FIRST COBALT CORP.

ANNUAL INFORMATION FORM
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Dated April 2, 2018

CORPORATE OFFICE
Suite 201, 140 Yonge Street
Toronto, Ontario M5C 1X6

REGISTERED OFFICE
Suite 2200, 885 West Georgia Street
Vancouver, British Columbia V6C 3E8

TABLE OF CONTENTS

PRELIMINARY NOTES

Date of Information

All information in this Annual Information Form ("**AIF**") is as of April 2, 2018, unless otherwise indicated.

Cautionary Notes to U.S. Investors Concerning Resource Estimates

This AIF has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of the U.S. securities laws. All resource estimates included in this AIF have been prepared in accordance with the guidelines set out in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("**NI 43-101**") and the Canadian Institute of Mining and Metallurgy Classification System. The terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" used in this AIF are defined in NI 43-101; however, these terms are not defined terms under United States Securities and Exchange Commission ("**SEC**") Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be upgraded to a higher category. Investors are further cautioned that "inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Under Canadian rules, estimates of "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Accordingly, information contained in this AIF and the documents incorporated by reference herein containing descriptions of the Company's mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under United States federal securities laws and the rules and regulations thereunder.

Currency

Except where otherwise indicated, all references to currency in this Annual Information Form are to Canadian Dollars ("**$**").

Forward-Looking Information

Except for statements of historical fact, this AIF contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar terms, or statements that certain events or conditions "might", "may", "could" or "will" occur. In particular, forward-looking information in this AIF includes, but is not limited to, statements with respect to future events and is subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks, uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, including the state of the electric vehicle market; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in the mining industry; changes in tax laws and incentive programs relating to the mining industry; and the other factors described herein under "Risk Factors", as well as in our public filings available at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this AIF is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations, except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

Certain Other Information

Certain information in this AIF is obtained from third party sources, including public sources, and there can be no assurance as to the accuracy or completeness of such information. Although believed to be reliable, management of the Company has not independently verified any of the data from third party sources unless otherwise stated.

CORPORATE STRUCTURE

Name, Address and Incorporation

First Cobalt Corp. ("**First Cobalt**" or the "**Company**") was incorporated under the provisions of the *Business Corporations Act* (British Columbia) on July 13, 2011 under the name Patrone Gold Corp. and became a reporting issuer in British Columbia and Alberta upon completion of an arrangement with Unity Energy Corp. on October 2, 2012. On October 3, 2013, FCC changed its name from Patrone Gold Corp. to Aurgent Gold Corp. On March 11, 2014, FCC changed its name from Aurgent Gold Corp. to Aurgent Resource Corp., and on September 22, 2016, FCC changed its name from Aurgent Resource Corp. to First Cobalt Corp. On October 26, 2017, shareholders of the Company approved a continuation under the *Canada Business Corporations Act* (the "**CBCA**"), however the continuation has not yet been implemented.

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 3,300,000 pounds of cobalt and 19,100,000 ounces of silver from 301,000 tonnes of ore.

First Cobalt is listed on the TSX Venture Exchange ("**TSXV**") as a Tier 2 mining issuer, and trades under the symbol "FCC", on the Australian Stock Exchange ("**ASX**") under the symbol "FCC" and on the OTCQB under the symbol "FTSSF". The Company is a reporting issuer in British Columbia and Alberta and files its continuous disclosure documents with the Canadian Securities Authorities in such provinces. Such documents are available on SEDAR at www.sedar.com. First Cobalt's filings through SEDAR are not incorporated by reference in this AIF.

The Company's registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The Company's corporate head office is located at Suite 201, 140 Yonge Street, Toronto, Ontario, M5C 1X6.

Intercorporate Relationships

First Cobalt has five subsidiaries, being Cobalt Industries of Canada Inc. ("**Cobalt Industries**"), Cobalt Projects International Corp. ("**Cobalt Projects**"), both of which are incorporated under the laws of the Province of Ontario, Canada, CobalTech Mining Inc. ("**CobalTech**") and Cobalt Camp Refinery Ltd. ("**Cobalt Camp Refinery**"), both of which are incorporated under the laws of the Province of British Columbia, Canada and Cobalt One Limited ("**Cobalt One**"), an Australian corporation. First Cobalt is the registered and beneficial owner of all of the outstanding share capital in all subsidiaries.

The following diagram shows the Company's intercorporate relationships. First Cobalt owns 100% of each subsidiary unless otherwise indicated.

First Cobalt Corp. (British Columbia)

(I) Cobalt Industries of Canada Inc. (Ontario)

(II) Cobalt Projects International Corp. (Ontario)

(III) First Cobalt Holdings (Cayman) Ltd. (Cayman Island)

- (i) First Cobalt (Cayman) Ltd. (Cayman Island)

(III) CobalTech Mining Inc. (British Columbia)

- (i) Grafito La Barranca de Mexico S.A. de C.V (Mexico)
- (ii) Grafito La Colorada de Mexico S.A. de C.V. (Mexico) (50%)

(IV) Cobalt One Limited (Australia)

- (i) Cobalt Camp Refinery Ltd. (British Columbia)
- (ii) Cobalt Camp Ontario Holdings Corp. (Ontario)
- (iii) Acacia Minerals Pty Ltd (Australia)
- (iv) Ophiolite Consultants Pty Ltd (Australia) (80%)

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

2015 Developments

The Company conducted very limited exploration activities during the 2015 fiscal year.

2016 Developments

On September 22, 2016, the Company changed its name to "First Cobalt Corp."

On December 12, 2016, the Company entered into an agreement to acquire all of the outstanding share capital of Cobalt Industries, a privately-held Ontario-based mineral exploration company. Cobalt Industries holds the "South Lorraine Cobalt" claim group, which consists of 17 claim blocks covering an area of 1,950 hectares or 19.50 square km. The claim group is located in the southern portion of the historic Cobalt, Ontario mining camp, 400 km north of Toronto. The claim group is located adjacent to the former producing Keely-Frontier Mine in South Lorrain Township, Ontario. In consideration for the acquisition, the Company issued 6,900,000 common shares for all outstanding share capital of Cobalt Industries at a deemed value of $0.25 per share. The Company completed its acquisition of Cobalt Industries on January 23, 2017, with the issuance of 6,900,000 common shares of First Cobalt (the "**Common Shares**") which are subject to an 18 month escrow arrangement. See "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*" below.

2017 Developments

On February 1, 2017, the Company entered into a non-binding letter of intent with Cobalt Projects in order to evaluate the existing assets of Cobalt Projects, a privately held Ontario-based mineral exploration company, with a view to pursuing an acquisition. On April 10, 2017, the Company acquired all of the outstanding share capital of Cobalt Projects. 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 Company's existing South Lorrain cobalt claim blocks. As consideration for the acquisition, the Company issued 4,450,000 Common Shares, at a deemed price of $0.57 per share, to existing shareholders of Cobalt Projects, which are subject to an 18-month escrow arrangement. See "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*" below.

Under the terms of the option agreement between Cobalt Projects and Canadian Silver Hunter, the Company may earn up to 100% interest in Keeley-Frontier as follows:

- 50% interest upon payment of $850,000, of which $650,000 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 Company having the right to purchase 1% for $1 million over the ensuing 10 years. The Company may elect to accelerate the earn-in.

On May 1, 2017, the Company entered into an exclusive non-binding letter of intent with Madini Minerals, to form a strategic alliance and earn a controlling interest over seven prospective copper-cobalt exploration properties covering 190 square kilometre on the Central African Copperbelt in Katanga, Democratic Republic of Congo. On September 18, 2017, the Company announced that it had elected not to complete this strategic alliance and would instead focus its efforts in 2017 on the Greater Cobalt Project.

On June 1, 2017, the Company entered into an option agreement with Cobalt One to enter into a 50-50 joint venture on the Yukon cobalt extraction refinery (the "**Refinery**") in Cobalt, Ontario. The Refinery is a cobalt-silver-nickel tailings and custom feedstock and extraction facility located approximately three kilometres southeast of North Cobalt in Lorrain Township, District of Temiskaming.

Under the terms of the agreement: (i) in consideration for the option to enter into a 50-50 joint venture, the Company paid $750,000 in cash to Cobalt One; (ii) the Company had until December 31, 2017 to exercise the option; and (iii) on exercise, the Company would 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 Company, at an approximate value of $5,500,000. The Company subsequently acquired all of the outstanding share capital of Cobalt One (along with the Refinery) and the option agreement was terminated.

On June 7, 2017, the Company 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 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 Company made a cash payment of $325,000 to Brixton.

On June 21, 2017, the Company entered into an exclusive letter of intent to acquire all of the issued and outstanding shares of CobalTech by way of a court approved plan of arrangement (the "**CobalTech Arrangement**"). CobalTech's prospective cobalt properties, all situated in Canada, include 11 past producing mines in the town of Cobalt, Ontario, the Werner Lake East Cobalt property near Kenora, Ontario and eight properties in the Province of Quebec. CobalTech also owns a 100 tonne per day mill in the town of Cobalt. On August 18, 2017, CobalTech and the Company entered into an arrangement agreement in connection with the CobaltTech Arrangement and on October 6, 2017, CobalTech obtained an interim order providing for the calling and holding of a meeting of the shareholders of CobalTech and other procedural matters. CobalTech shareholders approved the CobalTech Arrangement on November 21, 2017, a final order was issued by the Supreme Court of British Columbia on November 24, 2017 approving the arrangement and on December 1, 2017 the Company announced the closing of the CobalTech Arrangement. Under the terms of the CobalTech Arrangement, the Company issued 0.2632 common shares for each CobalTech share and CobalTech became a wholly-owned subsidiary of the Company. All outstanding share and purchase warrants of CobalTech were also exchanged under the CobalTech Arrangement on the same exchange ratio.

On June 23, 2017, the Company entered into an exclusive letter of intent with Cobalt One for the Company to acquire 100% of the issued and outstanding ordinary shares of Cobalt One by way of a court approved scheme of arrangement (the "**Cobalt One Arrangement**"). Cobalt One is a cobalt exploration company with seven high-grade cobalt properties in Cobalt, Ontario which includes; Cobalt Town claims, Lorrain Valley Cobalt claims, Silver Centre Cobalt claims and Silverfields mine property, which has four patented mining claims near Cobalt Town. Under the terms of the Cobalt One Arrangement, Cobalt One shareholders received 0.145 of a common share of the Company for each Cobalt One ordinary share (a "**CO1 Share**"), representing the equivalent of A$0.11 per CO1 Share, based on the last trading price ($0.76) of the Company's common shares prior to the announcement of the Cobalt One Arrangement on June 23, 2017. The Cobalt One Arrangement was completed on December 1, 2017, at which time the Company's Board was reconstituted to include Cobalt One chairman Paul Matysek, Cobalt One Executive Director Jason Bontempo and Mr. Robert Cross. See "*Directors and Officers*" below.

On July 18, 2017, the Company entered into an option agreement to acquire 100% of a prospective mining claim adjacent to the Keeley-Frontier project in the Cobalt, Ontario mining camp. The Company acquired the 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 Company having the right to purchase 1% for $500,000 and the remaining 1% for an additional $500,000. The Company may elect to accelerate the earn-in after the first anniversary.

On August 9, 2017, the Company announced that it had commenced drilling in Cobalt South, at and around the former producing Keeley and Frontier mines.

On November 29, 2017, the Company announced that it was admitted to the Official List of the ASX to commence trading on November 30, 2017.

On December 7, 2017 the Company acquired four contiguous mining claims located in the Central Cobalt region of the Cobalt Camp in Ontario near the past producing Caswell mine, in consideration for the issuance of 224,000 common shares.

Selected Financings

The Company has completed the following financings over the last three completed financial years.

On May 31, 2016, the Company 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 $77,500. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant is exercisable at $0.06 for period of five years from the date of closing.

On September 13, 2016, the Company closed a non-brokered private placement offering by issuing 10,000,000 units at a price of $0.05 per unit, for total gross proceeds of $500,000. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant is exercisable at $0.10 for period of five years from the date of closing.

On November 3, 2016, the Company closed a non-brokered private placement offering by issuing 6,000,000 common shares at a price of $0.15 per share, for total gross proceeds of $900,000. In connection with the financing, the Company paid cash finders' fees of C$37,275.

On March 6, 2017, the Company closed a non-brokered private placement share offering issuing 12,000,000 common shares, at a price of $0.50 per share, for total gross proceeds of $6,000,000. In connection with the financing, the Company issued 1,200,000 common shares, at a deemed price of $0.50 per share, as a finders' fee.

On May 31, 2017, the Company closed a non-brokered private placement offering issuing 2,050,001 flow-through common shares at a price of $0.60 per common share for gross proceeds of $1,230,000.

On December 21, 2017, the Company closed a bought deal offering of 4,700,000 flow-through units at a price of $1.51 per flow-through unit and 20,950,000 units at a price of $1.10 per unit for aggregate gross proceeds of $30,142,000. Each unit consisted of one common share of the Company and one-half-of-one common share purchase warrant. Each flow-through unit consisted of one common share qualifying as a 'flow-through share' of First Cobalt and one-half of one warrant. Each full warrant entitles the holder thereof to purchase one common share at a price of $1.50 per share, for a period of two years from the date of closing.

Subsequent Events

On January 4, 2018, the Company purchased five unpatented claims located in the North Cobalt region of the Cobalt Camp in Ontario near the Company's past producing Silver Banner and Ophir mines in consideration for a cash payment of $8,500.

On March 14, 2018, the Company entered into a definitive agreement (the "**US Cobalt Arrangement Agreement**") with US Cobalt Inc. ("**US Cobalt**") pursuant to which the Company will acquire all of the issued and outstanding shares of US Cobalt pursuant to a plan of arrangement (the "**US Cobalt Arrangement**"). Under the terms of the US Cobalt Arrangement Agreement, all of the US Cobalt issued and outstanding common shares will be exchanged on the basis of 1.5 Common Shares for each US Cobalt common share issued and outstanding (the "**Exchange Ratio**"). The Exchange Ratio represents a 61.8% premium to US Cobalt's closing price and a 58.5% premium based on both companies' 5-day volume-weighted average trading prices, both as at March 13, 2018. As part of the US Cobalt Arrangement, it is expected that (a) all US Cobalt stock options outstanding will be replaced with First Cobalt stock options and be exercisable for First Cobalt shares based on the Exchange Ratio for the remainder of their original term, and (b) all US Cobalt warrants outstanding will participate in the US Cobalt Arrangement on a comparable basis to holders of US Cobalt common shares based on the in-the-money portion of those securities. This implies a total equity value of approximately $149.9 million on a fully-diluted in-the-money basis. Upon completion of the US Cobalt Arrangement, existing First Cobalt and US Cobalt shareholders will own approximately 62.5% and 37.5% of the combined company respectively, on a fully-diluted in-the-money basis, assuming all US Cobalt options and warrants are exercised prior to completion of the US Cobalt Arrangement.

The US Cobalt Arrangement will require approval by two-thirds of the votes cast at a special meeting of US Cobalt shareholders expected to be held in May 2018 with the US Cobalt Arrangement expected to close by the end of May 2018. The directors and senior officers of US Cobalt, representing approximately 6.7% of the outstanding US Cobalt common shares, have entered into voting support agreements, pursuant to which they will vote their common shares held in favour of the US Cobalt Arrangement. In addition to securityholder and court approvals, the US Cobalt Arrangement is subject to applicable regulatory approvals, including acceptance by the TSXV, and the satisfaction of certain other closing conditions customary for a transaction of this nature. The US Cobalt Arrangement Agreement includes customary deal protections, including non-solicitation covenants, including a $5.5 million termination fee payable by either party under certain customary circumstances. The Company has agreed to appoint a US Cobalt nominee to its Board of Directors effective at the closing of the US Cobalt Arrangement.

THE BUSINESS

Background

The Company (formerly Aurgent Resource Corp.) was incorporated on July 13, 2011 under the BCBCA. On September 22, 2016, the Corporation changed its name to "First Cobalt Corp."

First Cobalt is in the business of acquisition and exploration of resource properties with a focus on building a portfolio of assets that are leveraged to the cobalt market. The Company controls over 10,000 hectares of prospective land covering over 50 historic mines as well as a permitted cobalt-silver-nickel extraction refinery in the Cobalt Camp in Ontario, Canada. The Cobalt Camp is approximately a five-hour drive from Toronto, Ontario.

On March 14, 2018, the Company proposed a friendly, all-share acquisition of US Cobalt Inc. for its Iron Creek Project in Idaho, U.S. The transaction remains subject to shareholder and regulatory approvals and other closing conditions. This transaction is intended to further enhance First Cobalt's position as a leading North American cobalt company.

Specialized Skills and Knowledge

Successful exploration, development and operation of the Company's cobalt projects will require access to personnel in a wide variety of disciplines, including geologists, geophysicists, engineers, drillers, managers, project managers, accounting, financial and administrative staff, and others. Since the project locations are also in jurisdictions familiar with and friendly to resource extraction, management believes that the Company's access to the skills and experience needed for success is sufficient.

Competitive Conditions

The Company's activities are directed towards the exploration, evaluation and development of mineral deposits. There is no certainty that the expenditures to be made by the Company will result in discoveries of commercial quantities of mineral deposits. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than it will have, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts, and the Company may not be able to successfully raise funds required for any such capital investment. See "Risk Factors – Competition" below.

Business Cycles

Mining is a cyclical industry and commodity prices fluctuate according to global economic trends and conditions. See "Risk Factors – Risk Related to the Cyclical Nature of the Mining Business" below.

Environmental Protection

Our exploration and development activities are subject to various levels of federal, provincial, state and local laws and regulations relating to the protection of the environment, including requirements for closure and reclamation of mining properties.

The Company's Greater Cobalt Project is situated in a historic mining camp that has seen approximately 100 different mining operations dating back as far as 1904. Many of the former mine sites were not remediated to modern standards and the Company has embarked upon a progressive reclamation program consisting of identifying potential hazards and putting fencing around old mine openings. The actions are not mandated by government authorities but are viewed by the Company as important steps to help protect people and the environment and are consistent with the Company's corporate values. The Refinery has active permits and is subject to a reclamation bond and closure plan. The total provision for reclamation and closure cost obligations at December 31, 2017 was $800,000, of which $400,000 is currently being held in trust by the Province of Ontario. These funds, held in trust, form part of the Refinery assets.

Employees

As of December 31, 2017, the Company had 17 employees.

Reorganizations

There have been no corporate reorganizations of the Company.

MINERAL PROPERTIES

Greater Cobalt Project

The Greater Cobalt Project is the Company's only material mineral property. Please refer to the technical report titled "NI 43-101 Technical Report for the Cobalt Project" dated March 21, 2018 with an effective date of December 31, 2017 (the "**Technical Report**"), as filed on the Company's SEDAR profile, for detailed disclosure relating to:

- Project Description and Location;
- History;
- Geological Settling, Mineralization and Deposit Types;
- Exploration;
- Drilling;
- Sampling Preparation, Analyses and Security; and
- Data Verification.

The following is the extracted summary section from the Technical Report prepared by Stephane Faure, P. Geo., Marc R. Beauvais, P. Eng. and Catherine Jalbert, P. Geo., each of whom is a Qualified Person and "independent" as such term is defined in NI 43-101 and is subject to any updated information contained elsewhere in this AIF. All of the authors of the Technical Report are independent consultants employed by InnovExplo Inc. ("**InnovExplo**") The Technical Report is incorporated by reference herein and for full technical details, reference should be made to the complete text of the Technical Report.

The following summary does not purport to be a complete summary of the Great Cobalt Project and is subject to all the assumptions, qualifications and procedures set out in the Technical Report and is qualified in its entirety with reference to the full text of the Technical Report. Readers should read this summary in conjunction with the Technical Report.

Introduction

The Technical Report presents exploration work completed by the Company in 2017 following an acquisition and a merger. The environmental aspects of the Greater Cobalt Project are also described.

The Company is exploring over 10,000 hectares of prospective land in the Cobalt Camp in Ontario, Canada. This region includes 50 past producing mines, including the Keeley, Frontier, Haileybury, Bellellen, Silverfields, Kerr, Conisil and Drummond mines.

The Technical Report was prepared by InnovExplo to describe the asset condition of First Cobalt following the acquisitions and mergers completed in 2017. The Greater Cobalt Project is subdivided into three properties: Cobalt North, Cobalt Central and Cobalt South (the "**Properties**").

Project Description, Location and Access

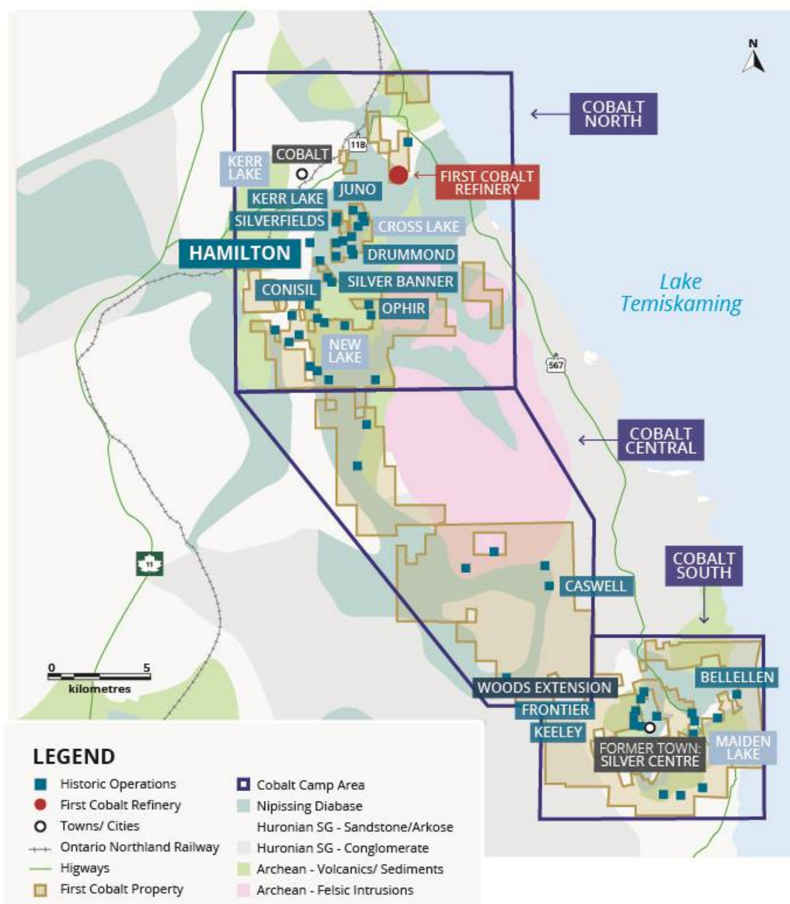
The Greater Cobalt Project is an exploration project with historical development and production of major quantities of silver and cobalt. The Greater Cobalt Project is located in Ontario, Canada, approximately 140 km north of the city of North Bay and about a five hour drive from Toronto

The Cobalt North Property is on NTS sheets 31M05. The approximate latitude and longitude of the property centre are 47°22'30"N and 79°39'00" W. The Cobalt North Property is located in the townships of Bucke, Coleman, Lorrain and Gillies Limit. The Cobalt Central Property is on NTS sheets 31M05 and 31M04. The approximate latitude and longitude of the property centre are 47°16'01"N and 79°36'01" W. The Cobalt Central Property is located in the townships of South Lorrain, Lorrain and Gillies Limit. The Cobalt South Property is on NTS sheets 31M03 and 31M04. The approximate latitude and longitude of the property centre are 47°11'15"N and 79°29'15" W (Figure 4.2). The Cobalt South Property is located in the townships of South Lorrain, Lorrain and Gillies Limit.

An exploration permit has been acquired by the Company for claim #4275044. The Company is currently interacting with the Temiskaming, Temagami, Metis Nation of Ontario and Matachewan First Nation groups, and no concerns have been raised with regards to exploration work.

The Greater Cobalt Project is subject to royalties: 1.0% royalty on returns from the commercial production of minerals from claims 4286485 and 4286486 to Gold Rush Cariboo; 1.0% royalty on returns from the commercial production of minerals from claims 4286469 and 4286489 to Gold Rush Cariboo; 2.0% net smelter return (“**NSR**”) from the sale or other disposition of product produced from the Red Jacket-Hamilton Property; 2.0% NSR royalty on production from the claim 4200044 (Gore Claim) to John Aubrey Gore; 2.0% NSR royalty on production on the Canadian Silver Hunter property; 1.0% NSR royalty on production from the claim 4276645 to Timothy Phillip Harry Martel.

Cobalt Camp property map highlighting First Cobalt properties



The Greater Cobalt Project comprises mining titles located within and to the south of the Cobalt city limits and is accessible from the TransCanada Highway 11. The property comprises several patented and unpatented claims as well as several former mining and ore processing infrastructure either abandoned or in an inoperative state. Mining title status for the Greater Cobalt Project was supplied by Frank Santaguida, Vice President Exploration of the Company. InnovExplo verified the status of all mining titles using CLAIMaps, the Ontario government's online claim management system. For greater detail on the mining titles of the Greater Cobalt Project, please refer to the Technical Report.

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 (Petruk et al, 1971). In addition to silver, the metals 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.

For greater detail on the history of the exploration and development of the Cobalt North Property, the Cobalt Central Property and the Cobalt South Property, please refer to the Technical Report.

Geological Setting, Mineralization and Deposit Types

The Greater Cobalt Project properties are in the eastern part of the Cobalt Embayment. Archean metavolcanic and metasedime ntary rocks are unconformably overlain by Proterozoic rocks of the Huronian Supergroup. The Archean and Proterozoic rocks have been intruded by the regionally distributed Nipissing diabase sills. All deposits in the Cobalt, and Silver Centre production camps are hosted within or adjacent to the diabase sills, near the Huronian-Archean unconformity. Intrusion of the Nipissing diabase may have been influenced, on a regional scale, by fault structures. A major southeast-trending fault system is manifested by the Montreal River, Cross Lake, and Timiskaming Fault. The Greater Cobalt Project is in a favorable area between the Cross Lake and Montreal River faults where most of the Co-Ag occurrences in the Cobalt Embayment are concentrated.

The silver-cobalt veins in the Greater Cobalt Project are typical of the five-element (Co–Ni–As–Ag–Bi) vein assemblage. The silver-cobalt rich vein systems are generally fault controlled, vertical to steeply dipping and nested, with mineralization occurring adjacent to or within mafic intrusions. High-grade veins are usually narrow and bonanza-rich ore-shoots. All economic deposits in Cobalt and Silver Centre occur near the Huronian-Archean unconformity where diabase sills and steeply dipping Archean volcanic sequences coincide. The intrusion of Nipissing diabase provided favourable sites for fracture generation during regional fault activity before, during, and after the intrusion of the diabase sills. There is a spatial and temporal relationship between the deposits, mafic intrusions and regional-scale faults rooted in the Archean basement. The tectono-magmatic event responsible for the emplacement of the Nipissing Diabase was the most likely driver of larger-scale hydrothermal fluid circulation.

Other types of mineralization in the Cobalt Embayment are Proterozoic gold-bearing veins, a variant of the silver-vein systems, Archean orogenic gold deposits, and Cretaceous kimberlites.

Exploration

A large exploration program was undertaken by the Company on its Greater Cobalt Project in 2017.

The intent of the regional mapping program was to recognize major structures and styles of deformation associated with cobalt-silver mineralization. Two areas were covered: Maiden Lake–Silver Centre and New Lake. A total of 108 samples were sent to AGAT Laboratories for multi-element geochemical analyses. The principal findings from the work in the Maiden Lake–Silver Centre area recognized multiple phases of faulting, some that affected only Archean volcanic rocks (pre-Huronian sedimentation) and others that displaced all Precambrian rocks (late faults). The principal findings in the New Lake area highlight a northwest-trending fold pattern in mafic volcanic rocks. Individual folds are tight; in the range of less than 100 m. The axial planes of some of these folds appear to control quartz-carbonate veining that host metallic minerals. Folding is superimposed by faults trending north-south, but also bend according to a later broad folding event. The presence of the large Archean felsic intrusion on the eastern margin of the map area appears to not be affected by this stage of folding.

Prospecting during summer 2017 consisted largely of sampling known surface prospects and historical mine sites based on the MNDM's Mineral Deposit Inventory ("**MDI**") database and published bedrock geology maps. A total of 241 samples were collected and sent to AGAT for multi-element geochemical analyses. In the Juno area, several samples of vein material were collected from a muckpile near one of the two Juno shafts. Caswell appears to be a high-grade cobalt vein system similar to other targets throughout the Camp, such as Silver Banner, although most of the high-grade cobalt at Caswell is hosted by Nipissing Diabase. At Silver Banner, cobalt mineralization occurs within calcite-quartz veins hosted by mafic volcanic rocks. At Drummond, cobalt mineralization occurs in this area within thin, centimetre-sized calcite veins. Cobalt minerals also occur within fractures without calcite. Copper mineralization occurs as both vein-style and disseminated; one copper-rich sample contains Cu-Co-As-S-Bi metal associations similar to those seen at the Bellellen mine.

Detailed mapping was conducted on stripped outcrops on the Kelley-Frontier and Bellellen sites in the Silver Centre area. The purpose of the detailed mapping was to identify the nature and orientation of calcite veining and wallrock alteration near areas of silver-mineralization. Channel sampling across veins and visible mineralization was also done to identify metal values (Co, Ag, Ni, Cu, Pb, Zn, Bi, As) away from the main structures. A total of 382 channel samples were submitted to AGAT for multi-element geochemical analyses.

The Company initiated a muck sampling program. Initially, five or six muckpiles at Keeley-Frontier and one muckpile at Silver Banner were identified. A volumetric survey was also completed using an aerial (drone) survey over two areas. The primary purpose of this program was to expand the issuer's understanding of the bulk grade characteristics of this material and apply this understanding to the potential processing of future ores from the Cobalt Camp. A total of 343 samples was collected from 14 muckpiles. On December 31, 2017, results were pending.

The Company recently surveyed completed drill holes using an EM method. All the selected holes intersected cobalt-bearing calcite veins. Off-hole conductivity anomalies would likely correspond to the extension of veins intersected in the hole, as well as veins containing metallic minerals that would be considered for future drilling. The six surveyed drill holes are: KF-F01V-0009, KF-KD-0003, KF-KD-0004, KF-KD-0005, KF-WV-0004, and KF-WV-0005.

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 (DDH CSH-12-001, CSH-12-003 and CSH-12-004).

The Company has initiated the acquisition and digital data compilation of available historical Keeley-Frontier mine and Kerr Lake data for the purpose of generating a 3D geological model of mines and their surrounding area. The 3D model will continue to be improved by integrating underground drilling information, as well as new information from mapping and eventually the 2017 drilling results.

Drilling

The Company resumed drilling during the fall of 2017. A total of 61 diamond drilling holes were completed by December 31, 2017, for a total of 6361.62m. Diamond drill holes are planned using vertical cross-sections and plan views in order to intercept interpreted veins or structural features at the proper angle.

The diamond drilling program was designed to test vein sets mapped in outcrop in 10 areas known to be cobalt-rich over a 2-km strike length encompassing the past producing Keeley-Frontier, Haileybury and Bellellen mines.

Assays from three (3) holes at the Woods Vein Extension target area show this vein system extends northward beyond the mine workings. Calcite veins were intersected in holes along strike of the Woods and Watson veins. Assays from drill hole KV-WV-0008 returned 0.83% Co and 30 g/t Ag over 0.48 m in veins near the Nipissing Diabase contact. High lead (1.90% Pb over 0.9 m) occurs in calcite veins in this hole as well, from 10.46 to 11.36 m. These intersections may represent an extension of the Woods-Watson vein system in an area previously unexplored. All three reported holes at the Woods Vein Extension area intersected metals in calcite veins that may represent a hydrothermal halo around Co-Ag veins.

Sampling, Analysis and Data Verification

An author of the Technical Report, Catherine Jalbert, visited the Greater Cobalt Project on January 18 and 19, 2018, accompanied by Stéphanie Lafrenière and Marc R. Beauvais of InnovExplo and Meghan Hewton, GIT, of First Cobalt. During the site visit, the author was able to examine the logging facilities, review the core and drill hole collar location, and visit an active drill rig and multiple historical work location.

Some of the data verification also took place both before and after the site visit. First Cobalt provided InnovExplo with an Access database containing the 61 holes drilled in 2017. The database included all assays received at that moment. Since the decision was taken to close the database on December 31, 2017, only the data entered by this date were validated. Hole descriptions were provided, including surveys, collar location, geology, etc. Overall, InnovExplo is in the opinion that the data verification process demonstrated the validity of the data and protocols for the Greater Cobalt Project. InnovExplo considers the First Cobalt Database to be valid and of sufficient quality.

Exploration, Development, and Production

In 2017, the Company completed an extended exploration and drilling program over the Greater Cobalt Project. The Company was active on many levels, from exploration (prospecting) and structural interpretation of the project, to extension of known mineralized veins, to grade characteristics.

Emphasis was placed on understanding the structural context of the mineralization. Many parts of the program were completed with this goal in mind. Two areas were regionally mapped: Maiden Lake–Silver Centre and New Lake. This bedrock mapping program provided a better understanding of the structural geology in these areas. In the Maiden Lake area, the principal finding was the identification of multi-phase faulting and NE-SW trending folding at two scales that greatly affected the area. In the New Lake area, the work highlighted a northwest trending fold pattern in the mafic volcanic rocks. The goal of detailed mapping in the Silver Centre area (Cobalt South Property) was similar to the regional mapping goal: identify the nature and orientation of calcite veining and wallrock alteration in order to support the 2017 drilling and core logging activities. Stockwork-style calcite veins are predominant, with orientations ranging from NE to NW. The televiewer survey on the 2012 Canadian silver drill holes permitted to localise and better understand other north-trending veins and east-west faults present in vicinity of Woods Vein (Keeley Mine, in Cobalt South).

The aim of the prospecting program was to determine the metal grades and associations and to identify mineralization textures to improve recognition in diamond drill core. A number of muckpiles and outcrops were sampled, returning significant grades for cobalt and silver. Mineralization is mostly contained in quart-calcite veins, and veins are hosted in Nipissing diabase or mafic volcanics.

Borehole EM surveys proved effective in 2017 in identifying intersected cobalt mineralization and highlighting mineralized extensions away from the drill hole. Two holes returned major anomalies: KF-KF-0003 and KF-KD-0004.

A total of 61 diamond drill holes were completed by December 31, 2017, totalling 6361.62 m. Their aim was to intercept know mineralized extensions and structural features to improve the geological understanding. The assay results included many cobalt and silver grades, although a number of results were still pending at the effective date. The results are significant in that, as with the sulphide-style mineralization identified by the Company elsewhere in the Cobalt Camp, they support the hypothesis that a larger mineralized system exists around the past-producing vein systems. Copper, zinc and lead occur as sulphide minerals in holes KF-F01V-0009 and KF-KV-0002 as well as in calcite veins in KF-WV-0008 and can be considered the distal hydrothermal halo around the Co-Ag vein system.

There are a number of risks that have been identified which may have an impact to the future project economics. For example, the numerous abandoned mine sites containing unattended or un protected hazardous features who may pose a threat to human beings or the environment. There are also some opportunities like the appreciation of the market price for the cobalt commodity on the world market that could positively stimulate the project economics

The table below identifies the significant internal risks, potential impacts and possible risk mitigation measures that could affect the future economic outcome of the Greater Cobalt Project. The list does not include the external risks that apply to all mining projects (e.g., changes in metal prices, exchange rates, availability of investment capital, change in government regulations, etc.).

Cobalt Camp Risks and Hazards

Risk	Potential Impact	Possible Risk Mitigation
Unguarded-unmonitored asset – Refinery	• Prone to vandalism • Exposure to safety risks and liabilities • Deterioration of the asset (value depletion) • Prone to chemical instability and water table contamination	• Evaluate the potential to rehabilitate facility or dismantle and sell buildings/components for salvage value. • Move out, bury or dispose of waste near tailings pond. • Consider erecting fence around perimeter of the industrial area and install a surveillance camera.
Unguarded/abandoned asset – Canadaka tailings and mill buildings	• Prone to vandalism • Exposure to safety risks and liabilities • Prone to chemical instability and water table contamination	• As proposed by Company, dismantle mill and crusher buildings. • Sell mobile equipment and steel rubbish for salvage value. • Move out, bury or dispose of waste near tailings pond.
Backlogs to legal environmental requirements	• Exposure to liabilities • Could result in unexpected expenses and delays impeding operation startup • Exposure to negative public perception	• For uncharacterized sites, verify status and information regarding features and legal requirements, and budget any associated costs and delays as required. • Undertake a properties environmental characterization for potential contamination
Conflicting or missing location of existing mine hazards	• Exposure to safety risks and liabilities • Exposures to lawsuits • Exposure to negative public perception	• Collect and investigate historical documents available and prepare a rehabilitation plan.
Unprotected existing mine openings and hazards	• Exposure to safety risks and liabilities • Exposures to lawsuits • Exposure to negative public perception	• Identify hazards and prepare a rehabilitation plan.
Previously mined veins (historical)	• Insufficient tonnage remaining for mining extraction	• Compile and identify all historical mine openings. Plan drill holes to test the extension of known veins and pay attention to missing core (bad core recovery).

RISK FACTORS

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Company and could cause the Company's operating and financial performance to differ materially from the estimates described in forward-looking statements relating to the Company. These include widespread risks associated with any form of business and specific risks associated with the Company's business and its involvement in the cobalt exploration and development industry.

This section describes risk factors identified as being potentially significant to the Company and its material property, the Greater Cobalt Project. Additional risk factors may be included in technical reports or other documents previously disclosed by the Company. In addition, other risks and uncertainties not discussed to date or not known to management could have material and adverse effects on the valuation of our securities, existing business activities, financial condition, results of operations, plans and prospects.

Reliance on Key Personnel

The senior officers of the Company are critical to its success. In the event of the departure of a senior officer, the Company believes that it will be successful in attracting and retaining qualified successors, but there can be no assurance of such success. Recruiting qualified personnel as the Company grows is critical to its success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited, and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, engineering, geological and other personnel. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of the Company. The Company is particularly at risk at this state of its development as it relies on a small management team, the loss of any member of which could cause severe adverse consequences.

Substantial Capital Requirements and Liquidity

The Company anticipates that it will incur substantial capital expenditures for the continued exploration and development of its projects in the future. The Company currently has no revenue and may have limited ability to undertake or complete future drilling or exploration programs, process studies and the design and recommissioning of the Refinery. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. Sales of substantial amounts of securities may have a highly dilutive effect on the ownership or share structure of the Company. Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares.

The Company has not yet commenced commercial production at any of its properties and as such, it has not generated positive cash flows to date and has no reasonable prospects of doing so unless successful commercial production can be achieved at the Greater Cobalt Project. The Company expects to continue to incur negative investing and operating cash flows until such time as it enters into commercial production. This will require the Company to deploy its working capital to fund such negative cash flow and to seek additional sources of financing. There is no assurance that any such financing sources will be available or sufficient to meet the Company's requirements. There is no assurance that the Company will be able to continue to raise equity capital or that the Company will not continue to incur losses.

Property Commitments

The Company's mining properties may be subject to various land payments, royalties and/or work commitments. Failure by the Company to meet its payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests.

Exploration and Development

Exploring and developing natural resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted, such that it is neither feasible nor practical to proceed. Natural resource exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of natural resources, any of which could result in work stoppages, damage to property, and possible environmental damage. If any of the Company's exploration programs are successful, there is a degree of uncertainty attributable to the calculation of resources and corresponding grades and in the analysis of the economic viability of future mine development and mineral extraction. Until actually extracted and processed, the quantity of cobalt reserves and grade must be considered as estimates only. In addition, the quantity of reserves and resources may vary depending on commodity prices and various technical and economic assumptions. Any material change in quantity of reserves, grade or recovery ratio, may affect the economic viability of the Company's properties. In addition, there can be no assurance that results obtained in small-scale laboratory tests or pilot plants will be duplicated in larger scale tests under on-site conditions or during production. The Company closely monitors its activities and those factors which could impact them, and employs experienced consulting, engineering, and legal advisors to assist in its risk management reviews where it is deemed necessary.

Operational Risks

The Company will be subject to a number of operational risks and may not be adequately insured for certain risks, including: environmental contamination, liabilities arising from historic operations, accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labor disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena such as inclement weather conditions, floods, earthquakes, ground movements, cave-ins, and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the property of the Company, personal injury or death, environmental damage or, regarding the exploration or development activities of the Company, increased costs, monetary losses and potential legal liability and adverse governmental action. These factors could all have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Additionally, the Company may be subject to liability or sustain loss for certain risks and hazards against which the Company cannot insure or which the Company may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Construction Risks

As a result of the substantial expenditures involved in development projects, developments are prone to material cost overruns versus budget. The capital expenditures and time required to develop new mines are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to build the project.

Construction costs and timelines can be impacted by a wide variety of factors, many of which are beyond the control of the Company. These include, but are not limited to, weather conditions, ground conditions, performance of the mining fleet and availability of appropriate rock and other material required for construction, availability and performance of contractors and suppliers, delivery and installation of equipment, design changes, accuracy of estimates and availability of accommodations for the workforce.

Project development schedules are also dependent on obtaining the governmental approvals necessary for the operation of a project. The timeline to obtain these government approvals is often beyond the control of the Company. A delay in start-up or commercial production would increase capital costs and delay receipt of revenues.

Environmental Risks

All phases of mineral exploration and development businesses present environmental risks and hazards and are subject to environmental regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances used and or produced in association with natural resource exploration and production operations. The legislation also requires that facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures, and a breach may result in the imposition of fines and penalties, some of which may be material.

Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that the application of environmental laws to the business and operations of the Company 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 the Company's financial condition, results of operations or prospects.

Commodity Price Fluctuations

The prices of commodities vary on a daily basis. Price volatility could have dramatic effects on the results of operations and the ability of the Company to execute its business plan. The price of cobalt materials may also be reduced by the discovery of new cobalt deposits, which could not only increase the overall supply of cobalt (causing downward pressure on its price), but could draw new firms into the cobalt industry which would compete with the Company.

Volatility of the Market Price of the Company's Common Shares

The Company's common shares are listed on the TSXV under the symbol "FCC", on the ASX under the symbol "FCC" and on the OTCQB under the symbol "FTSSF". Securities of junior companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The Company's common share price is also likely to be significantly affected by delays experienced in progressing with development plans, a decrease in investor appetite for junior stocks, or in adverse changes in our financial condition or results of operations as reflected in the Company's quarterly and annual financial statements. Other factors unrelated to performance that could have an effect on the price of the Company's common shares include the following:

(a) The trading volume and general market interest in the Company's common shares could affect a shareholder's ability to trade significant numbers of common shares; and

(b) The size of the public float in the Company's common shares may limit the ability of some institutions to invest in the Company's securities.

As a result of any of these or other factors, the market price of the Company's common shares at any given point in time might not accurately reflect the Company's long-term value. Securities class action litigation has been brought against companies following years of volatility in the market price of their securities. The Company could in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Cost Estimates

The Company prepares estimates of operating costs and/or capital costs for each operation and project. The Company's actual costs are dependent on a number of factors, including royalties, the price of cobalt and by-product metals and the cost of inputs used in exploration activities.

The Company's actual costs may vary from estimates for a variety of reasons, including labour and other input costs, commodity prices, general inflationary pressures and currency exchange rates. Failure to achieve cost estimates or material increases in costs could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Future Share Issuances May Affect the Market Price of the Common Shares

In order to finance future operations, the Company may raise funds through the issuance of additional common shares or the issuance of debt instruments or other securities convertible into common shares. The Company cannot predict the size of future issuances of common shares or the issuance of debt instruments or other securities convertible into common shares or the dilutive effect, if any, that future issuances and sales of the Company's securities will have on the market price of the common shares.

Economic and Financial Market Instability

Global financial markets have been volatile and unstable at times since the global financial crisis, which began in 2007. Bank failures, the risk of sovereign defaults, other economic conditions and intervention measures have caused significant uncertainties in the markets. The resulting disruptions in credit and capital markets have negatively impacted the availability and terms of credit and capital. High levels of volatility and market turmoil could also adversely impact commodity prices, exchange rates and interest rates. In the short term, these factors, combined with the Company's financial position, may impact the Company's ability to obtain equity or debt financing in the future and, if obtained, the terms that are available to the Company. In the longer term, these factors, combined with the Company's financial position could have important consequences, including the following:

(a) Increasing the Company's vulnerability to general adverse economic and industry conditions;

(b) Limiting the Company's ability to obtain additional financing to fund future working capital, capital expenditures, operating and exploration costs and other general corporate requirements;

(c) Limiting the Company's flexibility in planning for, or reacting to, changes in the Company's business and the industry; and

(d) Placing the Company at a disadvantage when compared to competitors that have less debt relative to their market capitalization.

Issuance of Debt

From time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed partially or wholly with debt, which may increase the Company's debt levels above industry standards. The Company's articles do not limit the amount of indebtedness that the Company may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise. The Company's ability to service any future debt obligations will depend on the Company's future operations, which are subject to prevailing industry conditions and other factors, many of which are beyond the control of the Company.

Financing Risks

The Company's development and exploration activities may require additional external financing. There can be no assurance that additional capital or other types of financing will be available when needed or that, if available, the terms of such financing will be acceptable to the Company. Furthermore, if the Company raises additional capital by offering equity securities or securities convertible into equity securities, any additional financing may involve substantial dilution to existing shareholders. Failure to obtain sufficient financing could result in the delay or indefinite postponement of exploration, development, construction or production of any or all of the Company's mineral properties. The cost and terms of such financing may significantly reduce the expected benefits from new developments or render such developments uneconomic.

Industry Competition and International Trade Restrictions

The international resource industries are highly competitive. The value of any future reserves discovered and developed by the Company may be limited by competition from other world resource mining companies, or from excess inventories. Existing international trade agreements and policies and any similar future agreements, governmental policies or trade restrictions are beyond the control of the Company and may affect the supply of and demand for minerals, including cobalt, around the world.

Governmental Regulation and Policy

Mining operations and exploration activities are subject to extensive laws and regulations. Such regulations relate to production, development, exploration, exports, imports, taxes and royalties, labor standards, occupational health, waste disposal, protection and remediation of the environment, mine decommissioning and reclamation, mine safety, toxic and radioactive substances, transportation safety and emergency response, and other matters. Compliance with such laws and regulations increases the costs of exploring, drilling, developing, constructing, operating and closing mines and refining and other facilities. It is possible that, in the future, the costs, delays and other effects associated with such laws and regulations may impact decisions of the Company with respect to the exploration and development of properties such as the Greater Cobalt Project, or any other properties in which the Company has an interest. The Company will be required to expend significant financial and managerial resources to comply with such laws and regulations. Since legal requirements change frequently, are subject to interpretation and may be enforced in varying degrees in practice, the Company is unable to predict the ultimate cost of compliance with these requirements or their effect on operations. Furthermore, future changes in governments, regulations and policies and practices, such as those affecting exploration and development of the Company's properties could materially and adversely affect the results of operations and financial condition of the Company in a particular year or in its long-term business prospects.

The development of mines and related facilities is contingent upon governmental approvals, licenses and permits which are complex and time consuming to obtain and which, depending upon the location of the project, involve multiple governmental agencies. The receipt, duration and renewal of such approvals, licenses and permits are subject to many variables outside the control of the Company, including potential legal challenges from various stakeholders such as environmental groups or non-government organizations. Any significant delays in obtaining or renewing such approvals, licenses or permits could have a material adverse effect on the Company, including delays and cost increases in the advancement of the Greater Cobalt Project.

Permitting

The Company's operations, development projects and exploration activities are subject to receiving and maintaining licenses, permits and approvals, including regulatory relief or amendments, (collectively, "**permits**") from appropriate governmental authorities. Before any development on any of its properties the Company must receive numerous permits, and continued operations at the Company's mines is also dependent on maintaining, complying with and renewing required permits or obtaining additional permits.

The Company may be unable to obtain on a timely basis or maintain in the future all necessary permits required to explore and develop its properties, commence construction or operation of mining facilities and properties or maintain continued operations. Delays may occur in connection with obtaining necessary renewals of permits for the Company's existing operations and activities, additional permits for existing or future operations or activities, or additional permits associated with new legislation. It is possible that previously issued permits may become suspended or revoked for a variety of reasons, including through government or court action.

Risk Related to the Cyclical Nature of the Mining Business

The mining business and the marketability of the products that are produced are affected by worldwide economic cycles. At the present time, the significant demand for cobalt and other commodities in many countries is driving increased prices, but it is difficult to assess how long such demand may continue. Fluctuations in supply and demand in various regions throughout the world are common.

As the Company's mining and exploration business is in the exploration stage and as the Company does not carry on production activities, its ability to fund ongoing exploration is affected by the availability of financing which is, in turn, affected by the strength of the economy and other general economic factors.

Title Claims and First Nations Rights

The Company has investigated its rights to explore and exploit its projects and, to the best of its knowledge, its rights in relation to lands covering the projects are in good standing. Nevertheless, no assurance can be given that such rights will not be revoked, or significantly altered, to the Company's detriment. There can also be no assurance that the Company's rights will not be challenged or impugned by third parties.

Although the Company is not aware of any existing title uncertainties with respect to lands covering material portions of its projects, there is no assurance that such uncertainties will not result in future losses or additional expenditures, which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Certain of the Company's properties may be subject to the rights or the asserted rights of various community stakeholders, including First Nations and other indigenous peoples. The presence of community stakeholders may impact the Company's ability to develop or operate its mining properties and its projects or to conduct exploration activities. Accordingly, the Company is subject to the risk that one or more groups may oppose the continued operation, further development or new development or exploration of the Company's current or future mining properties and projects.

Such opposition may be directed through legal or administrative proceedings, or through protests or other campaigns against the Company's activities.

Governments in many jurisdictions must consult with, or require the Company to consult with, indigenous peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. Consultation and other rights of indigenous peoples may require accommodation including undertakings regarding employment, royalty payments and other matters. This may affect the Company's ability to acquire within a reasonable time frame effective mineral titles, permits or licenses in any jurisdictions in which title or other rights are claimed by First Nations and other indigenous peoples, and may affect the timetable and costs of development and operation of mineral properties in these jurisdictions. The risk of unforeseen title claims by indigenous peoples also could affect existing operations as well as development projects. These legal requirements may also affect the Company's ability to expand or transfer existing operations or to develop new projects.

Community Relations and License to Operate

The Company's relationship with the host communities where it operates is critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations ("**NGOs**"), some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of cyanide and other hazardous substances in processing activities. Adverse publicity generated by such NGOs or others related to extractive industries generally, or the Company's exploration or development activities specifically, could have an adverse effect on the Company's reputation. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, which could have a material adverse impact on the Company's results of operations, financial condition and prospects. While the Company is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

Acquisition and Integration Risks

As part of its business strategy, the Company has sought and will continue to seek new operating, development and exploration opportunities in the mining industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, if at all, or that any acquisition or business arrangement completed will ultimately benefit its business. Such acquisitions may be significant in size, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial or geological risks. Further, any acquisition the Company makes will require a significant amount of time and attention of First Cobalt's management, as well as resources that otherwise could be spent on the operation and development of the Company's existing business.

Any future acquisitions would be accompanied by risks, such as a significant decline in the relevant metal price after the Company commits to complete an acquisition on certain terms; the quality of the mineral deposit acquired proving to be lower than expected; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of the Company's ongoing business; the inability of management to realize anticipated synergies and maximize the Company's financial and strategic position; the failure to maintain uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; and the potential for unknown or unanticipated liabilities associated with acquired assets and businesses, including tax, environmental or other liabilities. In addition, the Company may need additional capital to finance an acquisition. Debt financing related to any acquisition may expose the Company to the risks related to increased leverage, while equity financing may cause existing shareholders to suffer dilution. There can be no assurance that any business or assets acquired in the future will prove to be profitable, that the Company will be able to integrate the acquired businesses or assets successfully or that it will identify all potential liabilities during the course of due diligence. Any of these factors could have a material adverse effect on the Company's business, prospects, results of operations and financial condition.

No Revenue and Negative Cash Flow

The Company has negative cash flow from operating activities and does not currently generate any revenue. Lack of cash flow from the Company's operating activities could impede its ability to raise capital through debt or equity financing to the extent required to fund its business operations. In addition, working capital deficiencies could negatively impact the Company's ability to satisfy its obligations promptly as they become due. If the Company does not generate sufficient cash flow from operating activities, it will remain dependent upon external financing sources. There can be no assurance that such sources of financing will be available on acceptable terms or at all.

Legal and Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material adverse effect on the Company's business, prospects, financial condition, and operating results. There are no current claims or litigation outstanding against the Company.

Insurance

The Company is also subject to a number of operational risks and may not be adequately insured for certain risks, including: accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labor disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena such as inclement weather conditions, floods, earthquakes, tornados, thunderstorms, ground movements, cave-ins, and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the properties of the Company, personal injury or death, environmental damage or, regarding the exploration or development activities of the Company, increased costs, monetary losses and potential legal liability and adverse governmental action, all of which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition. The payment of any such liabilities would reduce the funds available to the Company. If the Company is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

No assurance can be given that insurance to cover the risks to which the Company's activities are subject will be available at all or at commercially reasonable premiums. The Company is not currently covered by any form of environmental liability insurance, since insurance against environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is unavailable or prohibitively expensive. This lack of environmental liability insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Conflicts of Interest

The Company's directors and officers are or may become directors or officers of other mineral resource companies or reporting issuers or may acquire or have significant shareholdings in other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may, or may also wish to participate, the directors and officers of the Company may have a conflict of interest with respect to such opportunities or in negotiating and concluding terms respecting the extent of such participation.

The Company and its directors and officers will attempt to minimize such conflicts. If such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether or not the Company will participate in a particular program and the interest to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

Decommissioning and Reclamation

Environmental regulators are increasingly requiring financial assurances to ensure that the cost of decommissioning and reclaiming sites is borne by the parties involved, and not by government. It is not possible to predict what level of decommissioning and reclamation (and financial assurances relating thereto) may be required in the future by regulators. The Company's ability to advance its projects could be adversely affected by any inability on its part to obtain or maintain the required financial assurances.

Dividends

The Company has never paid cash dividends on our common shares, and does not expect to pay any cash dividends in the future in favor of utilizing cash to support the development of our business. Any future determination relating to the Company's dividend policy will be made at the discretion of the Company's Board of Directors and will depend on a number of factors, including future operating results, capital requirements, financial condition and the terms of any credit facility or other financing arrangements the Company may obtain or enter into, future prospects and other factors the Company's Board of Directors may deem relevant at the time such payment is considered. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on their investment in the common shares for the foreseeable future.

Time and Cost Estimates

Actual time and costs may vary significantly from estimates for a variety of reasons, both within and beyond the control of the Company. Failure to achieve time estimates and significant increases in costs may adversely affect the Company's ability to continue exploration, develop the Greater Cobalt Project and ultimately generate sufficient cash flows. There is no assurance that the Company's estimates of time and costs will be achievable.

Consumables Availability and Costs

The Company's planned exploration, development and operating activities, including the profitability thereof, will continue to be affected by the availability and costs of consumables used in connection with the Company's activities. Of significance, this may include concrete, steel, copper, piping, diesel fuel and electricity. Other inputs such as labor, consultant fees and equipment components are also subject to availability and cost volatility. If inputs are unavailable at reasonable costs, this may delay or indefinitely postpone planned activities. Furthermore, many of the consumables and specialized equipment used in exploration, development and operating activities are subject to significant volatility. There is no assurance that consumables will be available at all or at reasonable costs.

Mineral Resource Uncertainties

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to mineral resources, there can be no assurances that mineral resources will be upgraded to mineral reserves as a result of continued exploration or during the course of operations.

There can be no assurances that any of the mineral resources stated in this MD&A or published technical reports of the Company will be realized. Until a deposit is actually extracted and processed, the quantity of mineral resources or reserves, grades, recoveries and costs must be considered as estimates only. In addition, the quantity of mineral resources or reserves may vary depending on, among other things, product prices. Any material change in the quantity of mineral resources or reserves, grades, dilution occurring during mining operations, recoveries, costs or other factors may affect the economic viability of stated mineral resources or reserves. In addition, there is no assurance that mineral recoveries in limited, small scale laboratory tests or pilot plants will be duplicated by larger scale tests or during production. Fluctuations in cobalt prices, results of future drilling, metallurgical testing, actual mining and operating results, and other events subsequent to the date of stated mineral resources and reserves estimates may require revision of such estimates. Any material reductions in estimates of mineral resources or reserves could have a material adverse effect on the Company.

Global Financial Conditions

Global financial conditions have been subject to continued volatility. Government debt, the risk of sovereign defaults, political instability and wider economic concerns in many countries have been causing significant uncertainties in the markets. Disruptions in the credit and capital markets can have a negative impact on the availability and terms of credit and capital. Uncertainties in these markets could have a material adverse effect on the Company's liquidity, ability to raise capital and cost of capital. High levels of volatility and market turmoil could also adversely impact commodity prices, exchange rates and interest rates and have a detrimental effect on the Company's business.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, or community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Competition

the Company faces strong competition from other mining companies in connection with the identification and acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to identify, maintain or acquire attractive mining properties on acceptable terms or at all. Consequently, the Company's prospects, revenues, operations and financial condition could be materially adversely affected.

Taxation

The Company is affected by the tax regimes of various local, regional and national authorities. Revenues, expenditures, income, investments, land use, intercompany transactions and all other business conditions can be taxed. Tax regulations, interpretations and enforcement policies may differ from the Company's applied methods and may change over time due to circumstances beyond the Company's control. The effect of such events could have material adverse effects on the Company's anticipated tax consequences. There is no assurance regarding the nature or rate of taxation, assessments and penalties that may be imposed.

DIVIDENDS AND DISTRIBUTIONS

The Company has not, for any of the three most recently completed financial years or its current financial year, declared or paid any dividends on our Common Shares, and does not currently have a policy with respect to the payment of dividends. For the foreseeable future, we anticipate that we will not pay dividends but will retain future earnings and other cash resources for the operation and development of our business. The payment of dividends in the future will depend on our earnings, if any, our financial condition and such other factors as our directors consider appropriate.

CAPITAL STRUCTURE

Common Shares

The authorized share capital of the Company consists of an unlimited number of common shares. As of the date of this AIF, 222,426,797 common shares were issued and outstanding. In addition, as of the date of this AIF, there were 6,123,482 common shares issuable on the exercise of incentive stock options and 13,217,682 common shares issuable on the exercise of common share purchase warrants.

Holders of common shares are entitled to receive notice of any meeting of shareholders of the Company, to attend and to cast one vote per share at such meetings. Holders of common shares are also entitled to receive on a pro-rata basis such dividends, if any, as and when declared by the Board at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro-rata basis, the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority. The common shares do not carry any pre-emptive, subscription, redemption or conversion rights.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed for trading on the TSXV under the trading symbol “FCC”.

The following table sets forth the high and low prices and total monthly volume of the Common Shares as traded on the TSXV for the periods indicated. All share prices are shown in Canadian dollars.

Period	High	Low	Total Volume
January 2017	0.590	0.340	1,078,053
February 2017	0.850	0.520	1,809,267
March 2017	0.920	0.640	9,425,096
April 2017	0.760	0.580	2,932,774
May 2017	0.740	0.420	7,355,779
June 2017(1)	0.760	0.520	11,318,137
July 2017(1)	N/A	N/A	Nil
August 2017(1)	0.680	0.475	8,959,506
September 2017	0.680	0.560	8,697,387
October 2017	0.750	0.560	8,412,551
November 2017	1.650	0.590	22,231,000
December 2017	1.460	1.110	14,496,048

Notes:

(1) Trading in the Company’s common shares was halted on the TSXV between June 23, 2017, and August 28, 2017, pending the completion of certain filings with the TSXV in connection with the Company’s acquisition of CobalTech and Cobalt One.

Prior Sales

The Company issued the following securities during the most recently completed financial year and the current financial year:

Date	Class of Security	Amount Issued	Issue Price
8-Jan-2017	Common Shares	200,000(1)	$0.34
23-Jan-2017	Common Shares	6,900,000(2)	$0.25
31-Jan-2017	Common Shares	150,000(3)	$0.10
8-Feb-2017	Common Shares	150,000(3)	$0.06

24-Feb-2017	Common Shares	150,000(3)	$0.06
24-Feb-2017	Common Shares	22,500(3)	$0.10
27-Feb-2017	Common Shares	200,000(3)	$0.10
1-Mar-2017	Common Shares	100,000(3)	$0.10
2-Mar-2017	Options	1,975,000	$0.66
6-Mar-2017	Common Shares	13,200,000(4)	$0.50
30-Mar-2017	Common Shares	587,500(3)	$0.10
10-Apr-2017	Common Shares	4,450,000(5)	$0.57
28-Apr-2017	Common Shares	250,000(3)	$0.10
28-Apr-2017	Common Shares	40,000(3)	$0.06
3-May-2017	Common Shares	200,000(3)	$0.10
31-May-2017	Common Shares	2,050,001(4)	$0.60
1-Jun-2017	Options	1,400,000	$0.69
2-Jun-2017	Common Shares	200,000(3)	$0.06
2-Jun-2017	Common Shares	400,000(3)	$0.10
5-Jun-2017	Common Shares	800,000(3)	$0.10
5-Jun-2017	Common Shares	250,000(1)	$0.25
5-Jun-2017	Common Shares	60,000(3)	$0.06
6-Jun-2017	Common Shares	1,000,000(3)	$0.10
6-Jun-2017	Common Shares	150,000(1)	$0.35
8-Jun-2017	Common Shares	150,000(3)	$0.10
13-Jun-2017	Common Shares	2,140,000(3)	$0.10
14-Jun-2017	Common Shares	300,000(3)	$0.10
16-Jun-2017	Common Shares	150,000(3)	$0.10
21-Jun-2017	Common Shares	100,000(3)	$0.06
26-Jun-2017	Common Shares	100,000(3)	$0.06
26-Jun-2017	Common Shares	200,000(3)	$0.10
30-Jun-2017	Common Shares	150,000(3)	$0.10
12-Sep-2017	Common Shares	50,000(3)	$0.10
3-Oct-2017	Common Shares	200,000(1)	$0.34
3-Nov-2017	Common Shares	243,750(1)	$0.25
6-Nov-2017	Common Shares	1,000,000(3)	$0.10
28-Nov-2017	Common Shares	1,350,000(3)	$0.10
29-Nov-2017	Common Shares	250,000(1)	$0.38
29-Nov-2017	Common Shares	800,000(3)	$0.10
30-Nov-2017	Common Shares	107,948,909(6)	$0.76
30-Nov-2017	Common Shares	24,422,438(7)	$0.76
1-Dec-2017	Performance Share Units	581,682(8)	N/A
1-Dec-2017	Deferred Share Units	898,964(8)	N/A
1-Dec-2017	Options	1,683,482	$1.43
5-Dec-2017	Common Shares	100,000(3)	$0.10
21-Dec-2017	Common Shares	4,700,000(4)	$1.51
21-Dec-2017	Common Shares	20,950,000(4)	$1.10
28-Dec-2017	Common Shares	234,000(4)	$1.31
28-Dec-2017	Common Shares	200,728(3)	$1.14
28-Dec-2017	Common Shares	81,250(1)	$0.25

Notes:

(1) Issued pursuant to exercise of options.
(2) Issued pursuant to the Company's acquisition of Cobalt Industries.
(3) Issued pursuant to exercise of warrants.
(4) Issued pursuant to a private placement financing.
(5) Issued pursuant to the Company's acquisition of Cobalt Projects.
(6) Issued pursuant to the Company's acquisition of Cobalt One.

(7) Issued pursuant to the Company's acquisition of CobalTech.
(8) The Company issued 898,964 DSUs to certain non-executive directors of the Corporation and 581,682 PSUs to the chairman and certain officers of the Corporation. DSUs vest immediately and may not be exercised until a director ceases to serve on the board. PSUs may vest in two tranches over a 12-month period contingent on achieving strategic corporate objectives.

Subsequent to December 31, 2017, the Company issued the following:

Date	Class of Security	Amount Issued	Issue Price
5-Jan-2018	Common Shares	526,400(1)	$1.20
5-Jan-2018	Common Shares	69,274(1)	$1.14
18-Jan-2018	Common Shares	224,000(2)	$1.07
26-Jan-2018	Common Shares	151,364(3)	$1.10
19-Feb-2018	Common Shares	1,566,993(4)	$0.64

Notes:

(1) Issued pursuant to exercise of warrants.
(2) Issued in connection with the acquisition of a series of mineral claims from Gold Rush Cariboo Inc.
(3) Issued pursuant to a private placement financing.
(4) Issued to a third-party as a success fee in connection with the acquisition of Cobalt One and CobalTech.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

Common shares of the Company issued in connection with the acquisition of Cobalt Industries are subject to restrictions on resale for a period of 18 months following completion of the acquisition pursuant to a pooling arrangement. The common shares are released from the pooling arrangement in five equal tranches every three months starting on the date which is six months from completion of the acquisition. As of the date of this AIF, 2,760,000 common shares remain subject to the pooling arrangement.

All common shares of the Company issued in connection with the acquisition of Cobalt Projects are subject to restrictions on resale for a period of 18 months following completion of the acquisition pursuant to a pooling arrangement. The common shares are released from the pooling arrangement in six equal tranches with the first tranche being released on the date which is four months from completion of the acquisition, the second tranche being released on the date which is six months from completion of the acquisition, and each subsequent tranche being released every three months thereafter. As of the date of this AIF, 2,225,000 common shares remain subject to the pooling arrangement.

DIRECTORS AND OFFICERS

Name, Province or State, Country of Residence and Offices Held

The following table sets forth the name of each of our directors and executive officers, their province or state and country of residence, their position(s) with the Company, their principal occupation during the preceding five years and the date they first became a director of the Company. Each director's term will expire immediately prior to the following annual meeting of shareholders.

Name, Age and Residence	Position(s) with the Company	Principal Occupation During Past Five Years	Director Since
Trent Mell Age 48 Toronto, Ontario, Canada	President, Chief Executive Officer and Director	President & CEO of the Company; President of PearTree Securities; President & CEO of Falco Resources	March 14, 2017
Ross Phillips(1)(2) Age 53 Oakville, Ontario, Canada	Director	Interim CFO and Former COO of Potash Ridge Corp.	February 10, 2017
Jeffrey Swinoga(1)(2) Age 50 Oakville, Ontario, Canada	Director	CEO of First Mining Gold Inc., CFO of Torex Gold Resources Inc., and former CFO of Golden Star Resources	May 10, 2017
John Pollesel(1)(2) Age 54 Edmonton, Alberta, Canada	Director	CEO of Morris Group of Companies, and Former SVP of Mining of Finning Canada	May 17, 2017
Robert Cross(1) Age 58 Vancouver, British Columbia, Canada	Director	Corporate Board Member; Chairman of B2Gold Corp.	December 1, 2017
Jason Bontempo(1) Age 43 Perth, WA, Australia	Director	Managing Director of BR Corporation Pty Ltd., Former Executive Director of Cobalt One Ltd.; Former CEO of Glory Resources Ltd.	December 1, 2017
Paul Matysek(1) Age 60 Vancouver, British Columbia, Canada	Director	Former Chairman of Lithium-X Energy Corp.; Former President and CEO of Goldrock Mines Corp.	December 1, 2017

Name, Age and Residence	Position(s) with the Company	Principal Occupation During Past Five Years	Director Since
Kevin Ma Age 38 Vancouver, British Columbia, Canada	Chief Financial Officer	CFO of the Company; Director of Skanderbeg Financial Advisory Inc. (a privately held company); Former CFO of Gatekeeper Systems and Former Director of Finance of Alexco Resource Corp.	N/A
Frank Santaguida Age 49 Whitby, Ontario, Canada	Vice President, Exploration	VP of Exploration of the Company; Former Manager of Geoscience; and Former Principal Geologist of First Quantum Minerals	N/A
Peter Campbell Age 58 Toronto, Ontario, Canada	Vice President, Business Development	VP of Business Development of the Company; Former Investment Banker with OCI Group Inc.; Former SVP of Mackie Research Capital Corp., Former Chairman and Managing Director of Jennings Capital Inc.	N/A

Notes:

(1) Independent director
(2) Member of Audit Committee

Shareholdings of Directors and Officers

As of December 31, 2017, and the date of this AIF, the Company's directors and executive officers beneficially own, control or direct, directly or indirectly, 7,730,167 Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of our directors or executive officers is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period or more than 30 consecutive days (a "Cease Trade Order") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such issuer, or (b) was subject to a Cease Trade Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of our directors or executive officers, nor, to our knowledge, any shareholder holding a sufficient number of our securities to affect materially the control of the Company (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including ours) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

None of our directors or executive officers, nor, to our knowledge, any shareholder holding a sufficient number of our securities to affect materially the control of the Company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Unless otherwise noted in this AIF, to the best of our knowledge, there are no known existing or potential material conflicts of interest between the Company or its subsidiaries and any of our directors or officers or a director or officer of our subsidiaries. However, certain of our directors and officers are, or may become, directors or officers of other companies, with businesses that may conflict with our business. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on behalf of the Company. Pursuant to the BCBCA, directors are required to act honestly and in good faith with a view to the best interests of the Company. As required under the BCBCA and our Articles:

- A director or executive 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 executive officer of the Company, must promptly disclose the nature and extent of that conflict.
- A director who holds a disclosable interest (as that term is used in the BCBCA) in a contract or transaction into which the Company has entered or proposes to enter may generally not vote on any directors' resolution to approve the contract or transaction.

Generally, as a matter of practice, directors or executive officers who have disclosed a material interest in any transaction or agreement that our Board is considering will not take part in any Board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will abstain from voting on any matters relating to matters in which they have disclosed a material interest. In appropriate cases, we will establish a special committee of independent directors to review a matter in which directors, or management, may have a conflict.

Management

Trent Mell, President, Chief Executive Officer & Director - Mr Trent Mell is a mining executive with almost 20 years of operating and capital markets experience. Over his career, he has been involved in transactions around the world, including $2.9 billion in equity and debt financings, mergers and acquisitions, offtake agreements and joint ventures. Mr Mell was President and CEO of Falco Resources, which acquired the Horne Mine Complex area and 13 other former producers in the Rouyn-Noranda mining district in Quebec, Canada. Falco completed a feasibility study demonstrating the viability of a 15-year mine life with the potential to generate $6.6 billion in gross revenue. Immediately prior to joining First Cobalt, Mr Mell built a mining team with PearTree Securities to advise mining companies and investors on Canadian exploration and development opportunities. In 2016, his team placed $300 million in equity investments and became the largest provider of flow-through capital to the Canadian resource industry. Mr Mell began his career as a mining and securities lawyer with one of Canada's leading law firms. 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 Executive Vice President of AuRico Gold, Mr Mell led the team that competed an all-cash US$750 million sale of the Ocampo Gold Mine in Mexico at the peak of the gold market in 2012. Mr Mell holds a B.A., B.C.L. and LL.B. from McGill University (Montreal), LL.M from Osgoode Hall (Toronto), as well as an MBA from Northwestern University (Chicago) and the Schulich School of Business (Toronto).

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. 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). 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 became Principal Geologist with First Quantum in 2011, where he was responsible for exploration project generation and property evaluations for cobalt, copper, nickel and PGE properties globally. 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 is a frequent speaker at international geological conferences.

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. Mr Campbell spent much of his early career in northern Ontario, including more than 10 years working in Sudbury with the Ontario Ministry of Labour and as an Associate Professor for 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. As Exploration Manager for Flaconbridge, he was responsible for global exploration activities as well as prospect valuation and risk management. In 2006, Mr Campbell moved into the capital markets as a mining analyst, eventually becoming Chairman of Jennings Capital, an independent Canadian broker-dealer. Mr Campbell developed a reputation as an astute mining analyst for being the first to initiate coverage on Probe Mines, Integra Gold and Trelawney Mines, all of which were subsequently acquired by large producers. Mr Campbell was one of the architects of the sale of Jennings Capital to Mackie Research in 2015. Mr Campbell holds an Engineering degree from Queen's University.

Kevin Ma, Chief Financial Officer - Mr Kevin Ma is a Senior Executive specialising in corporate financing, public company reporting and regulatory compliance in Canada and the United States, 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. (a privately held consulting company). Mr Ma started his career with Deloitte LLP and later served as Director of Finance for Alexco Resource Corp., where he was a key member of the leadership team that put the Bellekeno silver mine into production in the historic Keno Hill Silver District. More recently, he served as Chief Financial Officer for Gatekeeper Systems Inc., where he raised a significant amount of growth capital and oversaw financial operations. Mr. Ma is a Chartered Accountant and has a Diploma in Accounting and a B.A. from the University of British Columbia.

Non-Executive Directors

Paul Matysek, Chairman and Director - Mr Paul Matysek is a serial entrepreneur, geochemist and geologist with over 35 years of experience in the mining industry. Mr Matysek is presently the Chairman of First Cobalt and has held senior executive and director positions with several natural resource exploration and development companies where he earned a reputation as shareholder value and company builder. In March 2019, as Executive Chairman of Lithium X Eneryg Corp. he was instrumental in completing an all cash buy out for $265 million of the company. 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. As President and CEO of Lithium One, in mid 2012 he 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 an all cash $434 million friendly takeover of Potash One by K+S Ag, which closed in early 2011. Prior to founding Potash One, Mr Matysek was also the founder, President and CEO of Energy Metals Company, a uranium company that traded on the New York and Toronto Stock Exchanges. Mr Matysek led Energy Metals 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.

Jason Bontempo, Director - 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 was previously Managing Director of Cobalt One, which merged with the Company in 2017. Prior to this, Mr Bontempo was 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 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.

Robert Cross, Director - Mr Robert Cross is an engineer and Harvard MBA with more than 25 years' experience as a financier in the mining and oil and gas sectors. Mr Cross is co-founder and Chairman of B2Gold, which has a $3.7 billion market cap 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 Company 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.

John Pollesel, Director - Mr John Pollesel has 26 years of experience in the mining industry and is currently Chief Executive Officer of the Morris Group of Companies. Prior to this, he was Senior Vice President, Mining at Finning Canada. 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, with executive management responsibilities for 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.

Ross Phillips, Director - Mr Ross Phillips has 18 years' experience in the resource and energy sectors, predominantly working on raising capital for large-scale resource and energy projects. Mr Phillips is currently Chief Compliance Officer with Potash Ridge Company. He previously held various senior roles at Sherritt International Corp., a nickel-cobalt producer, including as Director of Business Development for Capital Power Company and Senior Manager, Financial Analytics. Mr Phillips holds an MA (Econ) and an MBA from the University of Alberta, is a CFA Charterholder, and is a CPA, CMA.

Jeffrey Swinoga, Director - Mr Jeffrey Swinoga is a Senior Executive with over 24 years of experience in the mining and public finance industries. He is currently President and CEO of First Mining Gold. Mr Swinoga was previously 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 also includes serving as Executive Vice President Finance & CFO of Golden Star Resources Ltd, Vice President Finance & CFO of North American Palladium and Vice President, Finance & CFO of HudBay Minerals Inc. He was also Director, Treasury Finance of Barrick Gold Company for seven years. Mr Swinoga previously served as a Director and Audit Committee Chairman of Tonbridge Power Inc. He is a Chartered Professional Accountant, Chartered Accountant and also holds a MBA from the University of Toronto and an Honours Economics degree from the University of Western Ontario.

PROMOTERS

During the fiscal years ended March 31, 2016 and 2017 and December 31, 2017, no person or company has been a promoter of the Company or any subsidiary of the Company.

AUDIT COMMITTEE

Composition of the Audit Committee

The current members of the Audit Committee are Ross Phillips, Jeffrey Swinoga and John Pollesel. All of the members are financially literate. All of the members of the Audit Committee are financially literate and all are independent.

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("**NI 52-110**") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment. All members of the Audit Committee are "independent" within the meaning of NI 52-110.

Relevant Education and Experience

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

Jeffrey Swinoga (Committee Chair) - Mr. Swinoga has held senior management roles, including Chief Financial Officer, with several publically listed companies. Mr. Swinoga holds an MBA from the University of Toronto and an Honours Economics degree from the University of Western Ontario, and is a CPA, CA.

Ross Phillips - Mr. Phillips has 18 years experience in the resource and energy sectors and is Chief Financial Officer of Potash Ridge Company. Mr Phillips holds an MA and an MBA from the University of Alberta, and is a CFA, CPA, and CMA.

John Pollesel - Mr. Pollesel has 26 years of experience in the mining industry and has held senior management roles with several publicly listed companies. Mr Pollesel holds an HBA and MBA from the University of Waterloo and Laurentian University, respectively. He is a FCPA and FCMA.

Audit Committee Oversight

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

Reliance on Certain Exemptions

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

Pre-approval Policies and Procedures

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

External Auditor Service Fees (by Category)

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

Financial Year Ended	Audit Fees[(1)]	Audit-Related Fees[(2)]	Tax Fees[(3)]	All Other Fees
December 31, 2017	$75,000	$12,656	Nil	Nil
March 31, 2017	$27,000	Nil	$1,500	Nil
March 31, 2016	$7,490	Nil	$1,125	Nil
March 31, 2015	$7,490	Nil	Nil	Nil

Notes:

(1) The aggregate fees billed for audit services, including fees relating to the review of quarterly financial statements and statutory audits of the Company's subsidiaries.
(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit Fees" row.
(3) The aggregate fees billed for tax compliance, tax advice and tax planning services.
(4) For the years ended March 31, 2015, 2016 and 2017 and December 31, 2017, none of the Company's audit-related fees, tax fees or all other fees described in the table above made use of the de minimis exception to pre-approval provisions contained in Section 2.4 of NI 52-110.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings or regulatory actions material to us to which we are a party, or to which we have been a party since our incorporation, or of which any property of the Company is or has been the subject matter of, since the beginning of the financial year ended December 31, 2017, and no such proceedings are known by us to be contemplated. There have been no penalties or sanctions imposed against us by a court relating to provincial or territorial securities legislation or by any securities regulatory authority, there have been no penalties or sanctions imposed by a court or regulatory body against us, and we have not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with any securities regulatory authority since our incorporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than disclosed elsewhere in this AIF, no director, senior officer or principal shareholder of the Company and no associate or affiliate of the foregoing have had a material interest, direct or indirect, in any transaction in which the Company has participated within the three-year period prior to the date of this AIF, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The Company's auditors are MNP LLP, having an address at Suite 2200, 1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3.

Transfer Agents, Registrars or Other Agents

The transfer agent and registrar for the Common Shares in Canada is AST Trust Company (Canada), at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company within the most recently completed financial year or before the most recently completed financial year and still in effect: Keeley-Frontier option agreement, US Cobalt acquisition aacquisition agreement and Drilling contract with Laframboise Drilling Inc.

INTEREST OF EXPERTS

Experts who have prepared reports for First Cobalt in the financial year ending December 31, 2017 include the following:

MNP LLP, who prepared the auditors' report accompanying the audited financial statements of the Company for the most recent year end, report that they are independent in accordance with the Chartered Professional Accountants of British Columbia as at the date of such audit report.

Stéphane Faure, P.Geo., Marc R. Beauvais, P.Eng. and Catherine Jalbert, P.Geo. of InnovExpo Inc., have acted as qualified persons in connection with the Greater Cobalt Camp Report and have reviewed and approved the information related to the Greater Cobalt Camp contained in this annual information form.

All other scientific and technical information in this annual information form has been reviewed and approved by Dr. Frank Santaguida, P.Geo., Vice President, Exploration at First Cobalt, who is a qualified person under NI 43-101.

None of the experts whom are named in this AIF as having prepared reports or having been responsible for reporting exploration results relating to our mineral properties and whose profession or business gives authority to such reports, or any director, officer, partner, or employee thereof, as applicable, received or has received a direct or indirect interest in our property or of any of our associates or affiliates. As at the date hereof, such persons, and the directors, officers, partners and employees, as applicable, of each of the experts beneficially own, directly or indirectly, in the aggregate, less than one percent of the securities of the Company and they did not receive any direct or indirect interest in any securities of the Company or of any associate or affiliate of the Company in connection with the preparation of such report.

None of such persons, or any director, officer or employee, as applicable, of any such companies or partnerships, is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Additional information including directors' and officers' remuneration and indebtedness, principal holders of our securities, securities authorized for issuance under equity compensation plans and a statement as to the interest of insiders in material transactions, was contained in the management proxy circular for the annual and special meeting of shareholders held on October 26, 2017. Additional financial information is provided in the audited financial statements and management discussion and analysis for the most recent year-end. The foregoing additional information is available on SEDAR at www.sedar.com the Company's profile.

SCHEDULE “A”
Audit Committee Mandate

PURPOSE

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

COMPOSITION

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

QUALIFICATIONS & EXPERIENCE

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

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

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

RISK OVERSIGHT

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

COMMITTEE RESPONSIBILITIES

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

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

4. *Auditor*: Recommend Board approval for the appointment of the Company's independent auditor. Oversee the work of the independent auditor; ensure that the independent auditor reports directly to the Committee; and ensure that any disagreements between management and the independent auditor regarding financial reporting are resolved.
5. *Non-audit Services*: Approve all audit and non-audit services to be provided to the Company and its subsidiaries by the independent auditor. The Chair of the Committee may pre-approve such services on behalf of the Committee provided that such approvals are presented at the Committee meeting following such pre-approval. In order to obtain pre-approval, management should detail the work to be performed by the independent auditor and obtain the assurance from the independent auditor that the proposed work will not impair their independence.

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

   - the aggregate amount of all these non-audit services that were not pre-approved is reasonably expected to constitute no more that 5% of the total audit fees paid by the Company and its subsidiaries to the independent auditor during the fiscal year in which the services are provided;
   - the Company or its subsidiaries, did not recognize the services as non-audit services at the time of the engagement; and
   - the services are promptly brought to the attention of the Committee and approved prior to the completion of the annual audit.
6. *Hiring*: Review and approve the Company's policies regarding the hiring of current and past partners and employees of the Company's present or former independent auditor.
7. *Reporting*: Report to the Board on a quarterly basis on the proceedings of Committee meetings.
8. *Mandate*: Annually review the Committee's mandate and assess the Committee's functioning and performance relative to the requirements set out within this mandate.

CHAIRMAN RESPONSIBILITIES

The Chairman of the Committee shall:

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

AUTHORITY

The Committee has authority to:

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

MEETINGS

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

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