.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

Election Form means an election form provided for the purposes of a Scheme Shareholder making an election to receive Scheme Consideration in the form of New Bidder Shares, in accordance with clause 5.8 of the Scheme.

End Date means the date 6 months from the date of execution of this deed or such later date as agreed by C-One and Bidder

Excluded Shareholder means Bidder and any C-One Shareholder who is an associate of Bidder.

First Court Date: means the first day on which an application made to the Court for an order under section 411(1) of the Corporations Act directing C-One to convene the Scheme Meeting is heard, with such hearing being the **First Court Hearing**.

Government Agency means any foreign or Australian government or governmental semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state, or any other federal, state, provincial, local or other government, whether foreign or Australian (including the ASX and TSXV as applicable).

Implementation Date means the fifth Business Day after the Scheme Record Date or such other date as the parties to the Scheme Implementation Deed agree in writing.

Ineligible Foreign Holders means a Scheme Shareholder whose address in the register of C-One's Shareholders is in a jurisdiction outside Australia and its external territories, New Zealand, the British Virgin Islands, Gibraltar and Canada, except where C-One and Bidder are reasonably satisfied that the issue of New Bidder Shares in that jurisdiction under the Share Scheme would be neither prohibited by law nor unduly onerous.

Listing Rules means the official listing rules of ASX.

New Bidder Shares means a fully paid common share in the capital of the Bidder to be issued under the Scheme.

Nominee: means the person chosen by the C-One and Bidder and (if necessary) approved by ASIC (or any other applicable regulatory authority in Canada) to sell the Bidder Shares that are attributable to Ineligible Foreign Holders and Small Shareholders under the terms of this Scheme (or any nominee of such person).

Registered Address means, in relation to a Scheme Shareholder, the address shown in the Share Register as at the Scheme Record Date.

Scheme means this scheme of arrangement subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act.

Scheme Consideration means the consideration to be provided by the Bidder to each Scheme Shareholder for the transfer to C-One of each Scheme Share, as determined in accordance with clause 4.2(a) of the Scheme Implementation Deed.

Scheme Implementation Deed means the scheme implementation deed dated on or about 13 July 2017 between Bidder and C-One relating to (among other things) the implementation of this Scheme.

Scheme Meeting means the meeting of C-One Shareholders (other than Excluded Shareholders) ordered by the Court to be convened at the First Court Hearing.

Scheme Record Date means 7:00pm on the third Business Day after the Effective Date.

Scheme Share means a C-One Share held by a Scheme Shareholder as at the Scheme Record Date.

Scheme Shareholder means a Scheme Shareholder (other than an Excluded Shareholder) as at the Scheme Record Date.

Scheme Transfer means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or include a master transfer of all or part of the Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving this Scheme is heard, with such hearing being the **Second Court Hearing**.

Share Register means the register of C-One Shareholders maintained in accordance with the Corporations Act.

Share Registry means Advanced Share Registry Limited ABN 14 127 175 946.

Small Shareholder means a Scheme Shareholder who is entitled to receive 675 or less CDIs or New Bidder Shares (or such other number as may be agreed between Bidder and C-One in writing) under the Scheme as at 7:00pm on the Scheme Record Date.

TSX-V means the TSV Venture Exchange.

2 Interpretation

In this Scheme, the following rules of interpretation apply unless the contrary intention appears.

- (a) Headings are for convenience only and do not affect the interpretation of this Scheme.
- (b) The singular includes the plural and vice versa.
- (c) Words that are gender neutral or gender specific include each gender.
- (d) Where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.
- (e) The words “include”, “including” and similar expressions are not words of limitation and do not limit what else might be included.
- (f) In determining the time of day, where relevant to this Scheme, the time of day is the time in Perth, Western Australia.
- (g) A reference to:
 - (i) a person includes a natural person, estate of a natural person, partnership, joint venture, government agency, association, corporation or other body corporate or entity (as that term is defined in section 64A of the Corporations Act);
 - (ii) a thing (including a chose in action or other right) includes a part of that thing;
 - (iii) a party includes its successors and permitted assigns;
 - (iv) a document includes all amendments or supplements to that document;
 - (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or a party, schedule or attachment to, this Scheme (as applicable);
 - (vi) this Scheme includes all schedules to it;

- (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a Listing Rule and is a reference to that law as amended, consolidated or replaced;
- (viii) an agreement (other than this Scheme) includes an undertaking or legally enforceable arrangement or understanding (whether or not in writing);
- (ix) a time period includes the date referred to as that on which the period begins and the date referred to as that on which the period ends; and
- (x) a monetary amount is in Australian dollars.

Attachment G Deed Poll

Deed poll

First Cobalt Corp.

In favour of each person registered as a holder of fully paid ordinary shares in C-One as at the Scheme Record Date (other than Excluded Shareholders)

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Date:

Parties

- 1 **First Cobalt Corp.** of Suite 201, 140 Yonge Street, Toronto, ON M5C 1X6 (**Bidder**)
 - 2 In favour of each person registered as a holder of fully paid ordinary shares in C-One as at the Scheme Record Date (other than Excluded Shareholders) (**Scheme Shareholders**)
-

Background

- A Bidder and C-One have entered into the Scheme Implementation Deed, under which the Scheme Shareholders will be entitled to receive 0.145 New Bidder Shares in the form of CDIs or New Bidder Shares for every 1 Scheme Share by that Scheme Shareholder (**Scheme Consideration**).
- B In the Scheme Implementation Deed, Bidder agreed to enter into this deed poll.
- C Bidder enters into this deed poll for the purpose of covenanting in favour of the Scheme Shareholders to provide the Scheme Consideration in accordance with the terms of the Scheme.

The parties agree

1 Defined terms and interpretation

1.1 Defined terms

Unless the context otherwise requires, terms defined in the scheme of arrangement pursuant to Part 5.1 of the Corporations Act proposed between C-One and C-One Shareholders (other than an Excluded Shareholder), as amended by the Deed of Variation, together with any alterations or conditions made or required pursuant to section 411(6) of the Corporations Act and agreed or consented to in writing by C-One and the Bidder (**Scheme**) have the same meaning when used in this deed poll.

1.2 Interpretation

Clause 2 of Schedule 1 of the Scheme applies to the interpretation of this deed poll, except that references to 'Scheme' are to be read as references to 'deed poll'.

1.3 Nature of deed poll

Bidder acknowledges and agrees that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints C-One and each of its directors, officers and secretaries (jointly and each of them severally) as its agent and attorney to enforce this deed poll.

2 Conditions

2.1 Conditions

The deed poll and the obligations of Bidder under this deed poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of Bidder under this deed poll to the Scheme Shareholders will automatically terminate and the terms of this deed poll will be of no further force or effect if:

- (a) the Scheme Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme does not become Effective by the End Date.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, then, in addition and without prejudice to any other available rights, powers or remedies available to Bidder or the Scheme Shareholders (as applicable):

- (a) Bidder is released from its obligations to further perform this deed poll except those obligations contained in clause 7.1; and
 - (b) each Scheme Shareholder retains the rights, powers or remedies it has against Bidder in respect of any breach of this deed poll which occurs before it was terminated.
-

3 Scheme obligations

3.1 Undertaking to provide Scheme Consideration

Subject to clause 2, Bidder undertakes in favour of each Scheme Shareholder:

- (a) to acquire the C-One Shares on issue at the Record Date, in accordance with the provisions of the Scheme Implementation Deed;
- (b) to issue, or cause to be issue, the Scheme Consideration to each Scheme Shareholder prior to 12:00pm on the Implementation Date subject to and in accordance with the terms of the Scheme (other than to Ineligible Foreign Holders who will be dealt with in accordance with clause 3.5 and those Small Shareholders who elect to receive cash proceeds instead of CDIs in accordance with clause 3.6); and
- (c) all other actions attributed to it under the Scheme,

subject to and in accordance with the provisions of the Scheme.

3.2 Satisfaction of obligation to provide Scheme Consideration

The obligation of Bidder to provide the Scheme Consideration referred to in clause 3.1(b) will be satisfied by Bidder:

- (a) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue to Scheme Shareholders (other than Ineligible Foreign Holders) and CHESS Depository Nominees Pty Limited (ACN 071 346 506)(CDN), Scheme Consideration in the form of New Bidder Shares or CDIs and entering in the register of members of Bidder the name and registered address of Scheme Shareholders (other than Ineligible Foreign Holders) and CDN, in relation to all the New Bidder Shares or CDIs issued to Scheme Shareholders (other than Ineligible Foreign Holders) and CDN in accordance with the Scheme Implementation Deed; valid issue of New Bidder Shares to CDN will be held on trust and that number of New Bidder Shares will enable CDN to issue the Scheme Consideration due to those Scheme Shareholders who will receive CDIs and Small Shareholders who elect to receive cash proceeds instead of CDIs);
- (b) on the Implementation Date, procuring that CDN:
 - (i) issues to each Scheme Shareholder the number of CDIs to which it is entitled under the Scheme; and
 - (ii) enters (or procures to the entry of) the name of each such Scheme Shareholder in the records maintained by CDN as the holder of the CDIs issued to that Scheme Shareholder on the Implementation Date;
- (c) on the Implementation Date, passing a resolution of directors and doing all other things necessary to validly issue to the Nominee all the New Bidder Shares and CDIs required to be issued to the Nominee under the Scheme rather than to an Ineligible Foreign Holder or a Small Shareholder who elects to receive cash proceeds instead of New Bidder Shares or CDIs, and entering the name and registered address of the Nominee in the register of members of Bidder as the holder of those New Bidder Shares;
- (d) within 5 Business Days after the Implementation Date, dispatching by pre-paid post to Scheme Shareholders who will receive New Bidder Shares and CDN a certificate or uncertificated holding statement representing the number of New Bidder Shares issued to that entity as the registered holder of those New Bidder Shares;
- (e) on the Implementation Date, if required by C-One, executing a valid share transfer form or forms (which may be a master transfer) effecting the transfer of the Scheme Shares from the Scheme Shareholders to Bidder and must deliver such executed share transfer form or forms to C-One for registration; and
- (f) procuring, as soon as reasonably practicable (and in any event not more than 30 Business Days after the Implementation Date) that the Nominee sell any New Bidder Shares or CDIs issued to it and remit the proceeds to the relevant Ineligible Foreign Holders and Small Shareholders, in accordance with the Scheme Implementation Deed.

3.3 Shares to rank equally

Bidder covenants in favour of each Scheme Shareholder that the New Bidder Shares which are validly issued in accordance with the Scheme will:

- (a) rank equally with all existing Bidder Shares (if any); and
- (b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

3.4 CDIs to rank equally

Bidder covenants in favour of each Scheme Shareholder that the CDIs which are validly issued in accordance with the Scheme will:

- (a) rank equally with all other CDIs to be issued pursuant to the Scheme; and
- (b) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

3.5 Ineligible Foreign Holders

Bidder will be under no obligation under the Scheme to issue, and will not issue any CDIs or New Bidder Shares to Ineligible Foreign Holders, and instead:

- (a) all the CDIs or New Bidder Shares which would otherwise be required to be issued to any Ineligible Foreign Holder under the Scheme, if they were eligible to receive them, will be issued to the Nominee;
- (b) Bidder will procure that, as soon as reasonably practicable (an in any event not more than 30 Business Days after the Implementation Date), the Nominee sells on ASX or TSXV all of the CDIs or New Bidder Shares issued to the Nominee pursuant to clause 3.5(a) in such manner, at such price and on such other terms as the Nominee determines in good faith (and at the risk of the Ineligible Foreign Holders), and remits to Bidder the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**);
- (c) Bidder will pay to each Ineligible Foreign Holder such proportion of the Proceeds as the number of CDIs or New Bidder Shares which would have been issued to that Ineligible Foreign Holder (if they were eligible to receive CDIs or New Bidder Shares) represents as a portion of all CDIs or New Bidder Shares which would have been issued to all Ineligible Foreign Holders (if they were eligible to receive CDIs or New Bidder Shares) in full satisfaction of the Bidder's obligations to those Ineligible Foreign Holders under the Scheme in respect of the Scheme Consideration;
- (d) Bidder will pay the relevant proportion of the Proceeds to each Ineligible Foreign Holder by either:
 - (i) dispatching, or procuring the dispatch, to that Ineligible Foreign Holder by prepaid post to that Ineligible Foreign Holder's Registered Address (at the Record Date), a cheque in the name of that Ineligible Foreign Holder; or
 - (ii) making a deposit in an account with any ADI (as defined in the Banking Act 1959 (Cth)) in Australia notified by that Ineligible Foreign Holder to C-One (or the Share Registry) and recorded in or for the purposes of the Share Register at the Scheme Record Date,

for the relevant amount, with that amount being denominated in Australian dollars; and

- (e) each Ineligible Foreign Holder appoints C-One as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Nominee is required to provide to Ineligible Foreign Holders under the Corporations Act.

3.6 Small Shareholders

Scheme Shareholders who are entitled to receive 675 or less CDIs or New Bidder Shares (or such other number as may be agreed between Bidder and C-One in writing) (**Small Shareholder**) under the Scheme will be given the option to have the Scheme Consideration to which it is entitled issued to the Nominee in the form of CDIs or New Bidder Shares, in which case:

- (a) Bidder will procure that, as soon as reasonably practicable (and in any event not more than 30 Business Days after the Implementation Date) the Nominee sells on ASX or TSXV all of the CDIs and/or New Bidder Shares issued to the Nominee in such manner, at such price and on such terms as the Nominee determines in good faith (and at the risk of the Small Shareholder), and remits to the Bidder the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**);
- (b) Bidder will pay to each Small Shareholder such proportion of the Proceeds as the number of CDIs or New Bidder Shares which would have been issued to that Small Shareholder divided by the total number of CDIs and/or New Bidder Shares issued to the Nominee promptly after the last sale of CDIs and/or New Bidder Shares by the Nominee in full satisfaction of the Bidder's obligations to those Small Shareholders under the Scheme in respect of the Scheme Consideration;
- (c) Bidder will pay the relevant fraction of the Proceeds to each Small Shareholder by either:
 - (i) dispatching or procuring the dispatch, to that Small Shareholder by prepaid post to that Small Shareholder's Registered Address (at the Record Date), a cheque in the name of that Small Shareholder; or
 - (ii) making a deposit in an account with any ADI (as defined by the Banking Act 1959 (Cth)) in Australia notified by that Small Shareholder to the Bidder (or the Share Registry) and recorded in or for the purposes of the Share Register at the Record Date,

for the relevant amount, with that amount being denominated in Australian dollars; and
- (d) each Small Shareholder appoints C-One as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Nominee is required to provide to Small Shareholders under the Corporations Act).

3.7 Joint holders

In the case of C-One Shares held by Scheme Shareholders in joint names:

- (a) any entry in the register of members of Bidder required to be made must record the names and registered addresses of the joint holders; and
- (b) any certificates or uncertificated holding statement for CDIs must be issued to Scheme Shareholders in the names of the joint holders and must be forward to the holder whose name first appears in C-One's share register at the Record Date.

4 Warranties

Bidder represents and warrants that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance by it of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) each of the New Bidder Shares to be issued pursuant to the Scheme Implementation Deed will be validly issued, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest and will rank equally in all respects with all existing Bidder Shares then on issue (other than in respect of any dividend already declared and not yet paid by Bidder, where the record date for entitlement to that dividend occurred prior to the Implementation Date).
- (e) each of the CDIs to be issued pursuant to the Scheme will be validly issued, fully paid and free from any mortgage, charge, lien, encumbrance or other security interest and will rank equally in all respects with all other CDIs to be issued pursuant to the Scheme
- (f) this deed poll is valid and binding on it and is enforceable against it in accordance with its terms; and
- (g) this deed poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

5 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Bidder has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.2.

6 Further assurances

Bidder will do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

7 General

7.1 Stamp duty

Bidder must:

- (a) pay all stamp duty (if any) and any related fines and penalties payable on or in connection with the transfer by the Scheme Shareholders of the Scheme Shares pursuant to the Scheme and this deed poll; and
- (b) indemnify each Scheme Shareholder against any liability arising from failure to comply with clause 7.1(a).

7.2 Notices

- (a) Any notice or other communication, including consent, approval request and demand, to Bidder in connection with this deed poll must be:
 - (i) in legible writing in English;
 - (ii) signed by the person making the communication or that person's duly authorised agent; and
 - (iii) addressed to Bidder in accordance with the details set out below (or any alternative details nominated by Bidder by Notice).

Bidder

Attention: Trent Mell

Address: Suite 201, 140 Yonge Street, Toronto, ON M5C 1X6

Email: tmell@firstcobalt.com

With a copy to: wmoncrieff@jacmac.com.au

Bidder irrevocably appoints Jackson McDonald (**Agent**) as its agent for the service of process in Australia in relation to any matter arising out of this deed.

- (b) Any notice or other communication given in accordance with clause 7.2(a) will be deemed to have been duly given and received by one of the following methods and at the time set out below:
 - (i) if delivered by hand, on delivery to the nominated address;
 - (ii) if sent by pre-paid post to the nominated address in the same country, at 9:00am (addressee's time) on the third Business Day after the date of posting;
 - (iii) if sent by pre-paid post to the nominated address in another country, at 9:00am (addressee's time) on the fifth Business Day after the posting;
 - (iv) if sent by fax:
 - (A) at the time indicated by the sending party's transmission equipment as the time that the fax was sent in its entirety; or
 - (B) if the recipient party informs the sending party within 4 hours after that time that the fax transmission was illegible or incomplete, then the Notice will not be regarded as given or received. When calculating this 4 hour period, only time within a business hours period is to be included; and

- (v) if sent by email:
 - (A) when the sender receives an automated message confirming delivery; or
 - (B) four hours after the time sent (as recorded on the device from which the email was sent), provided that the sender does not receive an automated message that the email has not been delivered,

whichever happens first.
- (c) Any notice that, pursuant to clause 7.2(b), would be deemed to be given:
 - (i) other than on a Business Day or after 5:00pm on a Business Day is regarded as given at 9:00am on the following Business Day; and
 - (ii) before 9:00am on a Business Day is regarded as given at 9:00am on that Business Day,

where references to time are to time in the place the recipient is located.
- (d) A Notice must not be given by electronic means of communication (other than fax and email as permitted in clause 6.2).

7.3 Cumulative rights

The rights, powers and remedies of Bidder and the Scheme Shareholders under this deed poll are cumulative with and do not exclude the rights, powers or remedies provided by law independently of this deed poll.

7.4 Liability for Expenses

Bidder is solely responsible for, and must indemnify each Scheme Shareholder against, and must pay each Scheme Shareholder on demand the amount of, any duty that is payable and any related fines, interest and penalties in respect of or in connection with this deed poll, the performance of this deed poll and each transaction effected by or made or any instrument effected under this deed poll or the Scheme.

7.5 Waiver

- (a) Bidder may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) No Scheme Shareholder may rely on words or conduct of Bidder as a waiver of any right unless the waiver is in writing and signed by Bidder. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (c) Failure to exercise or enforce, a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this deed poll by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.

7.6 Variation

A provision of this deed poll may not be varied unless: the variation is agreed to by C-One in writing and the Court indicates that the variation would not of itself preclude approval of the Scheme, in which event Bidder must enter into a further deed poll in favour of the Scheme Shareholders giving effect to the variation.

7.7 Governing law and jurisdiction

- (a) This deed poll is governed by the laws in force in Western Australia, Australia.
- (b) The parties irrevocably submit to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts competent to determine appeals from those courts in respect of any proceedings arising out of or in connection with this deed poll.
- (c) The parties irrevocably waive any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

7.8 Assignment

- (a) The rights created by this deed poll are personal to Bidder and each Scheme Shareholder and must not be dealt with at law or in equity without the prior written consent of Bidder.
- (b) Any purported dealing in contravention of clause 7.8(a) is invalid.

8 Further actions and documents

Bidder must, promptly do all further acts and execute and deliver all further documents (in such form and content reasonably satisfactory to C-One) required by law or reasonably requested by C-One to give full effect to the deed poll and the transactions contemplated by this deed poll.

9 Consent

Bidder consents to C-One producing this deed poll to the Court.

10 Severance and enforceability

Any provision, or the application of any provision, of this deed poll that is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions of this deed poll in that or any other jurisdiction.

Execution page

Executed as a deed poll by **First Cobalt Corp.**
by:



Signature of director

Trent Mell

Name of director (print)



Signature of director/secretary

Bryan Slusarchuk

Name of director/secretary (print)

Attachment H Notice of Scheme Meeting

Cobalt One Limited ACN 127 411 796

Notice is hereby given that by an order of the Court made on 12 October 2017 pursuant to section 411(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**) a meeting of the holders of ordinary shares in Cobalt One Limited ACN 127 411 796 (**Cobalt One**) will be held at 10:00am WST on 17 November 2017 at the offices of Cobalt One at Level 1, 35 Richardson Street, West Perth, Western Australia.

The Federal Court of Australia (**Court**) has also directed that Mr Jason Bontempo act as Chairman of the meeting or failing him Mr Nicholas Rowley, and has directed the Chairman to report the result of the meeting to the Court if the resolution is approved.

Business of the meeting –Scheme Resolution

To consider, and if thought fit, to pass the following resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

“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).”

By Order of the Court

Michael Naylor

Company Secretary of Cobalt One Limited

Explanatory notes

To enable you to make an informed decision on the Scheme Resolution, further information on the Scheme is set out in the Scheme Booklet, of which this Notice of Scheme Meeting forms part. Terms used in this Notice of Scheme Meeting have the same meaning as set out in the Glossary in Section 12.

These notes should be read in conjunction with the Notice of Scheme Meeting.

Requisite Majorities

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Scheme Resolution must be approved by:

- a majority in number of the holders of Cobalt One Shares present and voting (either in person, by proxy or attorney or in the case of a corporate holder, by duly appointed corporate representative) at the Scheme Meeting; and
- at least 75% of the votes cast on the Scheme Resolution.

Entitlement to vote

The Court has ordered that, for the purposes of the Scheme Meeting, Cobalt One Shares will be taken to be held by the persons who are registered as members of Cobalt One as of 7:00pm WST on 15 November 2017 (other than Excluded Shareholders). Accordingly, transfers registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

Voting at the Scheme Meeting

You may vote in person at the meeting or appoint a proxy or attorney to attend and vote for you.

(a) Jointly held securities

If Cobalt One Shares are jointly held, either one of the joint shareholders is entitled to vote. If more than one joint shareholder votes in respect of jointly held shares, only the vote of the shareholder whose name appears first in the register will be counted.

(b) Corporate shareholders

To vote at the Scheme Meeting (other than by proxy or attorney), a corporation that is a Scheme Shareholder must appoint a person to act as its representative. The appointment must comply with section 250D of the Corporations Act.

The representative must bring to the Scheme Meeting evidence of his or her appointment including any authority under which it is signed.

(c) Voting by proxy

A Cobalt One Shareholder entitled to attend and vote at the Scheme Meeting is also entitled to vote by proxy. The proxy form is enclosed with the Scheme Booklet. You may appoint not more than two proxies to attend and act for you at the Scheme Meeting. A proxy need not be a holder of Cobalt One Shares. If two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of your votes. If no such number or proportion is specified, each proxy may exercise half your votes.

If the Scheme Shareholder specifies a choice with respect to any matter to be acted upon, the Cobalt One Shares will be voted accordingly. If you do not instruct your proxy on how to vote, your proxy may vote as he or she sees fit at the Scheme Meeting, provided that if a choice is not specified, the Cobalt One Shares represented by a proxy given to the Chairman of the Scheme Meeting are intended to be voted in favour of the Scheme Resolution.

Please refer to the enclosed proxy form for instructions on completion and lodgement. Please note that proxy forms must be received at the registered office of Cobalt One or the Registry whose details are listed below no less than 48 hours prior to the commencement of the Scheme Meeting.

(d) Voting by attorney

Powers of attorney must be received by the Cobalt One Registry, or at the registered office, by no later than 10:00am WST on 15 November 2017 (or if the Scheme Meeting is adjourned, at least 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting).

An attorney will be admitted to the Scheme Meeting and given a voting card upon providing at the point of entry to the Scheme Meeting written evidence of their appointment, of their name and address and the identity of their appointer.

The sending of a power of attorney will not preclude a Scheme Shareholder from attending in person and voting at the Scheme Meeting if the Scheme Shareholder is entitled to attend and vote.

Lodgement of proxies and queries

Proxy forms, powers of attorney and authorities should be sent to Cobalt One at the address specified on the enclosed reply paid envelope or to the address specified below:

Address: C/- Advanced Share Registry

PO Box 1156

Nedlands Western Australia 6906

Facsimile: (08) 9262 3723 (within Australia) or +61 8 9262 3723 (outside Australia) for shareholders on the Australian Cobalt One Registry.

Court approval

If the Scheme Resolution is approved at the Scheme Meeting by the Requisite Majorities, the implementation of the Scheme (with or without modification) will be subject, among other things, to the subsequent approval of the Court.

Attachment I Sample Proxy Form

PROXY FORM

Cobalt One Limited
ACN 127 411 796



Name Address 1

Name Address 2

Name Address 3

Name Address 4

Appointment of Proxy

If appointing a proxy to attend the Scheme Meeting on your behalf, please complete the form and submit it in accordance with the directions on the reverse side of this page.

I/We _____ of _____, being a Shareholder/Shareholders of Cobalt One Limited, pursuant to my/our right to appoint not more than two proxies, appoint:



The Chair of the Scheme Meeting
 (mark with an "X") **OR**

Write here the name of the person you are appointing if this person is someone other than the Chair of the Scheme Meeting.

Write here the name of the person you are appointing as a second proxy (if any).

or failing him/her, (if no proxy is specified above), the Chair of the Scheme Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Scheme Meeting to be held at the offices of Cobalt One Limited at Level 1, 35 Richardson Street, West Perth, Western Australia and at any adjournment of that Scheme Meeting.

This proxy is to be used in respect of _____ % of the ordinary Cobalt One Shares I/we hold.

Voting directions to your Proxy

Important - If the Chair of the Meeting is your proxy or is appointed as your proxy by default

Where I/we have appointed the Chair of the Scheme Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair of the Scheme Meeting to vote in accordance with the Chair's voting intentions on Resolution 1 (except where I/we have indicated a different voting intention).

The Chair of the Scheme Meeting intends to vote all available undirected proxies in favour of Resolution 1. In exceptional circumstances, the Chair of the Scheme Meeting may change his voting intention, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain*
1. 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 modifications as approved by the Court).	☐	☐	☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

**If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

If executed by a company, executed in accordance with section 127 of the *Corporations Act 2001* (Cth):

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Joint Shareholder 2

Director

Joint Shareholder 3

Director/Company Secretary

Date: _____ / _____ 2017

Contact Name

Contact Business Telephone/Mobile

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. The appointment of a proxy or attorney by a Cobalt One Shareholder is not revoked by the Cobalt One Shareholder attending and taking part in the general meeting, but if the Cobalt One Shareholder votes on a resolution, the proxy or attorney is not entitled to vote, and must not vote, as the Cobalt One Shareholder's proxy or attorney.
2. A Cobalt One Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Cobalt One Shareholder's voting rights. If the Cobalt One Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes.
3. A proxy need not be a Cobalt One shareholder.
4. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Cobalt One Shares are not to be counted in computing the required majority on a poll.
5. This Proxy Form confers discretionary authority upon the proxy nominee with respect to any amendments or variations to the matters identified herein and any other matters that may properly come before the Scheme Meeting.
6. A proxy or attorney may not vote at a general meeting or adjourned meeting or on a poll unless the instrument appointing the proxy or attorney, and the authority under which the instrument is signed or a certified copy of the authority, are received by Cobalt One at the same time as outlined for proxy forms in paragraph 9 below
7. If a representative of a Cobalt One Shareholder is to attend the Scheme Meeting, a properly executed original (or certified copy) of evidence of appointment is required. The appointment must comply with section 250D of the Corporations Act. The representative should bring to the Scheme Meeting evidence of his or her appointment to including any authority under which it is signed.

8. Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual:** Where the holding is in one name, the holder must sign.
- Joint Holding:** Where the holding is in more than one name, all of the Cobalt One Shareholders should sign.
- Power of Attorney:** If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.
- Companies:** Where the company has a sole director who is also the sole company secretary, this Proxy Form must be signed by that person.
- If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone.
- Otherwise this Proxy Form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

9. Lodgement of a Proxy

This Proxy Form (and the authority under which the instrument is signed, or a certified copy of the authority) must be received at the address below not later than 10:00am WST on 15 November 2017 (48 hours before the commencement of the Scheme Meeting). Any Proxy Form received after that time will not be valid for the scheduled Scheme Meeting.

- Hand deliveries:** Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009
- Postal address:** C/- Advanced Share Registry
PO Box 1156
Nedlands WA 6906
- Fax number:** +61 8 9262 3723

Attachment J Sample Election Form



All Cobalt One Registry communications to:
C/- Advanced Share Registry
PO Box 1156
Nedlands WA 6906
ASX Code: CO1

Name Address 1
Name Address 2
Name Address 3
Name Address 4

Scheme of Arrangement – Election Form

IMPORTANT: This is an important document and requires your immediate attention. Do not complete this Election Form until you have read the accompanying Scheme Booklet dated 12 October 2017 and the instructions on the back of this Election Form. If you are in any doubt as to what to do, you should consult your investment, financial, taxation or other professional adviser.

You may use this Election Form to elect to receive New First Cobalt Shares quoted on TSX-V.

If you do not return this Election Form by the date and time below, you will receive New First Cobalt CDIs by default.

TO BE A VALID ELECTION, THIS ELECTION FORM MUST BE RECEIVED BY ADVANCED SHARE REGISTRY BY 7:00PM WST ON 1 DECEMBER 2017. ELECTION FORMS RECEIVED AFTER 7:00PM WST ON 1 DECEMBER 2017 WILL BE INVALID.

A Election

If the Scheme becomes Effective, by default, you will have made an election to receive your Scheme Consideration in the form of New First Cobalt CDIs quoted on ASX.

You are not required to submit and return this Election Form if you want to receive New First Cobalt CDIs. Only return this Election Form if you want to elect to receive Scheme Consideration in the form of New First Cobalt Shares quoted on TSX-V, rather than New First Cobalt CDIs quoted on ASX.

☐

Election to receive New First Cobalt Shares quoted on TSX-V:

By marking this box, I am electing to receive any Scheme Consideration to which I am entitled to under the Scheme in the form of New First Cobalt Shares quoted on TSX-V, rather than New First Cobalt CDIs quoted on ASX.

B Contact Details

Please provide a daytime telephone number where we can contact you, if you have any questions about the Election Form.

Daytime telephone number

Contact name (PRINT)

C Shareholder Signature(s) – This MUST be completed

I/We, have made the above election in respect of all my/our Cobalt One Shares and hereby agree to the terms and conditions as set out in the Scheme Booklet and Scheme.

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete 1)

Joint Shareholder 3

Director

This form must be signed by the shareholder. If Cobalt One Shares are held jointly, all shareholders jointly, all shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the Cobalt One's constitution and the Corporations Act 2001 (Cth). Where the company has a sole director who is also the sole company

Date

secretary, this Election Form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, this Proxy Form must be signed by a director jointly with either another director or the company secretary. Please indicate the office held by signing in the appropriate place.

Please read the terms and conditions overleaf.

Terms and Conditions of Election

1 How to complete the Election Form

Please complete all relevant sections of the Election Form USING BLOCK LETTERS in accordance with the instructions on the form.

Please note your Scheme Consideration will be issued in the names as they appear on the Cobalt One Register.

If you are electing to receive Scheme Consideration in the form of New First Cobalt Shares, you must complete and return this Election Form in accordance with the instructions below. Please refer to the Scheme Booklet dated 12 October 2017. Capitalised terms in this Election Form are given the same meaning as in the Scheme Booklet.

Please sign this Election Form in the places for signature(s) set out on the front page and in accordance with the following instructions.

1. **Ineligible Foreign Holders:** Ineligible Foreign Holders will have their New First Cobalt Shares or New First Cobalt CDIs issued to a Nominee for sale on ASX or TSX-V, and will receive a portion of the Proceeds as calculated in accordance with clause 5.6 of the Scheme. Accordingly, an Ineligible Foreign Holder is **not entitled to make an election** and any purported election will not be recognised by Cobalt One or First Cobalt. Ineligible Foreign Holders should read the Scheme Booklet as to their entitlements under the Scheme.
2. **Electing Small Shareholders:** Electing Small Shareholders will have their New First Cobalt Shares or New First Cobalt CDIs issued to a Nominee for sale on ASX or TSX-V, and will receive a portion of the Proceeds as calculated in accordance with clause 5.7 of the Scheme. Accordingly, an Electing Small Shareholder is **not entitled to make an election** and any purported election will not be recognised by Cobalt One or First Cobalt. Small Shareholders should read the Scheme Booklet as to their entitlements under the Scheme.
3. **Default:** A Scheme Shareholder (other than an Ineligible Foreign Holder or Electing Small Shareholder) will receive Scheme Consideration in the form of New First Cobalt CDIs quoted on ASX, **by default**.
4. **Election:** A Scheme Shareholder who wishes to receive Scheme Consideration in the form of New First Cobalt Shares quoted on TSX-V, rather than New First Cobalt CDIs quoted on ASX, may make an election by completing this Election Form and returning it to Advanced Share Registry by 7:00pm WST on 1 December 2017 (Scheme Record Date).
5. **Failure to make a valid election:** An election which is not made, or deemed to have been made, in accordance with the instructions outlined in this Election Form will not be a valid election for the purpose of the Scheme and will not be recognised by Cobalt One or First Cobalt. A Scheme Shareholder who does not make a valid election will be **deemed** to have elected to receive Scheme Consideration in the form of New First Cobalt CDIs quoted on ASX.
6. **Trustees and nominees:** A Scheme Shareholder that holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person may, in accordance with the Election Form, make separate elections in relation to each of those parcels of Scheme Shares (subject to it providing to Cobalt One and First Cobalt any substantiating information they reasonably require), and an election made in respect of any such parcel, or an omission to make an election in respect of such parcel, will not be taken to extend to the other parcels.
7. **Deeming provision:** Unless you are a trustee or nominee (in the circumstances set out above), a valid election made, or deemed to be made, by a Scheme Shareholder will be deemed to apply in respect of the Scheme Shareholder's **entire holding** of Scheme Shares, regardless of whether the Scheme Shareholder's holding of Scheme Shares is greater or less than the Scheme Shareholder's holding at the time it made its election.
8. **Cobalt One discretion:** Cobalt One may, with the agreement of First Cobalt, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any election made by a Scheme Shareholder and any such decision will be conclusive and binding on you, Cobalt One and First Cobalt.

2 How to lodge your Election Form

A reply paid envelope is enclosed for your use. No postage is required if it is posted in Australia. Alternatively, the completed Election Form may be mailed to the postal address, or delivered by hand to the delivery address, set out below.

Your completed Election Form must be received by the Cobalt One Registry (Advanced Share Registry) by **no later than 7:00pm WST on 1 December 2017**.

Hand deliveries: Advanced Share Registry, 110 Stirling Highway, Nedlands WA 6009.

Postal address: C/- Advanced Share Registry, PO Box 1156, Nedlands WA 6906.

3 How to withdraw your election

A Scheme Shareholder may vary or withdraw any election made at any time before the Scheme Record Date. To vary such an election, a Scheme Shareholder must lodge with the Cobalt One Registry a replacement Election Form at or before the Scheme Record Date. A replacement Election Form can be obtained by contacting the Cobalt One Registry. A Scheme Shareholder can withdraw their election by contacting Advanced Share Registry on (08) 9389 8033 (within Australia) or +61 8 9389 8033 between 7:30pm and 5:00pm WST on Monday to Friday. The last valid Election Form received by, or withdrawal request made

to, the Cobalt One Registry before the Scheme Record Date will be used for the purposes of determining that Scheme Shareholder's Election.

Attachment K Sample Small Shareholders Election Form



All Cobalt One Registry communications to:
C/- Advanced Share Registry
PO Box 1156
Nedlands WA 6906
ASX Code: CO1

Name Address 1
Name Address 2
Name Address 3
Name Address 4

Scheme of Arrangement – Small Shareholder Election Form

IMPORTANT: This is an important document and requires your immediate attention. Do not complete this Small Shareholder Election Form until you have read the accompanying Scheme Booklet dated 12 October 2017 and the instructions at the back of this Small Shareholder Election Form. If you are in any doubt as to what to do, you should consult your investment, financial, taxation or other professional adviser

IF YOU ARE A SMALL SHAREHOLDER, YOU MAY USE THIS SMALL SHAREHOLDER ELECTION FORM TO ELECT TO PARTICIPATE IN THE SCHEME AS AN ELECTING SMALL SHAREHOLDER.

You are not required to submit and return this Small Shareholder Election Form if you want to receive New First Cobalt Shares quoted on TSX-V or New First Cobalt CDIs quoted on ASX.

Only return this Small Shareholder Election Form if you want to elect to have the Scheme Consideration which you are entitled to receive issued to the Nominee in the form of New First Cobalt Shares or New First Cobalt CDIs, in which case:

- First Cobalt will procure that the Nominee sells all of the New First Cobalt Shares or New First Cobalt CDIs issued to the Nominee, and remits to First Cobalt the proceeds of sale (after deducting any applicable brokerage and other selling costs, taxes and charges) (**Proceeds**); and
- First Cobalt will pay you such fraction of the Proceeds as is equal to the number of New First Cobalt Shares or New First Cobalt CDIs which would have been issued to you under the Scheme divided by the total number of New First Cobalt Shares or New First Cobalt CDIs issued to Nominee by Electing Small Shareholders promptly after the last sale of New First Cobalt Shares or New First Cobalt CDIs by the Nominee.

TO BE A VALID ELECTION, THIS SMALL SHAREHOLDER ELECTION FORM MUST BE RECEIVED BY ADVANCED SHARE REGISTRY BY 7:00PM WST ON 1 DECEMBER 2017. SMALL SHAREHOLDER ELECTION FORMS RECEIVED AFTER 7:00PM WST ON 1 DECEMBER 2017 WILL BE INVALID.

A Eligibility

You are eligible to elect to participate in the Scheme as an Electing Small Shareholder if you are a Cobalt One Shareholder (other than an Excluded Shareholder or Ineligible Foreign Holder) who is **entitled to receive 675 or less** New First Cobalt Shares or New First Cobalt CDIs under the Scheme (or such other number as may be agreed between First Cobalt and Cobalt One in writing).

B Election

☐

Election to participate in the Scheme as an Electing Small Shareholder:

By marking this box, I am electing to become an Electing Small Shareholder and have the Scheme Consideration which I am entitled to receive under the Scheme dealt with in accordance with clause 5.7 of the Scheme.

C Contact Details

Please provide a daytime telephone number where we can contact you, if you have any questions about the Election Form.

Daytime telephone number

Contact name (PRINT)

D Shareholder Signature(s) – This MUST be completed

I/We, have made the above election in respect of all my/our Cobalt One Shares and hereby agree to the terms and conditions as set out in the Scheme Booklet and Scheme.

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete 1)

Joint Shareholder 3

Director

Date

This form must be signed by the shareholder. If Cobalt One Shares are held jointly, all shareholders jointly, all shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the Cobalt One's constitution and the *Corporations Act 2001* (Cth). Where the company has a sole director who is also the sole company secretary, this Election Form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act*) does not have a company secretary, a sole director can also sign alone. Otherwise, this Proxy Form must be signed by a director jointly with either another director or the company secretary. Please indicate the office held by signing in the appropriate place.

Please read the terms and conditions below.

Terms and Conditions of Small Shareholder Election

1 How to complete the Small Shareholder Election Form

Please complete all relevant sections of the Small Shareholder Election Form USING BLOCK LETTERS in accordance with the instructions on the form. Please refer to the Scheme Booklet dated 12 October 2017. Capitalised terms in this Small Shareholder Election Form are given the same meaning as in the Scheme Booklet. **Please sign this Small Shareholder Election Form** in the places for signature(s) set out on the front page and in accordance with the following instructions.

1. **Election:** A Small Shareholder who wishes to become an Electing Small Shareholder may make an election by completing this Small Shareholder Election Form and returning it to Advanced Share Registry by 7:00pm WST on 1 December 2017 (Scheme Record Date).
2. **Price and terms of sale:** The Nominee may sell your New First Cobalt Shares or New First Cobalt CDIs on ASX or TSX-V in such manner, at such price and on such terms as the Nominee determines in good faith.
3. **Risk:** The sale of New First Cobalt Shares or New First Cobalt CDIs is at the risk of Electing Small Shareholders. Cobalt One, First Cobalt and the Nominee give no assurance as to the price that will be achieved from the sale of New First Cobalt Shares or New First Cobalt CDIs for Electing Small Shareholders by the Nominee. Any proceeds received under clause 5.7 of the Scheme will be in full satisfaction of First Cobalt's obligations to Electing Small Shareholders under the Scheme in respect of the Scheme Consideration.
4. **Failure to make a valid election:** An election which is not made, or deemed to have been made, in accordance with the instructions outlined in this Small Shareholder Election Form will not be a valid election for the purpose of the Scheme and will not be recognised by Cobalt One or First Cobalt. A Small Shareholder who does not make a valid election will receive New First Cobalt CDIs (by default) or New First Cobalt Shares (if the Small Shareholder made an Election to receive New First Cobalt Shares using the Election Form).
5. **Agency:** Each Electing Small Shareholder appoints Cobalt One as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Nominee is required to provide to Electing Small Shareholders under the Corporations Act.
6. **Payment of Proceeds:** First Cobalt will pay the relevant fraction of the Proceeds to each Electing Small Shareholder by either:
 - dispatching or procuring the dispatch to that Small Shareholder by prepaid post to that Small Shareholder's Registered Address (at the Scheme Record Date), a cheque in the name of that Small Shareholder; or
 - making a deposit in an account with any ADI in Australia notified by that Small Shareholder to Cobalt One (or the Cobalt One Share Registry) and recorded in or for the purposes of the Cobalt One Share Registry at the Scheme Record Date,
 for the relevant amount denominated in Australian dollars.
7. **Nominee:** The Nominee is the person chosen by Cobalt One and First Cobalt and approved by ASIC (or any applicable regulatory authority in Canada) to sell the New First Cobalt Shares or New First Cobalt CDIs that are attributable to Small Shareholders under the Scheme (or any nominee of such person).

2 How to lodge your Election Form

A reply paid envelope is enclosed for your use. No postage is required if it is posted in Australia. Alternatively, the completed Small Shareholder Election Form may be mailed to the postal address, or delivered by hand to the delivery address, set out below. Your completed Small Shareholder Election Form must be received by the Cobalt One Registry (Advanced Share Registry) by **no later than 7:00pm WST on 1 December 2017**.

Hand deliveries: Advanced Share Registry, 110 Stirling Highway, Nedlands WA 6009.

Postal address: C/- Advanced Share Registry, PO Box 1156, Nedlands WA 6906.

3 How to withdraw your election

An Electing Small Shareholder may vary or withdraw any election made at any time before the Scheme Record Date. An Electing Small Shareholder can withdraw their election by contacting Advanced Share Registry on (08) 9389 8033 (within Australia) or +61 8 9389 8033 between 7:30pm and 5:00pm WST Monday to Friday.

Attachment L First Cobalt Proposed Provincial Constituent Documents



**BC Registry
Services**

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

CERTIFIED COPY

Of a Document filed with the Province of
British Columbia Registrar of Companies

Notice of Articles

BUSINESS CORPORATIONS ACT

CAROL PREST

This Notice of Articles was issued by the Registrar on: June 9, 2017 02:25 PM Pacific Time

Incorporation Number: BC0915382

Recognition Date and Time: Incorporated on July 13, 2011 10:56 AM Pacific Time

NOTICE OF ARTICLES

Name of Company:

FIRST COBALT CORP.

REGISTERED OFFICE INFORMATION

Mailing Address:

SUITE 2200, 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3E8
CANADA

Delivery Address:

SUITE 2200, 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3E8
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

SUITE 2200, 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3E8
CANADA

Delivery Address:

SUITE 2200, 885 WEST GEORGIA STREET
VANCOUVER BC V6C 3E8
CANADA

DIRECTOR INFORMATION**Last Name, First Name, Middle Name:**

Phillips, Ross

Mailing Address:2540 RIDGESIDE LANE
OAKVILLE ON L6L 6W3
CANADA**Delivery Address:**2540 RIDGESIDE LANE
OAKVILLE ON L6L 6W3
CANADA**Last Name, First Name, Middle Name:**

Slusarchuk, Bryan

Mailing Address:SUITE 488 - 1090 WEST GEORGIA STREET
VANCOUVER BC V6C 3V7
CANADA**Delivery Address:**SUITE 488 - 1090 WEST GEORGIA STREET
VANCOUVER BC V6C 3V7
CANADA**Last Name, First Name, Middle Name:**

Mell, Trent

Mailing Address:71 GARFIELD AVENUE
TORONTO ON M4T 1E8
CANADA**Delivery Address:**71 GARFIELD AVENUE
TORONTO ON M4T 1E8
CANADA**Last Name, First Name, Middle Name:**

Pollesel, John

Mailing Address:12804 200TH ST. NW
EDMONTON AB T5S 0E6
CANADA**Delivery Address:**12804 200TH ST. NW
EDMONTON AB T5S 0E6
CANADA**Last Name, First Name, Middle Name:**

Swinoga, Jeffrey

Mailing Address:SUITE 740, 130 KING STREET
TORONTO ON M5X 2A2
CANADA**Delivery Address:**SUITE 740, 130 KING STREET
TORONTO ON M5X 2A2
CANADA**AUTHORIZED SHARE STRUCTURE**

1. No Maximum

common Shares

Without Par Value

Without Special Rights or
Restrictions attached

Incorporation Number: BC0915382

**ARTICLES
OF
FIRST COBALT CORP.**

BUSINESS CORPORATIONS ACT
BRITISH COLUMBIA

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Incorporation Number: BC0915382

**ARTICLES
OF
FIRST COBALT CORP.
(the “Company”)**

**PART 1
INTERPRETATION**

1.1 Definitions

In these Articles (the “**Articles**”), unless the context otherwise requires:

- (1) “**appropriate person**” has the meaning assigned in the *Securities Transfer Act*;
- (2) “**ASX**” means the Australian Securities Exchange operated by ASX Limited;
- (3) “**board of directors**”, “**directors**” and “**board**” mean the directors of the Company for the time being;
- (4) “**Business Corporations Act**” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (5) “**CDI**” means a CHESSE Depository Interest registered in the name of the Depository Nominee over securities of the Company;
- (6) “**Depository Nominee**” has the meaning given to that expression in the ASX Settlement Operating Rules of the ASX;
- (7) “**Interpretation Act**” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (8) “**legal personal representative**” means the personal or other legal representative of a shareholder;
- (9) “**protected purchaser**” has the meaning assigned in the *Securities Transfer Act*;
- (10) “**registered address**” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (11) “**seal**” means the seal of the Company, if any;

- (12) “**Securities Act**” means the *Securities Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (13) “**securities legislation**” means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; and “**Canadian securities legislation**” means the securities legislation in any province or territory of Canada and includes the *Securities Act*; and;
- (14) “**Securities Transfer Act**” means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.

1.2 ***Business Corporations Act* and *Interpretation Act* Definitions Applicable**

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

PART 2 SHARES AND SHARE CERTIFICATES

2.1 **Authorized Share Structure**

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 **Form of Share Certificate**

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 **Shareholder Entitled to Certificate or Acknowledgment**

Unless the shares of which the shareholder is the registered owner are uncertificated shares within the meaning of the *Business Corporations Act*, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or

acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all. If a shareholder is the registered owner of uncertificated shares, the Company must send to that holder a written notice containing the information required by the Act within a reasonable time after the issue or transfer of the shares.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company (including the Company's legal counsel or transfer agent) is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the Company is satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, it must, on production to it of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as it thinks fit:

- (1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

- (1) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;
- (2) provides the Company with an indemnity bond sufficient in the Company's judgement to protect the Company from any loss that the Company may suffer by issuing a new certificate; and
- (3) satisfies any other reasonable requirements imposed by the Company.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

2.7 Recovery of New Share Certificate

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights under any indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

2.8 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.9 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.10 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

PART 3 ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (a) past services performed for the Company;
 - (b) property;
 - (c) money; and
- (2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

PART 4 SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register, which may be kept in electronic form.

4.2 Appointment of Agent

The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the

agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

If the Company has appointed a transfer agent, references in Articles 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, and 5.7 to the Company include its transfer agent.

4.3 Closing Register

The Company must not at any time close its central securities register.

PART 5 SHARE TRANSFERS

5.1 Registering Transfers

The Company must register a transfer of a share of the Company if either:

- (1) the Company or the transfer agent or registrar for the class or series of share to be transferred has received:
 - (a) in the case where the Company has issued a share certificate in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
 - (b) in the case of a share that is not represented by a share certificate (including an uncertificated share within the meaning of the *Business Corporations Act* and including the case where the Company has issued a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate in respect of the share to be transferred), a written instrument of transfer, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and
 - (c) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser; or
- (2) all the preconditions for a transfer of a share under the *Securities Transfer Act* have been met and the Company is required under the *Securities Transfer Act* to register the transfer.

5.2 Waivers of Requirements for Transfer

The Company may waive any of the requirements set out in Article 5.1(1) and any of the preconditions referred to in Article 5.1(2).

5.3 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the Company or the transfer agent for the class or series of shares to be transferred.

5.4 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.5 Signing of Instrument of Transfer

If a shareholder or other appropriate person or an agent who has actual authority to act on behalf of that person, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified but share certificates are deposited with the instrument of transfer, all the shares represented by such share certificates:

- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.6 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.7 Transfer Fee

Subject to the applicable rules of any stock exchange on which the shares of the Company may be listed, there must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

PART 6 TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles and applicable securities legislation, if appropriate evidence of appointment or incumbency within the meaning of the *Securities Transfer Act* has been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

PART 7 ACQUISITION OF COMPANY'S SHARES

7.1 Company Authorized to Purchase or Otherwise Acquire Shares

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series of shares, the *Business Corporations Act* and applicable securities legislation, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

7.2 No Purchase, Redemption or Other Acquisition When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

PART 8 BORROWING POWERS

8.1 Borrowing Powers

The Company, if authorized by the directors, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, hypothecate, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company, including property that is movable or immovable, corporeal or incorporeal.

8.2 Additional Powers

The powers conferred under this Part 8 shall be deemed to include the powers conferred on a company by Division VII of the *Act Respecting the Special Powers of Legal Persons* being chapter P-16 of the Revised Status of Quebec, and every statutory provision that may be substituted therefor or for any provision therein.

PART 9 ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Articles 9.2 and 9.3, the special rights or restrictions attached to the shares of any class or series of shares and the *Business Corporations Act*, the Company may:

- (1) by ordinary resolution:
 - (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (d) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value; or
- (e) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;

and, if applicable, alter its Notice of Articles and Articles accordingly; or

- (2) by resolution of the directors:
 - (a) subdivide or consolidate all or any of its unissued, or fully paid issued, shares; or
 - (b) alter the identifying name of any of its shares;

and if applicable, alter its Notice of Articles and, if applicable, its Articles accordingly.

9.2 Special Rights or Restrictions

Subject to the special rights or restrictions attached to any class or series of shares and the *Business Corporations Act*, the Company may by ordinary resolution:

- (1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and alter its Articles and Notice of Articles accordingly.

9.3 No Interference with Class or Series Rights without Consent

A right or special right attached to issued shares must not be prejudiced or interfered with under the *Business Corporations Act*, the Notice of Articles or these Articles unless the holders of shares of the class or series of shares to which the right or special right is attached consent by a special separate resolution of the holders of such class or series of shares.

9.4 Change of Name

The Company may by directors' resolution or ordinary resolution authorize an alteration to its Notice of Articles in order to change its name.

9.5 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

PART 10 MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place, whether in or outside of British Columbia, as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, at any time, call a meeting of shareholders, to be held at such time and place, whether in or outside of British Columbia, as may be determined by the directors.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

10.5 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.6 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

10.7 Class Meetings and Series Meetings of Shareholders

Unless otherwise specified in these Articles, the provisions of these Articles relating to a meeting of shareholders will apply, with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

10.8 Notice of Dissent Rights

The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent together with a copy of the proposed resolution at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;

- (2) otherwise, 10 days.

10.9 Advance Notice Provisions

(1) *Nomination of Directors*

Subject only to the *Business Corporations Act* and these Articles, only persons who are nominated in accordance with the procedures set out in this Article 10.9 shall be eligible for election as directors to the board of directors of the Company. Nominations of persons for election to the board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose at which the election of directors is a matter specified in the notice of meeting, as follows:

- (a) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a valid proposal made in accordance with the provisions of the *Business Corporations Act* or a valid requisition of shareholders made in accordance with the provisions of the *Business Corporations Act*; or
- (c) by any person entitled to vote at such meeting (a “**Nominating Shareholder**”), who:
 - (i) is, at the close of business on the date of giving notice provided for in this Article 10.9 and on the record date for notice of such meeting, either entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Company; and
 - (ii) has given timely notice in proper written form as set forth in this Article 10.9.

(2) *Exclusive Means*

For the avoidance of doubt, this Article 10.9 shall be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders of the Company.

(3) *Timely Notice*

In order for a nomination made by a Nominating Shareholder to be timely notice (a “**Timely Notice**”), the Nominating Shareholder’s notice must be received by the corporate secretary of the Company at the principal executive offices or registered office of the Company:

- (a) in the case of an annual meeting of shareholders (including an annual and special meeting), not later than 5:00 p.m. (Vancouver time) on the 30th day before the date of the meeting; provided, however, if the first public announcement made by the Company of the date of the meeting (each such date being the

“**Notice Date**”) is less than 50 days before the meeting date, notice by the Nominating Shareholder may be given not later than the close of business on the 10th day following the Notice Date; and

- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15th day following the Notice Date;

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described in Article 10.9(3)(a) or 10.9(3)(b), and the Notice Date in respect of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the date of the applicable meeting.

(4) *Proper Form of Notice*

To be in proper written form, a Nominating Shareholder’s notice to the corporate secretary must comply with all the provisions of this Article 10.9 and disclose or include, as applicable:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a “**Proposed Nominee**”):
 - (i) the name, age, business and residential address of the Proposed Nominee;
 - (ii) the principal occupation/business or employment of the Proposed Nominee, both presently and for the past five years;
 - (iii) the number of securities of each class of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (iv) full particulars of any relationships, agreements, arrangements or understandings (including financial, compensation or indemnity related) between the Proposed Nominee and the Nominating Shareholder, or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder;
 - (v) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the *Business Corporations Act* or applicable securities law; and
 - (vi) a written consent of each Proposed Nominee to being named as nominee and certifying that such Proposed Nominee is not disqualified from acting

as director under the provisions of subsection 124(2) of the *Business Corporations Act*; and

- (b) as to each Nominating Shareholder giving the notice, and each beneficial owner, if any, on whose behalf the nomination is made:
 - (i) their name, business and residential address;
 - (ii) the number of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Company or any of its securities, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (iii) their interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Company or the person's economic exposure to the Company;
 - (iv) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Nominating Shareholder or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;
 - (v) full particulars of any proxy, contract, relationship arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Company or the nomination of directors to the board;
 - (vi) a representation that the Nominating Shareholder is a holder of record of securities of the Company, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;
 - (vii) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Company in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Company in support of such nomination; and
 - (viii) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* or as required by applicable securities law.

Reference to “**Nominating Shareholder**” in this Article 10.9(4) shall be deemed to refer to each shareholder that nominated or seeks to nominate a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

(5) *Currency of Nominee Information*

All information to be provided in a Timely Notice pursuant to this Article 10.9 shall be provided as of the date of such notice. The Nominating Shareholder shall provide the Company with an update to such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days before the date of the meeting, or any adjournment or postponement thereof.

(6) *Delivery of Information*

Notwithstanding Part 23 of these Articles, any notice, or other document or information required to be given to the corporate secretary pursuant to this Article 10.9 may only be given by personal delivery or courier (but not by fax or email) to the corporate secretary at the address of the principal executive offices or registered office of the Company and shall be deemed to have been given and made on the date of delivery if it is a business day and the delivery was made prior to 5:00 p.m. in the city where the Company’s principal executive offices are located and otherwise on the next business day.

(7) *Defective Nomination Determination*

The chair of any meeting of shareholders of the Company shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this Article 10.9, and if any proposed nomination is not in compliance with such provisions, must as soon as practicable following receipt of such nomination and prior to the meeting declare that such defective nomination shall not be considered at any meeting of shareholders.

(8) *Failure to Appear*

Despite any other provision of this Article 10.9, if the Nominating Shareholder (or a duly appointed proxy holder for the Nominating Shareholder or representative of the Nominating Shareholder appointed under Article 12.5) does not appear at the meeting of shareholders of the Company to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Company.

(9) *Waiver*

The board may, in its sole discretion, waive any requirement in this Article 10.9.

(10) *Definitions*

For the purposes of this Article 10.9, “**public announcement**” means disclosure in a news release disseminated by the Company through a national news service in Canada, or in a document filed by the Company for public access under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

PART 11 PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
 - (a) business relating to the conduct of or voting at the meeting;
 - (b) consideration of any financial statements of the Company presented to the meeting;
 - (c) consideration of any reports of the directors or auditor;
 - (d) the election or appointment of directors;
 - (e) the appointment of an auditor;
 - (f) the setting of the remuneration of an auditor;
 - (g) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
 - (h) any non-binding advisory vote (i) proposed by the Company, (ii) required by the rules of any stock exchange on which securities of the Company are listed, or (iii) required by applicable Canadian securities legislation.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.4, a quorum for the transaction of business at a meeting of shareholders is present if at least two shareholders who, in the aggregate, hold at least 25% of the issued shares entitled to be voted at the meeting are present in person or represented by proxy, irrespective of the number of persons actually present at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (1) the quorum is one person who is, or who represents by proxy, that shareholder, and

- (2) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Persons Entitled to Attend Meeting

Subject to Article 11.6, in addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the officers, any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Holders of CDIs

If the Company shall be admitted to the official list of the ASX, and if CDIs shall have been issued over any securities of the Company, then holders of CDIs shall be entitled to attend any meeting of the holders of the securities that underlie the CDIs.

11.7 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.8 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (1) in the case of a meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.9 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.8(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.10 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.11 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the corporate secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.12 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.13 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.14 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

11.15 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the

chair or demanded under Article 11.14, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.16 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.17 Casting Vote

In the case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.18 Manner of Taking Poll

Subject to Article 11.19, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
 - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

11.19 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.20 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.21 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.22 No Demand for Poll on Election of Chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.23 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of the meeting for the transaction of any business other than the question on which a poll has been demanded.

11.24 Retention of Ballots and Proxies

The Company or its agent must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company or its agent may destroy such ballots and proxies.

PART 12 VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

- (1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (2) on a poll, every shareholder entitled to vote on the matter is entitled, in respect of each share entitled to be voted on the matter and held by that shareholder, to one vote and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

- (1) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

- (2) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

12.5 Representative of a Corporate Shareholder

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (1) for that purpose, the instrument appointing a representative must be received:
 - (a) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned or postponed meeting; or
 - (b) at the meeting or any adjourned or postponed meeting, by the chair of the meeting or adjourned or postponed meeting or by a person designated by the chair of the meeting or adjourned or postponed meeting;
- (2) if a representative is appointed under this Article 12.5:
 - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company or its transfer agent by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;
- (3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or
- (4) the Company is a public company.

12.7 When Proxy Provisions Do Not Apply to the Company

If and for so long as the Company is a public company, Articles 12.8 to 12.15 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company, or any rules of an exchange on which securities of the Company are listed.

12.8 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.9 Proxy Holders for Holders of CDIs

The Depository Nominee may appoint a holder of CDIs or a person nominated by a holder of CDIs as its proxy for the purposes of attending and voting at a meeting of holders of the securities that underlie the CDIs.

12.10 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.11 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting;
- (2) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting; or

- (3) be received in any other manner determined by the board or the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages or by using such available internet or telephone voting services as may be approved by the directors.

12.12 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.13 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[name of company]
(the “Company”)

The undersigned, being a shareholder of the Company, hereby appoints **[name]** or, failing that person, **[name]**, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on **[month, day, year]** and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned):

Signed [month, day, year]

[Signature of shareholder]

[Name of shareholder - printed]

12.14 Revocation of Proxy

Subject to Article 12.15, every proxy may be revoked by an instrument in writing that is received:

- (1) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.15 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.14 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.16 Chair May Determine Validity of Proxy.

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at the meeting, and any such determination made in good faith shall be final, conclusive and binding upon the meeting.

12.17 Production of Evidence of Authority to Vote

The board or the chair of any meeting of shareholders may, but need not, at any time (including before, at or subsequent to the meeting) inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence for the purposes of determining a person's share ownership as at the relevant record date and the authority to vote.

PART 13 DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the Act. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (1) subject to Article 13.1(2) and Article 13.1(3), the number of directors that is equal to the number of the Company's first directors;
- (2) if the Company is a public company, the greater of three and the most recently set of:
 - (a) the number of directors set by a resolution of the directors (whether or not previous notice of the resolution was given); and
 - (b) the number of directors in the office pursuant to Article 14.4.
- (3) if the Company is not a public company, the most recently set of:
 - (a) the number of directors set by a resolution of the directors (whether or not previous notice of the resolution was given); and
 - (b) the number of directors in office pursuant to Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Article 13.1(2)(a) or Article 13.1(e)(a):

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number; or
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number then the directors, subject to Article 14.8, may appoint directors to fill those vacancies.

No decrease in the number of directors will shorten the term of an incumbent director.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of, or not in his or her capacity as, a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

PART 14 ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors

consisting of the number of directors for the time being set by the directors under these Articles; and

- (2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment, subject to being nominated in accordance with Article 10.9.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*; or
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director.

14.3 Failure to Elect or Appoint Directors

If:

- (1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) when his or her successor is elected or appointed; and
- (4) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles but their term of office shall expire when new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors' Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Article 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or reappointment, subject to being nominated in accordance with Article 10.9.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;
- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill

the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company in accordance with the *Business Corporations Act* and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

PART 15 POWERS AND DUTIES OF DIRECTORS

15.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

15.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

PART 16 INTERESTS OF DIRECTORS AND OFFICERS

16.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

16.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

16.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

16.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

16.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

16.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

16.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

16.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the

Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

PART 17 PROCEEDINGS OF DIRECTORS

17.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

17.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

17.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (1) the chair of the board, if any; or
- (2) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (3) any other director chosen by the directors if:
 - (a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
 - (c) the chair of the board and the president, if a director, has advised the corporate secretary, if any, or any other director, that he or she will not be present at the meeting.

17.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors:

- (1) in person;
- (2) by telephone; or
- (3) other communications medium;

if all directors participating in the meeting, whether in person, or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5 Calling of Meetings

A director may, and the corporate secretary or an assistant corporate secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

17.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1 or as provided in Article 17.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone conversation with a director.

17.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (2) the director has waived notice of the meeting.

17.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director, does not invalidate any proceedings at that meeting.

17.9 Waiver of Notice of Meetings

Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting, unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

17.10 Quorum

The quorum necessary for the transaction of the business of the directors is a majority of the number of directors in office or such other number as the directors may determine from time to time.

17.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

17.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article 17.12 may be by any written instrument, e-mail or any other method of transmitting legibly recorded messages in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

PART 18 BOARD COMMITTEES

18.1 Appointment and Powers of Committees

The directors may, by resolution:

- (1) appoint one or more committees consisting of the director or directors that they consider appropriate;

- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
 - (a) the power to fill vacancies in the board of directors;
 - (b) the power to remove a director or appoint additional directors;
 - (c) the power to set the number of directors;
 - (d) the power to create a committee of directors, create or modify the terms of reference for a committee of the directors, or change the membership of, or fill vacancies in, any committee of the directors;
 - (e) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation permitted by paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

18.2 Obligations of Committees

Any committee appointed under Article 18.1, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the directors; and
- (2) report every act or thing done in exercise of those powers at such times as the directors may require.

18.3 Powers of Board

The directors may, at any time, with respect to a committee appointed under Article 18.1:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

18.4 Committee Meetings

Subject to Article 18.2(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Article 18.1:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

PART 19 OFFICERS

19.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

19.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (1) determine the functions and duties of the officer;
- (2) delegate to the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

19.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as a managing director must be a director. Any other officer need not be a director.

19.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

PART 20 INDEMNIFICATION

20.1 Definitions

In this Part 21:

- (1) “**eligible penalty**” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) “**eligible proceeding**” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director or former director or an officer or former officer of the Company (each, an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of the Company:
 - (a) is or may be joined as a party; or
 - (b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (3) “**expenses**” has the meaning set out in the *Business Corporations Act*;
- (4) “**officer**” means an officer appointed by the board of directors.

20.2 Mandatory Indemnification of Directors and Officers

Subject to the *Business Corporations Act*, the Company must indemnify an eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding to the fullest extent permitted by the *Business Corporations Act*.

20.3 Deemed Contract

Each director and officer is deemed to have contracted with the Company on the terms of the indemnity contained in Article 20.2.

20.4 Permitted Indemnification

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person, including directors, officers, employees, agents and representatives of the Company.

20.5 Non-Compliance with Business Corporations Act

The failure of a director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part 20.

20.6 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, officer, employee or agent of the Company;

- (2) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, officer, employee or agent or person who holds or held such equivalent position.

PART 21 DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights

The provisions of this Part 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

21.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may consider appropriate.

21.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 21.2.

21.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

21.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

21.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 21.5, the directors may settle the difficulty as they deemed advisable, and, in particular, may:

- (1) set the value for distribution of specific assets;

- (2) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixe din order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

21.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

21.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

21.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

21.10 Dividend Bears No Interest

No dividend bears interest against the Company.

21.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

21.12 Payment of Dividends

Any dividend or other distribution payable in money in respect of shares may be paid;

- (1) by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing; or
- (2) by electronic transfer, if so authorized by the shareholder.

The mailing of such cheque or the forwarding by electronic transfer will, to the extent of the sum represented by the cheque or transfer (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

21.13 Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

21.14 Unclaimed Dividends

Any dividend unclaimed after a period of three years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Company. The Company shall not be liable to any person in respect of any dividend which is forfeited to the Company or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

PART 22 ACCOUNTING RECORDS AND AUDITOR

22.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

22.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

22.3 Remuneration of Auditor

The directors may set the remuneration of the auditor of the Company.

PART 23 NOTICES

23.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
 - (a) for a record mailed to a shareholder, the shareholder's registered address;

- (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
 - (a) for a record delivered to a shareholder, the shareholder's registered address;
 - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the delivery address of the intended recipient;
- (3) unless the intended recipient is the Company or the auditor of the Company, sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) unless the intended recipient is the auditor of the Company, sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;
- (5) physical delivery to the intended recipient;
- (6) creating and providing a record posted on or made available through a general accessible electronic source and providing written notice by any of the foregoing methods as to the availability of such record; or
- (7) as otherwise permitted by applicable securities legislation.

23.2 Deemed Receipt

A notice, statement, report or other record that is:

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;
- (3) e-mailed to a person to the e-mail address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed; and
- (4) delivered in accordance with Section 23.1(6), is deemed to be received by the person on the day such written notice is sent.

23.3 Certificate of Sending

A certificate signed by the corporate secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 23.1 is conclusive evidence of that fact.

23.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

23.5 Notice to Legal Personal Representatives and Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to them:
 - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

23.6 Undelivered Notices

If, on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 23.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

PART 24 SEAL

24.1 Who May Attest Seal

Except as provided in Articles 24.1(2) and 24.1(3), the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;

- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the directors.

24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

24.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 24.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

PART 25 PROHIBITIONS

25.1 Definitions

In this Part 26:

- (1) “**security**” has the meaning assigned in the *Securities Act*;
- (2) “**transfer restricted security**” means
 - (a) a share of the Company;
 - (b) a security of the Company convertible into shares of the Company;
 - (c) any other security of the Company which must be subject to restrictions on transfer in order for the Company to satisfy the requirement for restrictions on transfer under the “**private issuer**” exemption of Canadian securities legislation or under any other exemption from prospectus or registration requirements of

Canadian securities legislation similar in scope and purpose to the “**private issuer**” exemption.

25.2 Application

Article 25.3 does not apply to the Company if and for so long as it is a public company.

25.3 Consent Required for Transfer of Shares or Transfer Restricted Securities

No share or other transfer restricted security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

Attachment M First Cobalt Proposed Federal Constituent Documents

**BY-LAWS OF
FIRST COBALT CORP.
(the “Corporation”)**

1. INTERPRETATION

1.1 Definitions

In the By-laws of the Corporation, unless the context otherwise requires:

- (1) **“Act”** means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44.
- (2) **“appoint”** includes “elect” and vice versa.
- (3) **“Articles”** means the original or restated articles of incorporation, amendment, amalgamation, continuance, arrangement or revival of the Corporation and includes any amendments thereto.
- (4) **“ASX”** means the Australian Securities Exchange operated by ASX Limited (Australian Company Number 008 624 691);
- (5) **“Board”** means the board of directors of the Corporation.
- (6) **“CDI”** means a CHESS Depository Interest (as that term is defined in the ASX Settlement Operating Rules) in relation to a share or other security issued or granted by the Company, registered in the name of the Depository Nominee over securities of the Corporation;
- (7) **“Depository Nominee”** has the meaning given to that expression in the ASX Settlement Operating Rules;
- (8) **“Director”** means a member of the Board.
- (9) **“entity”** means a body corporate, a partnership, a trust, a joint venture or an unincorporated association or organization.
- (10) **“meeting of shareholders”** means an annual meeting of shareholders and a special meeting of shareholders.
- (11) **“non-business day”** means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Canada).
- (12) **“person”** includes any individual, body corporate, partnership, trust, joint venture or unincorporated organization or association.
- (13) **“recorded address”** means
 - (a) in the case of a shareholder, his or her address as recorded in the securities register of the Corporation;

- (b) in the case of joint shareholders, the address appearing in the securities register of the Corporation in respect of the joint holding or the first address so appearing if there is more than one; and
 - (c) in the case of a Director, his or her latest address as recorded in the records of the Corporation.
- (14) “**special meeting**” means any meeting of any class or classes of shareholders or other security holders of the Corporation, other than an annual meeting of shareholders at which special business is to be conducted.

1.2 Other Definitions

Unless otherwise defined herein, the terms used in this By-law have the same meanings as when used in the Act. For the purposes of this By-law:

- (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”;
- (b) the word “or” is not exclusive; and
- (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this By-law as a whole.

This By-law shall be read with all changes in number and gender required by the context.

Unless the context otherwise requires, references herein:

- (a) to sections mean the sections of this By-law;
- (b) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and
- (c) to a statute, including the Act, means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder.

2. OFFICES

2.1 Offices

The address of the registered office of the Corporation shall be in the province or territory within Canada specified in the Articles and at such location therein as the Board may from time to time determine.

2.2 Books and Records

Any records maintained by the Corporation in the regular course of its business, including its securities register, books of account and minute books, may be maintained in a bound or loose-leaf book or may be entered or recorded by any system of mechanical or electronic data processing or any other information storage device. The Corporation shall make such records available for inspection pursuant to applicable law.

3. MEETINGS OF THE SHAREHOLDERS

3.1 Place of Meetings

All meetings of the shareholders shall be held at such place as the Board determines or, in the absence of such a determination, at the place stated in the notice of meeting. A meeting of shareholders shall be held in Canada unless all of the shareholders entitled to vote at that meeting so agree or the Articles specify a place outside Canada where a meeting of shareholders may be held.

3.2 Annual Meeting

The annual meeting of the shareholders shall be held at such date, time and place, if any, as shall be determined by the Board and stated in the notice of the meeting for the transaction of such business as may properly come before the meeting.

3.3 Special Meetings

Special meetings of shareholders for any purpose or purposes shall be called pursuant to a resolution approved by the Board or requisition by shareholders in accordance with the Act. The only business which may be conducted at a special meeting shall be the matter or matters set forth in the notice of such meeting.

3.4 Fixing the Record Date

- (a) In order that the Corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than 60 nor less than 21 days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the shareholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of shareholders entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the determination of shareholders entitled to vote at the adjourned meeting and in such case shall also fix as the record date for shareholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for the determination of shareholders entitled to vote therewith at the adjourned meeting.
- (b) In order that the Corporation may determine the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the shareholders entitled to exercise any rights in respect of any change, conversion or exchange of shares, or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record

date for determining shareholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

3.5 Adjournments

Any meeting of the shareholders, annual or special, may be adjourned from time to time to reconvene at the same or some other place, if any, and notice need not be given of any such adjourned meeting if the time, place, if any, thereof and the means of remote communication, if any, are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each shareholder entitled to vote at the meeting. If after the adjournment a new record date is fixed for shareholders entitled to vote at the adjourned meeting, the Board shall give notice of the new record date as well as notice of the adjourned meeting to each shareholder entitled to vote at the adjourned meeting in accordance with the Act and these By-laws.

3.6 Notice of Meetings

Notice of the place, if any, date, hour and means of remote communication, if any, of every meeting of shareholders shall be given by the Corporation not less than 21 days in the case of distributing corporation nor more than 60 days before the meeting to every shareholder entitled to vote at the meeting as of the record date to each Director, and to the auditor of the Corporation. Notices of special meetings shall also specify the purpose or purposes for which the meeting has been called in sufficient detail to permit the shareholder to form a reasoned judgment on the special business, and include the text of any special resolution or by-law to be submitted at the meeting. Except as otherwise provided herein or permitted by applicable law, notice to shareholders shall be in writing and delivered personally or mailed to the shareholders at their recorded address. Without limiting the manner by which notice otherwise may be given effectively to shareholders, notice of meetings may be given to shareholders by means of electronic transmission in accordance with applicable law. Notice of any meeting need not be given to any shareholder who shall, either before or after the meeting, submit a waiver of notice or who shall attend such meeting, except when the shareholder attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. Any shareholder so waiving notice of the meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given.

3.7 List of Shareholders

The officer of the Corporation who has charge of the securities register shall prepare a complete list of the shareholders entitled to vote at any meeting of shareholders, arranged in alphabetical order, and showing the address of each shareholder and the number of shares of each class or series in the Corporation registered in the name of each shareholder. If a record date is fixed, then this list shall be prepared by such officer of the Corporation no later than 10 days after setting the record date. If no record date is fixed, then such officer of the Corporation shall prepare this list at the close of business on the day immediately preceding the day on which notice of a shareholders' meeting is given, or where no notice of a shareholders' meeting is given, on the day on which the meeting is held. A shareholder may inspect the list of shareholders prepared for a meeting during the Corporation's usual business hours at its registered office or at the place where its central securities register is maintained. A shareholder can also inspect this list at the shareholders' meeting for which the list was prepared. If the meeting is held solely by means of telephonic, electronic or other communication facility, the list

shall also be open for inspection by any shareholder during the whole time of the meeting as provided by applicable law. Except as provided by applicable law, the securities register of the Corporation shall be the only evidence as to who are the shareholders entitled to inspect the securities register and the list of shareholders or to vote in person or by proxy at any meeting of shareholders.

3.8 Quorum

Unless otherwise required by law, the Articles, a unanimous shareholder agreement or these By-laws, at each meeting of the shareholders at least two shareholders who, in the aggregate, hold at least 25% of the shares entitled to vote at the meeting of shareholders, present in person or represented by proxy, constitutes a quorum. If, however, such quorum is not present or represented at any meeting of the shareholders, the shareholders entitled to vote thereat, present in person or represented by proxy, shall have the power, by the affirmative vote of a majority in voting power thereof, to adjourn the meeting from time to time, in the manner provided in Section 3.4, until a quorum shall be present or represented. Once a quorum is established, it does not need to be maintained throughout the meeting. At any such adjourned meeting at which there is a quorum, any business may be transacted that might have been transacted at the original meeting.

3.9 Conduct of Meetings

At every meeting of shareholders, the chairperson, or in his or her absence or inability to act, the chief executive officer, or, in his or her absence or inability to act, the person whom the chairperson shall appoint, shall act as chairperson of, and preside at, the meeting. The corporate secretary (if any) or, in his or her absence or inability to act, the person whom the chairperson of the meeting shall appoint secretary of the meeting, shall act as secretary of the meeting and keep the minutes thereof. The chairperson of any meeting of the shareholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairperson of the meeting, may include the following:

- (a) the establishment of an agenda or order of business for the meeting;
- (b) the determination of when the polls shall open and close for any given matter to be voted on at the meeting;
- (c) rules and procedures for maintaining order at the meeting and the safety of those present;
- (d) limitations on attendance at or participation in the meeting to registered shareholders of the corporation, their duly authorized and constituted proxies or such other persons as the chairperson of the meeting shall determine;
- (e) restricting entry to the meeting after the time fixed for the commencement thereof; and
- (f) limiting the time allotted to questions or comments by participants.

3.10 Voting; Proxies

Unless otherwise required by law, the election of Directors shall be by written ballot and shall be decided by a plurality of the votes cast at a meeting of the shareholders by the holders of shares

entitled to vote in such election. Unless otherwise required by law, the Articles, a unanimous shareholder agreement or these By-laws, any matter, other than the election of Directors, brought before any meeting of shareholders shall be decided by the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the matter. Each shareholder entitled to vote at a meeting of shareholders or to express approval of any resolution in writing may authorize another person or persons to act for such shareholder by proxy, but no such proxy shall be voted or acted upon except at the meeting in respect of which it is given or any adjournment thereof. A proxy may be revoked before the meeting. A shareholder may revoke any proxy by attending the meeting and voting in person or by delivering to the secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. Voting at meetings of shareholders need not be by written ballot, except where a ballot is demanded by a shareholder or proxy holder entitled to vote at the meeting.

3.11 Proxy Holders for Holders of CDIs

The Depository Nominee may appoint a holder of CDIs or a person nominated by a holder of CDIs as its proxy for the purposes of attending and voting at a meeting of holders of the securities that underlie the CDIs.

3.12 Scrutineers at Meetings of Shareholders

The Board, in advance of any meeting of shareholders, may, and shall if required by law, appoint one or more scrutineers, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and make a written report thereof. The Board may designate one or more persons as alternate scrutineers to replace any scrutineer who fails to act. If no scrutineer or alternate is able to act at a meeting, the chairperson shall appoint one or more scrutineers to act at the meeting. Each scrutineer shall faithfully execute the duties of a scrutineer with strict impartiality and according to the best of his or her ability. The scrutineers shall:

- (a) ascertain the number of shares outstanding and the voting rights of each,
- (b) determine the shares represented at the meeting, the existence of a quorum and the validity of proxies and ballots,
- (c) count all votes and ballots,
- (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the scrutineers, and
- (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots.

The scrutineers may appoint or retain other persons or entities to assist the scrutineers in the performance of their duties. Unless otherwise provided by the Board, the date and time of the opening and the closing of the polls for each matter upon which the shareholders will vote at a meeting shall be announced at the meeting. No ballot, proxies, votes or any revocation thereof or change thereto, shall be accepted by the scrutineers after the closing of the polls unless a court upon application by a shareholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of shareholders, the scrutineers may consider such information as is permitted by applicable law. No person who is a candidate for office at an election may serve as a scrutineer at such election.

3.13 Resolution in Writing of Shareholders

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless, in accordance with the Act:

- (a) in the case of the resignation or removal of a Director, or the appointment or election of another person to fill the place of that Director, a written statement is submitted to the Corporation by the Director giving the reasons for his or her resignation or the reasons why he or she opposes any proposed action or resolution for the purpose of removing him or her from office or the election of another person to fill the office of the Director; or
- (b) in the case of the removal or resignation of an auditor, or the appointment or election of another person to fill the office of auditor, representations are made to the Corporation by the auditor concerning its proposed removal, the appointment or election of another person to fill the office of auditor or its resignation.

3.14 Omissions and Errors

The accidental omission to give any notice to any shareholder, Director, officer, member of a committee of the Board or auditor, the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the By-laws or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

3.15 Holders of CDIs

If the Corporation shall be admitted to the official list of the ASX, and if CDIs shall have been issued over any securities of the Corporation, then holders of CDIs shall be entitled to attend any meeting of the holders of the securities that underlie the CDIs.

4. ADVANCE NOTICE PROVISIONS

4.1 Nomination of Directors

Subject only to the Act and this By-law, only persons who are nominated in accordance with the procedures set out in this section 4 shall be eligible for election as Directors. Nominations of persons for election as Directors may only be made at an annual meeting of shareholders, or at a special meeting called for any purpose at which the election of Directors is a matter specified in the notice of meeting, as follows:

- (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a valid proposal made in accordance with the provisions of the Act or a valid requisition of shareholders made in accordance with the provisions of the Act; or
- (c) by any person entitled to vote at such meeting (a **"Nominating Shareholder"**), who:
 - (i) is, at the close of business on the date of giving notice provided for in this section 4 and on the record date for notice of such meeting, either entered in the central securities register of the Corporation as a holder of

one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation; and

- (ii) has given timely notice in proper written form as set forth in this section 4.

4.2 Exclusive Means

For the avoidance of doubt, this section 4 shall be the exclusive means for any person to bring nominations for election to the Board before any annual or special meeting of shareholders of the Corporation.

4.3 Timely Notice

In order for a nomination made by a Nominating Shareholder to be timely notice (a “**Timely Notice**”), the Nominating Shareholder’s notice must be delivered to the corporate secretary of the Corporation at the principal executive offices or registered office of the Corporation:

- (a) in the case of an annual meeting of shareholders (including an annual and special meeting), not later than 5:00 p.m. in the city where the Corporation’s principal executive offices are located on the 30th day before the date of the meeting; provided, however, if the first public announcement made by the Corporation of the date of the meeting (each such date being the “**Notice Date**”) is less than 50 days before the meeting date, notice by the Nominating Shareholder may be given not later than the close of business on the 10th day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of Directors, not later than the close of business on the 15th day following the Notice Date;

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities* of a Reporting Issuer) is used for delivery of proxy related materials in respect of a meeting described in section 4.3(a) or 4.3(b), and the Notice Date in respect of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the date of the applicable meeting.

4.4 Proper Form of Notice

To be in proper written form, a Nominating Shareholder’s notice to the corporate secretary must comply with all the provisions of this section 4 and disclose or include, as applicable:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a Director (a “**Proposed Nominee**”):
 - (i) the name, age, business and residential address of the Proposed Nominee;
 - (ii) the principal occupation/business or employment of the Proposed Nominee, both presently and for the past five years;
 - (iii) the number of securities of each class of securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record date for

- the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
- (iv) full particulars of any relationships, agreements, arrangements or understandings (including financial, compensation or indemnity related) between the Proposed Nominee and the Nominating Shareholder, or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder;
 - (v) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of Directors pursuant to the Act or applicable securities law; and
 - (vi) a written consent of each Proposed Nominee to being named as nominee and certifying that such Proposed Nominee is not disqualified from acting as Director under the provisions of subsection 124(2) of the Act; and
- (b) as to each Nominating Shareholder giving the notice, and each beneficial owner, if any, on whose behalf the nomination is made:
- (i) their name, business and residential address;
 - (ii) the number of securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Corporation or any of its securities, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (iii) their interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Corporation or the person's economic exposure to the Corporation;
 - (iv) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Nominating Shareholder or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;
 - (v) full particulars of any proxy, contract, relationship arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of Directors;
 - (vi) a representation that the Nominating Shareholder is a holder of record of securities of the Corporation, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;

- (vii) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Corporation in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Corporation in support of such nomination; and
- (viii) (viii) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of Directors pursuant to the Act or as required by applicable securities law.

Reference to “**Nominating Shareholder**” in this section 4.4 shall be deemed to refer to each shareholder that nominated or seeks to nominate a person for election as Director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

4.5 Currency of Nominee Information

All information to be provided in a Timely Notice pursuant to this section 4 shall be provided as of the date of such notice. The Nominating Shareholder shall provide the Corporation with an update to such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days before the date of the meeting, or any adjournment or postponement thereof.

4.6 Delivery of Information

Notwithstanding any other provision of these By-laws, any notice, or other document or information required to be given to the corporate secretary pursuant to this section 4 may only be given by personal delivery or courier (but not by fax or email) to the corporate secretary at the address of the principal executive offices or registered office of the Corporation and shall be deemed to have been given and made on the date of delivery if it is a business day and the delivery was made prior to 5:00 p.m. in the city where the Corporation’s principal executive offices are located and otherwise on the next business day.

4.7 Defective Nomination Determination

The chair of any meeting of shareholders of the Corporation shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this section 4, and if any proposed nomination is not in compliance with such provisions, must as soon as practicable following receipt of such nomination and prior to the meeting declare that such defective nomination shall not be considered at any meeting of shareholders.

4.8 Failure to Appear

Despite any other provision of this section 4, if the Nominating Shareholder (or a duly appointed proxy holder for the Nominating Shareholder or representative of the Nominating Shareholder) does not appear at the meeting of shareholders of the Corporation to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.

4.9 Waiver

The Board may, in its sole discretion, waive any requirement in this section 4.

4.10 Definitions

For the purposes of this section 4, “**public announcement**” means disclosure in a news release disseminated by the Corporation through a national news service in Canada, or in a document filed by the Corporation for public access under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

5. BOARD OF DIRECTORS

5.1 General Powers

The Board shall manage, or supervise the management of, the business and affairs of the Corporation.

5.2 Number; Term of Office

If the Articles do not provide for a minimum and maximum number of Directors, the Board shall consist of the fixed number of Directors specified in the Articles. If the Articles provide for a minimum and maximum number of Directors, the Board shall be comprised of the fixed number of Directors as determined from time to time by the shareholders by ordinary resolution or, if the ordinary resolution empowers the Board to determine the number, by resolution of the Board. Each Director shall hold office until a successor is duly elected and qualified or until the Director's earlier death, resignation, disqualification or removal, provided that a Director (other than a Managing Director) must not hold office past the third annual meeting of shareholders following appointment or 3 years, whichever is the longer.

5.3 Newly Created Directorships and Vacancies

Any newly created directorships resulting from an increase in the authorized number of Directors and any vacancies occurring in the Board, may be filled by the affirmative votes of a majority of the remaining members of the Board, or by a sole remaining Director, if constituting a quorum. A Director so elected shall be elected to hold office until the earlier of the next annual meeting of shareholders, the expiration of the term of office of the Director whom he or she has replaced, the date a successor is duly elected and qualified or the earlier of such Director's earlier death, resignation, disqualification or removal.

5.4 Resignation

Any Director may resign at any time by notice given in writing to the Corporation. Such resignation shall take effect at the date of receipt of such notice by the Corporation or at such later time as is therein specified.

5.5 Removal

Except as prohibited by applicable law, the Articles or any unanimous shareholder agreement, the shareholders entitled to vote in an election of Directors may remove any Director from office at any time, with or without cause, by ordinary resolution.

5.6 Fees and Expenses

Directors shall receive such fees and expenses as the Board shall from time to time prescribe.

5.7 Regular Meetings

Regular meetings of the Board may be held at such times and at such places as may be determined from time to time by the Board or its chairperson. No notice shall be required for any such regular meeting except if the purpose of the meeting or the business to be transacted includes:

- (a) submitting to the shareholders any question or matter requiring the approval of the shareholders;
- (b) filling a vacancy among the Directors or appointing additional Directors;
- (c) filling a vacancy in the office of auditor;
- (d) issuing securities except as authorized by the Board;
- (e) issuing shares of a series except as authorized by the Board;
- (f) declaring dividends;
- (g) purchasing, redeeming or otherwise acquiring shares issued by the Corporation;
- (h) paying a commission to any person in consideration of the person's purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares;
- (i) approving a management proxy circular;
- (j) approving any annual financial statements; or
- (k) adopting, amending or repealing By-laws.

5.8 Ad Hoc Meetings

Ad hoc meetings of the Board may be held at such times and at such places as may be determined by the chairperson or the corporate secretary on at least 24 hours' notice to each Director given by one of the means specified in section 5.12 hereof, other than by mail, or on at least three days' notice if given by mail. Ad hoc meetings shall be called by the chairperson or the corporate secretary in like manner and on like notice on the written request of any two or more Directors.

5.9 Telephone Meetings

Board meetings or meetings of any committees of the Board may be held by means of telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. Participation by a Director or a member of a committee in a meeting pursuant to this section 5.9 shall constitute presence in person at such meeting.

5.10 Adjourned Meetings

A majority of the Directors present at any meeting of the Board, including an adjourned meeting, whether or not a quorum is present, may adjourn and reconvene such meeting to another time and place. At least 24 hours' notice of any adjourned meeting of the Board shall be given to each Director, whether or not present at the time of the adjournment, if such notice shall be

given by one of the means specified in section 5.11 thereof other than by mail, or at least three days' notice shall be given if by mail. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

5.11 Residency Requirement

The Board shall not transact business at a meeting unless at least 25% of the Directors present at the meeting are resident Canadians, except where:

- (a) a resident Canadian Director who is unable to be present approves in writing or by telephonic, electronic, or other communications facilitates the business transacted at the meeting; and
- (b) a majority of Directors present at the meeting would have been resident Canadians had that Director been present at the meeting.

5.12 Notices

Subject to section 5.8, section 5.10 and section 5.13 hereof, whenever notice is required to be given to any Director by applicable law, the Articles, any unanimous shareholder agreement or this By-law, such notice shall be deemed to be given effectively if given in person or by telephone, mail addressed to such Director at such Director's recorded address, by facsimile, e-mail or by other means of electronic transmission.

5.13 Waiver of Notice

Whenever notice to Directors is required by applicable law, the Articles, any unanimous shareholder agreement or these By-laws, a waiver thereof, in writing signed by the Director entitled to the notice, whether before or after such notice is required, shall be deemed equivalent to notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except when the Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called. Neither the business to be transacted at, nor the purpose of, any regular or ad hoc meeting of the Board or committee of the Board need be specified in any waiver of notice.

5.14 Organization

At each meeting of the Board, the chairperson or, in his or her absence, another Director selected by the Board shall preside. The corporate secretary shall act as secretary at each meeting of the Board. If the corporate secretary is absent from any meeting of the Board, an assistant corporate secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the corporate secretary and all assistant corporate secretaries, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

5.15 Quorum of Directors

The presence of a majority of the Board shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board.

5.16 Majority Vote

Except as otherwise expressly required by this By-law, the Articles, any unanimous shareholder agreement or by applicable law, the vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

5.17 Resolution in Writing of Board

Unless otherwise restricted by the Articles, any unanimous shareholder agreement or this By-law, any resolution required or permitted to be passed at any meeting of the Board or of any committee thereof may be taken without a meeting if all Directors or members of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writings or electronic transmissions are filed with the minutes of proceedings of the Board or committee in accordance with the Act.

5.18 Committees of the Board

The Board may designate one or more committees, each committee to consist of one or more of the Directors of the Corporation. If a member of a committee shall be absent from any meeting, or disqualified from voting thereat, the remaining member or members present at the meeting and not disqualified from voting shall vote on any matter. Any such committee, to the extent permitted by applicable law, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all documents that may require it to the extent so authorized by the Board. Unless the Board provides otherwise, at all meetings of such committee, a majority of the then authorized members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be a resolution of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board provides otherwise, each committee designated by the Board may make, alter and repeal rules and procedures, for the conduct of its business. In the absence of such rules and procedures each committee shall conduct its business in the same manner as the Board conducts its business pursuant to this section 5.

5.19 Limitation of Liability

Every Director and officer of the Corporation in exercising his or her powers and discharging his or her duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no Director or officer shall be liable for the acts, omissions, failures, neglects or defaults of any other Director, officer or employee, or for joining in any act for conformity, or for any loss, damage or expense suffered or incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune which shall happen in the execution of the duties of his or her office or in relation thereto. Nothing herein shall relieve any Director or officer from the duty to act in accordance with the Act or from liability for any breach thereof.

5.20 Indemnity

- (a) The Corporation shall indemnify a Director or officer of the Corporation, a former Director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer (or an individual acting in a similar capacity) of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably

incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.

- (b) The Corporation shall advance monies to a Director, officer or other individual for the costs, charges and expenses of a proceeding referred to in section 5.20(a). The individual shall repay the monies if he or she does not fulfill the conditions of section 5.20(c).
- (c) The Corporation shall not indemnify an individual under section 5.20(a) unless he or she (i) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which he or she acted as a director or officer or in a similar capacity at the Corporation's request and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.
- (d) The Corporation shall also indemnify the individual referred to in section 5.20(a) in such other circumstances as the Act or the law permits or requires. Nothing in this By-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this By-law.

6. MAJORITY VOTING

Sections 6.1 through 6.3 apply as long as the rules of any stock exchange on which any securities of the Corporation are listed so require.

6.1 Resignation Required

A newly elected Director to the Board must immediately resign if the number of votes casts by the Corporation's shareholders at a meeting in favour of this individual's election to the Board is equal to or less than the number of votes withheld. The newly elected Director's resignation must be in writing. This Director's resignation is conditional on its acceptance by the Board.

6.2 Exception for Contested Elections

Section 6.1 does not apply if number of positions to be filled on the Board is less than the number of candidates running for election to the Board at a shareholders' meeting (a "**Contested Election**"). In a Contested Election individual candidates shall be elected to the Board by a plurality of the votes cast at a meeting of shareholders.

6.3 Board Decision

If a newly elected Director must tender his or her resignation in accordance with section 6.1, the Board shall determine whether or not to accept that Director's resignation within 90 days of the date of the meeting of shareholders. The Board shall accept that Director's resignation unless it decides that there are exceptional circumstances which prevent the Board from accepting it. A newly elected Director who has tendered a resignation in accordance with section 6.1 shall not participate in any meeting of the Board or any committee of the Board at which his or her resignation is considered. The Corporation shall promptly issue a news release stating the Board's decision. The Corporation's news release must include the reasons for the Board's decision if the newly elected Director's resignation is not accepted.

7. OFFICERS

7.1 Positions and Election

The officers of the Corporation shall be elected annually by the Board and shall include a chief executive officer and a corporate secretary. The Board, in its discretion, may also elect a chairperson (who must be a Director), one or more vice-chairpersons (who must be Directors) and one or more of a president, vice-presidents, a treasurer, assistant treasurers, assistant corporate secretaries and other officers. Any two or more offices may be held by the same individual.

7.2 Term

Each officer of the Corporation shall hold office until such officer's successor is elected and qualified or until such officer's earlier death, resignation or removal. Any officer elected or appointed by the Board may be removed by the Board at any time with or without cause by resolution of the Board. The removal of an officer shall be without prejudice to his or her contract rights, if any. The election or appointment of an officer shall not of itself create contract rights. Any officer of the Corporation may resign at any time by giving written notice of his or her resignation to the president or the secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Should any vacancy occur among the officers, the position shall be filled for the unexpired portion of the term by appointment made by the Board.

7.3 The Chief Executive Officer

The chief executive officer shall have general supervision over the business of the Corporation and other duties incident to the office of chief executive officer, and any other duties as may be from time to time assigned to the chief executive officer by the Board and subject to the control of the Board in each case.

7.4 The Corporate Secretary

The corporate secretary shall attend all sessions of the Board and all meetings of the shareholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for committees when required. The corporate secretary shall give, or cause to be given, notice of all meetings of the shareholders and meetings of the Board, and shall perform such other duties as may be prescribed by the Board or the chief executive officer. The corporate secretary shall keep in safe custody the seal of the Corporation (if any) and have authority to affix the seal to all documents requiring it and attest to the same.

7.5 Other Officers

The president, each vice-president and other officers shall have such powers and perform such duties as may be assigned to him or her from time to time by the chairperson of the Board or the chief executive officer.

7.6 Duties of Officers May be Delegated

In case any officer is absent, or for any other reason that the Board may deem sufficient, the president or the Board may delegate for the time being the powers or duties of such officer to any other officer or to any Director.

8. SHARE CERTIFICATES AND THEIR TRANSFER

8.1 Shareholder Entitled to Certificate or Acknowledgement

Each shareholder is entitled, without charge, to:

- (a) one share certificate representing the shares or series of shares registered in the shareholder's name, or
- (b) a non-transferable written acknowledgement of the shareholder's right to obtain such a share certificate,

provided that if two or more persons are registered as joint holders of any share, the Corporation is not bound to issue more than one share certificate. Delivery of a share certificate for a share to one of several joint shareholders or to the duly authorized agent of one of the shareholders will be sufficient delivery to all. Any one of such persons may give effectual receipts for the certificate issued in respect thereof for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

8.2 Certificates Representing Shares

Share certificates shall be in the form, other than bearer form, approved by the Board. Certificates representing shares of each class or series shall be signed by, or in the name of, the Corporation by the chairperson, any vice-chairperson, the chief executive officer, the president or any vice-president, and by the corporate secretary, any assistant corporate secretary, the treasurer or any assistant treasurer. Any or all such signatures may be facsimiles. Although any officer, transfer agent or registrar whose manual or facsimile signature is affixed to such a certificate ceases to be such officer, transfer agent or registrar before such certificate has been issued, it may nevertheless be issued by the Corporation with the same effect as if such officer, transfer agent or registrar were still such at the date of its issue.

8.3 Transfers of Securities

Securities of the Corporation shall be transferable in the manner prescribed by law and in this By-law. Transfers of securities shall be made on the books of the Corporation only by the registered holder thereof, by such person's attorney lawfully constituted in writing and, in the case of certificated securities, upon the surrender of the certificate thereof, which shall be cancelled before a new certificate or uncertificated shares shall be issued. No transfer of securities shall be valid as against the Corporation for any purpose until it shall have been entered in the securities register of the Corporation by an entry showing from and to whom transferred.

8.4 Transfer Agents and Registrars

The Board may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

8.5 Lost, Stolen or Destroyed Certificates

The Board may direct a new certificate or uncertificated security to be issued in place of any certificate issued by the Corporation and alleged to have been lost, stolen or destroyed upon the making of a statutory declaration of that fact by the owner of the allegedly lost, stolen or destroyed certificate. When authorizing such issue of a new certificate or uncertificated security, the Board may, in its discretion and as a condition precedent to the issuance thereof, require payment of such fee and compliance with such terms as to indemnity, reimbursement of expenses (including legal fees incurred by the Corporation) and evidence of loss and of title, all as the Board may from time to time prescribe, whether generally or in any particular case.

8.6 CDI Holdings

The Company may not issue certificates for CDIs, or cancel existing certificates for CDIs without issuing any replacement certificate, if the Directors so resolve. The Company must issue to each holder of a CDI, in accordance with applicable law or applicable rules of ASX, statements of the holdings of CDIs registered in the holder's name.

8.7 Beneficial Interests in CDIs

Except as required by applicable law, the rules of ASX, or these By-Laws, the Company is not required to recognise any interest in, or right in respect of, a CDI except an absolute right of legal ownership of the person or entity registered as the holder of that CDI.

9. GENERAL PROVISIONS

9.1 Seal

The Corporation may, but need not, adopt a corporate seal. If a corporate seal is adopted it shall be in such form as shall be approved by the Board. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise, as may be prescribed by law or custom or by the Board.

9.2 Financial Year

The financial year of the Corporation shall be determined by the Board.

9.3 Cheques, Notes, Drafts, Etc.

All cheques, notes, drafts or other orders for the payment of money of the Corporation shall be signed, endorsed or accepted in the name of the Corporation by such officer, officers, person or persons as from time to time may be designated by the Board or by an officer or officers authorized by the Board to make such designation.

9.4 Dividends

Subject to applicable law, the Articles and any unanimous shareholder agreement, dividends upon any shares of the Corporation may be:

- (a) declared by the Board at any regular or ad hoc meeting of the Board, and
- (b) paid in cash, in property or in shares of the Corporation.

9.5 Conflict With Applicable Law or Articles

This By-law is enacted subject to any applicable law, the Articles and any unanimous shareholder agreement. Whenever these By-laws may conflict with any applicable law, the Articles or any unanimous shareholder agreement, such conflict shall be resolved in favour of such law, Articles or unanimous shareholder agreement.

10. AMENDMENT AND REPEAL

10.1 Amendment

Subject to the Articles and any unanimous shareholder agreement, the Board may, by resolution, make, amend or repeal any By-laws. Any such By-law, amendment or repeal shall be effective from the date of the resolution of the Board until the next meeting of shareholders where it may be confirmed, rejected or amended by the shareholders by ordinary resolution. If the By-law, amendment or repeal is confirmed or confirmed as amended by the shareholders, it remains effective in the form in which it was confirmed. Such By-law, amendment or repeal ceases to have effect if it is not submitted to the shareholders at the next meeting of shareholders or if it is rejected by the shareholders at the meeting.

10.2 Repeal

All previous By-laws of the Corporation are repealed as of the coming into force of this By-law. The repeal shall not affect the previous operation of any By-laws so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any Articles or predecessor charter documents of the Corporation obtained pursuant to, any such By-law before its repeal. All officers and persons acting under the provisions of this By-law, and all resolutions of the shareholders or the Board or a committee of the Board with continuing effect passed under any repealed By-laws shall continue to be good and valid except to the extent inconsistent with this By-law and until amended or repealed.

MADE by the Board the [DATE]

By: _____
 Name:
 Title: Chief Executive Officer



Canada Business Corporations Act (CBCA)
FORM 11
ARTICLES OF CONTINUANCE
(Section 187)

1 - Corporate name

First Cobalt Corp.

2 - The province or territory in Canada where the registered office is situated (do not indicate the full address)

British Columbia

3 - The classes and any maximum number of shares that the corporation is authorized to issue

an unlimited number of Common Shares without par value

4 - Restrictions, if any, on share transfers

None

5 - Minimum and maximum number of directors (for a fixed number of directors, indicate the same number in both boxes)

Minimum number

3

Maximum number

10

6 - Restrictions, if any, on the business the corporation may carry on

None

7 a) - If change of name effected, previous name

n/a

7 b) - Details of incorporation

Incorporated in British Columbia under Incorporation No. BC0915382

8 - Other provisions, if any

See attached schedule

9 - Declaration

I hereby certify that I am a director or an authorized officer of the corporation continuing into the CBCA.

Print name

Signature

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).



Instructions FORM 11 ARTICLES OF CONTINUANCE

Filing this application through our Online Filing Centre (corporationscanada.ic.gc.ca) or by paper costs \$200.

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Item 1

Set out the proposed corporate name that complies with sections 10 and 12 of the CBCA. Articles of continuance must be accompanied by a Nuans Name Search Report dated not more than ninety (90) days prior to the receipt of the articles by Corporations Canada. A numbered name may be assigned under subsection 11(2) of the CBCA without a Nuans Name Search Report.

Item 3

Set out the details required by paragraph 6(1)(c) of the Act. Unless an exemption is obtained under subsection 187(11) of the Act, all shares must be without nominal or par value and must comply with Part V of the Act. Nominal or par value shares issued by a corporation before continuance comply with the Act by virtue of subsection 24(2) and 187(8) and (9) of the Act. In the case of the application of subsection 187(11) of the Act, set out the maximum number of shares of a class or series as required by subsection 187(12) of the Act.

Item 4

If restrictions are to be placed on the right to transfer shares of the corporation, set out a statement to this effect and the nature of such restrictions.

Item 5

State the number of directors. If cumulative voting is permitted, the number of directors must be fixed.

Item 6

If restrictions are to be placed on the business the corporation may carry out, set out the restrictions.

Item 7

- a) If the name is being changed as part of the continuance, indicate the previous name.
- b) Indicate the date and the jurisdiction under which the corporation was originally created. If this is not the first continuance for this corporation, indicate the details of any previous continuance, including the date, any name change and the name and the provision of the statute under which the continuance was authorized.

Item 8

Set out any provisions, permitted by the Act or Regulations to be set out in the by-laws of the corporation, that are to form part of the articles, including any pre-emptive rights or cumulative voting provisions.

Item 9

The articles must be signed by a director or an authorized officer of the corporation continuing into the CBCA.

If space in items 3, 4, 6, 7 and 8 is insufficient, please attach a schedule.

Also Include:

- Proof of authorization under the laws of the jurisdiction where the corporation is incorporated
- Form 2 - Initial Registered Office Address and First Board of Directors
- A Nuans Name Search Report, if applicable
- Fee of \$200, payable by credit card (American Express, Visa or Master Card) or by cheque made payable to the Receiver General for Canada.

For more information, consult the Corporations Canada Website (corporationscanada.ic.gc.ca) or call toll-free (within Canada) **1-866-333-5556** or (from outside Canada) **(613) 941-9042**.

Send documents:

By e-mail: IC.corporationscanada.IC@canada.ca

By mail: Corporations Canada
235 Queen Street
Ottawa, Ontario K1A 0H5

ITEM 8

SCHEDULE

1. BORROWING POWERS

1.1 Borrowing Powers

Without limiting the powers of the Corporation as set forth in the Act, the Corporation, if authorized by the Board, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the Board considers appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Corporation or any other person and at such discounts or premiums and on other such terms as the Board considers appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, hypothecate, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Corporation, including property that is movable or immovable, corporeal or incorporeal.

1.2 Additional Powers

The powers conferred under Section 1.1 above shall be deemed to include the powers conferred on a corporation by Division VII of the *Act Respecting the Special Powers of Legal Persons* being chapter P-16 of the Revised Statutes of Quebec.

2. DELEGATION TO COMMITTEES

The Board may from time to time delegate to a director, a committee of directors or an officer of the Corporation any or all of the powers conferred on the board as set out above, to such extent and in such manner as the board shall determine at the time of such delegation.

3. APPOINTMENT OF ADDITIONAL DIRECTORS

Between annual general meetings of the Corporation, the Board may appoint one or more additional directors to serve until the next annual general meeting but the number of additional directors shall not at any time exceed one-third of the number of directors who held office at the expiration of the last annual general meeting.

4. MEETINGS OUTSIDE OF CANADA

A meeting of shareholders of the Corporation (or a meeting of other security holders of the Corporation) may be held at any place outside of Canada that the Board may choose, including without limitation in Perth, Western Australia, Sydney, New South Wales, New York, New York or London, England.

**Attachment N Report on the Audit of the Cobalt One
2017 Financial Report**



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 Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Cobalt One Limited

Report on the Audit of the Financial Report

Qualified opinion

We have audited the financial report of Cobalt One Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for qualified opinion

Comparatives – Gain on Settlement of Creditors

Attention is drawn to the gain on settlement of creditors of \$774,798 recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2016. Cobalt One Limited (previously Equator Resources Limited) held a 100% interest in the BJH Group which was disposed of on 24 June 2015. We were not able to access management and the financial records of the BJH Group for the years ending 30 June 2015 and 2016 and, as a result, we have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves as to the completeness of this amount. Our audit opinion has been modified accordingly.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for qualified opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Acquisition Accounting

Key audit matter	How the matter was addressed in our audit
On 10 February 2017 and 19 June 2017, the Group acquired a controlling interest in certain exploration assets and refinery assets in Canada for purchase consideration of A\$13,125,000 and A\$15,900,000 respectively as disclosed in Note 29. The Group assessed each of these transactions as asset acquisitions, rather than business combinations. Accounting for acquisitions is complex and requires management to exercise judgement to determine the appropriate accounting treatment including whether the acquisition should be classed as an asset or business acquisition, estimating the fair value of assets acquired and estimating the fair value of the purchase consideration as disclosed in Note 4(a).	Our procedures included, but were not limited to: • Obtaining an understanding of the transactions, including reviewing management's assessment of whether the transactions constituted an asset acquisition or business combination; • Reviewing the sale and purchase agreements to understand key terms and conditions of each transaction; • Assessing management's determination of the fair value of consideration paid and agreeing the consideration to supporting documentation; • Evaluating management's assessment of the fair value of the assets acquired; • Agreeing that no goodwill was recognised and that costs associated with the acquisition were capitalised in order to be in line with the accounting policy for asset acquisitions; and • Assessed the adequacy of the related disclosures in Note 4(a) and Note 29 to the financial statements.



Share-based Payments

Key audit matter	How the matter was addressed in our audit
During the year ended 30 June 2017, the Group issued shares, performance shares and options to key management personnel, vendors and to consultants, which have been accounted for as share-based payments. Refer to Note 2(n) and Note 4(b) of the financial report for a description of the accounting policy and significant estimates and judgements applied to these transactions. Share-based payments are a complex accounting area, which include assumptions utilised in the fair value calculations and judgements regarding the options, performance shares and shares issued during the year. There is a risk in the financial statements that the amounts are incorrectly recognised and/or inappropriately disclosed.	In addressing this matter our procedures included, but were not limited to the following: • Reviewing the relevant agreements to obtain an understanding of the contractual nature of the share-based payment transactions; • Holding discussions with management to understand the share-based payment in place and, where applicable, evaluating management's assessment of the likelihood of the performance conditions attached to the share-based payments being achieved; • Reviewing management's determination of fair value of the share-based payments, considering the appropriateness of the valuation methodology used and assessing the valuation inputs using internal specialists where appropriate; and • Assessing the allocation of the share-based payment expense over the relevant vesting period We have also assessed the adequacy of the related disclosures in Note 2(n), Note 4(b), Note 8(b) and Note 18 to the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 19 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Cobalt One Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

Neil Smith

Director

Perth, 29 September 2017

**Attachment O First Cobalt Management's Discussion & Analysis
and Condensed Consolidated Financial
Statements – Period Ended 30 June 2017**



FIRST COBALT CORP

(FORMERLY AURGENT RESOURCES CORP.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2017**

FIRST COBALT CORP. (FORMERLY AURGENT RESOURCES CORP.)
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2017

GENERAL

This Management's Discussion and Analysis of First Cobalt Corp. (formerly Aurgent Resources Corp.) ("First Cobalt" or the "Corporation") ("MD&A") was prepared on August 29, 2017 and provides analysis of the Corporation's financial results for the three month period ended June 30, 2017, compared to the three month period ended June 30, 2016. The following information should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements for the three month period ended June 30, 2017 with accompanying notes which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures are expressed in Canadian dollars unless otherwise stated.

COMPANY OVERVIEW

First Cobalt Corp. (Formerly Aurgent Resource Corp.) (the "Corporation" or "First Cobalt") was incorporated on July 13, 2011 under the Business Corporations Act of British Columbia (the "Act"). On September 22, 2016, the Corporation changed its name to First Cobalt Corp. The Corporation is in the business of acquisition and exploration of resource properties. The Corporation is focused on building a diversified global portfolio of assets that are highly leveraged to the cobalt market.

First Cobalt is a public company which is listed on the Toronto Venture Stock Exchange (TSX-V) (under the symbol FCC). The Corporation's head office is located at Suite 201 – 140 Yonge Street, Toronto, Ontario, M5C 1X6. The Corporation's registered and records office is 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

HIGHLIGHTS

Financing Activities

- On May 31, 2017, the Corporation closed a non-brokered private placement flow-through share offering issuing 2,050,000 flow-through common shares, at a price of \$0.60 per share, for gross proceeds of \$1,230,000. In connection with the financing, the Corporation paid cash finders' fees of \$37,209.

Corporate Development Activities

- On April 10, 2017, the Corporation acquired all of the outstanding share capital of Cobalt Projects International Corp. ("Cobalt Project"), a privately held Ontario-based mineral exploration company. Cobalt Projects holds the rights to earn up to a 100% interest from Canadian Silver Hunter Inc. ("Canadian Silver Hunter") in the Keeley-Frontier mine ("Keeley-Frontier"), located southern portion of the historic Cobalt, Ontario mining camp and bordering on the Corporation's existing South Lorrain cobalt claim blocks. As consideration for the acquisition, the Corporation issued 4,450,000 common shares, at a deemed price of \$0.57 per share, to existing shareholders of Cobalt Projects, which shall vest in 6 equal tranches over a 4 to 18-month period.

Under the terms of the option agreement between Cobalt Projects and Canadian Silver Hunter, the Corporation may earn up to 100% interest in Keeley-Frontier as follows:

- 50% interest upon payment of \$850,000, of which \$350,000 was during the current period, and incurring expenditures of \$1,750,000 on the property over a period of three years.
- 51% interest upon payment of \$200,000 within 60 days of having exercised the first option and producing a technical report in compliance with NI 43-101 – Standards of Disclosure for Mineral Projects by the fourth anniversary.
- 100% interest upon payment of \$750,000 and incurring additional expenditures of \$1,250,000 by the fifth anniversary.

Upon earning a 100% interest, Canadian Silver Hunter shall be granted a 2% net smelter return royalty, subject to the Corporation having the right to purchase 1% for \$1 million over the ensuing 10 years. The Corporation may elect to accelerate the earn-in.

- On May 1, 2017, the Corporation entered into an exclusive Letter of Intent ("LOI") with an associate of Madini Minerals ("Madini"), to form a strategic alliance and earn a controlling interest over seven prospective copper-

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cobalt ("Cu-Co") exploration properties covering 190 square km on the Central African Copperbelt in Katanga, Democratic Republic of Congo (the "DRC").

Under the terms of the agreement:

- Madini will act as the Corporation's operator on all seven properties.
- The Corporation will have a right of first refusal over other Madini interest in the DRC.
- As consideration for the options, the Corporation will pay JayBird Invest Ltd. ("JayBird", associate of Madini Minerals) \$600,000 in cash and issue 4,530,000 common shares of the Corporation upon closing of the transaction.
- An aggregate of USD \$1,580,000 is payable to the property owners to acquire 70% interest over all seven properties.
- There are no minimum annual spending requirements and the 30% partners have a free-carry until completion of a feasibility study.
- At the closing of the transaction, JayBird shall be entitled to appoint a nominee to the Board of Directors of the Corporation.

The agreement is non-binding and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the TSX Venture Exchange. The transaction is expected to close within the next 60 days.

The transaction represents a low-risk entry point into the world's leading cobalt jurisdiction. In aggregate, the land package covers 190 km² (19,000 hectares) on the Central African Copperbelt in Katanga, DRC, all with known surface mineralization.

All seven properties are on prospective ground proximal to several major copper-cobalt operations and projects in the Central African Copperbelt. Five of the properties form a cluster and are grouped into the Luishi North, Luishi Central and Luishi South project areas. They are located approximately 50 km northeast of Lubumbashi, central to existing smelters and refineries. The Kipoi East property is also nearby; close to the former producing Luishia Cu-Co mine and the active Kinsevere Mine. The Nkala property is approximately 55 km east of the Tenke-Fungurume mines.

- On June 1, 2017, the Corporation entered into an option agreement with Cobalt One Limited ("Cobalt One") to enter into a 50-50 joint venture on the Yukon cobalt extraction refinery (the "Refinery") in Cobalt, Ontario. The Refinery is situated in close proximity to the Corporation's Keeley-Frontier mine.

Under the terms of the agreement:

- In consideration for the option payment to enter into a 50-50 joint venture, the Corporation will pay \$750,000 in cash to Cobalt One.
- The Corporation will have until December 31, 2017 to exercise the option
- On exercise, the Corporation will be obligated to pay Cobalt One an additional \$2,250,000 in cash and the equivalent of 50,000,000 shares of Cobalt One in cash or shares of the Corporation, at an approximate value of \$5,500,000.

The agreement is subject to certain conditions including, but not limited to, receipt of all necessary regulatory and other approvals including approval of the TSX Venture Exchange. It is anticipated that this agreement will be superseded by the transaction announced on June 26, 2017 (see below).

- On June 7, 2017, the Corporation acquired 22 mining claims totalling 848 hectares from Brixton Metals Corp. ("Brixton"). These mining claims include former producing Bellellen Mine and are located in the Cobalt, Ontario mining camp. The claims cover prospective ground in both the south end of the mining camp, near Silver Centre, as well as the north, near the town of Cobalt, Ontario. The Bellellen Mine is adjacent to the Keeley-Frontier Mine. In consideration for the acquisition of the mining claims, the Corporation made a cash payment of \$325,000 to Brixton.
- On June 21, 2017, the Corporation entered into an exclusive letter of intent to acquire all of the issued and outstanding shares of CobaltTech Mining Inc. ("CobaltTech") by way of a court approved plan of arrangement. CobaltTech's prospective cobalt properties, all situated in Canada, include 11 past producing mines in the

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town of Cobalt, Ontario, the Werner Lake East Cobalt property near Kenora, Ontario and eight properties in the Province of Quebec. CobaltTech also owns a 100 tonne per day mill in the town of Cobalt.

- On June 26, 2017, the Corporation has entered into an exclusive letter of intent with Cobalt One for the Corporation to acquire 100% of the issued and outstanding common shares of Cobalt One by way of a court approved plan of arrangement. Under the terms of the transaction, the Corporation would acquire all of the outstanding common shares of Cobalt One which would result in the shareholders of Cobalt One holding approximately 60% of the equity in the merged entity and the shareholders of First Cobalt holding the remaining 40%. Under the terms of the Arrangement, the Corporation maintains its listing on the TSX-V and is expected to seek to obtain a secondary listing on the Australian Securities Exchange ("ASX") of CHES Depository Interests. The merged entity would include certain members of the board of directors of Cobalt One in addition to existing directors of the Corporation. Cobalt One currently owns a 7,272 hectare land package in the Cobalt region of Ontario, Canada. Many of Cobalt One's holdings are adjacent to the Corporation's properties. The merged company creates a leading pure-play cobalt exploration company with a portfolio of high-quality exploration assets and only permitted cobalt extraction refinery in the Cobalt, Ontario mining camp.
- On July 18, 2017, the Corporation entered into an option agreement to acquire 100% rights on a prospective mining claim adjacent to the Keeley-Frontier project in the Cobalt, Ontario mining camp. First Cobalt acquired the 100% rights on the claim by making a \$10,000 cash payment on signing, as well as committing to \$75,000 in exploration expenditures and a total of \$30,000 in additional cash payments over a three-year period. Upon earning a 100% interest, the Optionor shall be granted a 2% net smelter return royalty, subject to the Corporation having the right to purchase 1% for \$500,000 and the remaining 1% for an additional \$500,000. The Corporation may elect to accelerate the earn-in after the first anniversary.

MINERAL PROPERTIES

The Corporation is in the business of acquisition and exploration of resource properties. The Corporation is focused on building a diversified global portfolio of assets that are highly leveraged to the cobalt market.

	June 30, 2017 (\$)	March 31, 2017 (\$)
South Lorraine	1,820,000	1,810,000
Dickens Lake	375,058	375,058
Keeley-Frontier	2,971,500	-
Cobalt One	750,000	-
Bellellen	325,000	-
Madini	50,000	-
	6,291,558	2,185,058

South Lorraine

The "South Lorraine Cobalt" claim group consists of 17 claim blocks covering an area of 1,950 hectares or 19.50 square kilometers. The claim group is located in the former mining camp of Silver Centre, Ontario, Canada, 25 kilometers south of the historical Cobalt, Ontario silver camp and 400 kilometers north of Toronto, Canada.

The claim group is located adjacent to the former producing Keely Frontier Mine in South Lorrain Township, Ontario and includes the following:

Claim Number	Township	Claim Size (Ha)
4282446	Lorraine	40
4282449	Lorraine	40
4282748	Lorraine	40
4282451	South Lorraine	141
4282445	South Lorraine	64
4282447	South Lorraine	256
4282448	South Lorraine	64

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4283450	South Lorraine	192
4282747	South Lorraine	120
4282749	South Lorraine	192
4282750	South Lorraine	240
4278692	South Lorraine	30
4282704	South Lorraine	14
4280570	South Lorraine	10
4282406	South Lorraine	203
4282702	South Lorraine	145
4282703	South Lorraine	160

Dickens Lake Property

On July 5, 2012, the Corporation entered into an arrangement agreement (the "Arrangement Agreement"), a property purchase agreement (the "Purchase Agreement") and a Farm-out Agreement (the "Farm-out Agreement") with Unity Energy Corp. ("Unity"), which resulted in a spinout of Unity's interest in its Dickens Lake Property (the "Property") to the Corporation. Pursuant to the Arrangement Agreement, the Corporation acquired a 100% interest in the Dickens Lake Property, located in Saskatchewan, Canada. As consideration, the Corporation issued 3,182,750 common shares to Unity, with a fair value of \$1,466,749. The fair value of the common shares was equal to Unity's carrying value of the Dickens Lake Property. The Corporation also received a cash payment of \$200,000 from Unity, which has been recorded in reserves.

Pursuant to the Farm-out Agreement, the Corporation transferred a 10% interest in the Dickens Lake Property to Unity, and received a cash payment of \$205,000 from Unity, to be expended on exploration and development work, which has been applied against the carrying value of the Dickens Lake Property.

The Dickens Lake Property is subject to a 2% net smelter royalty ("NSR"), which may be purchased by the Corporation for \$1,500,000. During the year ended March 31, 2017 the Corporation re-purchased 1.5% of the 2% NSR for \$164,963.

During the three-month period ended June 30, 2017, the Corporation incurred \$nil (2016 - \$nil) in exploration expenditures on the Dickens Lake Property.

Keeley-Frontier

On April 10, 2017, the Corporation acquired all of the outstanding share capital of Cobalt Projects International Corp. ("Cobalt Project"), a privately held Ontario-based mineral exploration company. Cobalt Projects holds the rights to earn up to a 100% interest from Canadian Silver Hunter Inc. ("Canadian Silver Hunter") in the Keeley-Frontier mine ("Keeley-Frontier"), located within the historic Silver Centre camp, and bordering on the Corporation's existing South Lorrain cobalt claim blocks. As consideration for the acquisition, the Corporation issued 4,450,000 common shares, at a deemed price of \$0.57 per share, to existing shareholders of Cobalt Projects, which shall vest in 6 equal tranches over a 4 to 18-month period. Additionally, promissory notes totaling \$435,000 were forgiven.

Under the terms of the option agreement between Cobalt Projects and Canadian Silver Hunter, the Corporation may earn up to 100% interest in Keeley-Frontier as follows:

- 50% interest upon payment of \$850,000 (of which \$350,000 has been paid) and incurring expenditures of \$1,750,000 on the property over a period of three years.
- 51% interest upon payment of \$200,000 within 60 days of having exercised the first option and producing a technical report in compliance with NI 43-101 – *Standards of Disclosure for Mineral Projects* by the fourth anniversary.
- 100% interest upon payment of \$750,000 and incurring additional expenditures of \$1,250,000 by the fifth anniversary.

Upon earning a 100% interest, Canadian Silver Hunter shall be granted a 2% net smelter return royalty, subject to the Corporation having the right to purchase 1% for \$1 million over the ensuing 10 years. The Corporation may elect to accelerate the earn-in.

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Cobalt One

On June 1, 2017, the Corporation entered into an option agreement with Cobalt One Limited ("Cobalt One") to enter into a 50-50 joint venture on the Yukon cobalt extraction refinery (the "Refinery") in Cobalt, Ontario. The Refinery is situated in close proximity to the Corporation's Keeley-Frontier mine.

Under the terms of the agreement:

- In consideration for the option payment to enter into a 50-50 joint venture, the Corporation paid \$750,000 in cash to Cobalt One
- The Corporation has until December 31, 2017 to exercise the option
- On exercise, the Corporation will be obligated to pay Cobalt One an additional \$2,250,000 in cash and the equivalent of 50,000,000 shares of Cobalt One in cash or shares of the Corporation, at an approximate value of \$5,500,000.

The agreement is subject to certain conditions including, but not limited to, receipt of all necessary regulatory and other approvals including approval of the TSX Venture Exchange.

Bellellen

On June 7, 2017, the Corporation acquired 22 mining claims totalling 848 hectares from Brixton Metals Corp. ("Brixton"). These mining claims, includes former producing Bellellen Mine, are located in Cobalt, Ontario. The claims cover prospective ground in both the south end of the mining camp, near Silver Centre, as well as the north, near the town of Cobalt, Ontario. The Bellellen Mine is adjacent to the Keeley-Frontier Mine. In consideration for the acquisition of the mining claims, the Corporation made a cash payment of \$325,000 to Brixton.

Madini

On May 1, 2017, the Corporation entered into an exclusive Letter of Intent ("LOI") with an associate of Madini Minerals ("Madini"), to form a strategic alliance and earn a controlling interest over seven prospective copper-cobalt ("Cu-Co") exploration properties covering 190 square kilometers on the Central Affican Copperbelt in Katanga, Democratic Republic of Congo ("DRC").

Under the terms of the agreement:

- Madini will act as the Corporation's operator on all seven properties;
- The Corporation has a right of first refusal over other Madini interest in the DRC;
- As consideration for the options, the Corporation will pay JayBird Invest Ltd. ("JayBird", associate of Madini Minerals) \$600,000 in cash and issue 4,530,000 common shares of the Corporation upon closing of the transaction;
- An aggregate of USD \$1,580,000 is payable to the property owners to acquire 70% interest over all seven properties;
- There are no minimum annual spending requirements and the 30% partners have a free-carry until completion of a feasibility study; and
- At the closing of the transaction JayBird shall be entitled to appoint a nominee to the Board of Directors of the Corporation.

The agreement is non-binding and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the TSX Venture Exchange.

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SUMMARY OF QUARTERLY RESULTS

Key financial information for the three months ended June 30, 2017 as well as the quarters spanning the most recently preceding fiscal years is summarized as follows, reported in Canadian dollars except for per share amounts:

	F2018-Q1 June 30, 2017 (\$)	F2017-Q4 March 31, 2017 (\$)	F2017-Q3 December 31, 2016 (\$)	F2017-Q2 September 30, 2016 (\$)
Current Assets	4,918,144	6,100,556	785,984	278,176
Current Liabilities	420,617	399,697	576,507	304,068
Total Assets	11,209,702	8,285,614	1,279,221	711,413
Total Operating Expenses	(1,621,990)	(1,499,106)	(705,907)	(24,128)
Net Loss	(1,616,873)	(1,508,720)	(705,907)	(24,128)
Loss per Share	(0.03)	(0.10)	(0.03)	(0.00)

	F2017-Q1 June 30, 2016 (\$)	F2016-Q4 March 31, 2016 (\$)	F2016-Q3 December 31, 2015 (\$)	F2016-Q2 September 30, 2015 (\$)
Current Assets	20,244	6,452	11,671	14,829
Current Liabilities	333,636	393,534	364,525	343,964
Total Assets	348,518	334,726	395,445	394,103
Total Operating Expenses	(11,810)	(87,945)	(17,829)	(28,004)
Net Loss	(11,810)	(147,945)	(17,829)	(28,004)
Loss per Share	(0.01)	(0.03)	(0.01)	(0.01)

RESULTS OF OPERATIONS FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2017

The following are highlights from the Corporation's results of operations for the three month period ended June 30, 2017 and 2016:

- Consulting and management fees were \$181,016 during the three month period ended June 30, 2017, compared to \$8,400 during the same period ended June 30, 2016. The increase in consulting and management fees are due to the increased corporate development activity in identifying and acquiring cobalt-related mineral properties.
- Exploration and evaluation expenses were \$54,874 during the three month period ended June 30, 2017, compared to \$nil during the same period ended June 30, 2016. The costs incurred were in relation to the Keeley-Frontier properties, which the Corporation had not yet acquired in the comparative period.
- General and administrative fees were \$292,086 during the three month period ended June 30, 2017, compared to \$10,410 incurred during the same period ended June 30, 2016. The increase in general and administration costs are primarily related to the increased corporate development activity in identifying and acquiring cobalt-related mineral properties and associated fees during the period, travelling expenses, and general office administration.
- Professional fees were \$193,974 during the three month period ended June 30, 2017. The increase in professional fees are primarily due to the increase in legal costs associated to the Cobalt One, Madini and CobalTech transactions.
- Investor relations fees were \$768,020 during the three month period ended June 30, 2017, compared to \$nil incurred during the same period ended June 30, 2016. These costs were incurred in relation to investor awareness campaigns undertaken by the Corporation.

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CAPITAL STRUCTURE

As of the date of this MD&A, the Corporation has 57,257,751 common shares issued and outstanding. In addition, there are outstanding share purchase warrants and stock options for a further 3,600,000 and 5,215,000 common shares, respectively.

The following warrants were outstanding at the date of this report:

Grant Date	Expiry Date	Number of warrants issued	Weighted Average Exercise Price
May 31, 2016	May 31, 2021	400,000	\$0.06
September 13, 2016	September 13, 2021	3,200,000	\$0.10
		3,600,000	\$0.10

The following incentive stock options were outstanding at the date of this report:

Grant Date	Expiry Date	Number of stock options issued	Weighted Average Exercise Price
September 18, 2016	Sep 18, 2021	575,000	\$0.25
January 8, 2017	January 8, 2022	200,000	\$0.34
December 15, 2016	December 15, 2021	350,000	\$0.35
December 22, 2016	December 22, 2021	550,000	\$0.38
March 2, 2017	March 2, 2022	1,975,000	\$0.66
June 1, 2017	June 1, 2022	1,565,000	\$0.69
		5,215,000	\$0.56

CAPITAL RESOURCES

The Corporation defines capital as consisting of shareholder's equity and cash. The Corporation manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Corporation does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Corporation's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this, given the relative size of the Corporation, is appropriate.

As at June 30, 2017 and 2016, the Corporation is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Corporation's approach to capital management during the three month periods ended June 30, 2017 and 2016.

LIQUIDITY

The Corporation's objective in managing liquidity risk is to maintain sufficient liquidity in order to meet operational and investing requirements. The Corporation has historically financed its operations primarily through the sale of share capital by way of private placements.

At June 30, 2017, the Corporation had cash of \$4,232,043 (2016 - \$18,162) and working capital of \$4,497,527 (2016 - \$(313,392)).

To maintain liquidity, the Corporation issued common shares for cash proceeds during the three month period ended June 30, 2017 as follows:

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- On May 31, 2017, the Corporation closed a non-brokered private placement flow-through share offering issuing 2,050,000 flow-through common shares, at a price of \$0.60 per share, for gross proceeds of \$1,230,000.

Cash used in operating activities was \$1,558,587 during the three months ended June 30, 2017, compared to \$11,810 from operating activities during the comparative period. The change in working capital is attributed primarily to the loans receivable of \$435,000 which was loaned to Cobalt Projects International Inc., an unrelated third party company which was subsequently acquired by the Corporation. The existence of the loan receivable is due to the timing of the acquisition of Cobalt Projects International Inc. by the Corporation, and the loan receivable was subsequently eliminated through the acquisition of the two entities and the amount is attributed to the mineral property.

Cash used in investing activities was \$1,138,000 for the three month period ended June 30, 2017, compared to \$nil for the comparative period. During the current period, cash used in investing activities was primarily related to the acquisition of mineral properties (\$750,000 to Cobalt One for joint ownership of the Yukon cobalt extraction refinery, \$325,000 to Brixton for Bellellen, and \$50,000 to JayBird for Madini).

Cash flows from financing activities was \$1,919,971 during the three month period ended June 30, 2017, compared to the \$77,500 from financing activities during the prior period.

The development of the Corporation in the future will depend on the Corporation's ability to obtain additional financings. In the past, the Corporation has relied on the sale of equity securities to meet its cash requirements. Funding for potential future development obligations, in excess of funds on hand, will depend on the Corporation's ability to obtain financing through joint venturing of projects, debt financing, equity financing or other means. There can be no assurances that the Corporation will be successful in obtaining any such financing or in joint venturing its property; failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Corporation's properties.

OUTLOOK

First Cobalt is focused on building a diversified global portfolio of assets that are highly leveraged to the cobalt market. More than 50% of global cobalt production is used in the manufacture of lithium-ion batteries. The Corporation is currently advancing its 2,100-hectare property in the historic Cobalt, Ontario mining camp located approximately 400 km north of Toronto, Ontario. The property includes the former producing Keeley-Frontier mine, a high-grade mine that produced over 3.3 million pounds of cobalt and 19.1 million ounces of silver from 301,000 tonnes of ore.

Three-way Merger

The Corporation is expecting to complete the mergers with Cobalt One and CobaltTech during the fourth quarter of calendar 2017

Management expects the three-way merger will:

- create a leading pure-play cobalt exploration company with a portfolio of high quality exploration assets and the only permitted cobalt extraction refinery in the Cobalt, Ontario mining camp (the "Cobalt Camp");
- consolidate approximately 45% of the Cobalt Camp under an experienced management team based in Toronto, with a proven track record of discovery, development, and finance;
- be the largest listed cobalt exploration company with a pro-forma market capitalization of approximately \$150 million;
- be listed on the TSXV, the ASX and the OTCQB, subject to regulatory approval; and
- increase the scale of the combined company will enhance its capital markets profile, liquidity, provide greater access to capital across the exchanges and provides for strong re-rating potential.

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Keeley-Frontier Project – Cobalt, Ontario, Canada

The Corporation acquired the Keeley-Frontier Mine in April 2017 and commenced an exploration program in May 2017 on the former producing Keeley-Frontier Mine, near Cobalt, Ontario, Canada. The \$1 million program is being funded through a flow-through share offering closed on May 31, 2017. The objectives of the 2017 exploration program are as follows:

- To understand the present-day cobalt potential in a historic mining camp;
- Digitally compile of 50 years of historic mine data to generate a 3D geological model;
- Prepare detailed and property-scale structural mapping of mineralized veins and host rocks;
- Prepare bore-hole geophysics and televue imaging of drill holes from the 2012 drilling campaign targeting the Beaver Lake Fault west of the former mine;
- Prepare systematic surface sampling at known prospects and occurrences throughout the property for assay analyses;
- Prepare detailed magnetic survey of the property totaling 35 square km;
- Plan 5,000 metres of diamond drilling within the footprint of the Keeley-Frontier Mine testing targets from the 3D geological model; and
- Plan 2,000 metres of regional exploration drilling to identify new mineralized fault systems.

Upon completion of the three-way merger, management anticipated expanding its exploration program to include drilling of the former producing Silverfields and Duncan Kerr properties.

The neighbouring towns of Silver Centre and Cobalt, Ontario were historically the most prolific cobalt jurisdictions in Canada and the largest silver producers worldwide. It is estimated that these two mining camps produced 50 million pounds of cobalt and 600 million ounces of silver from 1904 to 1985 from 70 different mines. Nickel was also produced as a by-product. There has been minimal activity in both camps since 1993 other than some processing of ore from waste dumps and recovery of metals from tailings.

The Keeley and Frontier Mines were developed and operated as separate mines and later integrated in 1961. From 1908 to 1965, the Keeley-Frontier Mine produced a total of over 3.3 million pounds of cobalt at a recovered grade of 0.5% and 19.1 million ounces of silver at a recovered grade of 58 ounces per tonne. Most of the production occurred between 1922 and 1931 (Source: W.H. McIlwaine, 1970).

Exploration Properties – Katanga, DRC

As announced May 1, 2017, the Corporation has formed a strategic alliance for a 70% interest over seven prospective copper-cobalt exploration properties in the DRC. The Kipoi East property is the most advanced of the seven properties, with detailed mapping, airborne geophysics as well as bedrock and soil geochemical surveys conducted during 2014 and 2015. Access to the property is excellent; directly via a major highway. The property is approximately 20 km to the east of the active Kipoi Mine. Subject to completion of the transaction and execution a definitive joint venture agreement, planned exploration consists of a US\$650,000 exploration program includes structural mapping, soil geochemistry, outcrop stripping and blasting; and

- Follow-up of over 1,500 metres of percussion and diamond drilling on geological, geochemical and geophysical targets.

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RELATED PARTY TRANSACTIONS

The Corporation's related parties include key management personnel and companies related by way of directors or shareholders in common.

Key Management Personnel Compensation

During the three month periods ended June 30, 2017 and 2016, the Corporation paid and/or accrued the following fees to key management personnel:

	June 30, 2017 (\$)	June 30, 2016 (\$)
Management	173,697	-
Directors	-	8,400
	173,697	8,400

As at June 30, 2017, the Corporation has accounts payable due to related parties in the amount of \$23,286 (2016 – \$nil).

OFF BALANCE SHEET ARRANGEMENTS

The Corporation currently has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels.

The hierarchy is as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

The fair value of cash approximates their carrying value due to the short-term maturity. The Corporation considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

As at June 30, 2017 and 2016, the Corporation does not any have level 2 and 3 financial assets or liabilities.

Financial Risk Factors

The Corporation's risk exposure and the impact on the Corporation's financial instruments are summarized below:

Credit risk

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Credit risk is the risk of potential loss to the Corporation if the counterparty to a financial instrument fails to meet its contractual obligations. The Corporation's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Corporation limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation currently settles its financial obligations with cash. The ability to do this relies on the Corporation raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Corporation is exposed to liquidity risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation has no interest-bearing debt. The Corporation's sensitivity to interest rates is minimal.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Corporation's functional currency, Canadian Dollars. The Corporation is exposed to foreign currency risk on fluctuations related to cash, receivables, prepayments, and accrued liabilities that are denominated in US Dollars. The Corporation has not used derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations.

BUSINESS RISKS AND UNCERTAINTIES

There are many risk factors facing companies involved in the mineral exploration industry. Risk Management is an ongoing exercise upon which the Corporation spends a substantial amount of time. While it is not possible to eliminate all the risks inherent to the industry, the Corporation strives to manage these risks, to the greatest extent possible. The following risks are most applicable to the Corporation.

Industry and Mineral Exploration Risk

Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that the Corporation's exploration efforts will be successful. At present, the Corporation's projects do not contain any proven or probable reserves. Success in establishing reserves is a result of a number of factors, including the quality of the project itself. Substantial expenditures are required to establish reserves or resources through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Because of these uncertainties, no assurance can be given that planned exploration programs will result in the establishment of mineral resources or reserves. The Corporation may be subject to risks, which could not reasonably be predicted in advance. Events such as labour disputes, natural disasters or estimation errors are prime examples of industry related risks. The Corporation attempts to balance this risk through insurance programs where required and ongoing risk assessments conducted by its technical team.

Commodity Prices

The Corporation is in the business of mineral exploration and as such, its prospects are largely dependent on movements in the price of various minerals. Prices fluctuate on a daily basis and are affected by a number of factors well beyond the control of the Corporation. The mineral exploration industry in general is a competitive market and there is no assurance that, even if commercial quantities of proven and probable reserves are discovered, a profitable market may exist. Due to the current grassroots nature of its operations, the Corporation has not entered into any price hedging programs.

Environmental

FIRST COBALT CORP. (FORMERLY AURGENT RESOURCES CORP.)
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2017

Exploration projects or operations are subject to the environmental laws and applicable regulations of the jurisdiction in which the Corporation operates. Environmental standards continue to evolve and the trend is to a longer, more complete and rigid process. The Corporation reviews environmental matters on an ongoing basis. If and when appropriate, the Corporation will make appropriate provisions in its financial statements for any potential environmental liability.

Title of Assets

Although the Corporation conducts title reviews in accordance with industry practice prior to any purchase of resource assets, such reviews do not guarantee that an unforeseen defect in the chain on title will not arise and defeat our title to the purchased assets. If such a defect were to occur, our entitlement to the production from such purchased assets could be jeopardized.

Competition

The Corporation engages in the highly competitive resource exploration industry. The Corporation competes directly and indirectly with major and independent resource companies in its exploration for and development of desirable resource properties. Many companies and individuals are engaged in this business, and the industry is not dominated by any single competitor or a small number of competitors. Many of such competitors have substantially greater financial, technical, sales, marketing and other resources, as well as greater historical market acceptance than does the Corporation. The Corporation will compete with numerous industry participants for the acquisition of land and rights to prospects, and for the equipment and labor required to operate and develop such prospects. Competition could materially and adversely affect the Corporation's business, operating results and financial condition. Such competitive disadvantages could adversely affect the Corporation's ability to participate in projects with favorable rates of return.

Financing

Historically, the Corporation has raised funds through equity financing to fund its operations. The market price of natural resources is highly speculative and volatile. Instability in prices may affect the interest in resource properties and the development of and production from such properties. This may adversely affect the Corporation's ability to raise capital to acquire and explore resource properties.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Corporation's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ significantly from these estimates.

Areas requiring a significant degree of judgment relate to the recoverability and measurement of deferred tax assets and liabilities, the ability to continue as a going concern and the capitalization of development costs. Actual results may differ from those estimates and judgments. Areas requiring a significant degree of estimation include allowances for doubtful accounts.

Areas requiring a significant degree of judgement that have the most significant effect on the amounts recognized in the Corporation's consolidated financial statements are as follows:

- *Exploration and Evaluation Assets*

The net carrying value of each mineral property is reviewed regularly for conditions that suggest potential indications impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future.

FIRST COBALT CORP. (FORMERLY AURGENT RESOURCES CORP.)
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2017

- *Going Concern*

The assessment of the Corporation's ability to continue as a going concern involves critical judgement based on historical experience and expectations of the Corporation's ability to generate adequate financing. Significant judgements are used in the Corporation's assessment of its ability to continue as a going concern.

- *Income taxes*

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward.

The determination of the ability of the Corporation to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgement and make certain assumptions about the future performance of the Corporation. Management is required to assess whether it is probable that the Corporation will benefit from these prior losses and other deferred tax assets. Change in economic conditions, metal prices and other factors could result in revision to the estimates of the benefits to be realized or the timing of utilizing the losses.

- *Acquisition Accounting*

The Corporation has accounted for the acquisition of Cobalt Industries as an asset acquisition. Significant judgment was required to determine that the application of this accounting treatment was appropriate for the transaction. These included, among others, the determination that Cobalt Industries did not meet the definition of a business under IFRS 3: Business combinations. In addition, the basis for the calculation of the fair value of the asset acquired included significant estimates of the fair value of the consideration transferred.

- *Valuation of Share-Based Payments*

The Corporation uses the Black-Scholes Option Pricing Model for valuation of share-based payments and the warrant liability. Option pricing models require the input of subjective assumptions including the share price, expected share price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Corporation's net loss and equity reserves.

SIGNIFICANT ACCOUNTING POLICIES

The Corporation's significant accounting policies are detailed in Note 2 to the audited consolidated financial statements for the years ended March 31, 2017 and 2016.

FUTURE CHANGES IN ACCOUNTING POLICIES

The International Accounting Standards Board ("IASB") has issued or amended a number of new standards that were not be effective at June 30, 2017. These standards have not been early adopted in these consolidated financial statements.

IFRS 7, Financial Instruments Disclosures (effective January 1, 2018) requires new disclosures resulting from the amendments to IFRS 9.

IFRS 9, Financial Instruments (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets and liabilities.

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRS Interpretations Committee ("IFRIC") 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Asset from Customers, and SIC 31 Revenue Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Corporation is currently evaluating the impact the standard is expected to have on its consolidated financial statements.

FIRST COBALT CORP. (FORMERLY AURGENT RESOURCES CORP.)
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2017

IFRS 16, Leases was issued in January 2016 (effective January 1, 2019) and provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Corporation is currently evaluating the impact the standard is expected to have on its consolidated financial statements.

On June 30, 2016, the IASB issued amendments to IFRS 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments apply for annual periods beginning on or after January 1, 2018. The Corporation intends to adopt the amendments to IFRS 2 in its consolidated financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

Management does not expect any other IFRS or IFRIC pronouncements that are not yet effective to have a material impact on the Corporation.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The President and Chief Executive Officer and Chief Financial Officer of the Corporation are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There was no change in the Corporation's internal controls over financial reporting that occurred during the three month period ended June 30, 2017 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Corporation is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure. The Corporation's President and Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the design of the disclosure controls and procedures that as of June 30, 2017, the Corporation's disclosure controls and procedures provide reasonable assurance that material information is made known to them by others within the Corporation are appropriately designed.

Limitations of Controls and Procedures

The Corporation's management, including the President and Chief Executive Officer and Chief Financial Officer, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may be deemed “forward-looking statements”, including statements regarding developments in the Corporation’s operations in future periods, adequacy of financial resources and future plans and objectives of Corporation. All statements in this document, other than statements of historical fact, which address events or developments that the Corporation expects to occur, are forward looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “interprets” and similar expressions, or events or conditions that “will”, “would”, “may”, “could” or “should” occur. Forward-looking statements in this document include statements regarding future exploration programs, liquidity and effects of accounting policy changes.

Although the Corporation believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Readers are cautioned not to place undue reliance on this forward-looking information.

Forward-looking statements are based on the beliefs, estimates and opinions of the Corporation’s management on the date the statements are made. The Corporation undertakes no obligation to update these forward-looking statements in the event that Management’s beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Corporation and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Corporation’s proposed transactions and exploration and development programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.



CONDENSED INTERIM FINANCIAL STATEMENTS OF

FIRST COBALT CORP.

(FORMERLY AURGENT RESOURCE CORP.)

FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2017

(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

FIRST COBALT CORP. (FORMERLY AURGENT RESOURCE CORP.)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017 (UNAUDITED)

(expressed in Canadian Dollars)

	June 30, 2017	March 31, 2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 4,232,043	\$ 5,340,136
Prepaid expenses and deposits (Note 5)	617,029	292,540
Receivables (Note 4)	69,072	467,880
	4,918,144	6,100,556
Non-Current Assets		
Exploration and evaluation asset (Note 6)	6,291,558	2,185,614
Total Assets	\$ 11,209,702	\$ 8,285,614
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 420,617	\$ 363,633
Due to related party (Note 16)	-	36,064
	420,617	399,697
Total Liabilities	\$ 420,617	\$ 399,697
Shareholders' Equity		
Common shares (Note 8)	15,950,226	10,360,835
Share issuance costs	(772,212)	-
Reserve (Note 9 and 10)	1,380,566	1,677,704
Deficit	(5,769,495)	(4,152,622)
	\$ 10,789,085	\$ 7,885,917
Total Liabilities and Shareholders' Equity	\$ 11,209,702	\$ 8,285,614

Nature and continuance of operations (Note 1)
Subsequent events (Note 17)

**Approved on behalf of the Board of Directors and
authorized for issue on August 29, 2017**

/s/ Jeff Swinoga
Jeff Swinoga, Director

/s/ Trent Mell
Trent Mell, Director

FIRST COBALT CORP. (FORMERLY AURGENT RESOURCE CORP.)
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED JUNE 30, 2017 AND 2016 (UNAUDITED)

(expressed in Canadian Dollars)

	June 30, 2017	June 30, 2016
OPERATING EXPENSES		
Consulting and management fees	\$ 181,016	\$ 8,400
Exploration and evaluation expenditures	54,874	-
General and administrative	292,086	4,410
Professional fees	193,974	-
Investor relations	768,020	-
Share-based payment expense (Note 10)	63,570	-
Travel	68,450	-
Operating Expenses	(1,621,990)	(11,810)
OTHER		
Foreign exchange gain	2,991	-
Interest income	2,126	-
Loss Before Income Tax	(1,616,873)	(11,810)
Income Tax Expense	-	-
Net Loss and Comprehensive Loss	\$ (1,616,873)	\$ (11,810)
Basic and diluted loss per share	\$(0.03)	\$(0.01)
Weighted average number of shares outstanding (basic and diluted) (Note 11)	50,410,607	5,746,639

The accompanying notes are integral to these condensed interim financial statements

FIRST COBALT CORP. (FORMERLY AURGENT RESOURCE CORP.)
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30, 2017 AND 2016 (UNAUDITED)

(expressed in Canadian Dollars)

	June 30, 2017	June 30, 2016
Cash Flows used in Operating Activities		
Net loss	\$ (1,616,873)	\$ (11,810)
Adjustments for items not affecting cash		
Share-based payment expense	63,570	-
	(1,555,303)	(11,810)
Changes in non-cash working capital		
Decrease (Increase) in receivables	(36,192)	555
Decrease (Increase) in prepaid and other current assets	(324,489)	-
Increase (Decrease) in accounts payable and accrued liabilities	56,984	(42,391)
Increase (Decrease) in loan payable	-	(9,507)
Increase (Decrease) in due to related party	(36,064)	-
	(1,893,064)	(63,153)
Cash Flows used in Investing Activities		
Acquisition of exploration and evaluation asset, net of cash (Note 6)	(1,135,000)	-
	(1,135,000)	-
Cash Flows from Financing Activities		
Proceeds from issuance of common shares	1,234,000	77,500
Proceeds from exercise of warrants	608,000	-
Proceeds from exercise of stock options	115,000	-
Share issuance costs	(37,029)	-
	1,919,971	77,500
Changes in cash during the period	(1,108,093)	14,347
Cash – Beginning of the period	\$ 5,340,136	\$ 3,815
Cash – End of the period	\$ 4,232,043	\$ 18,162

Supplemental Information (Note 14)

FIRST COBALT CORP. (FORMERLY AURGENT RESOURCE CORP.)
CONDENSED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED JUNE 30, 2017 AND 2016 (UNAUDITED)

(Expressed in Canadian Dollars, except per share amounts)

	Common Shares				
	Number of Shares	Amount	Reserves	Deficit	Total
Balance – March 31, 2017	44,117,750	\$ 10,360,835	\$ 1,677,704	\$ (4,152,622)	\$ 7,885,917
Net loss for the period					
Shares and units issued for:					
Acquisition of property (Note 6)	4,450,000	2,536,500	-	-	2,536,500
Cash (Note 8)	2,050,001	1,234,000	-	-	1,234,000
Exercise of warrants (Note 9)	6,240,000	918,632	(310,632)	-	608,000
Issuance of stock options (Note 10)	-	-	63,570	-	63,570
Exercise of stock options (Note 10)	400,000	165,076	(50,076)	-	115,000
Share issuance cost (Note 13)	-	(37,029)	-	-	(37,029)
Balance – June 30, 2017	57,257,751	\$ 15,178,014	\$ 1,380,566	\$ (5,769,495)	\$ 10,789,085
Balance – March 31, 2016	4,757,750	\$ 1,641,249	\$ 200,000	\$ (1,902,057)	\$ (60,808)
Net loss for the period	-	-	-	(11,810)	(11,810)
Shares issued for cash	1,550,000	77,500	-	-	77,500
Balance – June 30, 2016	6,307,750	\$ 1,718,749	\$ 200,000	\$ (1,913,867)	\$ 4,882

The accompanying notes are integral to these condensed interim financial statements

FIRST COBALT CORP. (FORMERLY AURGENT RESOURCES CORP.)
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2017 AND 2016 (UNAUDITED)

(expressed in Canadian dollars)

1. Nature and continuance of operations

First Cobalt Corp. (Formerly Aurgent Resource Corp.) (the "Corporation" or "First Cobalt") was incorporated on July 13, 2011 under the Business Corporations Act of British Columbia (the "Act"). On September 22, 2016, the Corporation changed its name to First Cobalt Corp. The Corporation is in the business of acquisition and exploration of resource properties. The Corporation is focused on building a diversified global portfolio of assets that are highly leveraged to the cobalt market.

These financial statements have been prepared on the assumption that the Corporation will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Corporation is not expected to continue operations for the foreseeable future. As at June 30, 2017, the Corporation had not advanced its exploration and evaluation assets to commercial production and is not able to finance day-to-day activities through operations. These uncertainties cast significant doubt about the Corporation's ability to continue as a going concern. The Corporation's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months from proceeds of private placements of its common shares.

First Cobalt is a public company which is listed on the Toronto Venture Stock Exchange (TSX-V) (under the symbol FCC). The Corporation's registered and records office is 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 and corporate head office located at 140 Yonge Street, Suite 201, Toronto, Ontario, M5C 1X6.

2. Significant accounting policies and basis of preparation

Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, these condensed interim consolidated financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process.

These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Corporation's audited financial statements for the year ended March 31, 2017. The policies applied in these condensed interim consolidated financial statements are based on IFRS issued as of August 29, 2017, the date the Board of Directors approved the financial statements. These condensed interim consolidated financial statements should be read in conjunction with the Corporation's annual consolidated financial statements for the year ended March 31, 2017.

Basis of Presentation

These consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments, which are classified as fair value through profit or loss ("FVTPL"). In addition, these consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All amounts on the consolidated interim financial statements are presented in Canadian dollars, which is the functional currency of the Corporation. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant are disclosed in note 4 in the Company's annual consolidated financial statements for the year ended March 31, 2017.

FIRST COBALT CORP. (FORMERLY AURGENT RESOURCES CORP.)
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2017 AND 2016 (UNAUDITED)

(expressed in Canadian dollars)

3. Recent accounting standards issued but not yet effective

The Corporation has reviewed amendments to accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Corporation:

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. IFRS 9 is effective for annual period beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the International Accounting Standards Board ("IASB") issued IFRS 15 Revenue from Contracts with Customers, which specifies how and when an entity will recognize revenue as well as requiring entities to provide users of financial statements with more informative, relevant disclosures. IFRS 15 is effective for annual period beginning on or after January 1, 2018.

IFRS 16 - Leases

This new standard was issued with the objective to recognize all leases on the balance sheet. IFRS 16 requires lessees to recognize a "right of use" asset and a lease liability calculated using a prescribed methodology. The mandatory effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019. Early adoption is permitted provided that IFRS 15, Revenue from Contracts with Customers, is also adopted.

IFRS 2 – Share-based Payment

On June 30, 2016, the IASB issued amendments to IFRS 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations, and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments apply for annual periods beginning on or after January 1, 2018. The Corporation intends to adopt the amendments to IFRS 2 in its consolidated financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

The Corporation is currently assessing the impact these standards and amendments may have on its financial statements.

4. Receivables

	June 30, 2017	March 31, 2017
Loans receivable	\$ -	\$ 435,000
GST receivable	69,072	32,880
	\$ 69,072	\$ 467,880

FIRST COBALT CORP. (FORMERLY AURGENT RESOURCES CORP.)
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2017 AND 2016 (UNAUDITED)

(expressed in Canadian dollars)

5. Prepaid expenses and deposits

	June 30, 2017	March 31, 2017
Prepaid expenses	\$ 548,981	\$ 224,492
Deposits	68,048	68,048
	\$ 617,029	\$ 292,540

6. Exploration and Evaluation Asset

	Balance March 31, 2017	Acquisition Costs	Write-Down	Balance June 30, 2017
South Lorraine	\$ 1,810,000	\$ 10,000	\$ -	\$ 1,820,000
Dickens Lake	375,058	-	-	375,058
Keeley-Frontier	-	2,971,500	-	2,971,500
Cobalt One	-	750,000	-	750,000
Bellellen	-	325,000	-	325,000
Madini	-	50,000	-	50,000
	\$ 2,185,058	\$ 4,106,500	\$ -	\$ 6,291,558

South Lorraine

On December 12, 2016, the Corporation entered into an agreement to acquire all of the outstanding share capital of Cobalt Industries of Canada Inc. ("Cobalt Industries"), a privately-held Ontario-based mineral exploration company. Cobalt Industries holds "South Lorraine Cobalt" claim group which consists of 17 claim blocks covering an area of 1,950 hectares or 19.50 square kilometers. The claim group is located in the former mining camp of Silver Centre, Ontario, Canada, 25 kilometers south of the historical Cobalt, Ontario silver camp and 400 kilometers north of Toronto, Canada.

The claim group is located adjacent to the former producing Keely-Frontier Mine in South Lorrain Township, Ontario and includes the following:

Claim Number	Township	Claim Size (Ha)
4282446	Lorraine	40
4282449	Lorraine	40
4282748	Lorraine	40
4282451	South Lorraine	141
4282445	South Lorraine	64
4282447	South Lorraine	256
4282448	South Lorraine	64
4282450	South Lorraine	192
4282747	South Lorraine	120
4282749	South Lorraine	192
4282750	South Lorraine	240
4278692	South Lorraine	30
4282704	South Lorraine	14
4280570	South Lorraine	10
4282406	South Lorraine	203
4282702	South Lorraine	145
4282703	South Lorraine	160

FIRST COBALT CORP. (FORMERLY AURGENT RESOURCES CORP.)
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2017 AND 2016 (UNAUDITED)

(expressed in Canadian dollars)

In consideration for the acquisition, the Corporation issued 6,900,000 common shares for all outstanding share capital of Cobalt Industries at a deemed value of \$0.25 per share.

As of the acquisition date of Cobalt Industries, management of the Corporation concluded that the acquisition does not constitute a business combination as determined by IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition.

During the three months ended June 30, 2017, the Corporation paid a \$10,000 option payment for the South Lorraine property.

Dickens Lake Property

On July 5, 2012, the Corporation entered into an arrangement agreement (the "Arrangement Agreement"), a property purchase agreement (the "Purchase Agreement") and a Farm-out Agreement (the "Farm-out Agreement") with Unity Energy Corp. ("Unity"), which resulted in a spinout of Unity's interest in its Dickens Lake Property (the "Property") to the Corporation. Pursuant to the Arrangement Agreement, the Corporation acquired a 100% interest in the Dickens Lake Property, located in Saskatchewan, Canada. As consideration, the Corporation issued 3,182,750 common shares to Unity, with a fair value of \$1,466,749. The fair value of the common shares was equal to Unity's carrying value of the Dickens Lake Property. The Corporation also received a cash payment of \$200,000 from Unity, which has been recorded in reserves.

Pursuant to the Farm-out Agreement, the Corporation transferred a 10% interest in the Dickens Lake Property to Unity, and received a cash payment of \$205,000 from Unity, to be expended on exploration and development work, which has been applied against the carrying value of the Dickens Lake Property.

The Dickens Lake Property is subject to a 2% net smelter royalty ("NSR"), which may be purchased by the Corporation for \$1,500,000. During the year ended March 31, 2017 the Corporation re-purchased 1.5% of the 2% NSR for \$164,963.

During the three-month period ended June 30, 2017, the Corporation incurred \$nil (2016 - \$nil) in exploration expenditures on the Dickens Lake Property.

Keeley-Frontier

On April 10, 2017, the Corporation acquired all of the outstanding share capital of Cobalt Projects International Corp. ("Cobalt Project"), a privately held Ontario-based mineral exploration company. Cobalt Projects holds the rights to earn up to a 100% interest from Canadian Silver Hunter Inc. ("Canadian Silver Hunter") in the Keeley-Frontier mine ("Keeley-Frontier"), located within the historic Silver Centre camp, and bordering on the Corporation's existing South Lorraine cobalt claim blocks. As consideration for the acquisition, the Corporation issued 4,450,000 common shares, at a deemed price of \$0.57 per share, to existing shareholders of Cobalt Projects, which shall vest in 6 equal tranches over a 4 to 18-month period. Additionally, promissory notes totaling \$435,000 were forgiven.

Under the terms of the option agreement between Cobalt Projects and Canadian Silver Hunter, the Corporation may earn up to 100% interest in Keeley-Frontier as follows:

- 50% interest upon payment of \$850,000 (of which \$350,000 has been paid) and incurring expenditures of \$1,750,000 on the property over a period of three years.
- 51% interest upon payment of \$200,000 within 60 days of having exercised the first option and producing a technical report in compliance with NI 43-101 – *Standards of Disclosure for Mineral Projects* by the fourth anniversary.
- 100% interest upon payment of \$750,000 and incurring additional expenditures of \$1,250,000 by the fifth anniversary.

FIRST COBALT CORP. (FORMERLY AURGENT RESOURCES CORP.)
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2017 AND 2016 (UNAUDITED)

(expressed in Canadian dollars)

Upon earning a 100% interest, Canadian Silver Hunter shall be granted a 2% net smelter return royalty, subject to the Corporation having the right to purchase 1% for \$1 million over the ensuing 10 years. The Corporation may elect to accelerate the earn-in.

Cobalt One

On June 1, 2017, the Corporation entered into an option agreement with Cobalt One Limited ("Cobalt One") to enter into a 50-50 joint venture on the Yukon cobalt extraction refinery (the "Refinery") in Cobalt, Ontario. The Refinery is situated in close proximity to the Corporation's Keeley-Frontier mine.

Under the terms of the agreement:

- In consideration for the option payment to enter into a 50-50 joint venture, the Corporation paid \$750,000 in cash to Cobalt One
- The Corporation has until December 31, 2017 to exercise the option
- On exercise, the Corporation will be obligated to pay Cobalt One an additional \$2,250,000 in cash and the equivalent of 50,000,000 shares of Cobalt One in cash or shares of the Corporation, at an approximate value of \$5,500,000.

The agreement is subject to certain conditions including, but not limited to, receipt of all necessary regulatory and other approvals including approval of the TSX Venture Exchange.

Bellellen

On June 7, 2017, the Corporation acquired 22 mining claims totalling 848 hectares from Brixton Metals Corp. ("Brixton"). These mining claims, includes former producing Bellellen Mine, are located in Cobalt, Ontario. The claims cover prospective ground in both the south end of the mining camp, near Silver Centre, as well as the north, near the town of Cobalt, Ontario. The Bellellen Mine is adjacent to the Keeley-Frontier Mine. In consideration for the acquisition of the mining claims, the Corporation made a cash payment of \$325,000 to Brixton during the three months ended June 30, 2017.

Madini

On May 1, 2017, the Corporation entered into an exclusive Letter of Intent ("LOI") with Madini Minerals ("Madini"), to form a strategic alliance and earn a controlling interest over seven prospective copper-cobalt ("Cu-Co") exploration properties covering 190 square kilometers on the Central African Copperbelt in Katanga, Democratic Republic of Congo ("DRC").

Under the terms of the agreement:

- Madini will act as the Corporation's operator on all seven properties;
- The Corporation has a right of first refusal over other Madini interest in the DRC;
- As consideration for the options, the Corporation will pay JayBird Invest Ltd. ("JayBird", associate of Madini Minerals) \$600,000 in cash and issue 4,530,000 common shares of the Corporation upon closing of the transaction;
- An aggregate of USD \$1,580,000 is payable to the property owners to acquire 70% interest over all seven properties;
- There are no minimum annual spending requirements and the 30% partners have a free-carry until completion of a feasibility study; and
- At the closing of the transaction JayBird shall be entitled to appoint a nominee to the Board of Directors of the Corporation.

The agreement is non-binding and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the TSX Venture Exchange.

During the three months ended June 30, 2017, the Corporation paid \$50,000 to Jaybird towards the option to purchase the Madini property interests.

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7. Accounts Payable and Accrued Liabilities

	June 30, 2017	March 31, 2017
Accounts Payable	\$ 365,876	\$ 312,660
Accrued Liabilities	54,741	50,973
	\$ 420,617	\$ 363,633

Accounts payable and accrued liabilities comprise primarily of trade payables incurred in the normal course of business. Included in accounts payable are amounts total \$23,286 (March 31, 2017 - \$33,064) due to related parties (see note 16).

8. Share Capital

(a) Authorized Share Capital

The Corporation is authorized to issue an unlimited number of common shares without par value. At June 30, 2017, the Corporation had 57,257,751 (March 31, 2017 – 44,117,750) common shares outstanding.

(b) Issued Share Capital

During the three-month period ended June 30, 2017, the Corporation issued common shares as follows:

- the Corporation issued 6,240,000 common shares on exercise of warrants for total gross proceeds of \$608,000.
- the Corporation issued 400,000 common shares on exercise of stock options for total gross proceeds of \$115,000.
- On May 31, 2017, the Corporation issued 2,050,000 flow-through shares at \$0.60 per share for total gross proceeds of \$1,230,000. In connection with the flow-through share offering, the Corporation paid cash finders' fee of \$37,029.

9. Warrants

Details regarding warrants issued and outstanding are summarized as follows:

	Weighted Average exercise price	Number of shares issued or issuable on exercise
Balance – March 31, 2017	\$0.10	9,840,000
Exercise of warrants	\$0.06	(500,000)
Exercise of warrants	\$0.10	(5,740,000)
Balance – June 30, 2017	\$0.10	3,600,000

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The expiry of warrants are as follows:

Grant Date	Expiry Date	Number of warrants issued	Weighted Average Exercise Price
May 31, 2016	May 31, 2021	400,000	\$0.06
September 13, 2016	September 13, 2021	3,200,000	\$0.10
		3,600,000	\$0.10

10. Stock Options

The Corporation adopted a stock option plan (the "Plan") whereby it can grant stock options to directors, officers, employees, and consultants of the Corporation. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Corporation at any time.

The changes in incentive share options outstanding are summarized as follows:

	Weighted average exercise price	Number of shares issued or issuable on exercise	Amount
Balance – March 31, 2017	\$0.50	4,050,000	\$ 1,013,473
Stock options granted	\$0.69	1,565,000	-
Stock options vested	-	-	63,570
Stock options exercised	\$0.29	(400,000)	(50,076)
Balance – June 30, 2017	\$0.50	5,215,000	\$ 1,026,967

During the three-month period year ended June 30, 2017, the Corporation granted 1,565,000 incentive stock options to employees, consultants, and directors. The options may be exercised within 5 years from the date of grant at a price of \$0.69 per share, and have a vesting period of 2 years.

The fair value of options at the date of grant was estimated using the Black-Scholes Option Pricing Model, assuming a risk-free interest rate of 0.69% per annum, an expected life of options of 2.5 years, an expected volatility of 86.5%, and no expected dividends.

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Incentive share options outstanding and exercisable June 30, 2017 are summarized as follows:

Exercise Price	Options Outstanding			Options Exercisable	
	Number of Shares Issuable on Exercise	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Shares Issuable on Exercise	Weighted Average Exercise Price
\$0.25	575,000	3.30	\$0.25	493,750	\$0.25
\$0.34	200,000	4.53	\$0.34	200,000	\$0.34
\$0.35	350,000	4.46	\$0.35	350,000	\$0.35
\$0.38	550,000	4.48	\$0.38	550,000	\$0.38
\$0.66	1,975,000	4.58	\$0.66	1,975,000	\$0.66
\$0.69	1,565,000	4.92	\$0.69	-	-
	5,215,000	4.46	\$0.54	3,568,750	\$0.51

11. Loss Per Share

The following table sets forth the computation of basic and diluted loss per share for the three-months ended June 30, 2017 and 2016:

	June 30, 2017	June 30, 2016
Numerator		
Net loss for the period	\$ (1,616,873)	\$ (11,810)
Denominator		
Basic – weighted average number of shares outstanding	50,410,607	5,746,639
Effect of dilutive securities	-	-
Diluted – adjusted weighted average number of shares outstanding	50,410,607	5,746,639
Loss Per Share – Basic and Diluted	\$(0.03)	\$(0.01)

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year.

The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options, and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive.

Share purchase warrants and stock options were excluded from the calculation of diluted weighted average number of common shares outstanding during the year ended June 30, 2017 as the warrants and stock options were anti-dilutive since the Corporation was in a loss position.

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12. Financial Instruments

Fair value

The Corporation's financial instruments consisted of cash and cash equivalents. The fair values of cash and cash equivalents approximate their carrying values because of their current nature.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation's primary exposure to credit risk is on its cash and short-term investments which are being held in bank accounts. The cash and short-term investments are deposited in bank accounts held with one major bank in Canada so there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Corporation has secondary exposure to risk on its sales tax receivables. The risk is minimal since it is recoverable from the Canadian government.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Corporation's functional currency. The Corporation only operates in Canada and is therefore minimally exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The Corporation's exposure to interest rate risk relates to its ability to earn interest income on cash at variable rates. The risk is minimal.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation has a planning and budgeting process in place to help determine the funds required to support the Corporation's normal operating requirements on an ongoing basis. The Corporation attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. Liquidity risk is assessed as low.

13. Management of Capital

The Corporation manages its capital structure, consisting of share capital, and will make adjustments to it depending on the funds available to the Corporation for its future acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business.

The Corporation is dependent on external financing to fund its activities. In order to carry out its planned exploration and pay for future general and administrative expenses, the Corporation expects to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Corporation will continue to assess new exploration and evaluation assets and seeks to acquire additional interests if sufficient geologic or economic potential is established and adequate financial resources are available.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the size of the Corporation, is reasonable. The Corporation is not subject to externally imposed capital requirements. There were no changes in the Corporation's approach to capital management during the three-month period ended June 30, 2017.

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14. Supplemental Cash Flow Information

The Corporation did not make any cash payments and had no cash receipts for interest or income taxes during the three-month periods ended June 30, 2017 and 2016.

The acquisition of the Cobalt Project (see note 6) was a non-cash transaction, whereby, 4,450,000 shares at a price of \$0.57 per share was exchanged as consideration for the mineral property.

15. Segmented Information

The Corporation's exploration and evaluation activities are located in the provinces of Saskatchewan and Ontario, Canada, with its head office function in Canada. All of the Corporation's capital assets, including property, plant and equipment and exploration and the exploration and evaluation asset are located in Canada.

16. Related Party Transactions

The Corporation's related parties include key management personnel and companies related by way of directors or shareholders in common.

(a) Key Management Personnel Compensation

During the three-months ended June 30, 2017 and 2016, the Corporation paid and/or accrued the following fees to management personnel and directors:

	June 30, 2017	June 30, 2016
Management	\$ 173,697	\$ -
Directors	-	8,400
	\$ 173,697	\$ 8,400

(b) Due to Related Parties

As at June 30, 2017 and March 31, 2017, the Corporation has the follow amounts due to related parties:

	June 30, 2017	March 31, 2017
Accounts payable	\$ 23,286	\$ 36,064
	\$ 23,286	\$ 36,064

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(expressed in Canadian dollars)

17. Subsequent Events

- (a) On July 18, 2017, the Corporation entered into an option agreement to acquire 100% rights on a prospective mining claim adjacent to the Keeley-Frontier project in the Cobalt, Ontario mining camp. First Cobalt acquired the 100% rights on the claim by making a \$10,000 cash payment on signing, as well as committing to \$75,000 in exploration expenditures and a total of \$30,000 in additional cash payments over a three-year period. Upon earning a 100% interest, the option or shall be granted a 2% net smelter return royalty, subject to the Corporation having the right to purchase 1% for \$500,000 and the remaining 1% for an additional \$500,000. The Corporation may elect to accelerate the earn-in after the first anniversary.

REVIEW ENGAGEMENT REPORT

To the Audit Committee of First Cobalt Corp.:

We have reviewed the condensed interim consolidated statement of financial position of First Cobalt Corp. ("the Company") as at June 30, 2017, the condensed interim consolidated statement of comprehensive loss for the three month period ended June 30, 2017, and the condensed interim consolidated statements of changes in equity and cash flows for the three month period ended June 30, 2017. These condensed interim consolidated financial statements are the responsibility of the Company's management.

Our review was made in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditor. Such an interim review consists principally of applying analytical procedures to financial data, and making inquiries of and having discussions with persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit, whose objective is the expression of an opinion regarding the financial statements; accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our review, we are not aware of any material modification that needs to be made for these condensed interim consolidated financial statements to be in accordance with International Financial Reporting Standards.

This report is solely for the use of the Audit Committee of the Company to assist it in discharging its regulatory obligation to review these financial statements, and should not be used for any other purpose.



Chartered Professional Accountants

Vancouver, BC
September 22, 2017

Attachment P Extracts from First Cobalt Management Proxy Circular dated 29 September 2017

PART 4: DIRECTOR COMPENSATION

The following table discloses the particulars of the compensation provided to the non-executive directors of First Cobalt for the financial years ended March 31, 2017, 2016 and 2015:

Non-Executive Director Compensation (Years Ended March 31, 2017, 2016 and 2015)

Name	Annual Fees – Cash (C\$)	Share-Based Awards (C\$)	Option-Based Awards ⁽¹⁾ (C\$)	All Other Compensation (C\$)	Total Compensation (C\$)
Aleece Gibb ⁽²⁾	Nil	Nil	Nil	Nil	Nil
Marco Parente ⁽³⁾	C\$6,800	Nil	Nil	Nil	C\$6,800
Peter Born ⁽⁴⁾	C\$40,680	Nil	Nil	Nil	C\$40,680
Bryan Slusarchuk ⁽⁵⁾	Nil	Nil	C\$47,500	Nil	C\$47,500
Christopher Reid ⁽⁶⁾	Nil	Nil	C\$36,000	Nil	C\$36,000
Ross Phillips ⁽⁷⁾	Nil	Nil	C\$54,000	Nil	C\$54,000

Notes:

⁽⁷⁾ Fair value of incentive stock option grants calculated using the Black-Scholes model.

⁽⁸⁾ Aleece Gibb resigned as a director of First Cobalt on February 9, 2015.

⁽⁹⁾ Marco Parente was appointed as a director of First Cobalt on September 15, 2015 and resigned on December 22, 2016.

⁽¹⁰⁾ Peter Born resigned as a director of First Cobalt on January 6, 2017.

⁽¹¹⁾ Bryan Slusarchuk was appointed as a director of First Cobalt on December 22, 2016.

⁽¹²⁾ Christopher Reid was appointed as a director of First Cobalt on January 6, 2017 and resigned on May 17, 2017.

⁽¹³⁾ Ross Phillips was appointed as a director of First Cobalt on February 10, 2017.

Narrative Discussion

First Cobalt recognizes the contribution that its directors make to First Cobalt and seeks to compensate them accordingly. Compensation of directors of First Cobalt 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 availability of financial resources.

In the Board's view, there is, and has been, no need for First Cobalt 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 First Cobalt 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 First Cobalt as of March 31, 2017:

Option-Based Awards					Share-Based Awards		
Name	Number of Securities Underlying Unexercised Options	Exercise Price	Expiry Date	Value of Unexercised in-the-money Options ⁽¹⁾	Number of Share-Based Awards – Unvested	Market Value of Share-Based Awards – Unvested	Market Value of Share-Based Awards – Vested
	(#)	(C\$)		(C\$)	(#)	(C\$)	(C\$)
Bryan Slusarchuk	250,000	C\$0.38	December 22, 2021	C\$95,000	Nil	N/A	N/A
Christopher Reid ⁽²⁾	200,000	C\$0.34	January 6, 2022	C\$84,000	Nil	N/A	N/A
Ross Phillips	150,000	C\$0.66	March 2, 2022	C\$15,000	Nil	N/A	N/A

Notes:

(1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price of C\$0.76 for the Common Shares on the Exchange on March 31, 2017 and the exercise price of the options, multiplied by the number of unexercised options.

(2) Christopher Reid resigned as a director of First Cobalt on May 17, 2017 and his options were subsequently exercised.

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 First Cobalt during the financial years ended March 31, 2017, 2016 and 2015:

Name	Year	Option Based Awards – Value Vested During the Year ⁽¹⁾	Share Based Awards – Value Vested During the Year	Non-Equity Incentive Plan Compensation – Value Earned During the Year
Aleece Gibb ⁽²⁾	2015	Nil	N/A	N/A
Marco Parente ⁽³⁾	2015	Nil	N/A	N/A
	2016	Nil	N/A	N/A
	2017	Nil	N/A	N/A
Peter Born ⁽⁴⁾	2015	Nil	N/A	N/A
	2016	Nil	N/A	N/A
	2017	Nil	N/A	N/A
Bryan Slusarchuk ⁽⁵⁾	2017	C\$95,000	N/A	N/A
Christopher Reid ⁽⁶⁾	2017	C\$84,000	N/A	N/A
Ross Phillips ⁽⁷⁾	2017	C\$15,000	N/A	N/A

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 Exchange 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 directors vested on the date of grant and the exercise price of such options was equal to the closing price of First Cobalt’s shares as of the date of grant.

(2) Aleece Gibb resigned as a director of First Cobalt on February 9, 2015.

(3) Marco Parente was appointed as a director of First Cobalt on September 15, 2015 and resigned on December 22, 2016.

(4) Peter Born resigned as a director of First Cobalt on January 6, 2017.

(5) Bryan Slusarchuk was appointed as a director of First Cobalt on December 22, 2016.

(6) Christopher Reid was appointed as a director of First Cobalt on January 6, 2017 and resigned on May 17, 2017.

(7) Ross Phillips was appointed as a director of First Cobalt on February 10, 2017.

PART 5: EXECUTIVE COMPENSATION

Report of the Compensation Committee

We are 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 2017. Our 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 First Cobalt'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. If the shareholders approve the proposed Long-Term Incentive Plan, variable compensation could include RSUs, PSUs or DSUs in the future. This would provide further 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 our compensation policies and practices for a Chief Executive Officer, Chief Financial Officer and our three other most highly compensated executive officers. These individuals are referred to in this Compensation Discussion and Analysis as the "Named Executive Officers" or NEOs.

Named Executive Officers

During the financial years ended March 31, 2017, 2016 and 2015, First Cobalt's Named Executive Officers ("NEOs") were Trent Mell, the Chief Executive Officer of First Cobalt, Kevin Ma, the Chief Financial Officer of First Cobalt, Frank Santaguida, the Vice-President Exploration of First Cobalt, Peter Campbell, the Vice-President Business Development of First Cobalt, Anita Algie, the former Chief Executive Officer of First Cobalt, and Richard Ko, the former Chief Financial Officer of First Cobalt.

Objectives of the Executive Compensation Program

First Cobalt'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 First Cobalt as measured by the accomplishment of performance objectives;
- Ensure that a significant proportion of compensation is directly linked to the success of First Cobalt while not encouraging excessive or inappropriate risk-taking;
- Promote adherence to the high standards and values reflected in First Cobalt'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 First Cobalt competes; and

- Protect long-term Shareholder interests by ensuring NEO and other senior executive interests are aligned with those of Shareholders.

Fundamentally, First Cobalt'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 of Directors at the beginning of each year, controlling costs, mitigating risks, taking successful advantage of business opportunities and enhancing the competitive and business prospects of First Cobalt.

Comparator Group

It is First Cobalt's intention to provide competitive total compensation packages to executive officers to ensure senior Management is appropriately retained and engaged. Competitive peer or comparator group data is used as general guidance to establish NEO compensation targets.

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 (C\$)	Share-Based Awards (C\$)	Option-Based Awards ⁽¹⁾ (C\$)	Non-Equity Incentive Plan Compensation		All Other Compensation (C\$)	Total Compensation (C\$)
					Annual Incentive Plan (C\$)	Long-Term Incentive Plan (C\$)		
Trent Mell ⁽²⁾ CEO	2017	Nil ⁽³⁾	N/A	C\$540,000	N/A	N/A	C\$17,473	C\$557,473
Kevin Ma ⁽⁴⁾ CFO	2017	C\$17,325	N/A	C\$57,000	N/A	N/A	Nil	C\$74,325
Frank Santaguida ⁽⁵⁾ VP Exploration	2017	Nil	N/A	Nil	N/A	N/A	Nil	Nil
Peter Campbell ⁽⁶⁾ VP Business Development	2017	Nil	N/A	Nil	N/A	N/A	Nil	Nil
Anita Algie ⁽⁷⁾ Former CEO	2017	C\$24,051	N/A	Nil	N/A	N/A	Nil	C\$24,051
	2016	C\$30,000	N/A	Nil	N/A	N/A	Nil	C\$30,000
	2015	C\$30,000	N/A	Nil	N/A	N/A	Nil	C\$30,000
Richard Ko ⁽⁸⁾ Former CFO	2017	C\$6,800	N/A	Nil	N/A	N/A	Nil	C\$6,800
	2016	C\$3,600	N/A	Nil	N/A	N/A	Nil	C\$3,600
	2015	C\$3,600	N/A	Nil	N/A	N/A	Nil	C\$3,600

Notes:

- (1) Fair value of incentive stock option grants calculated using the Black-Scholes model.
- (2) Trent Mell was appointed as CEO of First Cobalt on March 2, 2017.
- (3) Trent Mell elected to receive his base compensation in shares of First Cobalt.
- (4) Kevin Ma was appointed as CFO of First Cobalt on December 22, 2016.
- (5) Frank Santaguida was appointed as Vice-President Exploration of First Cobalt on March 27, 2017.
- (6) Peter Campbell was appointed as Vice-President Business Development of First Cobalt on March 29, 2017.
- (7) Anita Algie resigned as CEO of First Cobalt on January 6, 2017.
- (8) Richard Ko resigned as CFO of First Cobalt on December 22, 2016.

Current Senior Leadership Team*Trent Mell – Chief Executive Officer*

On February 15, 2017, Trent Mell entered into an employment agreement with First Cobalt (the “**Mell Agreement**”), and was subsequently appointed as Chief Executive Officer of First Cobalt on March 2, 2017. Mr. Mell is entitled to an annual base salary of C\$260,000 but elected to invest this total amount in shares of First Cobalt in lieu of a salary. 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. Upon joining First Cobalt, he was granted 1,500,000 stock options with a strike price of C\$0.66. Options have a 5-year term and vest as to one half on each of the first and second anniversary from the date of the grant.

Kevin Ma – Chief Financial Officer

On December 22, 2016, First Cobalt entered into a consulting agreement (the “**Skanderbeg Agreement**”) with Skanderbeg Financial Advisory Inc. (“**Skanderbeg Financial**”) pursuant to which First Cobalt retained Skanderbeg Financial to provide the services of Kevin Ma as Chief Financial Officer of First Cobalt. Skanderbeg Financial receives a monthly fee of C\$5,500 in consideration for providing the services of Mr. Ma. Upon joining First Cobalt as Chief Financial Officer, Mr. Ma was granted 300,000 stock options with a strike price of C\$0.38. Options have a 5-year term and vest on the date of the grant.

Frank Santaguida – Vice-President, Exploration

On March 27, 2017, Frank Santaguida entered into an employment agreement with First Cobalt (the “**Santaguida Agreement**”), and was subsequently appointed as Vice-President, Exploration of First Cobalt. Mr. Santaguida is paid an annual base salary of C\$180,000. 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. Subsequent to joining First Cobalt, he was granted 500,000 stock options with a strike price of C\$0.69. Options have a 5-year term and vest as to one half on each of the first and second anniversary from the date of the grant.

Peter Campbell – Vice-President, Business Development

On March 29, 2017, Peter Campbell entered into an employment agreement with First Cobalt (the “**Campbell Agreement**”), and was subsequently appointed as Vice-President, Business Development of First Cobalt. Mr. Campbell is paid an annual base salary of C\$180,000. 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. Subsequent to joining First Cobalt, he was granted 500,000 stock options with a strike price of C\$0.69. Options have a 5-year term and vest as to one half on each of the first and second anniversary from the date of the 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 March 31, 2017:

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying			Value of Unexercised in-the-money Options ⁽¹⁾	Number of Share-Based Awards – Unvested	Market Value of Share-Based Awards – Unvested	Market Value of Share-Based Awards – Vested
	Unexercised Options	Exercise Price					
	(#)	(C\$)	Expiry Date	(C\$)	(#)	(C\$)	(C\$)
Trent Mell ⁽²⁾	1,500,000	C\$0.66	March 2, 2022	C\$150,000	Nil	N/A	N/A
Kevin Ma ⁽³⁾	300,000	C\$0.38	December 22, 2021	C\$114,000	Nil	N/A	N/A
Frank Santaguida ⁽⁴⁾	Nil	N/A	N/A	N/A	Nil	N/A	N/A
Peter Campbell ⁽⁵⁾	Nil	N/A	N/A	N/A	Nil	N/A	N/A
Anita Algie ⁽⁶⁾	Nil	N/A	N/A	N/A	Nil	N/A	N/A
Richard Ko ⁽⁷⁾	Nil	N/A	N/A	N/A	Nil	N/A	N/A

Notes:

- (1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price of C\$0.76 for the Common Shares on the Exchange on March 31, 2017 and the exercise price of the options, multiplied by the number of unexercised options.
- (2) Trent Mell was appointed as CEO of First Cobalt on March 2, 2017.
- (3) Kevin Ma was appointed as CFO of First Cobalt on December 22, 2016.
- (4) Frank Santaguیدا was appointed as Vice-President Exploration of First Cobalt on March 27, 2017.
- (5) Peter Campbell was appointed as Vice-President Business Development of First Cobalt on March 29, 2017.
- (6) Anita Algie resigned as CEO of First Cobalt on January 6, 2017.
- (7) Richard Ko resigned as CFO of First Cobalt on December 22, 2016.

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 years ended March 31, 2017, 2016 and 2015:

Name	Year	Option Based Awards – Value Vested During the Year ⁽¹⁾	Share Based Awards – Value Vested During the Year	Non-Equity Incentive Plan Compensation – Value Earned During the Year
Trent Mell ⁽²⁾	2017	C\$540,000	N/A	N/A
Kevin Ma ⁽³⁾	2017	C\$57,000	N/A	N/A
Frank Santaguیدا ⁽⁴⁾	2017	Nil	N/A	N/A
Peter Campbell ⁽⁵⁾	2017	Nil	N/A	N/A
Anita Algie ⁽⁶⁾	2015	Nil	N/A	N/A
	2016	Nil	N/A	N/A
	2017	Nil	N/A	N/A
Richard Ko ⁽⁷⁾	2015	Nil	N/A	N/A
	2016	Nil	N/A	N/A
	2017	Nil	N/A	N/A

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 Exchange 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 First Cobalt’s shares as of the date of grant.
- (2) Trent Mell was appointed as CEO of First Cobalt on March 2, 2017.

- (3) Kevin Ma was appointed as CFO of First Cobalt on December 22, 2016.
- (4) Frank Santaguida was appointed as Vice-President Exploration of First Cobalt on March 27, 2017.
- (5) Peter Campbell was appointed as Vice-President Business Development of First Cobalt on March 29, 2017.
- (6) Anita Algie resigned as CEO of First Cobalt on January 6, 2017.
- (7) Richard Ko resigned as CFO of First Cobalt on December 22, 2016.

Pension Benefits

First Cobalt 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 Santaguida Agreement and the Campbell Agreement, First Cobalt 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 12 months salary in the event the agreement is terminated in the first 12 months, and 24 months salary thereafter. In the case of the Santaguida Agreement and the Campbell Agreement, Messrs. Santaguida and Campbell would each be entitled to receive a payment equivalent to 6 months salary in the event their respective agreements are terminated in the first 12 months, and 12 months salary thereafter. First Cobalt has also entered into change of control agreements with each of Messrs. Mell, Santaguida and Campbell pursuant to which they would each be entitled to payments equivalent to 24 months salary 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 Stock Option Plan as at March 31, 2017:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under equity compensation plans⁽¹⁾
Equity compensation plans approved by security holders	4,050,000	C\$0.50	361,775
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	4,050,000	C\$0.50	361,775

⁽¹⁾ Based on the total number of shares authorized for issuance under First Cobalt's Stock Option Plan, less the number of stock options outstanding as at March 31, 2017.

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 First Cobalt, as a group, own directly or indirectly, 873,500 Common Shares representing approximately 1.5% of the issued and outstanding Common Shares.

Attachment Q First Cobalt Legal Title Opinion



KEVINGRIENER
PROFESSIONAL CORPORATION

BUSINESS LEGAL COUNSEL

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WEBSITE www.grienerlaw.ca

August 21st, 2017

First Cobalt Corp.
140 Yonge St., Suite 201
Toronto, Ontario
M5C 1X6

Attention: Peter Campbell, VP Business Development

Dear Sir:

RE: • CANADIAN SILVER HUNTER INC. and COBALT INDUSTRIES OF CANADA INC.
• TITLE OPINION

1. SCOPE OF OPINION

Introduction

- 1.1 We have acted as real estate counsel to First Cobalt Corp. (referred to herein as "**FCC**" or the "**Corporation**") to provide an opinion on title with respect to certain patented mining claims and unpatented mining claims identified to us by FCC.
- 1.2 This opinion is given to you with respect to title matters regarding the properties summarized in Schedule "A" attached hereto (collectively the "Properties").

Searches and Registrations

- 1.3 We have conducted, or have caused to be conducted in respect of the Properties, certain searches for filings or registrations made in those offices of public record, in each case as of the indicated dates:
- 1.3.1 a Ministry of Northern Development and Mines search conducted on either July 6th, 2017, July 26th, 2017, August 4th, 2017, or August 17th 2017, of those unpatented mining claims listed in Schedule "B" ("**Unpatented Mining Claims**") located in the South Lorrain Township, Lorrain Township, Burke Township, Gillies Limit Township, and Coleman Township as referred to in Schedule A of the Option Agreement (the "**Unpatented Mining Claims Search**");
- 1.3.2 a Title Search obtained from the Teraview System conducted on July 5th, 2017, with respect to the mining leases ("**Mining Leases**") located in

the South Lorrain Township as referred to in Schedule A and more particularly summarized in Schedule "C" (the "**Mining Leases Search**");

- 1.3.3 a Title Search obtained from the Teraview System conducted on July 5th, 2017, with respect to the patented claims located in the South Lorrain Township as referred to on Schedule "A" and more particularly described in Schedule "D" (collectively, the "**Patented Lands Search**")

(Collectively referred to as the "**Searches**").

1.4 ***Exclusions and Limitations***

We did not search, and the opinions expressed herein do not cover, the following:

1. **investigations of title to adjoining lands to confirm compliance in Section 50 of the Planning Act (Ontario);**
2. **searches and enquiries necessary to establish that all prior corporate owners of the Patented Lands were validly in existence during their respective periods of ownership to the extent necessary to ensure that there have been no escheats or forfeitures of the Patented Lands or any parcels comprising the same to the Crown; and**
3. **title records (including Crown Patent) prior to the PIN creation Date outlined in Schedule D.**

Laws Addressed

- 1.5 This opinion is limited to the laws of the Province of Ontario and the federal laws of Canada applicable therein. Without limiting the generality of the immediately preceding sentence, we express no opinion with respect to the laws of any other jurisdiction.

2. OPINIONS ON TITLE MATTERS

Introduction

- 2.1 Based on the Searches, and subject to the qualifications set forth herein and except as otherwise specified, we are of the opinion that:

- 2.1.1 with respect to the Unpatented Mining Claims:

- A. with the exception of Claim 4272876 attached as Schedule "B-1", which was cancelled on January 17, 2017, such Unpatented Mining Claims are in good standing and currently active for purposes of exploration and will expire on the date set out in the Searches attached in Schedules "B" and identified thereon as "Due Date";
- B. with the exception of Claim 4200044 (identified as item 47 in Schedule "B"), which is registered to the name of John Aubrey Gore, either Canadian Silver Hunter Inc. or Cobalt Industries of Canada Inc. (as

identified in The Mining Claim Abstracts attached as Schedule "B-2") is the sole registered and beneficial holder of the Unpatented Mining Claims;

- C. the Unpatented Mining Claims are free of any recorded liens, charges, encumbrances or third party interests;
- D. except as shown in Schedule "B-1" attached hereto, and subject to the Claim Reservations identified in The Mining Claim Abstracts attached as Schedule "B-2", the Searches indicate that there are no interests, claims or liens recorded in the Searches granting to any other person, firm or corporation any right to acquire the Unpatented Mining Claims; and
- E. the Unpatented Mining Claims may be transferred pursuant to the *Mining Act* (Ontario) and the registered holder has good and marketable title thereto.

2.1.2 with respect to the Mining Leases:

- A. such Mining Leases are in good standing and currently valid and will expire on the date set out in the Searches attached in Schedule "C" subject to those restrictions and reservations identified on Schedule "C", and specifically but without limiting the generality of the foregoing, in the case of PIN 61391-0203, a "No Dealings Indicator" in effect;
- B. Canadian Silver Hunter Inc. is the sole registered and beneficial holder of the Mining Leases; and
- C. the Mining Leases are free of any recorded liens, charges, encumbrances or third party interests.

2.1.3 with respect to the Patented Lands:

- A. title to the Patented Lands is registered in the name of Canadian Silver Hunter Inc.; and
- B. Canadian Silver Hunter Inc. has good and marketable title in fee simple to such lands subject to the qualifications and limitations specified on Schedule "D".

3. QUALIFICATIONS

The foregoing opinions are subject to the following qualifications:

Scope

- 3.1 The opinions expressed herein are as of the date of this opinion letter only and as such we assume no obligation to update or supplement such opinion to reflect any facts or circumstances that may come to our attention after that date or any changes in law that occur or become effective after that date.

- 3.2 The opinions expressed herein are limited to the matters expressly set forth in this opinion letter, and no opinion is given or may or may be inferred beyond the matters expressly set forth in this opinion letter.

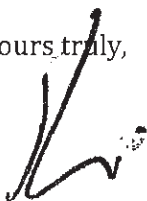
Corporate Existence and Authority

- 3.3 For the purposes of this Opinion, we assume that the Corporation has been and is duly incorporate and organized and is a subsisting corporation under the laws of the Province of Ontario.

4. RELIANCE

This opinion is provided solely for the benefit of the addressees hereto and each successor or assignee of any addressee and not for the benefit of any other person. It is rendered solely in connection with the transaction described herein. It may not be quoted, in whole or in part, or otherwise referred to or used for any other purposes without our written consent.

Yours truly,

A handwritten signature in black ink, appearing to read 'Kevin Griener', with a stylized flourish at the end.

Kevin Griener

KG/cb
Encls.

\SCHEDULE "A"
SUMMARY OF PROPERTIES

	Properties	Type	Owner
1	PIN 61391-0129	Mining Lease	Canadian Silver Hunter Inc.
2	PIN 61391-0135	Mining Lease	Canadian Silver Hunter Inc.
3	PIN 61391-0203	Mining Lease	Canadian Silver Hunter Inc.
4	PIN 61391-0205	Mining Lease	Canadian Silver Hunter Inc.
5	PIN 61391-0217	Mining Lease	Canadian Silver Hunter Inc.
6	PIN 61391-0035	Patented Claim	Canadian Silver Hunter Inc.
7	PIN 61391-0036	Patented Claim	Canadian Silver Hunter Inc.
8	PIN 61391-0037	Patented Claim	Canadian Silver Hunter Inc.
9	PIN 61391-0038	Patented Claim	Canadian Silver Hunter Inc.
10	PIN 61391-0039	Patented Claim	Canadian Silver Hunter Inc.
11	PIN 61391-0040	Patented Claim	Canadian Silver Hunter Inc.
12	PIN 61391-0041	Patented Claim	Canadian Silver Hunter Inc.
13	PIN 61391-0066	Patented Claim	Canadian Silver Hunter Inc.
14	PIN 61391-0067	Patented Claim	Canadian Silver Hunter Inc.
15	PIN 61391-0081	Patented Claim	Canadian Silver Hunter Inc.
16	PIN 61391-0082	Patented Claim	Canadian Silver Hunter Inc.
17	PIN 61391-0084	Patented Claim	Canadian Silver Hunter Inc.
18	PIN 61391-0112	Patented Claim	Canadian Silver Hunter Inc.
19	PIN 61391-0127	Patented Claim	Canadian Silver Hunter Inc.
20	PIN 61391-0128	Patented Claim	Canadian Silver Hunter Inc.
21	L 4250892	Unpatented Claim	Canadian Silver Hunter Inc.
22	L 4269660	Unpatented Claim	Canadian Silver Hunter Inc.

23	L 4268658	Unpatented Claim	Canadian Silver Hunter Inc.
24	L 4269659	Unpatented Claim	Canadian Silver Hunter Inc.
25	L 4275020	Unpatented Claim	Canadian Silver Hunter Inc.
26	L 4275021	Unpatented Claim	Canadian Silver Hunter Inc.
27	L 4286434	Unpatented Claim	Canadian Silver Hunter Inc.
28	L 1118210	Unpatented Claim	Cobalt Industries of Canada Inc.
29	L 1118211	Unpatented Claim	Cobalt Industries of Canada Inc.
30	L 4243946	Unpatented Claim	Cobalt Industries of Canada Inc.
31	L 4264322	Unpatented Claim	Cobalt Industries of Canada Inc.
32	L 4275034	Unpatented Claim	Cobalt Industries of Canada Inc.
33	L 4275036	Unpatented Claim	Cobalt Industries of Canada Inc.
34	L 4275037	Unpatented Claim	Cobalt Industries of Canada Inc.
35	L 4275041	Unpatented Claim	Cobalt Industries of Canada Inc.
36	L 4275042	Unpatented Claim	Cobalt Industries of Canada Inc.
37	L 4275043	Unpatented Claim	Cobalt Industries of Canada Inc.
38	L 4275044	Unpatented Claim	Cobalt Industries of Canada Inc.
39	L 4275150	Unpatented Claim	Cobalt Industries of Canada Inc.
40	L 4275168	Unpatented Claim	Cobalt Industries of Canada Inc.
41	L 4275169	Unpatented Claim	Cobalt Industries of Canada Inc.
42	L 4275170	Unpatented Claim	Cobalt Industries of Canada Inc.
43	L 4275171	Unpatented Claim	Cobalt Industries of Canada Inc.
44	L 4275172	Unpatented Claim	Cobalt Industries of Canada Inc.
45	L 4275173	Unpatented Claim	Cobalt Industries of Canada Inc.
46	L 4275175	Unpatented Claim	Cobalt Industries of Canada Inc.
47	L 4278609	Unpatented	Cobalt Industries of Canada

44	L 4275172	Unpatented Claim	Cobalt Industries of Canada Inc.
45	L 4275173	Unpatented Claim	Cobalt Industries of Canada Inc.
46	L 4275175	Unpatented Claim	Cobalt Industries of Canada Inc.
47	L 4278609	Unpatented Claim	Cobalt Industries of Canada Inc.
48	L 4278610	Unpatented Claim	Cobalt Industries of Canada Inc.
49	L 4280114	Unpatented Claim	Cobalt Industries of Canada Inc.
50	L 4282446	Unpatented Claim	Cobalt Industries of Canada Inc.
51	L 4282449	Unpatented Claim	Cobalt Industries of Canada Inc.
52	L 4282748	Unpatented Claim	Cobalt Industries of Canada Inc.
53	L 4282451	Unpatented Claim	Cobalt Industries of Canada Inc.
54	L 4282445	Unpatented Claim	Cobalt Industries of Canada Inc.
55	L 4282447	Unpatented Claim	Cobalt Industries of Canada Inc.
56	L 4282448	Unpatented Claim	Cobalt Industries of Canada Inc.
57	L 4282450	Unpatented Claim	Cobalt Industries of Canada Inc.
58	L 4282747	Unpatented Claim	Cobalt Industries of Canada Inc.
59	L 4282749	Unpatented Claim	Cobalt Industries of Canada Inc.
60	L 4282750	Unpatented Claim	Cobalt Industries of Canada Inc.
61	L 4278692	Unpatented Claim	Cobalt Industries of Canada Inc.
62	L 4282704	Unpatented Claim	Cobalt Industries of Canada Inc.
63	L 4280570	Unpatented Claim	Cobalt Industries of Canada Inc.
64	L 4282406	Unpatented Claim	Cobalt Industries of Canada Inc.
65	L 4282702	Unpatented Claim	Cobalt Industries of Canada Inc.
66	L 4282703	Unpatented Claim	Cobalt Industries of Canada Inc.
67	L 4200044	Unpatented Claim	John Aubrey Gore

SCHEDULE "B"
UNPATENTED MINING CLAIMS SEARCH

1. Claim Number L 4250892	Due Date: July 15, 2017 (Work Report Pending)
2. Claim Number L 4269660	Due Date: January 9, 2019
3. Claim Number L 4268658	Due Date: January 21, 2018
4. Claim Number L 4269659	Due Date: January 9, 2019
5. Claim Number L 4275020	Due Date: May 26, 2017 (Work Report Pending)
6. Claim Number L 4275021	Due Date: May 26, 2017 (Work Report Pending)
7. Claim Number L 4286434	Due Date: January 23, 2019
8. Claim Number L 1118210	Due Date: July 4, 2018
9. Claim Number L1118211	Due Date: July 4, 2018
10. Claim Number L4243946	Due Date: September 22, 2017
11. Claim Number L4264322	Due Date: May 26, 2019
12. Claim Number L4275034	Due Date: February 2, 2018
13. Claim Number L4275036	Due Date: February 2, 2018
14. Claim Number L4275037	Due Date: February 2, 2018
15. Claim Number L4275041	Due Date: May 26, 2019
16. Claim Number L4275042	Due Date: May 26, 2019
17. Claim Number L4275043	Due Date: May 27, 2018
18. Claim Number L4275044	Due Date: May 26, 2019
19. Claim Number L 4275150	Due Date: December 23, 2018
20. Claim Number L 4275168	Due Date: October 20, 2019
21. Claim Number L 4275169	Due Date: October 20, 2019
22. Claim Number L 4275170	Due Date: October 20, 2018
23. Claim Number L 4275171	Due Date: October 20, 2018

SCHEDULE "B-1"
UNPATENTED MINING CLAIMS SEARCH

1. Claim Number L 4272876 Status: Cancelled

24. Claim Number L 4275172	Due Date: October 30, 2017
25. Claim Number L 4275173	Due Date: October 30, 2017
26. Claim Number L 4275175	Due Date: October 30, 2017
27. Claim Number L 4278609	Due Date: July 2, 2019
28. Claim Number L 4278610	Due Date: July 2, 2019
29. Claim Number L 4280114	Due Date: September 22, 2018
30. Claim Number L 4282446	Due Date: November 4, 2018
31. Claim Number L 4282449	Due Date: November 4, 2018
32. Claim Number L 4282748	Due Date: November 4, 2018
33. Claim Number L 4282451	Due Date: November 4, 2018
34. Claim Number L 4282445	Due Date: November 4, 2018
35. Claim Number L 4282447	Due Date: November 4, 2018
36. Claim Number L 4282448	Due Date: November 4, 2018
37. Claim Number L 4282450	Due Date: November 4, 2018
38. Claim Number L 4282747	Due Date: November 4, 2018
39. Claim Number L 4282749	Due Date: November 4, 2018
40. Claim Number L 4282750	Due Date: November 4, 2018
41. Claim Number L 4278692	Due Date: November 4, 2018
42. Claim Number L 4282704	Due Date: November 30, 2018
43. Claim Number L 4280570	Due Date: November 24, 2018
44. Claim Number L 4282406	Due Date: November 24, 2018
45. Claim Number L 4282702	Due Date: November 30, 2018
46. Claim Number L 4282703	Due Date: November 30, 2018
47. Claim Number L 4200044	Due Date: September 18, 2017

SCHEDULE "B-2"
MINING CLAIM ABSTRACTS

[see attached]


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Active Mining Claim Abstract

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LARDER LAKE	Claim Number: L 4250892	Status: ACTIVE - Work Report Pending	
Due Date:	2017-Jul-16	Recorded:	2010-Jul-16
Work Required:	\$2,400	Staked:	2010-Jul-01 16:25
Total Work:	\$12,000	Township/Area:	SOUTH LORRAIN (G-3448)
Total Reserve:	\$0	Lot Description:	
Present Work Assignment:	\$0	Claim Units:	6
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

CANADIAN SILVER HUNTER INC. (100.00 %)

Client Number
410604

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2010-Jul-16		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1080.03129
STAKER	2010-Jul-16		VON CARDINAL, THOMAS (205724) RECORDS 100.00 % IN THE NAME OF HUNTER, JEFF (403419)		R1080.03130
WORK	2012-Jul-16	\$12,000	WORK APPLIED (ASSAY, PDRILL) APPROVED: 2012-SEP-21		W1280.01830
TRAN	2012-Sep-20		HUNTER, JEFF (403419) TRANSFERS 100.00 % TO CANADIAN SILVER HUNTER INC. (410604)		T1280.00449
WORK	2017-Jul-14	0	WORK REPORT PENDING		W1780.01368

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 09 Part mining rights only

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Active Mining Claim Abstract

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LARDER LAKE		Claim Number: L 4269660		Status: ACTIVE	
Due Date:	2019-Jan-09	Recorded:	2012-Jan-09		
Work Required:	\$412	Staked:	2012-Jan-08 15:20		
Total Work:	\$18,788	Township/Area:	SOUTH LORRAIN (G-3448)		
Total Reserve:	\$0	Lot Description:			
Present Work Assignment:	\$0	Claim Units:	8		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

CANADIAN SILVER HUNTER INC. (100.00 %)

Client Number

410604

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2012-Jan-09		RECORDED BY PEEVER, ROBERT L (K23011)		R1280.00023
STAKER	2012-Jan-09		PEEVER, ROBERT L (302672) RECORDS 100.00 % IN THE NAME OF HUNTER, JEFF (403419)		R1280.00024
TRAN	2012-Feb-14		HUNTER, JEFF (403419) TRANSFERS 100.00 % TO CANADIAN SILVER HUNTER INC. (410604)		T1280.00083
CANC	2014-Jan-10		CANCELLED PURSUANT TO SUBSECTION 72(1)(B) OF THE MINING ACT R.S.O. 1990		C1480.00219
MISC	2014-Jan-15		PENDING APPLICATION BEFORE THE MINISTER		M1480.00010
MISC	2014-Feb-26		APPLICATION GRANTED BY THE MINISTER		M1480.00056
ORDER	2014-Feb-26		MINISTER RELIEVES FROM FORFEITURE AND EXTENDS TIME UNTIL AND INCLUDING 2014-Mar-17 FOR WORK AND FILING THEREOF		O1480.00030
CANC	2014-Mar-18		CANCELLED PURSUANT TO SUBSECTION 72(1)(B) OF THE MINING ACT R.S.O. 1990		C1480.01875
CANC	2014-Mar-18		NOTICE OF RE-OPENING (SUBSECTION 72. 1 (2) UNDER THE MINING ACT R. S. O. 1990.) POSTED 2014-Mar-19 - CHECK CLAIM MAP FOR ANY RESTRICTIONS TO STAKING		C1480.01952
ORDER	2014-Mar-25		MINISTER RELIEVES FROM FORFEITURE AND EXTENDS TIME UNTIL AND INCLUDING 2014-Apr-22 FOR WORK AND FILING THEREOF		O1480.00040
WORK	2014-Apr-17	\$18,788	WORK APPLIED ASSAY, PMAN, PROSP, PSTRIAP APPROVED: 2014-APR-23		W1480.00838

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road

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Active Mining Claim Abstract

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LARDER LAKE		Claim Number: L 4268658	Status: ACTIVE
Due Date:	2018-Jan-21	Recorded:	2013-Sep-27
Work Required:	\$800	Staked:	2013-Sep-26 13:57
Total Work:	\$800	Township/Area:	SOUTH LORRAIN (G-3448)
Total Reserve:	\$556	Lot Description:	,
Present Work Assignment:	\$0	Claim Units:	2
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

Client Number

CANADIAN SILVER HUNTER INC. (100.00 %)

410604

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2013-Sep-27		RECORDED BY PEEVER, ROBERT L (K23011)		R1380.02212
ORDER	2013-Oct-25		APPLICATION TO RECORD ACCEPTED AS 'FILED ONLY'		D1380.00526
ORDER	2015-Jan-12		RECORDER'S ORDER RECORDS FILED ONLY		D1580.00078
ORDER	2015-Jan-21		APPLICATION FIRST RECEIVED 2013-SEP-27		
ORDER	2015-Jan-21		MINING RECORDER EXCLUDES 482 DAYS (SECTION 67)		O1580.00004
ORDER	2015-Jan-21		AND SETS NEW ANNIVERSARY DATE 2017-JAN-21		
ORDER	2017-Jan-18		RECORDER EXTENDS TIME UNTIL AND INCLUDING		D1780.00017
ORDER	2017-Jan-18		2017-APR-26 FOR WORK AND FILING THEREOF.		
TRAN	2017-Jan-18		PEEVER, ROBERT L (302672) TRANSFERS 100.0 % TO		T1780.00032
TRAN	2017-Jan-18		CANADIAN SILVER HUNTER INC. (410604)		
OTHER	2017-Apr-25		WORK PERFORMEDMAG APPROVED: 2017-MAY-12	\$1,356	Q1780.00825
WORK	2017-Apr-25	\$800	WORK APPLIEDMAG APPROVED: 2017-MAY-12		W1780.00825

Claim Reservations

01 400' surface rights reservation around all lakes and rivers

02 Sand and gravel reserved

03 Peat reserved

04 Other reservations under the Mining Act may apply

06 Excluding road

13 Excluding Hydro right of way

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Active Mining Claim Abstract

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LARDER LAKE		Claim Number: L 4269659		Status: ACTIVE	
Due Date:	2019-Jan-09	Recorded:	2012-Jan-09		
Work Required:	\$412	Staked:	2011-Dec-13 10:30		
Total Work:	\$18,788	Township/Area:	SOUTH LORRAIN (G-3448)		
Total Reserve:	\$0	Lot Description:			
Present Work Assignment:	\$0	Claim Units:	8		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

CANADIAN SILVER HUNTER INC. (100.00 %)

Client Number

410604

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2012-Jan-09		RECORDED BY PEEVER, ROBERT L (K23011)		R1280.00023
STAKER	2012-Jan-09		PEEVER, ROBERT L (302672) RECORDS 100.00 % IN THE NAME OF HUNTER, JEFF (403419)		R1280.00024
TRAN	2012-Feb-14		HUNTER, JEFF (403419) TRANSFERS 100.00 % TO CANADIAN SILVER HUNTER INC. (410604)		T1280.00083
CANC	2014-Jan-10		CANCELLED PURSUANT TO SUBSECTION 72(1)(B) OF THE MINING ACT R.S.O. 1990		C1480.00218
MISC	2014-Jan-15		PENDING APPLICATION BEFORE THE MINISTER		M1480.00010
MISC	2014-Feb-26		APPLICATION GRANTED BY THE MINISTER		M1480.00056
ORDER	2014-Feb-26		MINISTER RELIEVES FROM FORFEITURE AND EXTENDS TIME UNTIL AND INCLUDING 2014-Mar-17 FOR WORK AND FILING THEREOF		O1480.00030
CANC	2014-Mar-18		CANCELLED PURSUANT TO SUBSECTION 72(1)(B) OF THE MINING ACT R.S.O. 1990		C1480.01874
CANC	2014-Mar-18		NOTICE OF RE-OPENING (SUBSECTION 72. 1 (2) UNDER THE MINING ACT R. S. O. 1990.) POSTED 2014-Mar-19 - CHECK CLAIM MAP FOR ANY RESTRICTIONS TO STAKING		C1480.01952
ORDER	2014-Mar-25		MINISTER RELIEVES FROM FORFEITURE AND EXTENDS TIME UNTIL AND INCLUDING 2014-Apr-22 FOR WORK AND FILING THEREOF		O1480.00040
WORK	2014-Apr-17	\$18,788	WORK APPLIED ASSAY, PMAN, PROSP, PSTRIAP APPROVED: 2014-APR-23		W1480.00838

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 09 Part mining rights only

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Active Mining Claim Abstract

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LARDER LAKE	Claim Number: L-4275020	Status: ACTIVE - Work Report Pending
Due Date:	2017-May-26	Recorded: 2015-May-26
Work Required:	\$1,600	Staked: 2015-May-21 12:08
Total Work:	\$0	Township/Area: SOUTH LORRAIN (G-3448)
Total Reserve:	\$0	Lot Description: ,
Present Work Assignment:	\$0	Claim Units: 4
Claim Bank:	\$0	

Claim Holders

Recorded Holder(s) Percentage

Client Number

CANADIAN SILVER HUNTER INC. (100.00 %)

410604

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2015-May-26		RECORDED BY PEEVER, ROBERT L (K23011)		R1580.01153
STAKER	2015-May-26		PEEVER, ROBERT L (302672) RECORDS 100.0 % IN THE NAME OF CANADIAN SILVER HUNTER INC. (410604)		R1580.01154
ORDER	2015-Jun-16		APPLICATION TO RECORD ACCEPTED AS 'FILED ONLY'		D1580.00275
ORDER	2015-Jul-15		RECORDER RECORDS FILED ONLY APPLICATION FIRST RECEIVED 2015-MAY-26		D1580.00276
WORK	2017-May-25	0	WORK REPORT PENDING		W1780.01050

Claim Reservations

01 400' surface rights reservation around all lakes and rivers

02 Sand and gravel reserved

03 Peat reserved

04 Other reservations under the Mining Act may apply

05 Including land under water

06 Excluding road

10 Excluding pipeline right of way

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LARDER LAKE	Claim Number: L 4275021	Status: ACTIVE - Work Report Pending
Due Date:	2017-May-26	Recorded: 2015-May-26
Work Required:	\$1,200	Staked: 2015-May-21 16:30
Total Work:	\$0	Township/Area: SOUTH LORRAIN (G-3448)
Total Reserve:	\$0	Lot Description: ,
Present Work Assignment:	\$0	Claim Units: 3
Claim Bank:	\$0	

Claim Holders

Recorded Holder(s) Percentage

Client Number

CANADIAN SILVER HUNTER INC. (100.00 %)

410604

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2015-May-26		RECORDED BY PEEVER, ROBERT L (K23011)		R1580.01153
STAKER	2015-May-26		PEEVER, ROBERT L (302672) RECORDS 100.0 % IN THE NAME OF CANADIAN SILVER HUNTER INC. (410604)		R1580.01154
WORK	2017-May-25	0	WORK REPORT PENDING		W1780.01050

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road

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Active Mining Claim Abstract

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LARDER LAKE		Claim Number: L 4286434		Status: ACTIVE
Due Date:	2019-Jan-23	Recorded:	2017-Jan-23	
Work Required:	\$1,200	Staked:	2017-Jan-19 09:30	
Total Work:	\$0	Township/Area:	SOUTH LORRAIN (G-3448)	
Total Reserve:	\$0	Lot Description:	,	
Present Work Assignment:	\$0	Claim Units:	3	
Claim Bank:	\$0			

Claim Holders

Recorded Holder(s) Percentage

Client Number

CANADIAN SILVER HUNTER INC. (100.00 %)

410604

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2017-Jan-23		RECORDED BY PEEVER, ROBERT L (K23011)		R1780.00131
STAKER	2017-Jan-23		PEEVER, ROBERT L (302672) RECORDS 100.0 % IN THE NAME OF CANADIAN SILVER HUNTER INC. (410604)		R1780.00132
ORDER	2017-Feb-06		RECORDER'S ORDER. NOTICE OF COMPLIANCE DUE ON OR BEFORE 2017-APR-13		D1780.00042
ORDER	2017-Mar-02		NOTICE OF COMPLIANCE WITH ORDER (D1780.00042) RECEIVED		D1780.00056

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 08 Being land under water

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Active Mining Claim Abstract

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LARDER LAKE		Claim Number: L 1118210		Status: ACTIVE	
Due Date:	2018-Jul-04	Recorded:	1997-Mar-04		
Work Required:	\$400	Staked:	1997-Mar-03 14:30		
Total Work:	\$47,600	Township/Area:	BUCKE (G-3413)		
Total Reserve:	\$230	Lot Description:	NE 1/4 OF N 1/2 LOT 14 CON 2 ETAL		
Present Work Assignment:	\$0	Claim Units:	6		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

Client Number

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	1997-Mar-04		RECORDED BY WAREING, SIMON KEITH (K22995)		R9780.00378
STAKER	1997-Mar-04		WAREING SIMON KEITH (302646) RECORDS 100.00 % IN THE NAME OF OUTCROP EXPLORATIONS LIMITED (178510)		R9780.00379
OTHER	1997-Nov-26		PENDING PROCEEDINGS BY COMMISSIONER		P9780.00022
OTHER	1998-Apr-01		PENDING PROCEEDINGS REMOVED		P9880.00021
MISC	1998-Apr-01		COMMISSIONER'S ORDER DISMISSES APPLICATION		M9880.00035
ORDER	1998-Apr-01		COMMISSIONER EXCLUDES 122 DAYS (SECTION 67) AND SETS NEW ANNIVERSARY DATE 1999-JUL-04 OUTCROP EXPLORATIONS LIMITED (178510)		O9880.00006
TRAN	1998-Apr-08		TRANSFERS 100.00 % TO WAREING SIMON KEITH (302646)		T9880.00026
MISC	1999-Jan-22		SPECIAL CIRCUMSTANCES APPLY		M9980.00010
MISC	1999-Mar-12		SPECIAL CIRCUMSTANCES REMOVED		M9980.00055
OTHER	1999-Jul-05		WORK PERFORMED (GCHEM) APPROVED: 1999-NOV-17 Previously: 3000	\$2,780	Q9980.00398
WORK	1999-Jul-05	\$2,780	WORK APPLIED APPROVED: 1999-NOV-17 Previously: 3000		W9980.00398
WORK	1999-Aug-09	0	CERTIFICATE CONFIRMING NOTICE OF INTENTION TO PERFORM ASSESSMENT WORK		W9980.00448
OTHER	2000-Jul-04		WORK PERFORMED (EM, GEOL, MAG, OTHER, VLF) APPROVED: 2000-SEP-14	\$4,989	Q0080.00275
WORK	2000-Jul-04	\$2,400	WORK APPLIED APPROVED: 2000-SEP-14		W0080.00275
ORDER	2001-Jul-04		RECORDER EXTENDS TIME UNTIL AND INCLUDING 2001-SEP-02 FOR WORK AND FILING THEREOF.		D0180.30238
WORK	2001-Jul-04	\$1,540	WORK APPLIED		W0180.30394
OTHER	2001-Sep-04		WORK PERFORMED (BENEF) APPROVED: 2001-OCT-19	\$1,331	Q0180.30656
WORK	2001-Sep-04	\$480	WORK APPLIED (BENEF) APPROVED: 2001-OCT-19		W0180.30656
ORDER	2002-Jul-02		RECORDER EXTENDS TIME UNTIL AND INCLUDING 2002-SEP-04 FOR WORK AND FILING THEREOF.		D0280.00230
OTHER	2002-Sep-04		WORK PERFORMED (LC, VLF) APPROVED: 2002-SEP-20	\$526	Q0280.01399
WORK	2002-Sep-04	\$2,400	WORK APPLIED (LC, VLF) APPROVED: 2002-SEP-20		W0280.01399
ORDER	2003-Jun-30		RECORDER EXTENDS TIME UNTIL AND INCLUDING 2003-SEP-05 FOR WORK AND FILING THEREOF.		D0380.00243
OTHER	2003-Sep-05		WORK PERFORMED (GEOL, PROSP) APPROVED: 2003- SEP-08	\$1,129	Q0380.01391
WORK	2003-Sep-05	\$2,400	WORK APPLIED (GEOL, PROSP) APPROVED: 2003-SEP- 08		W0380.01391

ORDER	2004-Jun-28		RECORDER EXTENDS TIME UNTIL AND INCLUDING 2005-JAN-04 FOR WORK AND FILING THEREOF.		D0480.00236
TRAN	2004-Aug-06		WAREING, SIMON KEITH (302646) TRANSFERS 100.00 % TO CABO MINING ENTERPRISES CORP. (392653)		T0480.00267
OTHER	2005-Jan-04		WORK PERFORMED (RAD, VLF) APPROVED: 2005-JAN-05	\$450	Q0580.00001
WORK	2005-Jan-04	\$2,400	WORK APPLIED (RAD, VLF) APPROVED: 2005-JAN-05		W0580.00001
ORDER	2005-Jul-04		RECORDER EXTENDS TIME UNTIL AND INCLUDING 2005-SEP-01 FOR WORK AND FILING THEREOF.		D0580.00234
OTHER	2005-Aug-24		WORK PERFORMED (ASSAY, GCHEM) APPROVED: 2005-AUG-26	\$5,905	Q0580.01381
WORK	2005-Aug-24	\$2,400	WORK APPLIED (ASSAY, GCHEM) APPROVED: 2005-AUG-26		W0580.01381
WORK	2006-Jun-21	\$2,400	WORK APPLIED		W0680.01206
OTHER	2006-Sep-01		WORK PERFORMED (GCHEM) APPROVED: 2006-SEP-19	\$3,051	Q0680.01592
WORK	2006-Sep-01	\$3,051	WORK APPLIED (GCHEM) APPROVED: 2006-SEP-19		W0680.01592
WORK	2008-Jan-04	\$13,749	WORK APPLIED (ASSAY, GCHEM) APPROVED: 2008-FEB-13		W0880.00006
MISC	2012-Apr-17		RESERVATION #12 (EXCLUDING REGISTERED PLAN OF SUBDIVISION) HAS BEEN ADDED		M1280.00094
WORK	2013-Feb-19	\$4,800	WORK APPLIED		W1380.00862
TRAN	2016-Apr-20		CABO MINING ENTERPRISES CORP. (392653) TRANSFERS 100.0 % TO KON, ALAN DANIEL (401418)		T1680.00126
OTHER	2016-Jun-16		WORK PERFORMEDMAG, PROSP APPROVED: 2016-JUL-11	\$2,630	Q1680.01141
WORK	2016-Jun-16	\$2,400	WORK APPLIEDMAG, PROSP APPROVED: 2016-JUL-11		W1680.01141
TRAN	2017-Mar-10		KON, ALAN DANIEL (401418) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1780.00122
WORK	2017-May-11	\$4,400	WORK APPLIED		W1780.00940
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 09 Part mining rights only
- 12 Excluding registered plan of subdivision

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LARDER LAKE		Claim Number: L 1118211		Status: ACTIVE
Due Date:	2018-Jul-04	Recorded:	1997-Mar-04	
Work Required:	\$902	Staked:	1997-Mar-03 14:30	
Total Work:	\$31,098	Township/Area:	BUCKE (G-3413)	
Total Reserve:	\$1,030	Lot Description:	NE 1/4 OF N 1/2 LOT 13 CON 2 ETAL	
Present Work Assignment:	\$4,400	Claim Units:	4	
Claim Bank:	\$0			

Claim Holders

Recorded Holder(s) Percentage

Client Number

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	1997-Mar-04		RECORDED BY WAREING, SIMON KEITH (K22995)		R9780.00378
STAKER	1997-Mar-04		WAREING SIMON KEITH (302646) RECORDS 100.00 % IN THE NAME OF OUTCROP EXPLORATIONS LIMITED (178510)		R9780.00379
OTHER	1997-Nov-26		PENDING PROCEEDINGS BY COMMISSIONER		P9780.00022
OTHER	1998-Apr-01		PENDING PROCEEDINGS REMOVED		P9880.00021
MISC	1998-Apr-01		COMMISSIONER'S ORDER DISMISSES APPLICATION		M9880.00035
ORDER	1998-Apr-01		COMMISSIONER EXCLUDES 122 DAYS (SECTION 67) AND SETS NEW ANNIVERSARY DATE 1999-JUL-04		O9880.00006
TRAN	1998-Apr-08		OUTCROP EXPLORATIONS LIMITED (178510) TRANSFERS 100.00 % TO WAREING SIMON KEITH (302646)		T9880.00026
MISC	1999-Jan-22		SPECIAL CIRCUMSTANCES APPLY		M9980.00010
MISC	1999-Mar-12		SPECIAL CIRCUMSTANCES REMOVED		M9980.00055
OTHER	1999-Jul-05		WORK PERFORMED (GCHEM) APPROVED: 1999-NOV-17 Previously: 2000	\$1,851	Q9980.00398
WORK	1999-Jul-05	\$1,851	WORK APPLIED APPROVED: 1999-NOV-17 Previously: 2000		W9980.00398
WORK	1999-Jul-08	0	CERTIFICATE CONFIRMING NOTICE OF INTENTION TO PERFORM ASSESSMENT WORK		W9980.00408
OTHER	2000-Jul-04		WORK PERFORMED (EM, GEOL, MAG, OTHER, VLF) APPROVED: 2000-SEP-14	\$1,900	Q0080.00275
WORK	2000-Jul-04	\$1,600	WORK APPLIED APPROVED: 2000-SEP-14		W0080.00275
WORK	2001-Jul-04	\$1,349	WORK APPLIED		W0180.30394
OTHER	2001-Sep-04		WORK PERFORMED (BENEF) APPROVED: 2001-OCT-19	\$333	Q0180.30656
WORK	2002-Jul-02	\$1,184	WORK APPLIED		W0280.01105
ORDER	2002-Jul-02		RECORDER EXTENDS TIME UNTIL AND INCLUDING 2002-SEP-04 FOR WORK AND FILING THEREOF.		D0280.00230
OTHER	2002-Sep-04		WORK PERFORMED (LC, VLF) APPROVED: 2002-SEP-20	\$3,522	Q0280.01399
WORK	2002-Sep-04	\$416	WORK APPLIED (LC, VLF) APPROVED: 2002-SEP-20		W0280.01399
ORDER	2003-Jun-30		RECORDER EXTENDS TIME UNTIL AND INCLUDING 2003-SEP-05 FOR WORK AND FILING THEREOF.		D0380.00243
WORK	2003-Jun-30	\$1,232	WORK APPLIED		W0380.01075
OTHER	2003-Sep-05		WORK PERFORMED (GEOL, PROSP) APPROVED: 2003- SEP-08	\$2,635	Q0380.01391
WORK	2003-Sep-05	\$368	WORK APPLIED (GEOL, PROSP) APPROVED: 2003-SEP- 08		W0380.01391
WORK	2004-Jun-28	\$996	WORK APPLIED		W0480.00999

ORDER	2004-Jun-28		RECORDER EXTENDS TIME UNTIL AND INCLUDING 2005-JAN-04 FOR WORK AND FILING THEREOF.		D0480.00236
TRAN	2004-Aug-06		WAREING, SIMON KEITH (302646) TRANSFERS 100.00 % TO CABO MINING ENTERPRISES CORP. (392653)		T0480.00267
OTHER	2005-Jan-04		WORK PERFORMED (RAD, VLF) APPROVED: 2005-JAN-05	\$3,580	Q0580.00001
WORK	2005-Jan-04	\$604	WORK APPLIED (RAD, VLF) APPROVED: 2005-JAN-05		W0580.00001
WORK	2005-Jul-04	\$1,026	WORK APPLIED		W0580.01158
ORDER	2005-Jul-04		RECORDER EXTENDS TIME UNTIL AND INCLUDING 2005-SEP-01 FOR WORK AND FILING THEREOF.		D0580.00234
WORK	2005-Aug-24	\$574	WORK APPLIED (ASSAY, GCHEM) APPROVED: 2005-AUG-26		W0580.01381
WORK	2006-Jun-21	\$531	WORK APPLIED		W0680.01206
ORDER	2006-Jul-04		RECORDER EXTENDS TIME UNTIL AND INCLUDING 2006-SEP-04 FOR WORK AND FILING THEREOF.		D0680.00345
OTHER	2006-Sep-01		WORK PERFORMED (GCHEM) APPROVED: 2006-SEP-19	\$2,301	Q0680.01592
WORK	2006-Sep-01	\$2,301	WORK APPLIED (GCHEM) APPROVED: 2006-SEP-19		W0680.01592
ORDER	2007-Jun-22		RECORDER EXTENDS TIME UNTIL AND INCLUDING 2008-JAN-04 FOR WORK AND FILING THEREOF.		D0780.00339
OTHER	2008-Jan-04		WORK PERFORMED (ASSAY, GCHEM) APPROVED: 2008-FEB-13	\$38,415	Q0880.00006
WORK	2008-Jan-04	\$9,600	WORK APPLIED (ASSAY, GCHEM) APPROVED: 2008-FEB-13		W0880.00006
WORK	2013-Feb-19	\$3,568	WORK APPLIED		W1380.00862
TRAN	2016-Apr-20		CABO MINING ENTERPRISES CORP. (392653) TRANSFERS 100.0 % TO KON, ALAN DANIEL (401418)		T1680.00126
OTHER	2016-Jun-16		WORK PERFORMEDMAG, PROSP APPROVED: 2016-JUL-11	\$2,630	Q1680.01141
WORK	2016-Jun-16	\$1,600	WORK APPLIEDMAG, PROSP APPROVED: 2016-JUL-11		W1680.01141
TRAN	2017-Mar-10		KON, ALAN DANIEL (401418) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1780.00122
WORK	2017-May-11	\$2,298	WORK APPLIED		W1780.00940
OTHER	2017-Jun-01		WORK ASSIGNED		G1780.00940
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 07 Mining rights only

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LARDER LAKE		Claim Number: L 4243946	Status: ACTIVE
Due Date:	2017-Sep-22	Recorded:	2009-Sep-22
Work Required:	\$400	Staked:	2009-Sep-18 14:00
Total Work:	\$2,400	Township/Area:	BUCKE (G-3413)
Total Reserve:	\$0	Lot Description:	S1/4 OF NW1/4 OF S1/2 LOT 14, CON 1
Present Work Assignment:	\$0	Claim Units:	1
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2009-Sep-22		RECORDED BY KON, ALAN DANIEL (1001448)		R0980.03040
STAKER	2009-Sep-22		KON, ALAN DANIEL (401418) RECORDS 50.00 % IN THE NAME OF SMIRLE, ROGER GEORGE (195214)		R0980.03041
OTHER	2011-Sep-19		WORK PERFORMED (PROSP) APPROVED: 2011-DEC-06	\$595	Q1180.02034
WORK	2011-Sep-19	\$400	WORK APPLIED (PROSP) APPROVED: 2011-DEC-06		W1180.02034
OTHER	2012-Sep-24		WORK PERFORMEDMAG APPROVED: 2012-NOV-15	\$895	Q1280.02237
WORK	2012-Sep-24	\$800	WORK APPLIEDMAG APPROVED: 2012-NOV-15		W1280.02237
OTHER	2014-Sep-04		WORK PERFORMEDRAD APPROVED: 2014-SEP-04	\$892	Q1480.01745
WORK	2014-Sep-04	\$800	WORK APPLIEDRAD APPROVED: 2014-SEP-04		W1480.01745
WORK	2016-Jan-14	\$195	WORK APPLIED		W1680.00102
WORK	2016-Jan-14	\$95	WORK APPLIED		W1680.00103
WORK	2016-Jan-14	\$92	WORK APPLIED		W1680.00104
WORK	2016-Jan-18	\$18	CASH-IN-LIEU PAYMENT APPLIED		W1680.00133
TRAN	2017-Mar-10		KON, ALAN DANIEL (401418) TRANSFERS 50.0 % TO BRIXTON METALS CORPORATION (412843)		T1780.00123
TRAN	2017-Mar-10		SMIRLE, ROGER GEORGE (195214) TRANSFERS 50.0 % TO BRIXTON METALS CORPORATION (412843)		T1780.00124
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 06 Excluding road

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Active Mining Claim Abstract

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LARDER LAKE		Claim Number: L 4264322	Status: ACTIVE
Due Date:	2019-May-26	Recorded:	2015-May-26
Work Required:	\$100	Staked:	2015-May-16 11:20
Total Work:	\$1,100	Township/Area:	SOUTH LORRAIN (G-3448)
Total Reserve:	\$0	Lot Description:	,
Present Work Assignment:	\$0	Claim Units:	1
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2015-May-26		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1580.00810
STAKER	2015-May-26		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CHITARONI, GINO PAUL (117874)		R1580.00811
TRAN	2016-Apr-01		CHITARONI, GINO PAUL (117874) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00103
OTHER	2016-Oct-20		WORK PERFORMED AGRAD, AMAG, AVLF APPROVED: 2016-DEC-06	\$1,100	Q1680.01693
WORK	2016-Oct-20	\$1,100	WORK APPLIED AGRAD, AMAG, AVLF APPROVED: 2016- DEC-06		W1680.01693
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

01 400' surface rights reservation around all lakes and rivers

02 Sand and gravel reserved

03 Peat reserved

04 Other reservations under the Mining Act may apply

05 Including land under water

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LARDER LAKE		Claim Number: L 4275034		Status: ACTIVE	
Due Date:	2018-Feb-02	Recorded:	2015-Feb-02		
Work Required:	\$258	Staked:	2015-Jan-19 10:00		
Total Work:	\$542	Township/Area:	LORRAIN (G-3438)		
Total Reserve:	\$0	Lot Description:	NE1/4 L3 , N1/2 C12		
Present Work Assignment:	\$0	Claim Units:	1		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2015-Feb-02		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1580.00102
STAKER	2015-Feb-02		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CHITARONI, GINO PAUL (117874)		R1580.00200
TRAN	2016-Apr-01		CHITARONI, GINO PAUL (117874) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00103
OTHER	2017-Jan-25		WORK PERFORMEDAMAG, AVLF APPROVED: 2017-APR-04	\$542	Q1780.00214
WORK	2017-Jan-25	\$542	WORK APPLIEDAMAG, AVLF APPROVED: 2017-APR-04		W1780.00214
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

01 400' surface rights reservation around all lakes and rivers

02 Sand and gravel reserved

03 Peat reserved

04 Other reservations under the Mining Act may apply

05 Including land under water

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LARDER LAKE		Claim Number: L 4275036		Status: ACTIVE	
Due Date:	2018-Feb-02	Recorded:	2015-Feb-02		
Work Required:	\$128	Staked:	2015-Jan-21 12:10		
Total Work:	\$672	Township/Area:	LORRAIN (G-3438)		
Total Reserve:	\$0	Lot Description:	NW1/4 LOT 1, S1/2 C12		
Present Work Assignment:	\$0	Claim Units:	1		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2015-Feb-02		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1580.00102
STAKER	2015-Feb-02		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CHITARONI, GINO PAUL (117874)		R1580.00200
TRAN	2016-Apr-01		CHITARONI, GINO PAUL (117874) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00103
OTHER	2017-Jan-25		WORK PERFORMEDAMAG, AVLF APPROVED: 2017-APR-04	\$672	Q1780.00214
WORK	2017-Jan-25	\$672	WORK APPLIEDAMAG, AVLF APPROVED: 2017-APR-04		W1780.00214
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

01 400' surface rights reservation around all lakes and rivers

02 Sand and gravel reserved

03 Peat reserved

04 Other reservations under the Mining Act may apply

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LARDER LAKE		Claim Number: L 4275037	Status: ACTIVE
Due Date:	2018-Feb-02	Recorded:	2015-Feb-02
Work Required:	\$4,000	Staked:	2015-Jan-28 15:00
Total Work:	\$8,000	Township/Area:	GILLIES LIMIT (G-4330)
Total Reserve:	\$0	Lot Description:	S1/2 OF BLOCK 6, & PART OF BLOCK 7
Present Work Assignment:	\$0	Claim Units:	15
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

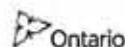
Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2015-Feb-02		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1580.00102
STAKER	2015-Feb-02		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CHITARONI, GINO PAUL (117874)		R1580.00200
MISC	2015-Oct-13		CORRECTION TO TOWNSHIP NAME ENTERED INCORRECTLY AS LORRAIN TOWNSHIP		M1580.00239
TRAN	2016-Apr-01		CHITARONI, GINO PAUL (117874) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00103
OTHER	2016-Dec-22		WORK PERFORMEDAEM, AMAG APPROVED: 2017-FEB-03 \$8,000		Q1680.02116
WORK	2016-Dec-22	\$8,000	WORK APPLIEDAEM, AMAG APPROVED: 2017-FEB-03 BRIXTON METALS CORPORATION (412843) TRANSFERS		W1680.02116
TRAN	2017-Jun-29		100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road

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LARDER LAKE		Claim Number: L 4275041		Status: ACTIVE
Due Date:	2019-May-26	Recorded:	2015-May-26	
Work Required:	\$100	Staked:	2015-May-14 11:00	
Total Work:	\$1,100	Township/Area:	SOUTH LORRAIN (G-3448)	
Total Reserve:	\$0	Lot Description:	,	
Present Work Assignment:	\$0	Claim Units:	1	
Claim Bank:	\$0			

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number
413298
Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2015-May-26		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1580.00810
STAKER	2015-May-26		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CHITARONI, GINO PAUL (117874)		R1580.00811
TRAN	2016-Apr-01		CHITARONI, GINO PAUL (117874) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00103
OTHER	2016-Oct-20		WORK PERFORMEDAGRAD, AMAG, AVLF APPROVED: 2016-DEC-06	\$1,100	Q1680.01693
WORK	2016-Oct-20	\$1,100	WORK APPLIEDAGRAD, AMAG, AVLF APPROVED: 2016- DEC-06		W1680.01693
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

01 400' surface rights reservation around all lakes and rivers

02 Sand and gravel reserved

03 Peat reserved

04 Other reservations under the Mining Act may apply

05 Including land under water

06 Excluding road

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LARDER LAKE		Claim Number: L 4275042		Status: ACTIVE
Due Date:	2019-May-26	Recorded:	2015-May-26	
Work Required:	\$100	Staked:	2015-May-15 11:10	
Total Work:	\$1,100	Township/Area:	SOUTH LORRAIN (G-3448)	
Total Reserve:	\$0	Lot Description:	,	
Present Work Assignment:	\$0	Claim Units:	1	
Claim Bank:	\$0			

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2015-May-26		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1580.00810
STAKER	2015-May-26		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CHITARONI, GINO PAUL (117874)		R1580.00811
TRAN	2016-Apr-01		CHITARONI, GINO PAUL (117874) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00103
OTHER	2016-Oct-20		WORK PERFORMEDAGRAD, AMAG, AVLF APPROVED: 2016-DEC-06	\$1,100	Q1680.01693
WORK	2016-Oct-20	\$1,100	WORK APPLIEDAGRAD, AMAG, AVLF APPROVED: 2016-DEC-06		W1680.01693
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water

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LARDER LAKE		Claim Number: L 4275043		Status: ACTIVE	
Due Date:	2018-May-27	Recorded:	2015-May-27		
Work Required:	\$400	Staked:	2015-May-01 11:00		
Total Work:	\$400	Township/Area:	GILLIES LIMIT (G-4330)		
Total Reserve:	\$0	Lot Description:	Part of Block A,		
Present Work Assignment:	\$0	Claim Units:	1		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2015-May-27		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1580.00845
STAKER	2015-May-27		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CHITARONI, GINO PAUL (117874)		R1580.00846
TRAN	2016-Apr-01		CHITARONI, GINO PAUL (117874) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00103
OTHER	2016-Oct-31		WORK PERFORMEDAGRAD, AMAG, AVLF APPROVED: 2016-DEC-06	\$400	Q1680.01755
WORK	2016-Oct-31	\$400	WORK APPLIEDAGRAD, AMAG, AVLF APPROVED: 2016-DEC-06		W1680.01755
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply

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LARDER LAKE		Claim Number: L 4275044		Status: ACTIVE	
Due Date:	2019-May-26	Recorded:	2015-May-26		
Work Required:	\$100	Staked:	2015-May-21 10:45		
Total Work:	\$1,100	Township/Area:	SOUTH LORRAIN (G-3448)		
Total Reserve:	\$0	Lot Description:	,		
Present Work Assignment:	\$0	Claim Units:	1		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

Client Number

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2015-May-26		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1580.00808
STAKER	2015-May-26		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CHITARONI, GINO PAUL (117874)		R1580.00809
TRAN	2016-Apr-01		CHITARONI, GINO PAUL (117874) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00103
OTHER	2016-Oct-20		WORK PERFORMEDAGRAD, AMAG, AVLF APPROVED: 2016-DEC-06	\$1,100	Q1680.01693
WORK	2016-Oct-20	\$1,100	WORK APPLIEDAGRAD, AMAG, AVLF APPROVED: 2016-DEC-06		W1680.01693
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply

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LARDER LAKE		Claim Number: L 4275150	Status: ACTIVE
Due Date:	2018-Dec-23	Recorded:	2014-Dec-23
Work Required:	\$300	Staked:	2014-Dec-05 12:00
Total Work:	\$900	Township/Area:	COLEMAN (G-3418)
Total Reserve:	\$0	Lot Description:	S1/2 SW 1/4 of Lot 2 & 3, Con 3
Present Work Assignment:	\$0	Claim Units:	1
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2014-Dec-23		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1480.02263
STAKER	2014-Dec-23		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CANAGCO MINING CORP. (410497)		R1480.02264
OTHER	2014-Dec-24		CONFIRMATION OF STAKING REQUIRED TO 2 SURFACE RIGHTS OWNER(S) BY 2015-FEB-21		E1480.00413
OTHER	2015-Feb-20		PROOF OF CONFIRMATION OF STAKING RECEIVED FOR 2 SURFACE RIGHTS OWNER(S)		E1580.00052
TRAN	2016-Feb-11		CANAGCO MINING CORP. (410497) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00052
OTHER	2016-Dec-22		WORK PERFORMEDAEM, AMAG APPROVED: 2017-FEB-03 \$900		Q1680.02116
WORK	2016-Dec-22	\$900	WORK APPLIEDAEM, AMAG APPROVED: 2017-FEB-03 BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		W1680.02116
TRAN	2017-Jun-29				T1780.00331

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 07 Mining rights only

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LARDER LAKE		Claim Number: L 4275168		Status: ACTIVE	
Due Date:	2019-Oct-20	Recorded:	2014-Oct-20		
Work Required:	\$200	Staked:	2014-Oct-13 11:00		
Total Work:	\$1,400	Township/Area:	COLEMAN (G-3418)		
Total Reserve:	\$0	Lot Description:	NE1/4 N1/2 L16, CONS		
Present Work Assignment:	\$0	Claim Units:	1		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2014-Oct-20		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1480.01866
STAKER	2014-Oct-20		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CHITARONI, GINO PAUL (117874)		R1480.01867
OTHER	2014-Oct-21		CONFIRMATION OF STAKING REQUIRED TO 2 SURFACE RIGHTS OWNER(S) BY 2014-DEC-19		E1480.00342
OTHER	2014-Oct-29		PROOF OF CONFIRMATION OF STAKING RECEIVED FOR 2 SURFACE RIGHTS OWNER(S)		E1480.00362
TRAN	2016-Apr-01		CHITARONI, GINO PAUL (117874) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00103
OTHER	2016-Oct-20		WORK PERFORMEDAGRAD, AMAG, AVL F APPROVED: 2016-DEC-06	\$1,400	Q1680.01694
WORK	2016-Oct-20	\$1,400	WORK APPLIEDAGRAD, AMAG, AVL F APPROVED: 2016- DEC-06		W1680.01694
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 07 Mining rights only

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LARDER LAKE		Claim Number: L 4275169		Status: ACTIVE	
Due Date:	2019-Oct-20	Recorded:	2014-Oct-20		
Work Required:	\$200	Staked:	2014-Oct-13 13:30		
Total Work:	\$1,400	Township/Area:	COLEMAN (G-3418)		
Total Reserve:	\$0	Lot Description:	NW1/4 N1/2 L15, CONS		
Present Work Assignment:	\$0	Claim Units:	1		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2014-Oct-20		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1480.01866
STAKER	2014-Oct-20		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CHITARONI, GINO PAUL (117874)		R1480.01867
OTHER	2014-Oct-21		CONFIRMATION OF STAKING REQUIRED TO 1 SURFACE RIGHTS OWNER(S) BY 2014-DEC-19		E1480.00343
OTHER	2014-Dec-19		PROOF OF CONFIRMATION OF STAKING RECEIVED FOR 1 SURFACE RIGHTS OWNER(S)		E1480.00412
TRAN	2016-Apr-01		CHITARONI, GINO PAUL (117874) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00103
OTHER	2016-Oct-20		WORK PERFORMEDAGRAD, AMAG, AVLF APPROVED: 2016-DEC-06	\$1,400	Q1680.01694
WORK	2016-Oct-20	\$1,400	WORK APPLIEDAGRAD, AMAG, AVLF APPROVED: 2016-DEC-06		W1680.01694
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 07 Mining rights only

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LARDER LAKE		Claim Number: L 4275170		Status: ACTIVE	
Due Date:	2018-Oct-20	Recorded:	2014-Oct-20		
Work Required:	\$100	Staked:	2014-Oct-15 11:00		
Total Work:	\$1,100	Township/Area:	SOUTH LORRAIN (G-3448)		
Total Reserve:	\$0	Lot Description:	/		
Present Work Assignment:	\$0	Claim Units:	1		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number
413298**Transaction Listing**

Type	Date	Applied	Description	Performed	Number
STAKER	2014-Oct-20		RECORDED BY RYAN, DYLAN AQUINO (1011018)		R1480.02115
STAKER	2014-Oct-20		RYAN, DYLAN AQUINO (410710) RECORDS 100.0 % IN THE NAME OF CHITARONI, GINO PAUL (117874)		R1480.02116
TRAN	2016-Apr-01		CHITARONI, GINO PAUL (117874) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00103
OTHER	2016-Oct-20		WORK PERFORMEDAGRAD, AMAG, AVLF APPROVED: 2016-DEC-06	\$1,100	Q1680.01693
WORK	2016-Oct-20	\$1,100	WORK APPLIEDAGRAD, AMAG, AVLF APPROVED: 2016-DEC-06		W1680.01693
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 06 Excluding road
- 13 Excluding Hydro right of way

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LARDER LAKE		Claim Number: L 4275171		Status: ACTIVE	
Due Date:	2018-Oct-20	Recorded:	2014-Oct-20		
Work Required:	\$100	Staked:	2014-Oct-15 10:30		
Total Work:	\$1,100	Township/Area:	SOUTH LORRAIN (G-3448)		
Total Reserve:	\$0	Lot Description:	,		
Present Work Assignment:	\$0	Claim Units:	1		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2014-Oct-20		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1480.02104
STAKER	2014-Oct-20		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CHITARONI, GINO PAUL (117874)		R1480.02105
TRAN	2016-Apr-01		CHITARONI, GINO PAUL (117874) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00103
OTHER	2016-Oct-20		WORK PERFORMEDAGRAD, AMAG, AVLF APPROVED: 2016-DEC-06	\$1,100	Q1680.01693
WORK	2016-Oct-20	\$1,100	WORK APPLIEDAGRAD, AMAG, AVLF APPROVED: 2016- DEC-06		W1680.01693
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road

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LARDER LAKE		Claim Number: L 4275172		Status: ACTIVE	
Due Date:	2017-Oct-30	Recorded:	2014-Oct-30		
Work Required:	\$531	Staked:	2014-Oct-22 17:00		
Total Work:	\$1,069	Township/Area:	GILLIES LIMIT (G-4330)		
Total Reserve:	\$0	Lot Description:	PT BLOCK 4,		
Present Work Assignment:	\$0	Claim Units:	2		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2014-Oct-30		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1480.01965
STAKER	2014-Oct-30		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CANAGCO MINING CORP. (410497)		R1480.01967
TRAN	2016-Feb-11		CANAGCO MINING CORP. (410497) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00052
OTHER	2016-Oct-31		WORK PERFORMED AGRAD, AMAG, AVLF APPROVED: 2016-DEC-06	\$1,069	Q1680.01755
WORK	2016-Oct-31	\$1,069	WORK APPLIED AGRAD, AMAG, AVLF APPROVED: 2016- DEC-06		W1680.01755
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

01 400' surface rights reservation around all lakes and rivers

02 Sand and gravel reserved

03 Peat reserved

04 Other reservations under the Mining Act may apply

05 Including land under water

13 Excluding Hydro right of way

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LARDER LAKE		Claim Number: L-4275173	Status: ACTIVE
Due Date:	2017-Oct-30	Recorded:	2014-Oct-30
Work Required:	\$1,768	Staked:	2014-Oct-24 15:00
Total Work:	\$2,232	Township/Area:	GILLIES LIMIT (G-4330)
Total Reserve:	\$0	Lot Description:	PT BLOCK A,
Present Work Assignment:	\$0	Claim Units:	5
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2014-Oct-30		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1480.01965
STAKER	2014-Oct-30		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CANAGCO MINING CORP. (410497)		R1480.01967
OTHER	2014-Nov-03		CONFIRMATION OF STAKING REQUIRED TO 2 SURFACE RIGHTS OWNER(S) BY 2014-DEC-29		E1480.00369
OTHER	2014-Dec-15		PROOF OF CONFIRMATION OF STAKING RECEIVED FOR 2 SURFACE RIGHTS OWNER(S)		E1480.00399
TRAN	2016-Feb-11		CANAGCO MINING CORP. (410497) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00052
OTHER	2016-Oct-31		WORK PERFORMEDAGRAD, AMAG, AVLF APPROVED: 2016-DEC-06	\$2,232	Q1680.01755
WORK	2016-Oct-31	\$2,232	WORK APPLIEDAGRAD, AMAG, AVLF APPROVED: 2016-DEC-06		W1680.01755
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 09 Part mining rights only
- 11 Excluding railway right of way

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LARDER LAKE		Claim Number: L 4275175		Status: ACTIVE	
Due Date:	2017-Oct-30	Recorded:	2014-Oct-30		
Work Required:	\$3,454	Staked:	2014-Oct-28 14:20		
Total Work:	\$5,346	Township/Area:	GILLIES LIMIT (G-4330)		
Total Reserve:	\$0	Lot Description:	Pt of Block 2 and , Part of Block 3		
Present Work Assignment:	\$0	Claim Units:	11		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2014-Oct-30		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1480.01975
STAKER	2014-Oct-30		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CANAGCO MINING CORP. (410497)		R1480.01976
TRAN	2016-Feb-11		CANAGCO MINING CORP. (410497) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00052
OTHER	2016-Oct-31		WORK PERFORMED AGRAD, AMAG, AVLF APPROVED: 2016-DEC-06	\$5,346	Q1680.01755
WORK	2016-Oct-31	\$5,346	WORK APPLIED AGRAD, AMAG, AVLF APPROVED: 2016-DEC-06		W1680.01755
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

01 400' surface rights reservation around all lakes and rivers

02 Sand and gravel reserved

03 Peat reserved

04 Other reservations under the Mining Act may apply

05 Including land under water

06 Excluding road

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LARDER LAKE		Claim Number: L 4278609		Status: ACTIVE	
Due Date:	2019-Jul-02	Recorded:	2015-Jul-02		
Work Required:	\$100	Staked:	2015-Jun-17 10:20		
Total Work:	\$1,100	Township/Area:	SOUTH LORRAIN (G-3448)		
Total Reserve:	\$0	Lot Description:	,		
Present Work Assignment:	\$0	Claim Units:	1		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2015-Jul-02		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1580.01316
STAKER	2015-Jul-02		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CHITARONI, GINO PAUL (117874)		R1580.01317
TRAN	2016-Apr-01		CHITARONI, GINO PAUL (117874) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00103
OTHER	2016-Oct-20		WORK PERFORMED AGRAD, AMAG, AVLF APPROVED: 2016-DEC-06	\$1,100	Q1680.01693
WORK	2016-Oct-20	\$1,100	WORK APPLIED AGRAD, AMAG, AVLF APPROVED: 2016-DEC-06		W1680.01693
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road

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LARDER LAKE		Claim Number: L 4278610	Status: ACTIVE
Due Date:	2019-Jul-02	Recorded:	2015-Jul-02
Work Required:	\$100	Staked:	2015-Jun-21 13:00
Total Work:	\$1,100	Township/Area:	SOUTH LORRAIN (G-3448)
Total Reserve:	\$0	Lot Description:	,
Present Work Assignment:	\$0	Claim Units:	1
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2015-Jul-02		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1580.01316
STAKER	2015-Jul-02		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF CHITARONI, GINO PAUL (117874)		R1580.01317
TRAN	2016-Apr-01		CHITARONI, GINO PAUL (117874) TRANSFERS 100.0 % TO BRIXTON METALS CORPORATION (412843)		T1680.00103
OTHER	2016-Oct-20		WORK PERFORMEDAGRAD, AMAG, AVLF APPROVED: 2016-DEC-06	\$1,100	Q1680.01693
WORK	2016-Oct-20	\$1,100	WORK APPLIEDAGRAD, AMAG, AVLF APPROVED: 2016- DEC-06		W1680.01693
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

01 400' surface rights reservation around all lakes and rivers

02 Sand and gravel reserved

03 Peat reserved

04 Other reservations under the Mining Act may apply

05 Including land under water

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LARDER LAKE		Claim Number: L 4280114		Status: ACTIVE	
Due Date:	2018-Sep-22	Recorded:	2016-Sep-22		
Work Required:	\$400	Staked:	2016-Sep-01 11:15		
Total Work:	\$0	Township/Area:	GILLIES LIMIT (G-4330)		
Total Reserve:	\$0	Lot Description:	PART OF E 1/2 OF , BLOCK A		
Present Work Assignment:	\$0	Claim Units:	1		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

Client Number

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Sep-22		RECORDED BY VON CARDINAL, THOMAS (M25162)		R1680.01540
STAKER	2016-Sep-22		VON CARDINAL, THOMAS (205724) RECORDS 100.0 % IN THE NAME OF BRIXTON METALS CORPORATION (412843)		R1680.01541
TRAN	2017-Jun-29		BRIXTON METALS CORPORATION (412843) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00331

Claim Reservations

01 400' surface rights reservation around all lakes and rivers

02 Sand and gravel reserved

03 Peat reserved

04 Other reservations under the Mining Act may apply

05 Including land under water

06 Excluding road

10 Excluding pipeline right of way

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LARDER LAKE		Claim Number: L 4282446	Status: ACTIVE
Due Date:	2018-Nov-04	Recorded:	2016-Nov-04
Work Required:	\$1,600	Staked:	2016-Oct-19 14:50
Total Work:	\$0	Township/Area:	LORRAIN (G-3438)
Total Reserve:	\$0	Lot Description:	S 1/2 of S 1/2 Lots 5 & 6, Con 1
Present Work Assignment:	\$0	Claim Units:	4
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-04		RECORDED BY COLLINS, NORMAND (M25435)		R1680.01857
STAKER	2016-Nov-04		COLLINS, NORMAND (300420) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.01858
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 07 Mining rights only
- 13 Excluding Hydro right of way
- 19 Excluding patent

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LARDER LAKE		Claim Number: L 4282449	Status: ACTIVE
Due Date:	2018-Nov-04	Recorded:	2016-Nov-04
Work Required:	\$1,600	Staked:	2016-Oct-20 12:30
Total Work:	\$0	Township/Area:	LORRAIN (G-3438)
Total Reserve:	\$0	Lot Description:	S 1/2 of S 1/2 of Lot 7 & 8, Con 1
Present Work Assignment:	\$0	Claim Units:	4
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-04		RECORDED BY COLLINS, NORMAND (M25435)		R1680.01857
STAKER	2016-Nov-04		COLLINS, NORMAND (300420) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.01858
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

01 400' surface rights reservation around all lakes and rivers

02 Sand and gravel reserved

03 Peat reserved

04 Other reservations under the Mining Act may apply

05 Including land under water

06 Excluding road

09 Part mining rights only

13 Excluding Hydro right of way

19 Excluding patent

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LARDER LAKE		Claim Number: L-4282748	Status: ACTIVE
Due Date:	2018-Nov-04	Recorded:	2016-Nov-04
Work Required:	\$1,600	Staked:	2016-Oct-21 12:20
Total Work:	\$0	Township/Area:	LORRAIN (G-3438)
Total Reserve:	\$0	Lot Description:	S 1/2 of S 1/2 Lot 9 & 10, Con 1
Present Work Assignment:	\$0	Claim Units:	4
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-04		RECORDED BY COLLINS, NORMAND (M25435)		R1680.01857
STAKER	2016-Nov-04		COLLINS, NORMAND (300420) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.01858
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road

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LARDER LAKE		Claim Number: L 4282451		Status: ACTIVE
Due Date:	2018-Nov-04	Recorded:	2016-Nov-04	
Work Required:	\$4,800	Staked:	2016-Oct-19 15:30	
Total Work:	\$0	Township/Area:	SOUTH LORRAIN (G-3448)	
Total Reserve:	\$0	Lot Description:	,	
Present Work Assignment:	\$0	Claim Units:	12	
Claim Bank:	\$0			

Claim Holders

Recorded Holder(s) Percentage

Client Number

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-04		RECORDED BY COLLINS, NORMAND (M25435)		R1680.01781
STAKER	2016-Nov-04		COLLINS, NORMAND (300420) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.01782
OTHER	2016-Nov-10		CONFIRMATION OF STAKING REQUIRED TO 16 SURFACE RIGHTS OWNER(S) BY 2017-JAN-03		E1680.00390
OTHER	2017-Jan-03		PROOF OF CONFIRMATION OF STAKING RECEIVED FOR 16 SURFACE RIGHTS OWNER(S)		E1780.00001
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 09 Part mining rights only
- 13 Excluding Hydro right of way
- 19 Excluding patent

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LARDER LAKE		Claim Number: L 4282445		Status: ACTIVE
Due Date:	2018-Nov-04	Recorded:	2016-Nov-04	
Work Required:	\$1,600	Staked:	2016-Oct-19 15:15	
Total Work:	\$0	Township/Area:	SOUTH LORRAIN (G-3448)	
Total Reserve:	\$0	Lot Description:	/	
Present Work Assignment:	\$0	Claim Units:	4	
Claim Bank:	\$0			

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number
413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-04		RECORDED BY COLLINS, NORMAND (M25435)		R1680.02135
STAKER	2016-Nov-04		COLLINS, NORMAND (300420) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.02136
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 07 Mining rights only

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LARDER LAKE		Claim Number: L-4282447		Status: ACTIVE
Due Date:	2018-Nov-04	Recorded:	2016-Nov-04	
Work Required:	\$6,400	Staked:	2016-Oct-19 13:00	
Total Work:	\$0	Township/Area:	SOUTH LORRAIN (G-3448)	
Total Reserve:	\$0	Lot Description:	,	
Present Work Assignment:	\$0	Claim Units:	16	
Claim Bank:	\$0			

Claim Holders

Recorded Holder(s) Percentage

Client Number

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-04		RECORDED BY COLLINS, NORMAND (M25435)		R1680.02135
STAKER	2016-Nov-04		COLLINS, NORMAND (300420) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.02136
OTHER	2016-Nov-10		CONFIRMATION OF STAKING REQUIRED TO 2 SURFACE RIGHTS OWNER(S) BY 2017-JAN-03		E1680.00432
OTHER	2017-Jan-03		PROOF OF CONFIRMATION OF STAKING RECEIVED FOR 2 SURFACE RIGHTS OWNER(S)		E1780.00013
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 07 Mining rights only
- 13 Excluding Hydro right of way

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LARDER LAKE		Claim Number: L 4282448	Status: ACTIVE
Due Date:	2018-Nov-04	Recorded:	2016-Nov-04
Work Required:	\$1,600	Staked:	2016-Oct-20 11:30
Total Work:	\$0	Township/Area:	SOUTH LORRAIN (G-3448)
Total Reserve:	\$0	Lot Description:	,
Present Work Assignment:	\$0	Claim Units:	4
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

Client Number

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-04		RECORDED BY COLLINS, NORMAND (M25435)		R1680.02135
STAKER	2016-Nov-04		COLLINS, NORMAND (300420) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.02136
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 07 Mining rights only
- 13 Excluding Hydro right of way

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LARDER LAKE		Claim Number: L 4282450	Status: ACTIVE
Due Date:	2018-Nov-04	Recorded:	2016-Nov-04
Work Required:	\$4,800	Staked:	2016-Oct-20 11:30
Total Work:	\$0	Township/Area:	SOUTH LORRAIN (G-3448)
Total Reserve:	\$0	Lot Description:	,
Present Work Assignment:	\$0	Claim Units:	12
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-04		RECORDED BY COLLINS, NORMAND (M25435)		R1680.02135
STAKER	2016-Nov-04		COLLINS, NORMAND (300420) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.02136
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

01 400' surface rights reservation around all lakes and rivers

02 Sand and gravel reserved

03 Peat reserved

04 Other reservations under the Mining Act may apply

05 Including land under water

06 Excluding road

07 Mining rights only

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LARDER LAKE		Claim Number: L 4282747	Status: ACTIVE
Due Date:	2018-Nov-04	Recorded:	2016-Nov-04
Work Required:	\$2,800	Staked:	2016-Oct-20 14:00
Total Work:	\$0	Township/Area:	SOUTH LORRAIN (G-3448)
Total Reserve:	\$0	Lot Description:	
Present Work Assignment:	\$0	Claim Units:	7
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-04		RECORDED BY COLLINS, NORMAND (M25435)		R1680.02135
STAKER	2016-Nov-04		COLLINS, NORMAND (300420) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.02136
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

01 400' surface rights reservation around all lakes and rivers

02 Sand and gravel reserved

03 Peat reserved

04 Other reservations under the Mining Act may apply

05 Including land under water

06 Excluding road

07 Mining rights only

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LARDER LAKE		Claim Number: L 4282749	Status: ACTIVE
Due Date:	2018-Nov-04	Recorded:	2016-Nov-04
Work Required:	\$4,800	Staked:	2016-Oct-21 13:25
Total Work:	\$0	Township/Area:	SOUTH LORRAIN (G-3448)
Total Reserve:	\$0	Lot Description:	,
Present Work Assignment:	\$0	Claim Units:	12
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

Client Number

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-04		RECORDED BY COLLINS, NORMAND (M25435)		R1680.02135
STAKER	2016-Nov-04		COLLINS, NORMAND (300420) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.02136
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 07 Mining rights only

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LARDER LAKE		Claim Number: L 4282750		Status: ACTIVE	
Due Date:	2018-Nov-04	Recorded:	2016-Nov-04		
Work Required:	\$6,000	Staked:	2016-Oct-21 13:25		
Total Work:	\$0	Township/Area:	SOUTH LORRAIN (G-3448)		
Total Reserve:	\$0	Lot Description:	,		
Present Work Assignment:	\$0	Claim Units:	15		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-04		RECORDED BY COLLINS, NORMAND (M25435)		R1680.02135
STAKER	2016-Nov-04		COLLINS, NORMAND (300420) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.02136
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 07 Mining rights only

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LARDER LAKE		Claim Number: L 4278692	Status: ACTIVE
Due Date:	2018-Nov-04	Recorded:	2016-Nov-04
Work Required:	\$800	Staked:	2016-Oct-21 10:40
Total Work:	\$0	Township/Area:	SOUTH LORRAIN (G-3448)
Total Reserve:	\$0	Lot Description:	/
Present Work Assignment:	\$0	Claim Units:	2
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-04		RECORDED BY COLLINS, NORMAND (M25435)		R1680.02135
STAKER	2016-Nov-04		COLLINS, NORMAND (300420) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.02136
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 09 Part mining rights only

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LARDER LAKE		Claim Number: L 4282704		Status: ACTIVE	
Due Date:	2018-Nov-30	Recorded:	2016-Nov-30		
Work Required:	\$400	Staked:	2016-Nov-10 16:00		
Total Work:	\$0	Township/Area:	SOUTH LORRAIN (G-3448)		
Total Reserve:	\$0	Lot Description:	,		
Present Work Assignment:	\$0	Claim Units:	1		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-30		RECORDED BY COYNE, GLEN HARLEY (M20248)		R1680.02137
STAKER	2016-Nov-30		COYNE, GLEN HARLEY (122005) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.02138
OTHER	2016-Dec-12		CONFIRMATION OF STAKING REQUIRED TO 2 SURFACE RIGHTS OWNER(S) BY 2017-JAN-29		E1680.00433
OTHER	2017-Jan-30		PROOF OF CONFIRMATION OF STAKING RECEIVED FOR 2 SURFACE RIGHTS OWNER(S)		E1780.00034
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 07 Mining rights only

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LARDER LAKE		Claim Number: L 4280570	Status: ACTIVE
Due Date:	2018-Nov-24	Recorded:	2016-Nov-24
Work Required:	\$400	Staked:	2016-Oct-29 15:00
Total Work:	\$0	Township/Area:	SOUTH LORRAIN (G-3448)
Total Reserve:	\$0	Lot Description:	,
Present Work Assignment:	\$0	Claim Units:	1
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

Client Number

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-24		RECORDED BY HARRINGTON, PATRICK MICHAEL (K23069)		R1680.02067
STAKER	2016-Nov-24		HARRINGTON, PATRICK MICHAEL JR. (142047) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.02068
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 07 Mining rights only

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LARDER LAKE		Claim Number: L 4282406		Status: ACTIVE	
Due Date:	2018-Nov-24	Recorded:	2016-Nov-24		
Work Required:	\$5,600	Staked:	2016-Oct-29 17:10		
Total Work:	\$0	Township/Area:	SOUTH LORRAIN (G-3448)		
Total Reserve:	\$0	Lot Description:	,		
Present Work Assignment:	\$0	Claim Units:	14		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage	Client Number
COBALT INDUSTRIES OF CANADA INC. (100.00 %)	413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-24		RECORDED BY HARRINGTON, PATRICK MICHAEL (K23069)		R1680.02067
STAKER	2016-Nov-24		HARRINGTON, PATRICK MICHAEL JR. (142047) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.02068
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 07 Mining rights only
- 13 Excluding Hydro right of way

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LARDER LAKE		Claim Number: L 4282702		Status: ACTIVE	
Due Date:	2018-Nov-30	Recorded:	2016-Nov-30		
Work Required:	\$4,400	Staked:	2016-Nov-12 14:00		
Total Work:	\$0	Township/Area:	SOUTH LORRAIN (G-3448)		
Total Reserve:	\$0	Lot Description:			
Present Work Assignment:	\$0	Claim Units:	11		
Claim Bank:	\$0				

Claim Holders

Recorded Holder(s) Percentage

Client Number

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

413298

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-30		RECORDED BY COYNE, GLEN HARLEY (M20248)		R1680.02341
STAKER	2016-Nov-30		COYNE, GLEN HARLEY (122005) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.02342
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 13 Excluding Hydro right of way
- 19 Excluding patent

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LARDER LAKE		Claim Number: L 4282703		Status: ACTIVE
Due Date:	2018-Nov-30	Recorded:	2016-Nov-30	
Work Required:	\$5,200	Staked:	2016-Nov-11 15:40	
Total Work:	\$0	Township/Area:	SOUTH LORRAIN (G-3448)	
Total Reserve:	\$0	Lot Description:		
Present Work Assignment:	\$0	Claim Units:	13	
Claim Bank:	\$0			

Claim Holders

Recorded Holder(s) Percentage

COBALT INDUSTRIES OF CANADA INC. (100.00 %)

Client Number
413298**Transaction Listing**

Type	Date	Applied	Description	Performed	Number
STAKER	2016-Nov-30		RECORDED BY COYNE, GLEN HARLEY (M20248)		R1680.02343
STAKER	2016-Nov-30		COYNE, GLEN HARLEY (122005) RECORDS 100.0 % IN THE NAME OF WALLACE, STEPHEN MICHAEL (412834)		R1680.02344
TRAN	2017-Apr-24		WALLACE, STEPHEN MICHAEL (412834) TRANSFERS 100.0 % TO COBALT INDUSTRIES OF CANADA INC. (413298)		T1780.00212

Claim Reservations

- 01 400' surface rights reservation around all lakes and rivers
- 02 Sand and gravel reserved
- 03 Peat reserved
- 04 Other reservations under the Mining Act may apply
- 05 Including land under water
- 06 Excluding road
- 13 Excluding Hydro right of way

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LARDER LAKE		Claim Number: L 4200044	Status: ACTIVE - Work Report Pending
Due Date:	2017-Sep-18	Recorded:	2006-Jun-16
Work Required:	\$668	Staked:	2006-Jun-13 14:00
Total Work:	\$7,332	Township/Area:	SOUTH LORRAIN (G-3448)
Total Reserve:	\$0	Lot Description:	,
Present Work Assignment:	\$0	Claim Units:	2
Claim Bank:	\$0		

Claim Holders

Recorded Holder(s) Percentage

GORE, JOHN AUBREY (100.00 %)

Client Number

138273

Transaction Listing

Type	Date	Applied	Description	Performed	Number
STAKER	2006-Jun-16		RECORDED BY GORE, JOHN AUBREY (B23436)		R0680.02873
MISC	2007-Jul-31		SURFACE RIGHTS FORFEITED TO THE CROWN		M0780.00161
OTHER	2008-May-26		WORK PERFORMED (PSTRIP) APPROVED: 2008-SEP-13	\$846	Q0880.01136
WORK	2008-May-26	\$846	WORK APPLIED (PSTRIP) APPROVED: 2008-SEP-13		W0880.01136
OTHER	2009-Jun-09		WORK PERFORMED (LC, MAG, VLF) APPROVED: 2009-JUL-22	\$1,846	Q0980.01573
WORK	2009-Jun-09	\$1,846	WORK APPLIED (LC, MAG, VLF) APPROVED: 2009-JUL-22		W0980.01573
OTHER	2010-May-03		WORK PERFORMED (LC, MAG, VLF) APPROVED: 2010-JUN-17	\$2,076	Q1080.01247
WORK	2010-May-03	\$2,076	WORK APPLIED (LC, MAG, VLF) APPROVED: 2010-JUN-17		W1080.01247
WORK	2012-Sep-10	\$100	WORK APPLIED (MAG) APPROVED: 2012-OCT-26		W1280.02141
WORK	2014-Mar-19	\$732	CASH-IN-LIEU PAYMENT APPLIED		W1480.00583
OTHER	2015-May-29		WORK PERFORMEDGPSG APPROVED: 2015-JUN-02	\$800	Q1580.01195
WORK	2015-May-29	\$800	WORK APPLIEDGPSG APPROVED: 2015-JUN-02		W1580.01195
ORDER	2016-May-26		RECORDER EXTENDS TIME UNTIL AND INCLUDING 2016-SEP-16 FOR WORK AND FILING THEREOF.		D1680.00162
OTHER	2016-Sep-01		WORK PERFORMEDPROSP APPROVED: 2016-SEP-20	\$932	Q1680.01434
WORK	2016-Sep-01	\$932	WORK APPLIEDPROSP APPROVED: 2016-SEP-20		W1680.01434
ORDER	2017-May-19		RECORDER EXTENDS TIME UNTIL AND INCLUDING 2017-SEP-18 FOR WORK AND FILING THEREOF.		D1780.00189
WORK	2017-Aug-08	0	WORK REPORT PENDING		W1780.01533

Claim Reservations

01 400' surface rights reservation around all lakes and rivers

02 Sand and gravel reserved

03 Peat reserved

04 Other reservations under the Mining Act may apply

05 Including land under water

06 Excluding road

SCHEDULE "C"
MINING LEASES SEARCH

PIN 61391-0129: (PIN Creation Date: October 24, 2005)

Parcel 4623 LTIM
Mining Location CLM111
South Lorrain, comprising of Mining Claims
T-43553, T-44411, T-44412, T-44413, T-44478, T-44479,
T-44480, T-44481, T-44482 and T-45225 saving and excepting
Thereout and therefrom the right of way of The Ontario Northland
Railway Commission crossing the said claims

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

1. Lease Number 100791
Crown Patent Registered as Number TC5164
2. Lease Number 104696
Notice of Lease Registered as Number TC6995 – Renewal of Lease 100791
3. Lease Number 108219
Notice of Lease Registered as Number DT14244 – Renewal of Lease Number 104696
Expiry Date – September 1, 2028

PIN 61391-0135: (PIN Creation Date: October 24, 2005)

Parcel 4622 LTIM
Mining Location CLM112
South Lorrain, comprising of Mining Claims
T-44483, T-44484, T-44485, T-44486, T-44487, T-44488,
T-44489, T-44490, T-44491, T-44492, T-44493, T-44494
Being land and land under the water of the Montreal River within the
Limits of these Mining Claims

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

1. Lease Number 100790
Crown Patent Registered as Number TC5163
2. Lease Number 104695
Notice of Lease Registered as Number TC6994 – Renewal of Lease 100790
3. Lease Number 108218

Notice of Lease Registered as Number DT14246 – Renewal of Lease 104695
Expiry Date – September 1, 2028

PIN 61391-0203: (PIN Creation Date: October 24, 2005)

Parcel 4977 LTIM
Mining Claim T29994
South Lorrain recorded as Mining Claim T-34601

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

No Dealings Indicator is in effect on this Property. Any Transfer or other Documents to be registered for this Property requires a consent from the Minister of Northern Development and Mines

1. Lease Number 102717
Crown Patent Registered as Number TC5894
2. Lease Number 106596
Notice of Lease Registered as Number LT277129 – Renewal of Lease 102717
3. Lease Number 109383
Notice of Lease Registered as Number DT43987 – Renewal of Lease 106596
Expiry Date – June 1, 2034

PIN 61391-0205: (PIN Creation Date: October 24, 2005)

Parcel 5690 LTIM
Mining Claim T40521
South Lorrain

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

1. Lease Number 102858
Lease Registered as Number LT290848
2. Lease Number 106998
Notice of Lease Registered as Number LT296298 – Renewal of Lease 102858
3. Lease Number 109590

PIN 61391-0217: (PIN Creation Date: October 24, 2005)

Parcel 4621 LTIM
Mining Claim T43338
South Lorrain

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

1. Lease Number 100789
Crown Patent Registered as Number TC5162
2. Lease Number 104694
Notice of Lease Registered as Number TC6993 – Renewal of Lease 100789
3. Lease Number 108217
Notice of Lease Registered as Number DT14245 – Renewal of Lease 104694
Expiry Date – September 21, 2028

SCHEDULE "D"
PATENTED LANDS SEARCH

PIN 61391-0035: (PIN Creation Date: October 24, 2005)

Parcel 14999 SST, Mininc Claim T46400

South Lorrain being land and land under the water of Part of Gibson Lake within the limits of this Mining Claim; saving and excepting thereout and therefrom the SRO on and over the Transmission Lines of The Hydro-Electric Power Commission of Ontario crossing the said lands

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

-Application registered as Instrument Number LT215903 is an application to amend the register removing a Caution from title;

-Notice of Agreement registered as Instrument Number LT232660 being a Memorandum of Agreement between 129895 Canada Limited and M & M Porcupine Gold Mines Limited for the sale of land and Royalty reserved to the Vendor.

PIN 61391-0036: (PIN Creation Date: October 24, 2005)

Parcel 7361 NND

Part of Mining Claim HR16

South Lorrain located 2 ½ miles South of Lot 12, Concession 1

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

-Application registered as Instrument Number LT215903 is an application to amend the register removing a Caution from title;

-Notice of Agreement registered as Instrument Number LT232660 being a Memorandum of Agreement between 129895 Canada Limited and M & M Porcupine Gold Mines Limited for the sale of land and Royalty reserved to the Vendor.

PIN 61391-0037: (PIN Creation Date: October 24, 2005)

Parcel 4851 NND

Mining Claim HR16

South Lorrain located 2 ½ miles South of Lot 12, Concession 1

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

-Notice of Agreement registered as Instrument Number LT232660 being a Memorandum of Agreement between 129895 Canada Limited and M & M Porcupine Gold Mines Limited for the sale of land and Royalty reserved to the Vendor.

PIN 61391-0038: (PIN Creation Date: October 24, 2005)

Parcel 5305 NND
Mining Claim HR25
South Lorrain located about 2 ½ miles south of Lot 12, Concession 1, West of Lake Temiskaming

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

-Application registered as Instrument Number LT215903 is an application to amend the register removing a Caution from title;

-Notice of Agreement registered as Instrument Number LT232660 being a Memorandum of Agreement between 129895 Canada Limited and M & M Porcupine Gold Mines Limited for the sale of land and Royalty reserved to the Vendor.

PIN 61391-0039: (PIN Creation Date: October 24, 2005)

Parcel 4815 NND
Mining Claim HR19
South Lorrain located West of Lake Temiskaming

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

-Application registered as Instrument Number LT215903 is an application to amend the register removing a Caution from title;

-Notice of Agreement registered as Instrument Number LT232660 being a Memorandum of Agreement between 129895 Canada Limited and M & M Porcupine Gold Mines Limited for the sale of land and Royalty reserved to the Vendor.

PIN 61391-0040: (PIN Creation Date: October 24, 2005)

Parcel 2730 SST
Mining Claim T19308
South Lorrain being land and land under water of a small lake lying within the limits of this Claim; Reserving the SRO on and over The Northern Ontario Light and Power Company's Transmission Lines, 67 ½ feet of each side of the centre line

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Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

-Application registered as Instrument Number LT215903 is an application to amend the register removing a Caution from title;

-Notice of Agreement registered as Instrument Number LT232660 being a Memorandum of Agreement between 129895 Canada Limited and M & M Porcupine Gold Mines Limited for the sale of land and Royalty reserved to the Vendor.

PIN 61391-0041: (PIN Creation Date: October 24, 2005)

Parcel 4852 NND

Mining Claim HR21

South Lorrain located about 3 ¼ miles of south Lot 11, Concession 1

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

-Application registered as Instrument Number LT215903 is an application to amend the register removing a Caution from title;

-Notice of Agreement registered as Instrument Number LT232660 being a Memorandum of Agreement between 129895 Canada Limited and M & M Porcupine Gold Mines Limited for the sale of land and Royalty reserved to the Vendor.

PIN 61391-0066: (PIN Creation Date: October 24, 2005)

Parcel 13533 SST

Mining Claim T32960

South Lorrain being land and land under the water of part of Gibson Lake within the limits of this Mining Claim saving and excepting thereout and therefrom the SRO on and over the right of way of Transmission Lines of The Hydro-Electric Power Commission of Ontario crossing the said lands

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

-Application registered as Instrument Number LT215903 is an application to amend the register removing a Caution from title;

-Notice of Agreement registered as Instrument Number LT232660 being a Memorandum of Agreement between 129895 Canada Limited and M & M Porcupine Gold Mines Limited for the sale of land and Royalty reserved to the Vendor.

PIN 61391-0067: (PIN Creation Date: October 24, 2005)

Parcel 14082 SST
Part of Mining Claim HR17
South Lorrain 2 ½ miles of South Lot 11, Concession 1

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

-Right-of-Way registered as Instrument Number LT40230 in favour of The Mining Corporation of Canada Limited for ingress, egress and regress at all times for the purpose of searching for, working, getting and carrying away the said mines and minerals and with full liberty to sink, drive, make and use pits, shafts, drifts, adits, aircourses and watercourses, and to erect and set up in, upon or under the said lands machinesry and works for the purposes aforesaid, provided that no prospecting or mining operations, which may be carried on, in, upon or under the said lands, shall be conducted in such a way as shall interfere with the operation of the railway and traffic of the Commission, or any buildings or other erections now or hereafter erect by the Commission on the said lands;

-Application registered as Instrument Number LT215903 is an application to amend the register removing a Caution from title;

-Notice of Agreement registered as Instrument Number LT232660 being a Memorandum of Agreement between 129895 Canada Limited and M & M Porcupine Gold Mines Limited for the sale of land and Royalty reserved to the Vendor.

PIN 61391-0081: (PIN Creation Date: October 24, 2005)

Parcel 4911 NND
South Lorrain
Mining Claim HR20 located 2 ¼ miles of South of Lot 13, Concession 1, Township of Lorrain
Being West of Lake Temiskaming

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

-Application registered as Instrument Number LT215903 is an application to amend the register removing a Caution from title;

-Notice of Agreement registered as Instrument Number LT232660 being a Memorandum of Agreement between 129895 Canada Limited and M & M Porcupine Gold Mines Limited for the sale of land and Royalty reserved to the Vendor.

PIN 61391-0082: (PIN Creation Date: October 24, 2005)

Parcel 8235 NND
Mining Claim HS39
South Lorrain being land and land under the water of part of a Small Lake partly
Within the limits of said claim situated 2 ¼ miles south of Lot 12, Concession 1
Township of Lorrain

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

-Application registered as Instrument Number LT215903 is an application to amend the register removing a Caution from title;

-Notice of Agreement registered as Instrument Number LT232660 being a Memorandum of Agreement between 129895 Canada Limited and M & M Porcupine Gold Mines Limited for the sale of land and Royalty reserved to the Vendor.

PIN 61391-0084: (PIN Creation Date: October 24, 2005)

Parcel 8342 NND
Part Mining Claim HS39
South Lorrain being land and land under water of Part of a Small Lake within the limits
of said claim situated 2 ¼ miles of south Lot 12, Concession 1, Township of Lorrain

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

-Application registered as Instrument Number LT215903 is an application to amend the register removing a Caution from title;

-Notice of Agreement registered as Instrument Number LT232660 being a Memorandum of Agreement between 129895 Canada Limited and M & M Porcupine Gold Mines Limited for the sale of land and Royalty reserved to the Vendor.

PIN 61391-0112: (PIN Creation Date: October 24, 2005)

Parcel 8753 NND
Mining Claim HR610
South Lorrain situated about 1 ¼ miles south of Trout Lake

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

-Easement registered as Instrument Number LT162713 in favour of The Hydro-Electric Power Commission re: rights for raising water;

-Application registered as Instrument Number LT215903 is an application to amend the register removing a Caution from title;

-Notice of Agreement registered as Instrument Number LT232660 being a Memorandum of Agreement between 129895 Canada Limited and M & M Porcupine Gold Mines Limited for the sale of land and Royalty reserved to the Vendor.

PIN 61391-0127: (PIN Creation Date: October 24, 2005)

Parcel 14081 SST

Part of Mining Claim RL455, Mining Claim RL456

South Lorrain; being land and land covered with water of part of a small pond

Partly within the limits of said mining claim R.L. 456 2 ½ miles south of Lot 11,

Concession 1, Township of Lorrain

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

-Notice of Agreement registered as Instrument Number LT232660 being a Memorandum of Agreement between 129895 Canada Limited and M & M Porcupine Gold Mines Limited for the sale of land and Royalty reserved to the Vendor.

PIN 61391-0128: (PIN Creation Date: October 24, 2005)

Parcel 4929 NND

Mining Claim HR22

South Lorrain located three miles South of Lot 11, Concession1 of the Township of Lorrain

West of Lake Temiskaming, including land under the water of that portion of a small beaver

Pond partly within the limits of the said claim

Registered Owner – Canadian Silver Hunter Inc.

Title to the Property is subject to the following:

-Application registered as Instrument Number LT215903 is an application to amend the register removing a Caution from title;

-Notice of Agreement registered as Instrument Number LT232660 being a Memorandum of Agreement between 129895 Canada Limited and M & M Porcupine Gold Mines Limited for the sale of land and Royalty reserved to the Vendor.