



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

Management Proxy Circular  
May 25, 2018





May 25, 2018

Dear Shareholder:

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

Date: Tuesday, June 26, 2018

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

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

The Company has been undergoing significant changes and developments, as Management continues to position the Company as a leading pure-play cobalt exploration and development company. In November 2017, we completed a merger with Cobalt One Limited and CobalTech Mining in order to consolidate 50 past-producing mines in the Cobalt Camp as well as a permitted cobalt extraction refinery. We then completed a \$30 million financing in December to ensure that we are well capitalized to execute our plans in 2018 and into 2019. More recently, we announced a friendly transaction to acquire US Cobalt Corp. and establish a strong presence in the Idaho Cobalt Belt. The year ahead will be about creating shareholder value through execution, including drilling, de-risking of our assets, shortening the timeline to cash flow and realizing value from our growth opportunities.

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

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

A few of the resolutions deal with listing requirements the Company must abide by due to the fact that we now have a secondary listing on the Australian Securities Exchange. As explained in the Management Proxy Circular, shareholder approval of certain of these matters is not required by the TSX Venture Exchange and are thus new matters for the Company's shareholders to consider.

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

*"Trent Mell"*

Trent Mell  
President and Chief Executive Officer

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## **NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an Annual General and Special Meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of FIRST COBALT CORP. (the "**Company**") will be held in the offices of Fasken Martineau DuMoulin LLP located at Suite 2400, Bay-Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2T6, on Tuesday, June 26, 2018, at 10:00 a.m. (Toronto time), for the following purposes:

1. To receive the audited financial statements of the Company for the nine months ended December 31, 2017, together with the report of the Auditors thereon;
2. To appoint MNP LLP, Chartered Professional Accountants, as the Auditor of the Company for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the Auditor (*Resolution 1*);
3. To fix the number of directors of the Company for the ensuing year at six (*Resolution 2*);
4. To elect directors of the Company for the ensuing year prior to the completion of the proposed acquisition of US Cobalt Inc. ("**US Cobalt**") and elect directors of the Company for the ensuing year following the completion of the proposed acquisition of US Cobalt (*Resolutions 3(a)-(g)*);
5. To consider and, if deemed advisable, to approve, with or without variation, a special resolution to amend the previously approved articles of continuance of the Company in order to change the province in which the Company's registered office is situated from British Columbia to Ontario effective upon the Company's continuance as a federal company under the Canada Business Corporations Act (the "**CBCA**"), as more particularly described in the accompanying management proxy circular (*Resolution 4*);
6. To consider and, if deemed advisable, to approve, with or without variation, a special resolution to amend the Company's previously approved CBCA by-laws effective upon the Company's continuance as a federal company under the CBCA, as more particularly described in the accompanying management proxy circular (*Resolution 5*);
7. For purposes of complying with Australian Securities Exchange ("**ASX**") Listing Rule 7.2 Exception 9 and for all other purposes, to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution ratifying, confirming and approving the Company's amended and restated long-term incentive plan (the "**Amended and Restated LTIP**") and approving the subsequent issue and allotment of common shares of the Company ("**Common Shares**") on exercise, redemption or settlement of awards granted under the Amended and Restated LTIP, as more particularly described in the accompanying management proxy circular (*Resolution 6*);

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this resolution by or on behalf of a director, officer, employee or consultant of the Company (except a director, officer, employee or consultant who is ineligible to participate in the Amended and Restated LTIP) or an associate of such director, officer, employees or consultant. However, the Company need not disregard a vote if: (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. For purposes of complying with ASX Listing Rule 10.14 and for all other purposes, to consider and, if deemed advisable, to approve, with or without variation, ordinary resolutions approving the grant to each of the proposed director nominees up to a set limit of options, performance share units, restricted share units and deferred share units within the next twelve months and approving the subsequent issue and allotment of Common Shares on exercise, redemption or settlement of those awards, as more particularly described in the accompanying management proxy circular (*Resolution 7(a)-(g)*);

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of these resolutions by or on behalf of a director of the Company who is entitled to such grant or an associate of such director of the Company. However, the Company need not disregard a vote if: (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. For purposes of complying with ASX Listing Rule 10.11 and for all other purposes, to consider and, if deemed advisable, to approve, with or without variation, ordinary resolutions approving the grant of certain cancelled options, performance share units, deferred share units and restricted share units to the current directors of the Company which were initially granted in 2017 but were required to be cancelled by the ASX, and approving the subsequent issue and allotment of Common Shares on exercise, redemption or settlement of those awards, as more particularly described in the accompanying management proxy circular (*Resolutions 8(a)-(g)*);

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of these resolutions by or on behalf of a director of the Company who is entitled to such grant or an associate of such director of the Company. However, the Company need not disregard a vote if: (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. To transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

An "ordinary resolution" is a resolution passed by at least a majority of the votes cast by Shareholders who voted (in person or by proxy) in respect of that resolution at the Meeting while a "special resolution" is a resolution passed by a majority of not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast by Shareholders who voted (in person or by proxy) in respect of that resolution at the Meeting.

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

You are entitled to vote at the Meeting and any postponement or adjournment thereof if you owned Common Shares of the Company at the close of business on May 25, 2018 (the record date). For information on how you may vote, please refer to Part 1 of this Circular.

Toronto, Ontario  
May 25, 2018

By Order of the Board of Directors,

*"Paul Matysek"*

Paul Matysek  
Chairman of the Board

## MANAGEMENT PROXY CIRCULAR

This management proxy circular (the "**Circular**") is provided in connection with the solicitation of proxies by the management ("**Management**") of First Cobalt Corp. (the "**Company**" or "**First Cobalt**") for use at the annual general and special meeting (the "**Meeting**") of the holders of common shares of the Company (the "**Common Shares**" and the holders of the Common Shares, the "**Shareholders**") to be held on June 26, 2018 at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. Unless otherwise noted, information in this Circular is given as at May 25, 2018.

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

### PART 1: VOTING INFORMATION

#### Who can vote?

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

You have the right to receive notice of and vote at the Meeting, or any adjournment or postponement thereof, if you owned Common Shares of the Company or held a CHES Depository Interest over Common Shares ("**CDI**") as of the close of business (Toronto time) on May 25, 2018 (the "**Record Date**"). Each Common Share you own entitles you to one vote in person or by proxy at all meetings of the Shareholders. Each CDI you hold entitles you to one vote at all meetings of the Shareholders, however you may only vote in accordance with the special voting instructions for CDI holders below.

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

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

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

On May 25, 2018, the Company had 222,676,795 Common Shares issued and outstanding.

To the knowledge of the directors and executive officers of the Company, as of May 25, 2018, no person beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the issued and outstanding Common Shares.

#### How to vote?

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

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

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



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

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

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

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

To be effective, AST Trust must receive your completed Proxy Form no later than 10:00 a.m. (Toronto time) on June 22, 2018.

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

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

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

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

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

### ***Registered Shareholders***

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

#### *Voting by proxy*

##### **Internet**

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

## **Fax and Email**

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

## **Mail**

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

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

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

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

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

## ***Beneficial Shareholders***

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

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Proxy Form provided directly to registered

Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the voting instruction forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder who receives a voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

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

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

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

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

### **Revoking Your Proxy**

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

1. Complete a new Proxy Form that is dated later than the Proxy Form you want to revoke, and then mailing it to AST Trust, so they receive it by 10:00 a.m. (Toronto time) on June 22, 2018;

2. Send a notice in writing to the registered office of the Company at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 so that it is received by 5:00 p.m. (Vancouver time) on June 25, 2018 or, if the Meeting is adjourned, the last business day preceding the day of the postponed Meeting; or
3. Provide a notice in writing to the Chairman of the Meeting at the Meeting or, if it is adjourned, when the Meeting resumes.

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

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

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

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

#### **In Person**

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

#### **Mail**

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

#### **Fax**

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

#### **Internet**

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

Completed CDI Voting Instruction Forms must be provided to Link Market Services no later than 10:00 a.m. (Toronto time) on June 20, 2018, in accordance with the instructions on that form. The CDI voting deadline is two business days prior to the date that Proxy Forms are due so that CDN may vote the Common Shares underlying the applicable CDIs.

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

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

## Background Information for CDI Holders

CDI holders should note that the Company has been granted certain waivers from the Listing Rules of the Australian Securities Exchange (the "**ASX**"). In particular, the Company has received the following waivers.

1. A waiver from ASX Listing Rule 14.2.1 which requires a notice of meeting to include a form of proxy which allows a security holder to vote for or against each resolution. Under applicable Canadian securities laws, the form of proxy to be provided must only allow security holders to vote in favor of, or to withhold their vote in respect of, a resolution to elect a director or in respect of appointment of auditor, but not to vote against it. The Company's waiver from ASX Listing Rule 14.2.1 only applies to the extent necessary to permit it to comply with the proxy requirements under applicable Canadian securities laws and for so long as such laws prevent the Company from permitting Shareholders to vote against a resolution to elect a director or appoint an auditor.
2. A waiver from ASX Listing Rule 14.3 to the extent necessary to permit the Company to accept nominations for the election of directors in accordance with the applicable Canadian securities laws. Under ASX Listing Rule 14.3, an ASX listed entity must accept nominations for the election of directors up to 35 business days before the date of the meeting at which directors may be elected, unless the entity's constitution provides otherwise. The *Business Corporations Act* (British Columbia) (the "**BCBCA**") provides that a reasonable opportunity must be allowed for nominations. The waiver is granted to the extent necessary to permit the Company to comply with the applicable Canadian securities laws and the BCBCA.

## Electronic Delivery of Material

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

If you wish to receive (or continue to receive) quarterly financial statements and Management's Discussion and Analysis (the "**MD&A**") by mail during 2018, you must check the appropriate box on the form of proxy (if you are a registered Shareholder) or voting instruction form (if you are a Beneficial Shareholder). If you do not make this request, quarterly reports will not be sent to you. Financial statements and MD&A are available on the Company's website at [www.firstcobalt.com](http://www.firstcobalt.com).

## PART 2: BUSINESS OF THE MEETING

The Meeting will be held in order to:

1. To receive the audited financial statements of the Company for the nine months ended December 31, 2017, together with the report of the Auditors thereon;
2. To appoint MNP LLP, Chartered Professional Accountants, as the Auditor of the Company for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the Auditor (*Resolution 1*);
3. To fix the number of directors of the Company for the ensuing year at six (*Resolution 2*);
4. To elect directors of the Company for the ensuing year prior to the completion of the proposed acquisition of US Cobalt Inc. ("**US Cobalt**") and elect directors of the Company for the ensuing year following the completion of the proposed acquisition of US Cobalt (*Resolutions 3(a)-(g)*);
5. To consider and, if deemed advisable, to approve, with or without variation, a special resolution to amend the previously approved articles of continuance of the Company in order to change the province in which the Company's registered office is situated from British Columbia to Ontario effective upon the Company's continuance as a federal company under the Canada Business Corporations Act (the "**CBCA**"), as more particularly described in the accompanying management proxy circular (*Resolution 4*);
6. To consider and, if deemed advisable, to approve, with or without variation, a special resolution to amend the Company's previously approved CBCA by-laws effective upon the Company's continuance as a federal company under the CBCA, as more particularly described in the accompanying management proxy circular (*Resolution 5*);
7. For purposes of complying with ASX Listing Rule 7.2 Exception 9 and for all other purposes, to consider and, if deemed advisable, to approve, with or without variation, an ordinary resolution ratifying, confirming and approving the Company's amended and restated long-term incentive plan (the "**Amended and Restated LTIP**") and approving the subsequent issue and allotment of Common Shares on exercise, redemption or settlement of awards granted under the Amended and Restated LTIP, as more particularly described in the accompanying management proxy circular (*Resolution 6*);

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this resolution by or on behalf of a director, officer, employee or consultant of the Company (except a director, officer, employee or consultant who is ineligible to participate in the Amended and Restated LTIP) or an associate of such director, officer, employees or consultant. However, the Company need not disregard a vote if: (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. For purposes of complying with ASX Listing Rule 10.14 and for all other purposes, to consider and, if deemed advisable, to approve, with or without variation, ordinary resolutions approving the grant to each of the proposed director nominees up to a set limit of options, performance share units, restricted share units and deferred share units within the next twelve months and approving the

subsequent issue and allotment of Common Shares on exercise, redemption or settlement of those awards, as more particularly described herein (*Resolution 7(a)-(g)*);

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of these resolutions by or on behalf of a director of the Company who is entitled to such grant or an associate of such director of the Company. However, the Company need not disregard a vote if: (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. For purposes of complying with ASX Listing Rule 10.11 and for all other purposes, to consider and, if deemed advisable, to approve, with or without variation, ordinary resolutions approving the grant of certain cancelled options, performance share units, deferred share units and restricted share units to the current directors of the Company which were initially granted in 2017 but were required to be cancelled by the ASX, and approving the subsequent issue and allotment of Common Shares on exercise, redemption or settlement of those awards, as more particularly described herein (*Resolutions 8(a)-(g)*);

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of these resolutions by or on behalf of a director of the Company who is entitled to such grant or an associate of such director of the Company. However, the Company need not disregard a vote if: (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. To transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

## **1. Receipt of Financial Statements**

The Company changed its financial year end from March 31 to December 31, effective for the period ending December 31, 2017. The audited financial statements of the Company for the nine months ended December 31, 2017 together with the report of the auditors thereon, will be presented to the Shareholders at the Meeting. Copies of the financial statements, the auditors' report and management's discussion and analysis for the nine months ended December 31, 2017, have been mailed to all registered Shareholders and Beneficial Shareholders who have opted to receive such materials. These documents can also be found on the Company's website at [www.firstcobalt.com](http://www.firstcobalt.com) and are also available on SEDAR at [www.sedar.com](http://www.sedar.com).

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

## **2. Resolution 1: Appointment of Auditor**

Management of the Company has recommended to the board of directors of the Company (the "**Board**") that the Company propose MNP LLP, Chartered Professional Accounts, the incumbent auditors, to the Shareholders for re-election as the Company's auditors. Accordingly, unless such authority is withheld, the persons named in the accompanying proxy intend to vote FOR the reappointment of MNP LLP, as auditors of the Company for the

ensuing year, until the close of the next annual general meeting of Shareholders, at a remuneration to be fixed by the directors. MNP LLP was first appointed auditors of the Company on May 27, 2014.

### **3. Resolutions 2 and 3(a)–(g): Election of Directors**

#### ***US Cobalt Transaction***

On March 13, 2018 the Company entered into a definitive arrangement agreement which set out the terms of the plan of arrangement which was subsequently amended on April 10, 2018 (the "**Arrangement Agreement**") whereby the Company has agreed to acquire all of the issued and outstanding shares of US Cobalt pursuant to a plan of arrangement under the BCBCA (the "**US Cobalt Transaction**"). A copy of the Arrangement Agreement is available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). The shareholders of US Cobalt approved the US Cobalt Transaction at a meeting on May 17, 2018. Subject to receipt of approval of the Committee on Foreign Investment in the United States, it is anticipated that the US Cobalt Transaction will be completed at the end of May 2018. However, there is no certainty that the US Cobalt Transaction will close prior to the Meeting. For further information on the US Cobalt Transaction, readers are encouraged to review the Company's news releases of March 14, 2018, April 12, 2018, April 18, 2018, May 7, 2018 and May 18, 2018.

Upon the closing of the US Cobalt Transaction, the Company has agreed to cause an individual who is mutually agreed upon among the Company and US Cobalt (the "**US Cobalt Nominee**") to join the Board. The Company has also agreed to cause the US Cobalt Nominee to be nominated for election to the Board at the next annual meeting of the Company called following the closing of the US Cobalt Transaction unless the US Cobalt Nominee should resign, be ineligible or otherwise unable to serve as a director of the Company at such time.

Garett Macdonald has been put forward as the US Cobalt Nominee. As set out below under "*Nominees for the Board of Directors*", in the event the US Cobalt Transaction is completed prior to the Meeting, Garett Macdonald will be nominated for election to the Board in lieu of Jason Bontempo.

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

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

Management of the Company has nominated each of Jason Bontempo, Paul Matysek, Trent Mell, Ross Phillips, John Pollesel and Jeffrey Swinoga, each a current director of the Company, for re-election (the "**Original Slate**"). In connection with, and subject to, completion of the US Cobalt Transaction, the Board will be reconstituted to consist of Paul Matysek, Trent Mell, Ross Phillips, John Pollesel, Jeffrey Swinoga and Garett Macdonald (the "**US Cobalt Slate**").

**Unless authority to do so is withheld, the persons named in the accompanying Proxy Form intend to vote FOR the reduction in the Board size and the election of the Original Slate to hold office for the ensuing year, until completion of the US Cobalt Transaction, or until the next annual general meeting, whichever is earlier. Unless authority to do so is withheld, the persons named in the accompanying Proxy Form also intend to vote FOR the election of the US Cobalt Slate, to take effect immediately upon completion of the US Cobalt Transaction, to hold office for the ensuing year or until the next annual general meeting, whichever is earlier.** For certainty, in the event the US Cobalt Transaction is completed prior to the Meeting, only the nominees forming the US Cobalt Slate will be put forward for election.



Management does not contemplate that the nominees for the Original Slate or the US Cobalt Slate will be unable to serve as director, however, in the event that any proposed nominee to either the Original Slate or the US Cobalt Slate is unable to serve as a director or withdraws his name, the individuals named in the enclosed Proxy Form reserve the right to nominate and vote for another individual in their discretion.

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

### ***Director Independence***

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

As of the date of this Circular, six of the Company's seven directors are independent. In addition, five of the six nominees of the Original Slate would be considered independent in the event they are duly elected to the Board.

As of the date of this Circular, five out of the Company's six nominees comprising the US Cobalt Slate would be considered independent in the event the US Cobalt Transaction is completed and they are duly elected to the Board.

Trent Mell is the Company's President and Chief Executive Officer ("**CEO**") and is therefore not considered independent.

### ***Director Profiles***

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

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**Jason Bontempo, 44**  
Floreat  
Australia

Director since December 1, 2017

Independent

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. Currently the Managing Director of BR Corporation Pty Ltd. and most recently the Managing Director of Cobalt One Limited. Mr. Bontempo held the position of CEO of Glory Resources Limited (ASX), which under his leadership purchased the Sappes Gold Project in Greece. Glory Resources was subsequently acquired by Eldorado Gold Corp in 2013 for approximately A\$46 million. Mr. Bontempo has worked primarily providing corporate advice and obtaining financing for resource companies across multiple capital markets including resource asset acquisitions and divestments. He has also served on the board and the executive management of minerals and resources public companies focusing on advancing and developing mineral resource assets and business development.

**Securities Held**  
Shares: 2,070,000

**Member**  
Board

**Principal Occupation**  
Managing Director of BR  
Corporation Pty Ltd.

**Other Directorships**  
Red Emperor Resources  
Fin Resources Limited  
Odin Metals Limited

**Duration**  
January 2011 – Present  
July 2011 – Present  
February 2018 – Present

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**Paul Matysek, 61**  
Vancouver, British Columbia  
Canada

Director since December 1, 2017

Independent

Mr. Paul Matysek is a serial corporate entrepreneur, professional geochemist and geologist with over 30 years of experience in the mining industry. Mr. Matysek is also currently Executive Chairman of Lithium X Energy Corp. and has previously held senior executive and director positions with several natural resource exploration and development companies and is a proven company builder. Previously he was the Executive Chairman of Lithium-X Energy which was recently sold for \$265 million cash, President and CEO of Goldrock Mines Corp., focused on The Lindero Project in the Argentinian puna, which was sold to Fortuna Silver Mines for \$178 million in July 2016. In the lithium sector, Mr. Matysek was previously President and CEO of Lithium One Inc., whose world class lithium development project was in northern Argentina. In 2012, Lithium One merged with Galaxy Resources of Australia via \$112 million plan of arrangement to create an integrated lithium company. Prior to Lithium One, Mr. Matysek was the President and CEO of Potash One Inc. where he was the architect of the \$434 million friendly takeover of Potash One by K+S Ag, which closed in early 2011.

**Securities Held**  
Shares: 1,265,000

**Member**  
Board (Chair)

**Principal Occupation**  
Corporate Director & Executive

**Other Directorships**  
Forsys Metals Corp.  
Nano One Materials Corp.

**Duration**  
October 2007 – Present  
January 2002 – Present

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**Trent Mell, 48**  
Toronto, Ontario  
Canada

Director since March 14, 2017

Not Independent

Mr. Trent Mell is a mining executive and capital markets professional with almost 20 years of operating and transactional experience. Mr. Mell began his career as a mining and securities lawyer with Stikeman Elliott LLP in Toronto, Canada. He subsequently joined Barrick Gold and was part of the team that completed a US\$10.4 billion hostile takeover of Placer Dome, creating the world's largest gold company. He has also worked with nickel-cobalt producer Sherritt International and Ni-Cu-PGM producer North American Palladium. Mr. Mell was President and CEO of Falco Resources, which acquired control over one of Canada's most established volcanogenic massive sulfide (VMS) mining districts, the Rouyn Noranda Mining Camp, including the Horne Mine Complex area and 13 other former producers. The Horne 5 Project is in feasibility stage and currently has a 7.1 million ounce gold resource estimate (M&I) plus an additional 1.7 million ounce inferred resource. Most recently, Mr. Mell built a mining team with PearTree Securities to advise issuers and investors on Canadian exploration and development opportunities. Mr. Mell holds a B.A., a B.C.L. and LL.B. from McGill University in Montreal, an LL.M from Osgoode Hall (Toronto), as well as an MBA from Northwestern University (Chicago) and Schulich School of Business.

**Securities Held**

Shares: 658,500\*  
Options: 1,500,000

*\*558,500 are held by Cienna Capital Corp., a company controlled by Trent Mell*

**Member**

Board

**Principal Occupation**

President and CEO, First Cobalt

**Other Directorships**

None

**Duration**

N/A

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**Ross Phillips, 53**  
Oakville, Ontario  
Canada

Director since February 10, 2017

Independent

Mr. Ross Phillips has 18 years' experience in the resource and energy sectors, predominantly working on large-scale resource and energy capital projects. Mr. Phillips is also currently employed with Potash Ridge Corporation, where he has held senior roles including Chief Operating Officer and Chief Financial Officer. He previously served as Senior Manager, Financial Analytics and later Director of Business Development for Capital Power Corporation, as well as various senior roles at Sherritt International Corp., a diversified resource company that produces thermal coal nickel, cobalt oil and electricity. Mr. Phillips holds an MA and an MBA from the University of Alberta, and is a CFA, and CPA, CMA.

**Securities Held**

Shares: 50,000  
Options: 150,000

**Member**

Board  
Audit Committee

**Principal Occupation**

COO and Interim CFO, Potash Ridge Corporation

**Other Directorships**

None

**Duration**

N/A

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**John Pollesel**, 54  
Edmonton, Alberta  
Canada

Director since May 17, 2017

Independent

Mr. John Pollesel is currently CEO for Morris Group of Companies and Boreal Agrominerals Inc. Most recently, he was Senior Vice President, Mining at Finning Canada and has 28 years of experience in mining. Mr. Pollesel previously served as Chief Operating Officer and Director of Base Metals Operations for Vale SA's North Atlantic Operations, where he was responsible for the largest underground mining and metallurgical operations in Canada and the UK. Prior to this, he was Vice President and General Manager for Vale's Ontario Operations. Mr. Pollesel also served as the Chief Financial Officer for Compania Minera Antamina in Peru, responsible for executive management in one of the largest copper-zinc mining and milling operations in the world. Mr. Pollesel holds an HBA in Accounting from the University of Waterloo and MBA from Laurentian University. He is an FCPA and FCMA.

**Securities Held**

Shares: 25,000  
Options: 200,000

**Member**

Board  
Audit Committee  
CGN Committee (Chair)

**Principal Occupation**

CEO of Morris Group of Companies  
CEO of Boreal Agrominerals Inc.

**Other Directorships**

Noront Resources Inc.  
North American Construction Group Ltd.

**Duration**

June 2017 – Present  
November 2017 – Present

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**Jeffrey Swinoga**, 50  
Toronto, Ontario  
Canada

Director since May 10, 2017

Independent

Mr. Jeffrey Swinoga is a Senior Executive with over 24 years of experience in the mining and public finance industries. Mr. Swinoga is also currently the Chief Financial Officer of Torex Gold, where he led a \$375 million project financing to build the \$800 million ELG mine. Mr. Swinoga's experience includes serving as Executive Vice President Finance & CFO of Golden Star Resources Ltd, Vice President Finance & CFO of North American Palladium, Vice President, Finance & CFO of HudBay Minerals Inc., and he was Director, Treasury Finance of Barrick Gold Corporation for seven years. Mr. Swinoga previously served as a Director and Audit Committee Chairman of Tonbridge Power Inc. He is a CPA and also holds an MBA from the University of Toronto and an Honours Economics degree from the University of Western Ontario.

**Securities Held**

Shares: 70,000  
Options: 200,000

**Member**

Board  
Audit Committee (Chair)

**Principal Occupation**

President & CEO, First Mining Inc.

**Other Directorships**

First Mining Inc.

**Duration**

March 2018 – Present

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**Garett Macdonald, 46**  
Toronto, Ontario  
Canada

New nominee

Independent

Mr. Garett Macdonald is a mining engineer with 22 years of industry experience including an extensive background in project development and mine operations. He has been involved with several public companies as an officer & director and has managed large technical programs through concept, feasibility and into construction. After roles in mine operations and engineering with senior Canadian mining firms Placer Dome and Suncor Energy, Mr. Macdonald served as the Vice President of Operations for Rainy River Resources prior to the sale of the company to New Gold for \$310M. From 2015 to 2018, Mr. Macdonald was Vice President of Project Development for JDS Energy & Mining, a private mining, engineering and construction management firm. Mr. Macdonald is currently the CEO of Tower Resources and a director of Gungnir Resources and Aurelius Minerals. Mr. Macdonald holds a Bachelor of Engineering (Mining) degree from Laurentian University and a Master of Business Administration from Western University's Ivey School of Business.

**Securities Held**

Shares: Nil

**Member**

N/A

**Principal Occupation**

President & CEO, Tower Resources Ltd.

**Other Directorships**

Gungnir Resources Inc.  
Aurelius Minerals Inc.  
Tower Resources Ltd.

**Duration**

July 2015 – Present  
June 2017 – Present  
March 2018 – Present

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

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

***Corporate Cease Trade Orders***

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

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

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

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

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

- a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### ***Advance Notice Provision***

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

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

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

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

### **4. Resolution 4: Change of Registered Office**

The Company is currently governed by the BCBCA. On October 26, 2017, the Shareholders approved the continuance (the "**Continuance**") of the Company under the CBCA. The articles of continuance, as approved by the Shareholders on October 26, 2017, provide that the registered office of the Company shall, upon Continuance, be situated in British Columbia. The Company is seeking Shareholder approval to revise the previously approved articles of continuance to change the Company's registered office, upon Continuance, from British Columbia to Ontario. The Continuance has not yet been effected and, if approved, the amended articles of continuance would be the articles of the Company upon Continuance.

The Company's head office is located at Suite 201, 140 Yonge Street, Toronto, Ontario, M5C 1X6, and the majority of the Company's officers (including its President and CEO) are in the Province of Ontario. Accordingly, the Board has determined that when the Company effects the Continuance its registered office should also be situated in Ontario. It is therefore proposed that the province in which the Company's registered office is situated be changed from British Columbia to Ontario effective upon the Company's continuance as a federal company under the CBCA. No other changes are being proposed to the previously approved articles of continuance.

On April 17, 2018, the TSXV provided the Company conditional acceptance of the Continuance.

On May 1, 2018, the ASX confirmed that it had no objection to the Company's articles of continuance, including the registered office being located in Ontario.

### ***Change of Registered Office Resolution***

Shareholders will be asked to consider and, if deemed advisable, to authorize and approve a special resolution to amend the previously approved articles of continuance of the Company to change the registered head office of the Company from British Columbia to Ontario, the full text of which is set out as Appendix A (the "**Change of Registered Office Resolution**"), effective upon the Company's Continuance. To be effective, the Change of Registered Office Resolution must be approved by 66⅔% of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. The Board and Management recommend that Shareholders vote FOR the Change of Office Resolution.

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

If the Change of Registered Office Resolution is approved by the Shareholders at the Meeting, the Company intends to change its registered office upon Continuance to Suite 2400, Bay-Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2T6.

The Board may proceed with the Continuance irrespective of whether the Change of Registered Office Resolution is passed by the Shareholders. However, the Board may also elect not to proceed with the Continuance at all, in which case the Company will continue to be governed by the BCBCA and its current articles.

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

### **5. Resolution 5: Amended and Restated CBCA By-Laws**

At the Company's annual and special meeting of Shareholders held on October 26, 2017, the Shareholders approved a resolution amending the Company's BCBCA articles to, among other things, increase the quorum for a meeting of Shareholders. Management intended to increase the quorum threshold from 5% to 10% of the Common Shares entitled to vote at a meeting but the meeting material inadvertently proposed an increase to 25%. Subsequent to such Shareholder meeting, the Company held a special meeting of Shareholders on March 8, 2018, at which it met, with difficulty, the higher quorum threshold.

At the October 26, 2017 meeting of Shareholders, the Shareholders also approved the Continuance and CBCA by-laws of the Company to be effective upon the Continuance. Such by-laws also contain a quorum threshold of 25% of the Common Shares entitled to vote at a meeting, consistent with the amendment to the Company's current BCBCA articles noted above.

Instead of the CBCA by-laws that were previously approved, the Board intends to adopt the amended and restated CBCA by-laws (the "**Amended and Restated By-Laws**"), a copy of which are attached as Schedule 3, which would be the by-laws of the Company upon Continuance. The Amended and Restated By-laws provide for a decrease in the quorum for a meeting of Shareholders to 10% and include certain provisions to ensure compliance with the listing requirements of the ASX. No other changes are proposed to be made in the Amended and Restated By-Laws.

The Board intends to adopt the Amended and Restated By-Laws for the following reasons:

- the Common Shares are widely held and, to the knowledge of the directors and executive officers of the Company, no person beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the issued and outstanding Common Shares;
- at the annual and special meeting of Shareholders held on October 26, 2017, 11.86% of the Shareholders were represented in person or by proxy at the meeting; and
- at the special meeting of Shareholders held on March 8, 2018, after a proxy solicitation campaign on behalf of Management was conducted, 29.08% of the Shareholders were represented in person or by proxy at the meeting.

On May 1, 2018, the ASX confirmed that it had no objection to the adoption of the Amended and Restated By-Laws by the Company upon the Continuance.

#### **By-Law Resolution**

Shareholders will be asked to consider and, if deemed advisable, to authorize and approve a special resolution to approve the Amended and Restated By-Laws, the full text of which is set out as Appendix B (the "**By-Law Resolution**"), to take effect upon the Continuance. To be effective, the By-Law Resolution must be approved by 66⅔% of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. The Board and Management recommend that Shareholders vote FOR the By-Law Resolution.

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

The Board may proceed with the Continuance irrespective of whether the By-Law Resolution is passed by the Shareholders. However, the Board may also elect not to proceed with the Continuance at all, in which case the Company will continue to be governed by the BCBCA and its current articles.

The complete text of the By-Law Resolution which Management intends to place before the Meeting for approval by the Shareholders at the Meeting is attached as Appendix B.

#### **6. Resolution 6: Amended and Restated Long-Term Incentive Plan**

On September 21, 2017, the Board approved the Company's long-term incentive plan, which was ratified by the Shareholders on October 26, 2017 (the "**Long-Term Incentive Plan**"). The Company is proposing to amend and restate the Long-Term Incentive Plan to comply with certain technical requirements of the TSXV and the ASX, with the implementation of the Amended and Restated LTIP.

The purpose of the Amended and Restated LTIP is to align the interests of those directors, employees and consultants designated by the Board as being eligible to participate in the Amended and Restated LTIP with those of the Company and its Shareholders and to assist in attracting, retaining and motivating key employees by making a portion of the incentive compensation of participating employees directly dependent upon the achievement of key



strategic, financial and operational objectives that are critical to ongoing growth and increasing the long-term value of the Company. In particular, the Amended and Restated LTIP is designed to allow the Board to grant Awards to promote the long-term success of the Company and the creation of Shareholder value by: (a) encouraging the attraction and retention of directors, key employees and consultants of the Company and its subsidiaries; (b) encouraging such directors, key employees and consultants to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such directors, key employees and consultants with the interests of the Company.

An “**Award**” means an option (“**Option**”), performance share unit (“**PSU**”), restricted share unit (“**RSU**”) and deferred share unit (“**DSU**”) granted under the Long-Term Incentive Plan (or once approved, the Amended and Restated LTIP).

The Amended and Restated LTIP will be a rolling plan with a fixed limit for its PSUs, RSUs and DSUs available for grant. Pursuant to the Amended and Restated LTIP, Common Shares reserved for Awards under the LTIP, together with any other equity compensation plans of the Company, shall not exceed ten percent (10%) of the issued and outstanding Common Shares (on a non-diluted basis). In addition, the Company also proposes to set the following limits on the total maximum of outstanding Common Shares reserved under the Amended and Restated LTIP:

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

For certainty, assuming the Amended and Restated LTIP is approved by the requisite Shareholder approval, the maximum Common Shares available for reserve under the Amended and Restated LTIP would include 2,000,000 Common Shares reserved for RSUs, 4,000,000 Common Shares reserved for PSUs and 4,000,000 Common Shares reserved for DSUs, with the balance of Common Shares available under the rolling plan reserved for Options.

If approved, the Amended and Restated LTIP will be the Company’s only compensation plan providing for the issuance of securities of the Company as compensation.

The Board is requesting that Shareholders who are not directors, officers, employees or consultants of the Company who are eligible to participate in Amended and Restated LTIP or associates of such persons affirm, ratify and approve the Amended and Restated LTIP. Accordingly, at the Meeting, disinterested Shareholders will be asked to consider, and if thought fit, to approve the Amended and Restated LTIP by ordinary resolution.

The Amended and Restated LTIP is also subject to approval of the TSXV which was obtained on May 23, 2018.

### ***Summary of Key Provisions***

The following table summarizes the key provisions of the Amended and Restated LTIP. In some instances, a distinction is made between grants made before or after the “**Original LTIP Date**” of October 26, 2017. A copy of the Amended and Restated LTIP can be requested from the Company.

<b>Eligible Participants</b>	For all Awards, any director, officer, employee or consultant of the Company or any subsidiary of the Company who is eligible to receive Awards under the Amended and Restated LTIP.
<b>Types of Awards</b>	Options, PSUs, RSUs and DSUs.
<b>Number of Securities Issued and Issuable</b>	<p>The aggregate number of Common Shares to be reserved and set aside for issue upon the exercise or redemption and settlement for all Awards granted under the Amended and Restated LTIP, together with all other established security-based compensation arrangements of the Company, shall be not more than ten percent (10%) of the issued and outstanding Common Shares (on a non-diluted basis). In addition to the foregoing:</p> <ul style="list-style-type: none"> <li>• up to a maximum of 2,000,000 Common Shares may be reserved for issuance upon conversion of RSUs;</li> <li>• up to a maximum of 4,000,000 Common Shares may be reserved for issuance upon conversion of PSUs; and</li> <li>• up to a maximum of 4,000,000 Common Shares may be reserved for issuance upon conversion of DSUs.</li> </ul>
<b>Plan Limits</b>	<p>When combined with all of the Company's other previously established security-based compensation arrangements, including the limitation imposed on the maximum number of Common Shares which may be issued pursuant to the exercise or redemption and settlement of DSUs, PSUs and RSUs set out above, the Amended and Restated LTIP shall not result in the grant:</p> <ul style="list-style-type: none"> <li>• to insiders, within a 12-month period, of a number of Awards exceeding 10% of the issued Common Shares, unless the Company has obtained the requisite disinterested shareholder approval to the grant;</li> <li>• of a number of shares issuable to insiders at any time exceeding 10% of the issued and outstanding Common Shares, unless the Company has obtained the requisite disinterested shareholder approval to the grant;</li> <li>• to any one person in any 12-month period which could, when exercised, result in the issuance of Common Shares exceeding five percent (5%) of the issued and outstanding Common Shares, calculated at the date of grant, unless the Company has obtained the requisite disinterested shareholder approval to the grant;</li> <li>• to any one consultant in any 12-month period which could, when exercised, result in the issuance of Common Shares exceeding 2% of the issued and outstanding Common Shares, calculated at the date of grant; or</li> <li>• in any 12-month period, to persons employed or engaged by the Company to perform investor relations activities which could, when exercised, result in the issuance of Common Shares exceeding, in aggregate, 2% of the issued and outstanding Common Shares, calculated at the date of grant.</li> </ul>
<b>Definition of Market Price</b>	" <b>Market Price</b> " means the last closing price of the Company's listed shares before either the issuance of a press release required to fix the price at which the shares are to be issued, less any applicable discount, or if the Company is not required to issue a press release to fix the price, the Market Price is the last closing price of the listed shares before the date of grant, less any applicable discount.
<b>Assignability</b>	An Award may not be assigned, transferred, charged, pledged or otherwise alienated, other than to a participant's personal representatives.
<b>Amending Procedures</b>	<p>The Board may at any time or from time to time, in its sole and absolute discretion and without shareholder approval, amend, suspend, terminate or discontinue the Amended and Restated LTIP and may amend the terms and conditions of any Awards granted thereunder, provided that no amendment may materially and adversely affect any Award previously granted to a participant without the consent of the participant. Provided that any amendments made to the Amended and Restated LTIP shall be made in accordance with TSXV requirements and ASX Listing Rules. By way of example, amendments that do not require shareholder approval and that are within the authority of the Board include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Amendments of a "housekeeping nature";</li> <li>• Any amendment for the purpose of curing any ambiguity, error or omission in the Amended and Restated LTIP or to correct or supplement any provision of the Amended and Restated LTIP that is inconsistent with any other provision of the Amended and Restated LTIP;</li> <li>• An amendment which is necessary to comply with applicable law or the requirements of any stock exchange on which the shares are listed;</li> <li>• Amendments respecting administration and eligibility for participation under the Amended and Restated LTIP;</li> <li>• Changes to the terms and conditions on which Awards may be or have been granted pursuant to the Amended and Restated LTIP, including changes to the vesting</li> </ul>

	<p>provisions and terms of any Awards;</p> <ul style="list-style-type: none"> <li>• Any amendment which alters, extends or accelerates the terms of vesting applicable to any Award;</li> <li>• Changes to the termination provisions of an Award or the Amended and Restated LTIP which do not entail an extension beyond the original fixed term.</li> </ul> <p>Notwithstanding the foregoing, shareholder approval shall be required for the following amendments (unless such an amendment is prohibited by TSXV requirements or ASX Listing Rules, in which case such amendment cannot be made):</p> <ul style="list-style-type: none"> <li>• Reducing the exercise price of Options, or cancelling and reissuing any Options so as to in effect reduce the exercise price;</li> <li>• Extending (i) the term of an Option beyond its original expiry date, or (ii) the date on which a PSU, RSU or DSU will be forfeited or terminated in accordance with its terms, other than in circumstances involving a blackout period; and</li> <li>• Increasing the fixed maximum number of shares reserved for issuance under the Amended and Restated LTIP;</li> <li>• Permitting Awards granted under the Amended and Restated LTIP to be transferable or assignable other than for estate settlement purposes;</li> <li>• Amending the definition of "Eligible Person" to permit the introduction or reintroduction of non-executive directors on a discretionary basis; and</li> <li>• Revising any shareholder approval requirements needed pursuant to the Amended and Restated LTIP.</li> </ul>
<b>Financial Assistance</b>	The Company will not provide financial assistance to participants under the Amended and Restated LTIP.
<b>Other</b>	<p>In the event of a change in control, the Board shall have the right, but not the obligation, to permit each participant to exercise all of the participant's outstanding Options and to settle all of the participant's outstanding PSUs, RSUs and DSUs, subject to any required approval of the TSXV and the ASX and subject to completion of the change in control, and has the discretion to accelerate vesting.</p> <p>The Amended and Restated LTIP further provides that if the expiry date or vesting date of Options is (i) during a blackout period, or (ii) within ten trading days following the end of a blackout period, the expiry date or vesting date, as applicable, will be automatically extended for a period of ten trading days following the end of the blackout period, subject to certain requirements of the TSXV and the ASX Listing Rules, as set out in the Amended and Restated LTIP. In the case of PSUs, RSUs and DSUs, any settlement that is effected during a blackout period shall be in the form of a cash payment.</p>
<b>Award Agreement</b>	While the Company is listed on the ASX, each Award agreement will specify certain terms regarding the rights given to the Award holders that are compliant with the ASX Listing Rules.
<b>ASX and ASX Listing Rule Application</b>	Any references to the ASX or the ASX Listing Rules made in the Amended and Restated LTIP or in any award agreement made pursuant to the Amended and Restated LTIP, will only be applicable while the Company remains subject to the ASX and the ASX Listing Rules.
<b>Description of Awards</b>	
<b>A. Stock Options</b>	
<b>Stock Option Terms and Exercise Price</b>	The exercise price, vesting, expiry date and other terms and conditions of the Options are determined by the Board. The exercise price shall in no event be lower than the Market Price of the shares at the date of grant, less any allowable discounts.
<b>Term</b>	Options shall be for a fixed term and exercisable as determined by the Board, provided that no Option shall have a term exceeding ten years.
<b>Vesting</b>	All Options granted pursuant to the Amended and Restated LTIP will be subject to such vesting requirements as may be imposed by the Board, with all Options issued to consultants performing investor relations activities vesting in stages over at least 12 months with no more than 1/4 of the Options vesting in any three month period.
<b>Exercise of Option</b>	The participant may exercise Options by payment of the exercise price per Common Share subject to each Option.

Circumstances Involving Cessation of Entitlement to Participate	Reasons for Termination	Vesting	Expiry of Vested Options
	Death	Unvested Options automatically vest as of the date of death	Options expire on the earlier of the scheduled expiry date of the Option and one year following the date of death
	Disability	Options continue to vest in accordance with the terms of the Option	Options expire on the scheduled expiry date of the Option
	Retirement	Options continue to vest in accordance with the terms of the Option	Options expire on the scheduled expiry date of the Option
	Resignation	Unvested Options as of the date of resignation automatically terminate and shall be forfeited	Options expire on the earlier of the scheduled expiry date of the Option and three months following the date of resignation  Options granted to Persons engaged primarily to provide investor relations activities expire on the scheduled expiry date of the Option and 30 days following the date of resignation
	Termination without Cause / Constructive Dismissal (No Change in Control)	Unvested Options granted prior to the Original LTIP Date automatically vest as of the termination date  Unvested Options granted from and after the Original LTIP Date continue to vest in accordance with the terms of the Option	Options expire on the earlier of scheduled expiry date of the Option and one year following the termination date
	Change in Control	Options granted prior to the Original LTIP Date shall vest and become immediately exercisable, subject to any required approvals of the TSXV and ASX Listing Rules  Options from and after the Original LTIP Date do not vest and become immediately exercisable upon a change in control, unless: <ul style="list-style-type: none"> <li>• the successor fails to continue or assume the obligations under the Amended and Restated LTIP or fails to provide for a substitute Award, or</li> <li>• if the Option is continued, assumed or substituted, the participant is terminated without cause (or constructively dismissed) within two years following the change in control,</li> </ul> subject to any required approvals of the TSXV and ASX Listing Rules	Options expire on the scheduled expiry date of the Option
	Termination with Cause	Options granted prior to the Original LTIP Date that are unvested as of the termination date automatically terminate and shall be forfeited  Options granted from and after the Original LTIP Date, whether	Vested Options granted prior to the Original LTIP Date shall expire on the earlier of the scheduled expiry date of the option and three months following the termination date  Options granted from and after the Original LTIP Date, whether vested

		vested or unvested as of the termination date, automatically terminate and shall be forfeited	or unvested as of the termination date, automatically terminate and shall be forfeited
<b>B. Performance Share Units</b>			
<b>PSU Terms</b>	A PSU is a notional security but, unlike other equity based incentives, vesting is contingent upon achieving certain performance criteria, thus ensuring greater alignment with the long-term interests of shareholders. The terms applicable to PSUs under the Amended and Restated LTIP (including the performance cycle, performance criteria for vesting and whether dividend equivalents will be credited to a participant's PSU account) are determined by the Board at the time of the grant.		
<b>Vesting</b>	PSUs do not vest, and cannot be paid out (settled), until the completion of the performance cycle. For Canadian taxpayers, the performance cycle shall in no case end later than December 31 of the calendar year that is three years after the grant date.		
<b>Settlement</b>	At the grant date, the Board shall stipulate whether the PSUs are paid in cash, shares, or a combination of both, in an amount equal to the Market Value of the notional shares represented by the PSUs in the holders' account.		
<b>C. Restricted Share Units</b>			
<b>RSU Terms</b>	An RSU is a notional security that entitles the recipient to receive cash or shares at the end of a vesting period. The terms applicable to RSUs under the Amended and Restated LTIP (including the vesting schedule and whether dividend equivalents will be credited to a participant's RSU account) are determined by the Board at the time of the grant.		
<b>Credit to RSU Account</b>	As dividends are declared, additional RSUs may be credited to RSU holders in an amount equal to the greatest whole number which may be obtained by dividing (i) the value of such dividend or distribution on the record date established therefore by (ii) the Market Price of one share on such record date.		
<b>Vesting</b>	RSUs vest upon lapse of the applicable restricted period. For employees, vesting generally occurs in three equal instalments on the first three anniversaries of the grant date. For directors, one third of the Award may be immediately vesting, with the balance vesting equally over the first two anniversaries of the grant date.		
<b>Settlement</b>	At the grant date, the Board shall stipulate whether the RSUs are paid in cash, shares, or a combination of both, in an amount equal to the Market Value of the notional shares represented by the RSUs in the holders' account.		
<b>D. Deferred Share Units</b>			
<b>DSU Terms</b>	A DSU is a notional security that entitles the recipient to receive cash or shares upon resignation from the Board (in the case of directors) or at the end of employment. The terms applicable to DSUs under the Amended and Restated LTIP (including whether dividend equivalents will be credited to a participant's DSU account) are determined by the Board at the time of the grant.  Typically, DSUs have been granted (i) as a component of a director's annual retainer, or (ii) as a component of an officer's annual incentive grant. The deferral feature strengthens alignment with the long term interests of shareholders.		
<b>Credit to DSU Account</b>	As dividends are declared, additional DSUs may be credited to DSU holders in an amount equal to the greatest whole number which may be obtained by dividing (i) the value of such dividend or distribution on the record date established therefore by (ii) the Market Price of one share on such record date.		
<b>Vesting</b>	DSUs are fully vested upon grant.		
<b>Settlement</b>	DSUs may only be settled after the date on which the holder ceases to be a director, officer or employee of the Company. At the grant date, the Board shall stipulate whether the DSUs are paid in cash, shares, or a combination of both, in an amount equal to the Market Value of the notional shares represented by the DSUs in the holders' account.		
<b>E. PSUs, RSUs and DSUs</b>			
<b>Circumstances Involving Cessation of Entitlement to Participate</b>	<b>Reason for Termination</b>	<b>Treatment of Awards</b>	
	Death	Outstanding Awards that were vested on or before the date of death shall be settled as of the date of death. Outstanding Awards that were not vested on or before the date of death shall vest and be settled as of the date of death, prorated to reflect (i) in the case of RSUs and DSUs, the actual period between the grant date and date of death, and (ii) in the	

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

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

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

Subject to Shareholder approval, the Incentive Plan Resolution (as defined below), all Awards issued by the Company under its previous stock option plan and the Long-Term Incentive Plan to directors, officers, employees and consultants of the Company and currently outstanding shall be deemed to have been granted and issued under the Amended and Restated LTIP and otherwise be governed by the terms and conditions of the Amended and Restated LTIP, subject to the specific terms and conditions as to exercise price, vesting periods, if any, and expiry dates as are currently applicable to such Awards.

As of May 25, 2018, the Company had 4,190,000 Options, no PSUs, no RSUs and no DSUs outstanding under the Long-Term Incentive Plan.

On December 1, 2017, the Board approved the grant of an aggregate of 1,683,482 Options (with an exercise price of \$1.43), an aggregate of 580,681 PSUs and an aggregate of 898,962 DSUs to certain directors, officers, employees and consultants of the Company pursuant to the Long-Term Incentive Plan. At the request of the ASX, these Options, PSUs and DSUs were cancelled on May 25, 2018. The Board intends to re-issue Awards to these holders on the same terms (and in the case of the Options, at the same exercise price) as the previously granted Awards, upon receipt of the requisite Shareholder approval for the Incentive Plan Resolution and, in the case of Awards to directors, the 2017 Director Grant Resolutions (as defined below). If the Incentive Plan Resolution is not approved at the Meeting, the Long-Term Incentive Plan will continue to be the Company's equity incentive plan and, so long as the Company is listed on the ASX, it will not be permitted to issue any further Options under the Long-Term Incentive Plan unless a waiver is granted by the ASX.

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

For the purposes of ASX Listing Rule 7.2 Exception 9 and in accordance with Policy 4.4 of the TSXV, disinterested Shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution approving, adopting and ratifying the Amended and Restated LTIP and approving the subsequent issue and allotment of Common Shares on exercise, redemption or settlement of the Awards granted under that Amended and Restated LTIP, the full text of which is set out in Appendix C (the "**Incentive Plan Resolution**"). To be effective, the Incentive Plan Resolution must be approved by a simple majority of the votes cast in respect thereof by disinterested Shareholders present in person or by proxy at the Meeting. The Board and Management recommend that the disinterested Shareholders vote FOR the Incentive Plan Resolution.

A voting exclusion applies to this item of business as set out in the voting exclusion statement included in the Notice of Meeting. As at the Record Date, and based on the information available to the Company, holders of 6,214,667 Common Shares are not entitled to vote on the resolution to approve the Amended and Restated LTIP.

Additionally, ASX Listing Rule 7.1 limits the number of equity securities that the Company can issue or agree to issue without Shareholder approval. Generally, an ASX listed entity cannot, in any 12-month period, issue a number of equity securities which is more than 15% of common shares then on issue ("**15% Limit**"). ASX Listing Rule 7.2 Exception 9, provides that Shareholder approval is not required for an issue of securities under an employee incentive scheme, and those securities do not count towards the 15% Limit, if, within three years before the date of the issue Shareholders have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1. Accordingly, Shareholders will be asked, pursuant to ASX Listing Rule 7.2 Exception 9, to approve issues of Awards under the Amended and Restated LTIP, and Common Shares upon the exercise, redemption or settlement of those Awards, for a period of three years from the date of approval. For the purposes of ASX Listing Rule 7.2, a summary of the terms of the Amended and Restated LTIP is set out above, this is the first approval under the ASX Listing Rules of the Amended and Restated LTIP.

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

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

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

## **7. Resolutions 7(a)–(g): Future Director Awards**

Pursuant to the ASX Listing Rules, the Company is required to obtain Shareholder approval before it issues Awards to directors. Accordingly, the Board is seeking disinterested Shareholder approval to authorize a maximum issue of Awards for the 2018 fiscal year at this time. These Awards may be made to each of the director nominees forming part of the Original Slate and the US Cobalt Slate (being Jason Bontempo, Garrett Macdonald, Paul Matysek, Trent Mell, Ross Phillips, John Pollesel and Jeffrey Swinoga) under the Amended and Restated LTIP and otherwise on the terms and conditions set out in this Circular.

As set out above, the Long-Term Incentive Plan is (and once approved, the Amended and Restated LTIP will be) the Company's only compensation plan providing for the issuance of securities in the Company as compensation. It represents a key element of the Company's remuneration strategy for executives and particularly its directors. The Board considers that each of the directors is essential to the operation of the Company's ongoing business.

The Board has broad discretion under the Long-Term Incentive Plan (and once approved, the Amended and Restated LTIP) to grant Awards to eligible participants, including directors, in accordance with the terms of the plan and subject to the approved limits.

Accordingly the Company is proposing, subject to obtaining Shareholder approval, to issue Awards to directors under the Long-Term Incentive Plan (or once approved, the Amended and Restated LTIP). In the interest of flexibility and efficiency, the Board is seeking Shareholder approval at the Meeting to permit it to issue to each director up to the maximum number of Options, PSUs, RSUs and DSUs set out in Appendix D within the next twelve months.

Shareholders should note that, approval under these resolutions does not mean that the Company will issue the maximum number of Awards to directors. The exact number of Options, PSUs, RSUs and DSUs will be determined after the Meeting based on established compensation levels determined in consultation with the Company's independent compensation consultant but it will not, under any circumstance, exceed the maximum number specified in this Circular.

For certainty, if the Incentive Plan Resolution is not approved at the Meeting, the Long-Term Incentive Plan will continue to be the Company's equity incentive plan and, so long as the Company is listed on the ASX, it will not be permitted to issue any further Options, to directors or otherwise, under the Long-Term Incentive Plan unless a waiver is granted by the ASX.

The Board has not presently resolved to issue any future Awards to directors under the Amended and Restated LTIP (other than the re-grant of Awards noted under "*Re-Grants of 2017 Options, PSUs and DSUs*" below).

A summary of the securities held by each of the directors of the Company as at the date of this Circular is set out above under the "*Director Profiles*".

### **Regulatory Matters**

For the purposes of ASX Listing Rule 10.15, the Company provides the following additional information in respect of the incentives to directors:



<p><b>The maximum number of securities that may be acquired by directors.</b></p>	<p>The maximum number of Awards that may be granted to directors under these resolutions, collectively, is 1,659,166 and individually, is as follows:</p> <ul style="list-style-type: none"> <li>a) to Jason Bontempo, up to 85,000 DSUs and 85,000 RSUs;</li> <li>b) to Garrett Macdonald, up to 170,000 DSUs;</li> <li>c) to Paul Matysek, up to 85,000 DSUs;</li> <li>d) to Trent Mell, up to 773,333 Options and 120,833 PSUs;</li> <li>e) to Ross Phillips, up to 85,000 DSUs and 85,000 RSUs;</li> <li>f) to John Pollesel, up to 85,000 DSUs; and</li> <li>g) to Jeffrey Swinoga, up to 85,000 DSUs.</li> </ul> <p>The actual number of Awards that will be granted will be determined by the Board from time to time with regard to the performance of the Board and pursuant to the terms of the Amended and Restated LTIP.</p> <p>The actual number of Awards that will convert into Common Shares will be dependent on the terms and conditions that those Awards are subject to. The Options will be exercisable into no more than 773,333 Common Shares (assuming that the maximum number of Options approved hereunder are issued and exercised). The DSUs and PSUs are paid in cash, shares, or a combination of both, in an amount equal to the market value of the notional shares represented by the DSUs or PSUs in the holders' account.</p>
<p><b>The price for each security that may be acquired under the Amended and Restated LTIP.</b></p>	<p>The Awards will be granted as part of the directors' equity-based compensation and will be granted for no monetary consideration. Further, the exercise, redemption or settlement price of Awards granted under the Amended and Restated LTIP will be determined by the Board in accordance with the Amended and Restated LTIP, as set out above under the "Summary of Key Provisions" subheading, such price shall be no less than the Market Price (as defined in the summary above).</p>
<p><b>The names of all directors who received securities under the Amended and Restated LTIP since the last approval.</b></p>	<p>This is the first approval under the ASX Listing Rules of the Amended and Restated LTIP. Accordingly, no securities requiring disclosure under this ASX Listing Rule have been issued.</p>
<p><b>The names of all directors entitled to participate in the Amended and Restated LTIP.</b></p>	<p>Under the rules of the Amended and Restated LTIP, only "Eligible Persons" are entitled to participate in the Amended and Restated LTIP. The following directors have been determined to be "Eligible Persons" for the purposes of the Amended and Restated LTIP: Jason Bontempo, Garrett Macdonald, Paul Matysek, Trent Mell, Ross Phillips, John Pollesel and Jeffrey Swinoga.</p> <p>Any additional directors who become entitled to participate in the Amended and Restated LTIP after these resolutions have been approved, and who were not named in this Circular, will not participate in the Amended and Restated LTIP until approval is obtained under listing rule 10.14 in respect of that person.</p>
<p><b>The terms of any loan in relation to the Amended and Restated LTIP.</b></p>	<p>No loan will be made by the Company in relation to the acquisition of Awards by a director under the Amended and Restated LTIP.</p>
<p><b>The date by which the Company will issue the securities to directors.</b></p>	<p>The Company may grant Awards approved under these resolutions from time to time as decided by the Board and, in any case, no later than twelve months after the date of approval at the Meeting.</p>

### **Authorized Director Grant Resolutions**

ASX Listing Rule 10.11 provides a general restriction against issuing securities to directors without Shareholder approval. ASX Listing Rule 10.12 Exception 4 provides that Shareholder approval is not required if the issue of securities is made under an employee incentive scheme approved by Shareholders in accordance with ASX Listing Rule 10.14. If approval is given by Shareholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 10.14 and for all other purposes, disinterested Shareholders will be asked to consider and, if deemed advisable, to approve ordinary resolutions approving the grant to each of the proposed director nominees up to a set limit of Options, PSUs, RSUs and DSUs within the next twelve months, and approving the subsequent issue and allotment of Common Shares on exercise, redemption or settlement

of those Awards (together, the “**Authorized Director Grant Resolutions**”). To be effective, each of the Authorized Director Grant Resolutions must be approved by a simple majority of the votes cast in respect thereof by disinterested Shareholders present in person or by proxy at the Meeting. The Board and Management recommend that the disinterested Shareholders vote FOR the Authorized Director Grant Resolutions.

A voting exclusion applies to this item of business as set out in the voting exclusion statement included in the Notice of Meeting. As at the Record Date, and based on the information available to the Company, holders of 4,138,000 Common Shares are not entitled to vote on the Authorized Director Grant Resolutions.

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

The complete text of the Authorized Director Grant Resolutions which Management intends to place before the Meeting for approval by the Shareholders at the Meeting are attached as Appendix D.

## **8. Resolutions 8(a)–(g): Re-Grant of 2017 Director Awards**

As noted above under “*Amended and Restated Long Term Incentive Plan*”, on December 1, 2017, the Board approved the grant of Options, PSUs and DSUs to certain directors, officers, employees and consultants of the Company pursuant to the Long-Term Incentive Plan. Of these grants, the following Options, PSUs and DSUs (collectively, the “**Granted Securities**”) were granted in respect of the 2017 fiscal year to current directors of the Company (the “**Grantees**”), pursuant to the Long-Term Incentive Plan:

<b>Grantee</b>	<b>Position</b>	<b>Awards<sup>(1)</sup></b>	<b>Date of Grant</b>	<b>Term<sup>(2)</sup></b>
Jason Bontempo	Director	123,387 DSUs <sup>(5)</sup>	01-Dec-17	-
Paul Matysek	Chairman, Director	176,267 DSUs 176,267 PSUs	01-Dec-17 01-Dec-17	- 2 years
Trent Mell	President, CEO, Director	613,839 Options 194,894 PSUs	30-Nov-17 01-Dec-17	2 years
Ross Phillips	Director	123,387 DSUs	01-Dec-17	-
John Pollesel	Director	176,267 DSUs	01-Dec-17	-
Jeffery Swinoga	Director	176,267 DSUs	01-Dec-17	-
Robert Cross	Director	123,387 DSUs <sup>(4)</sup>	01-Dec-17	-

### **Notes:**

- (1) These Options vest evenly over a two-year period. Once vested, each of these Options is exercisable for one share at a price of \$1.43 per Option. These DSUs and PSUs were determined to be settled with shares.
- (2) DSUs and PSUs are paid in cash, shares, or a combination of both, in an amount equal to the market value of the notional shares represented by the DSUs or PSUs in the holders’ account.
- (3) The DSUs vested immediately upon grant but may not be exercised until the director ceases to serve on the Board. These PSUs vest in two tranches over a 12-month period contingent on achieving strategic corporate objectives.
- (4) It is proposed that RSUs be granted in lieu of these DSU pursuant to the 2017 Director Grant Resolutions. These RSUs would vest immediately.
- (5) It is proposed that RSUs be granted in lieu of these DSU pursuant to the 2017 Director Grant Resolutions in the event that the US Cobalt Transaction closes prior to the date of the Meeting and Mr. Bontempo is no longer a director of the Company. These RSUs would vest immediately.

The manner in which the Granted Securities and other Awards under the LTIP were granted did not comply with ASX Listing Rules and therefore, at the request of the ASX the Granted Securities and other Awards were cancelled on May 25, 2018. Under the rules of the TSXV, this method of making long term incentive grants to directors, officers, employees and consultants under an approved long-term incentive plan is customary. However, since the Company’s admission to the ASX, it must also comply with Australian listing rules, which

vary in a few significant respects. The Board intends to re-issue Awards to these holders on the same terms (and in the case of the Options, at the same exercise price) as the previously granted Awards, upon receipt of the requisite Shareholder approval for the Incentive Plan Resolution and, in the case of Awards to directors, the 2017 Director Grant Resolutions.

As set out above under “*Future Incentives to Directors*”, ASX Listing Rule 10.11 provides a general restriction against issuing securities to directors without Shareholder approval. In light of this ASX Listing Rule, Shareholders must approve the re-grant of the Granted Securities to the Grantees, being the proposed nominees on the Original Slate. As such, and as requested by the ASX, the Shareholders, other than the Grantees or associates of the Grantees, are being asked to approve the re-grant of the Granted Securities for the purposes of ASX Listing Rule 10.11 and for all other purposes.

A summary of the securities held by each of the directors of the Company as at the date of this Circular is set out above under the “*Director Profiles*”. In addition, Robert Cross, a current director of the Company, holds 1,721,667 Common Shares.

For the purposes of ASX Listing Rule 10.13, the Company provides the following additional information in respect of the Granted Securities:

<b>The maximum number of securities that may be issued</b>	The maximum number of securities that may be issued to each of the Grantees pursuant to these resolutions is set out in the table above, under the heading “ <i>Awards</i> ,” and the maximum number of Common Shares available on the exercise, redemption or settlement of those Granted Securities is set out in the table above, in footnotes (1) and (2).
<b>The issue date of the Granted Securities</b>	If approved, the Granted Securities will be re-granted within 30 days of obtaining approval at the Meeting.
<b>Nature of Grantees’ relationship</b>	Each of the Grantees are directors of the Company on, or will have been a director of the Company within 6 months prior to, the date the Granted Securities will be re-granted.
<b>The issue price of the Granted Securities</b>	The Granted Securities were granted as part of the directors’ equity-based compensation and will be re-granted for no monetary consideration and, other than in respect of the Options, the exercise, redemption or settlement price of the Granted Securities will be for nil monetary consideration. The Options will have an exercise price of \$1.43.
<b>Key terms of the Granted Securities</b>	The Granted Securities will be re-granted on the key terms set out in the table above and: <ul style="list-style-type: none"> <li>a) in respect of the PSUs, each PSU vests in two tranches over a 12-month period contingent on achieving strategic corporate objectives;</li> <li>b) in respect of the DSUs, each DSU will vest immediately upon grant but may not be exercised until the director ceases to serve on the Board;</li> <li>c) in respect of the RSUs, each RSU will vest immediately upon grant.</li> </ul> The Granted Securities will otherwise be subject to the terms and conditions of the Amended and Restated LTIP (the terms of which are set out below in the explanatory notes to Resolution 6).
<b>ASX Listing Rule 7.1 Approval</b>	If approval is given by Shareholders under ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1.

### **2017 Director Grant Resolutions**

For the purposes of ASX Listing Rule 10.11 and for all other purposes, disinterested Shareholders will be asked to consider and, if deemed advisable, to approve ordinary resolutions to approving the re-grant of the Granted Securities to each of the Grantees, and approving the subsequent issue and allotment of Common Shares on exercise, redemption or settlement of the Granted Securities, the full text of which is set out in Appendix E (the “**2017 Director Grant Resolutions**”). To be effective, the 2017 Director Grant Resolutions must be approved by a simple majority of the votes cast in respect thereof by disinterested Shareholders present in person or by proxy at the Meeting. The Board and Management recommend that the disinterested Shareholders vote FOR the 2017 Director Grant Resolutions.

A voting exclusion applies to this item of business as set out in the voting exclusion statement included in the Notice of Meeting. As at the Record Date, and based on the information available to the Company, holders of an aggregate of 5,859,667 Common Shares are not entitled to vote on the resolutions to approve the foregoing. For certainty, 2,070,000 Common Shares are not entitled to vote on Resolution 8(a); 1,265,000 Common Shares are not entitled to vote on Resolution 8(b); 658,000 Common Shares are not entitled to vote on Resolution 8(c); 50,000 Common Shares are not entitled to vote on Resolution 8(d); 25,000 Common Shares are not entitled to vote on Resolution 8(e); 70,000 Common Shares are not entitled to vote on Resolution 8(f); and 1,721,667 Common Shares are not entitled to vote on Resolution 8(g).

**Unless the Shareholder has specifically instructed in the enclosed Proxy Form that the Common Shares represented by such proxy are to be voted against the 2017 Director Grant Resolutions, the persons named in the accompanying proxy will vote FOR the 2017 Director Grant Resolutions.**

The complete text of the 2017 Director Grant Resolutions which Management intends to place before the Meeting for approval by the Shareholders at the Meeting are attached as Appendix E.

Notwithstanding if approval by Shareholders at the Meeting is received for the 2017 Director Grant Resolutions, the Board reserves the right not to re-grant any Awards pursuant to the Amended and Restated LTIP.

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

#### **Corporate Governance Practices**

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

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

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

The Board has not adopted policies on mandatory retirement or overboarding, on the belief that age or number of board seats are not, in themselves, determinants of a director's ability to make an effective contribution to the Company. Overboarding thresholds will be higher, for instance, for directors who are retired from active employment. However, the listing rules of the ASX do provide that a director should not hold office for more than three years (without re-election).

The following discussion outlines some of First Cobalt's current corporate governance practices, particularly with respect to the matters addressed by National Policy 58-201 – *Corporate Governance Guidelines* (the "**Canadian Guidelines**") and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), adopted by the CSA.

## **Code of Conduct**

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

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

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

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

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

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

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

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

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

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

- Leverage experience and wisdom in making sound strategic and operational business decisions; and
- Demonstrate business acumen and a mindset for risk oversight.

### ***Mandates***

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

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

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

### ***Risk Oversight***

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

### ***Board Effectiveness***

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

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

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

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

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

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

### **Committees of the Board**

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

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

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

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

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

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

#### ***Composition of the Audit Committee***

The Audit Committee is currently comprised of Mr. Ross Phillips, Mr. John Pollesel and Mr. Jeffrey Swinoga (Chair). All of the members of the Audit Committee are financially literate and independent.

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") adopted by the CSA provides that a member of an audit committee is "independent" if the member has no direct

or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment. All members of the Audit Committee are "independent" within the meaning of NI 52-110.

#### *Relevant Education and Experience*

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

#### **John Pollesel**

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

#### **Jeffrey Swinoga**

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 Chartered Accountant certified by Chartered Professional Accountants of Ontario.

#### **Ross Phillips**

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

#### *Audit Committee Oversight*

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

#### *Reliance on Certain Exemptions*

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

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

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

#### *External Auditor Service Fees (By Category)*

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

<b>Fees in Canadian dollars</b>	<b>December 31, 2017<sup>(4)</sup></b>	<b>March 31, 2017<sup>(4)</sup></b>	<b>March 31, 2016<sup>(4)</sup></b>
Audit fees <sup>(1)</sup>	\$34,450	\$27,000	\$7,490
Audit-related fees <sup>(2)</sup>	\$Nil	\$Nil	\$Nil
Tax fees <sup>(3)</sup>	\$523	\$1,500	\$1,123
All other fees	\$8,476	\$Nil	\$Nil
<b>Total</b>	<b>\$43,449</b>	<b>\$28,500</b>	<b>\$8,613</b>

#### **Notes:**

- (1) The aggregate fees billed for audit services, including fees relating to the review of quarterly financial statements, 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.



<sup>(3)</sup> The aggregate fees billed for tax compliance, tax advice and tax planning services.

<sup>(4)</sup> For the fiscal years ended March 31, 2016, March 31, 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.

### **CGN Committee**

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

#### *Composition of the CGN Committee*

The CGN Committee is currently comprised of Mr. Robert Cross and Mr. John Pollesel (Chair). Upon the closing of the US Cobalt Transaction, it is anticipated that Garett Macdonald will take Mr. Cross's position on the CGN Committee.

## **PART 4: EXECUTIVE COMPENSATION**

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

The Company is pleased to give you important background information and context to the executive compensation discussion and analysis that follows and the decisions made about executive compensation for the financial year ended December 31, 2017. The Company's executive compensation philosophy is based on pay for performance and prudent risk management to motivate the senior leadership to execute corporate strategy in a manner that delivers strong results for Shareholders.

#### ***Our Approach to Compensation***

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

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

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

## **Compensation Discussion and Analysis**

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

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

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

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

During the financial year ended December 31, 2017, First Cobalt's NEOs were Trent Mell, the President and Chief Executive Officer of the Company, Kevin Ma, the Chief Financial Officer and Secretary of the Company, Frank Santaguida, the Vice-President Exploration of the Company, and Peter Campbell, the Vice-President Business Development of the Company.

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

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

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

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

### ***Compensation Consultant***

In July 2017, the Company engaged PM Search Partners, an independent compensation consultant, to assist it in determining compensation for the Company's NEOs by, among other things, developing an appropriate peer group of companies for the Company's most recent financial year. The CGN Committee reviewed the information and advice provided by PM Search Partners, among other factors, in making its executive compensation decisions

and recommendations to the Board. The table below summarizes the fees paid by the Company to its compensation consultants related to determining compensation and compensation program design for the Company's executives ("**Executive Compensation-Related Fees**") and the fees paid by the Company to its compensation consultants for other services ("**All Other Fees**") for the financial years ended March 31, 2017 and December 31, 2017.

Fees in Canadian dollars	December 31, 2017	March 31, 2017
Executive Compensation-Related Fees	\$40,000	\$Nil
All Other Fees <sup>(1)</sup>	\$95,000	\$137,000

**Notes:**

<sup>(1)</sup> Fees paid for director search assistance.

**Executive Compensation Strategy**

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

**Elements of Compensation**

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

- a) *Base Salary* – The primary element of the Company's compensation program is base salary. The Company's view is that a competitive base salary is a necessary element for retaining qualified executive officers. The amount payable to an executive officer as base salary is determined primarily by the number of years' experience, personal performance, and by comparisons to the base salaries and total compensation paid to executives of comparable publicly-traded companies within the Canadian mineral exploration sector. For the 2018 calendar year, which includes the most recently completed financial year, being the nine-month transitional fiscal year ended December 31, 2017, the general criteria applied in selecting the comparator group were as follows:
- a. Industry/Sub-industries
  - b. Market capitalization: \$75 million to \$200 million
  - c. Stage of Development: Exploration, Development and Production
  - d. Geographic Location: Canada, Africa

Based on those criteria, the following group of 21 companies in 2017 was determined to be the comparator group:

Company Name	Market Cap (\$)	Stage
Avino Silver & Gold Mines Ltd.	74,666,000	Producing/Exploration
Star Diamond Corporation	75,313,000	Exploration
Balmoral Resources Ltd.	76,554,000	Exploration
GoGold Resources Inc.	81,404,000	Developing/Producing
Rubicon Minerals Corp.	89,131,000	Exploration
Noront Resources Ltd.	93,824,000	Exploration
K92 Mining Inc.	94,521,000	Developing
Banro Corporation	100,977,186	Producing/Exploration
Platinum Group Metals Ltd.	102,444,000	Developing
Pure Gold Mining Inc.	103,427,000	Exploration/Developing
Orezone Gold Corporation	104,754,000	Exploration
Columbus Gold Corp.	109,992,000	Developing

Company Name	Market Cap (\$)	Stage
Probe Metals Inc.	133,725,000	Exploration
Midas Gold Corp.	13,411,000	Exploration/Developing
Western Copper and Gold Corporation	136,965,000	Developing
White Gold Corp.	141,020,000	Exploration
Copper Mountain Mining Corporation	144,303,000	Producing/Exploration
Marathon Gold Corp.	145,002,000	Exploration/Developing
eCobalt Solutions Inc.	168,781,000	Exploration/Developing
Lithium X Energy Corp.	171,437,000	Exploration/Developing
Critical Elements Corporation	207,166,000	Exploration

- b) *Annual Bonus* - Along with the establishment of competitive base salaries and long-term incentives, one of the objectives of the executive compensation strategy is to encourage and recognize strong levels of performance by linking achievement of corporate and individual goals and objectives with variable cash compensation in the form of an annual bonus. Bonuses awarded to executive officers during the most recently completed financial year have been determined at the discretion of the CGN Committee on a fully qualitative basis by reference to the success of the Company and each executive officer's contribution in the year. Upon appointment on the CEO in March 2017, management's overriding objective was to position the Company in the market as the go-to name in the junior cobalt space by: (i) bringing together a strong management team, (ii) building an experienced Board, (iii) building a strong treasury, (iv) raising the profile of the Company, and (v) pursuing an aggressive growth strategy. The Board concluded that management exceeded established targets as evidenced by a number of metrics:
- a. the Company was named a 2018 TSX Venture 50® company for creating shareholder value based on market capitalization growth, share price appreciation and trading volume;
  - b. the Company was ranked fourth on the list of leading mining companies for the year, from a total of 1,200 mining companies listed on the TSXV;
  - c. Management completed a three-way merger to consolidate half of the historic Canadian Cobalt Camp;
  - d. the Company made significant progress in the Cobalt Camp, including data compilation, a successful drill campaign and identifying a basis to pursue cobalt bulk mining opportunities in this district mining district;
  - e. Management completed a \$30 million financing, attracting a number of quality long term institutional shareholders; and
  - f. The share price more than doubled from the time that the CEO was appointed.
- c) *Stock Options and other long-term incentives* - The award of Options is intended to give each Option holder an interest in preserving and maximizing shareholder value in the longer term. In addition, the grant of Awards generally is intended to align the interests of executive officers with those of shareholders and to enable the Company to attract and retain individuals with experience and ability. Award grants are considered when reviewing executive officer compensation packages as a whole. Options generally have a five-year term, are subject to vesting provisions of up to two years and carry an exercise price equal to the fair value of the Common Shares as at the granting date. DSUs generally vest immediately upon grant but may not be exercised until the director ceases to serve on the Board. PSUs generally vest in two tranches over a 12-month period contingent on achieving strategic corporate objectives. No PSUs, RSUs or DSUs are currently outstanding. The periodic award of Awards under the Long-Term Incentive Plan is determined by the Board based on the recommendations of the CGN Committee, is discretionary and takes into account

previous Option awards as well as typical market practices of the comparator group of companies.

## Summary Compensation

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

**Summary Compensation Table**

Name and Principal Position	Year	Salary (\$)	Share-Based Awards <sup>(9)</sup> (\$)	Option-Based Awards <sup>(1)(10)</sup> (\$)	Non-Equity Incentive Plan Compensation		All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plan <sup>(11)</sup> (\$)	Long-Term Incentive Plan (\$)		
Trent Mell <sup>(2)</sup> CEO	2017 <sup>(6)</sup>	-	-	-	195,000	-	195,000 <sup>(8)</sup>	390,000
	2017 <sup>(7)</sup>	-	-	540,000	-	-	17,473 <sup>(8)</sup>	557,473
	2016	-	-	-	-	-	-	-
Kevin Ma <sup>(3)</sup> CFO and Secretary	2017 <sup>(6)</sup>	56,700	-	-	45,000	-	-	101,700
	2017 <sup>(7)</sup>	17,325	-	57,000	-	-	-	74,325
	2016	-	-	-	-	-	-	-
Frank Santaguida <sup>(4)</sup> VP Exploration	2017 <sup>(6)</sup>	130,000	-	175,000	94,500	-	-	399,500
	2017 <sup>(7)</sup>	-	-	-	-	-	-	-
	2016	-	-	-	-	-	-	-
Peter Campbell <sup>(5)</sup> VP Business Development	2017 <sup>(6)</sup>	140,323	-	175,000	94,500	-	-	409,823
	2017 <sup>(7)</sup>	-	-	-	-	-	-	-
	2016	-	-	-	-	-	-	-

### Notes:

- (1) Fair value of incentive stock option grants calculated using the Black-Scholes model.
- (2) Trent Mell was appointed as CEO of the Company on March 2, 2017.
- (3) Kevin Ma was appointed as CFO of the Company on December 22, 2016.
- (4) Frank Santaguida was appointed as Vice-President, Exploration of the Company on March 27, 2017.
- (5) Peter Campbell was appointed as Vice-President, Business Development of the Company on March 29, 2017.
- (6) For the transition financial year ended December 31, 2017.
- (7) For the financial year ended March 31, 2017.
- (8) Upon appointment as CEO of the Company, Trent Mell obtained Common Shares issued at \$0.50 per share rather than a base salary for the 2017 calendar year. This represents a value of \$17,473 and \$195,000 for the financial years ended March 31, 2017 and December 31, 2017, respectively.
- (9) During 2017, Trent Mell, Frank Santaguida and Peter Campbell, were granted 194,894, 104,760, and 104,760 PSUs, respectively, under the Long-Term Incentive Plan which were valued at \$1.43 per unit on the date of grant. These PSUs were determined to vest in two tranches over a 12-month period contingent on achieving strategic corporate objectives. Further, these PSUs were determined to be settled in Common Shares, in an amount equal to the market value of the notional shares represented by the PSUs in the holders' account. Subsequent to December 31, 2017, these PSUs were cancelled at the request of the ASX and the Company intends to re-grant such Awards once the requisite Shareholder and regulatory approvals are received.
- (10) This column includes the grant date fair value of all Options granted by the Company to the Named Executive Officers during the indicated year. All grant date fair values equal the accounting fair values determined for financial reporting purposes in accordance with IFRS 2 Share-based Payment and were estimated using the Black-Scholes option pricing model. The grant date fair values of all options granted during the 2017 financial year were estimated by assuming a risk-free interest rate ranging from 0.69% to 1.00% per annum, an expected life of options of 2.5 years, an expected volatility ranging from 80.10% to 86.48%, and no expected dividends. The Black-Scholes options pricing model has been used to determine

grant date fair value due to its wide acceptance across industry as an option valuation model, and because it is the same model the Company uses to value options for financial reporting purposes. In addition, on December 1, 2017, Trent Mell, Kevin Ma, Frank Santaguida, and Peter Campbell were granted, 613,839, 75,000, 334,821, and 334,821 Options respectively, under the Long-Term Incentive Plan, exercisable at \$1.43 per share for a period of 5 years. These Options were determined to vest evenly over a 2-year period. Subsequent to December 31, 2017, these Options were cancelled at the request of the ASX and the Company intends to re-grant these Options once the requisite Shareholder and regulatory approvals are received.

<sup>(1)</sup> Management bonuses were paid on the basis of achieving certain corporate objectives for the year. See "Elements of Compensation - Annual Bonus" above.

### **Current Senior Leadership Team**

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

On February 15, 2017, Trent Mell entered into an employment agreement with the Company (the "**Mell Agreement**"), and was subsequently appointed as President and Chief Executive Officer of the Company on March 2, 2017. Mr. Mell is paid an annual base salary of \$290,000. He has a target bonus of 50% of base salary and a maximum bonus potential of 100% of base salary, contingent upon achieving corporate objectives to be agreed upon with the Board. Upon joining First Cobalt, he was granted 1,500,000 stock options with a strike price of \$0.66. These Options have a 5-year term and vested on the date of the grant. Mr. Mell was also granted 194,894 PSUs and 613,839 Options with a strike price of \$1.43 during 2017. These PSUs and Options have since been cancelled at the request of the ASX, but the Company intends to re-issue them on the same terms and, in respect of the Options at the same strike price, if the Incentive Plan Resolution and 2017 Director Grant Resolutions in respect of Mr. Mell's Awards receive the requisite approval at the Meeting.

#### *Kevin Ma – Chief Financial Officer*

On December 22, 2016, the Company entered into a consulting agreement (the "**Skanderbeg Agreement**") with Skanderbeg Financial Advisory Inc. ("**Skanderbeg Financial**") pursuant to which the Company retained Skanderbeg Financial to provide the services of Kevin Ma as Chief Financial Officer of the Company. Skanderbeg Financial receives a monthly fee of \$10,000 in consideration for providing the services of Mr. Ma. Upon joining the Company as Chief Financial Officer, Mr. Ma was granted a total of 300,000 stock options with a strike price of \$0.38. These Options have a 5-year term and vested on the date of the grant. Mr. Ma was also granted 75,000 Options with a strike price of \$1.43 during 2017. These Options have since been cancelled at the request of the ASX, but the Company intends to re-issue them on the same terms and at the same strike price if the Incentive Plan Resolution receives the requisite approval at the Meeting.

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

On March 27, 2017, Frank Santaguida entered into an employment agreement with the Company (the "**Santaguida Agreement**"), and was subsequently appointed as Vice-President, Exploration of the Company. Mr. Santaguida is paid an annual base salary of \$200,000. He has a target bonus of 35% of base salary and a maximum bonus potential of 70% of base salary, contingent upon achieving corporate objectives to be agreed upon with the Board. Subsequent to joining First Cobalt, he was granted 500,000 stock options with a strike price of \$0.69. These Options have a 5-year term and vested on the date of the grant. Mr. Santaguida was also granted 104,760 PSUs and 334,821 Options with a strike price of \$1.42 during 2017. These PSUs and Options have since been cancelled at the request of the ASX, but the Company intends to re-issue them on the same terms and, in respect of the Options at the same strike price, if the Incentive Plan Resolution receives the requisite approval at the Meeting.

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

On March 29, 2017, Peter Campbell entered into an employment agreement with the Company (the "**Campbell Agreement**"), and was subsequently appointed as Vice-

President, Business Development of the Company. Mr. Campbell is paid an annual base salary of \$200,000. He has a target bonus of 35% of base salary and a maximum bonus potential of 70% of base salary, contingent upon achieving corporate objectives to be agreed upon with the Board. Subsequent to joining First Cobalt, he was granted 500,000 stock options with a strike price of \$0.69. These Options have a 5-year term and vested on the date of the grant. Mr. Campbell was also granted 104,760 PSUs and 334,821 Options with a strike price of \$1.43 during 2017. These PSUs and Options have since been cancelled at the request of the ASX, but the Company intends to re-issue them on the same terms and, in respect of the Options at the same strike price, if the Incentive Plan Resolution receives the requisite approval at the Meeting.

## Incentive Plan Awards

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

The following table sets forth all share-based and option-based awards outstanding for the Named Executive Officers as of December 31, 2017:

Name	Option-Based Awards			Share-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Exercise Price (\$)	Expiry Date	Value of Unexercised in-the-money Options <sup>(1)</sup> (\$)	Number of Share-Based Awards – Unvested (#)	Market Value of Share-Based Awards – Unvested (\$)	Market Value of Share-Based Awards – Vested (\$)
Trent Mell	1,500,000	0.66	Mar, 3, 2022	870,000	194,894	241,668	-
Kevin Ma	300,000	0.38	Dec. 21, 2021	258,000	-	-	-
Frank Santaguida	500,000	0.69	May 31, 2022	275,000	104,760	129,902	-
Peter Campbell	500,000	0.69	May 31, 2022	275,000	104,760	129,902	-

#### Notes:

- (1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price of \$1.24 for the Common Shares on the TSXV on December 29, 2017 (being the last trading day prior to December 31, 2017) and the exercise price of the options, multiplied by the number of unexercised options.

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

The following table sets forth the value of all incentive plan awards vested or earned for each Named Executive Officer during the financial year ended December 31, 2017:

Name	Option Based Awards – Value Vested During the Year <sup>(1)</sup>	Share Based Awards – Value Vested During the Year	Non-Equity Incentive Plan Compensation – Value Earned During the Year
Trent Mell	-	-	-
Kevin Ma	-	-	-
Frank Santaguida	\$48,750	-	-
Peter Campbell	\$48,750	-	-

#### Notes:

- (1) The “value vested during the year” is calculated based on the positive difference between the closing price for the Common Shares on the TSXV as of the date of vesting and the exercise price of the options, multiplied by the number of vested options. All options granted to the NEOs vested on the date of grant and the exercise price of such options was equal to the closing price of the Company’s shares as of the date of grant.

### **Pension Benefits**

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

## Termination and Change of Control Benefits

In accordance with the terms of the Mell Agreement, the Santaguida Agreement and the Campbell Agreement, the Company may terminate each executive at any time without further obligation by providing notice based on the length of employment of each executive. In the case of the Mell Agreement, Mr. Mell would be entitled to receive a payment equivalent to 12 months' salary in the event the agreement is terminated in the first 12 months, and 24 months' salary thereafter. In the case of the Santaguida Agreement and the Campbell Agreement, Messrs. Santaguida and Campbell would each be entitled to receive a payment equivalent to 6 months' salary in the event their respective agreements are terminated in the first 12 months, and 12 months' salary thereafter. The Company has also entered into change of control agreements with each of Messrs. Mell, Santaguida and Campbell pursuant to which they would each be entitled to payments equivalent to 24 months' salary in the event they are terminated within 12 months of a change of control event.

## Securities Authorized For Issuance Under Equity Compensation Plans

The following table provides information regarding the number of Common Shares to be issued upon the exercise of outstanding options and the weighted-average exercise price of the outstanding options in connection with the Long-Term Incentive Plan as at December 31, 2017:

<b>Plan Category</b>	<b>Number of Common Shares to be issued upon exercise of outstanding options, PSUs, RSUs and DSUs</b>	<b>Weighted-average exercise price of outstanding options, PSUs, RSUs and DSUs</b>	<b>Number of Common Shares remaining available for future issuance under equity compensation plans<sup>(1)</sup></b>
Equity compensation plans approved by security holders	4,440,000	\$0.60	17,548,882
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	<b>4,440,000</b>	<b>\$0.60</b>	<b>17,548,882</b>

### Notes:

- <sup>(1)</sup> The aggregate number of Common Shares to be reserved and set aside for issue upon the exercise or redemption and settlement for all awards granted under the Long-Term Incentive Plan, together with all other established security-based compensation arrangements of the Company, shall not exceed 10% of the issued and outstanding Common Shares at the time of granting the Award (on a non-diluted basis). As at December 31, 2017, there were 219,888,826 issued and outstanding Common Shares.

## Other Compensation Matters

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

Collectively, as of the date hereof, the directors and executive officers of the Company, as a group, own directly or indirectly, 6,214,667 Common Shares representing approximately 3% of the issued and outstanding Common Shares.



## PART 5: DIRECTOR COMPENSATION

The following table discloses the particulars of the compensation provided to the non-executive directors of the Company for the financial year ended December 31, 2017:

### Non-Executive Director Compensation (Financial Year Ended December 31, 2017)

Name	Annual Fees – Cash (\$)	Share-Based Awards (\$)	Option-Based Awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Jason Bontempo <sup>(2)</sup>	-	-	-	-	-	-	-
Robert Cross <sup>(2)</sup>	-	-	-	-	-	-	-
Paul Matysek <sup>(2)</sup>	-	-	-	-	-	-	-
Ross Phillips <sup>(3)</sup>	-	-	54,000	-	-	-	54,000
John Pollesel <sup>(4)</sup>	-	-	70,000	-	-	-	70,000
Jeffrey Swinoga <sup>(5)</sup>	-	-	70,000	-	-	-	70,000
Bryan Slusarchuk <sup>(6)</sup>	-	-	-	-	-	-	-
Christopher Reid <sup>(7)</sup>	-	-	-	-	-	-	-

**Notes:**

- (1) Fair value of incentive stock option grants calculated using the Black-Scholes model.
- (2) Jason Bontempo, Robert Cross and Paul Matysek were appointed as directors of the Company on December 1, 2017 and were granted 123,387, 123,387, and 176,267 DSUs respectively at a price of \$1.43 per unit on the date of grant. In addition, Mr. Matysek was granted 176,267 PSUs at a price of \$1.43 per unit. Subsequent to December 31, 2017, these DSUs and PSUs were cancelled at the request of the ASX and the Company intends to re-grant Awards to Jason Bontempo, Robert Cross and Paul Matysek once the requisite Shareholder and regulatory approvals are received.
- (3) Ross Phillips was appointed as a director of the Company on February 10, 2017 and was granted 123,387 DSUs on December 1, 2017 at a price of \$1.43 per unit. Subsequent to December 31, 2017, these DSUs were cancelled at the request of the ASX and the Company intends to re-grant him Awards once the requisite Shareholder and regulatory approvals are received.
- (4) John Pollesel was appointed as a director of the Company on May 17, 2017 and was granted 176,267 DSUs on December 1, 2017 at a price of \$1.43 per unit. Subsequent to December 31, 2017, these DSUs were cancelled at the request of the ASX and the Company intends to re-grant them once the requisite Shareholder and regulatory approvals are received.
- (5) Jeffrey Swinoga was appointed as a director of the Company on May 10, 2017 and was granted 176,267 DSUs on December 1, 2017 at a price of \$1.43 per unit. Subsequent to December 31, 2017, these DSUs were cancelled at the request of the ASX and the Company intends to re-grant them once the requisite Shareholder and regulatory approvals are received.
- (6) Bryan Slusarchuk was appointed as a director of the Company on December 22, 2016 and resigned on December 1, 2017.
- (7) Christopher Reid was appointed as a director of the Company on January 6, 2017 and resigned on May 17, 2017.

### ***Narrative Discussion***

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

In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. Directors are entitled to

participate in security-based compensation arrangements or other plans adopted by the Company from time to time with the approval of the Board.

### **Incentive Plan Awards**

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

The following table sets forth all awards outstanding for each of the non-executive directors of the Company as of December 31, 2017:

Name	Option-Based Awards			Share-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Exercise Price (\$)	Expiry Date	Value of Unexercised in-the-money Options <sup>(1)</sup> (\$)	Number of Share-Based Awards – Unvested (#)	Market Value of Share-Based Awards – Unvested (\$)	Market Value of Share-Based Awards – Vested (\$)
Jason Bontempo <sup>(2)</sup>	-	-	-	-	-	-	-
Robert Cross <sup>(2)</sup>	-	-	-	-	-	-	-
Paul Matysek <sup>(2)(3)</sup>	-	-	-	-	-	-	-
Ross Phillips <sup>(4)</sup>	150,000	0.66	Mar 3, 2022	87,000	-	-	-
John Pollesel <sup>(5)</sup>	200,000	0.69	Jun 1, 2022	110,000	-	-	-
Jeffrey Swinoga <sup>(6)</sup>	200,000	0.69	Jun 1, 2022	110,000	-	-	-
Bryan Slusarchuk <sup>(7)</sup>	-	-	-	-	-	-	-
Christopher Reid <sup>(8)</sup>	-	-	-	-	-	-	-

#### **Notes:**

- (1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price of \$1.24 for the Common Shares on the TSXV on December 29, 2017 (being the last trading day prior to December 31, 2017) and the exercise price of the options, multiplied by the number of unexercised options.
- (2) Jason Bontempo, Robert Cross and Paul Matysek were appointed as directors of the Company on December 1, 2017 and were granted 123,387, 123,387, and 176,267 DSUs respectively at a price of \$1.43 per unit on the date of grant. Subsequent to December 31, 2017, these DSUs were cancelled at the request of the ASX and the Company intends to re-grant Awards to Jason Bontempo, Robert Cross and Paul Matysek once the requisite Shareholder and regulatory approvals are received.
- (3) Paul Matysek was awarded 176,267 PSUs at a price of \$1.43 per unit on December 1, 2017. Subsequent to December 31, 2017, these PSUs were cancelled at the request of the ASX and the Company intends to re-grant them once the requisite Shareholder and regulatory approvals are received.
- (4) Ross Phillips was appointed as a director of the Company on February 10, 2017 and was granted 123,387 DSUs on December 1, 2017 at a price of \$1.43 per unit. Subsequent to December 31, 2017, these DSUs were cancelled at the request of the ASX and the Company intends to re-grant him Awards once the requisite Shareholder and regulatory approvals are received.
- (5) John Pollesel was appointed as a director of the Company on May 17, 2017 and was granted 176,267 DSUs on December 1, 2017 at a price of \$1.43 per unit. Subsequent to December 31, 2017, these DSUs were cancelled at the request of the ASX and the Company intends to re-grant them once the requisite Shareholder and regulatory approvals are received.
- (6) Jeffrey Swinoga was appointed as a director of the Company on May 10, 2017 and was granted 176,267 DSUs on December 1, 2017 at a price of \$1.43 per unit. Subsequent to December 31, 2017, these DSUs were cancelled at the request of the ASX and the Company intends to re-grant them once the requisite Shareholder and regulatory approvals are received.
- (7) Bryan Slusarchuk resigned as a director of the Company on December 1 2017 and his options subsequently were exercised.
- (8) Christopher Reid resigned as a director of the Company on May 17, 2017 and his options subsequently were exercised.

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

The following table sets forth the value of all incentive plan awards vested or earned by each non-executive director of the Company during the financial years ended December 31, 2017:

<b>Name</b>	<b>Option Based Awards – Value Vested During the Year<sup>(1)</sup></b>	<b>Share Based Awards – Value Vested During the Year</b>	<b>Non-Equity Incentive Plan Compensation – Value Earned During the Year</b>
Jason Bontempo	-	-	-
Robert Cross	-	-	-
Paul Matysek	-	-	-
Ross Phillips	-	-	-
John Pollesel	-	-	-
Jeffrey Swinoga	-	-	-
Bryan Slusarchuk <sup>(2)</sup>	-	-	-
Christopher Reid <sup>(3)</sup>	-	-	-

**Notes:**

(1) The “value vested during the year” is calculated based on the positive difference between the closing price for the Common Shares on the TSXV as of the date of vesting and the exercise price of the options, multiplied by the number of vested options. All options granted to the directors vested on the date of grant and the exercise price of such options was equal to the closing price of the Company’s shares as of the date of grant.

(2) Bryan Slusarchuk resigned as a director of the Company on December 1, 2017.

(3) Christopher Reid resigned as a director of the Company on May 17, 2017.

## **PART 6: OTHER INFORMATION**

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

As of May 25, 2018, no director, officer or employee of the Company or any of their respective associates, has been indebted, or is presently indebted, to the Company or any of its subsidiaries.

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

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

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

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

either case, has materially affected or would materially affect the Company or any of its subsidiaries.

### **Management Contracts**

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

### **Other Matters**

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

### **Shareholder Proposals**

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

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

### **Additional Information**

Additional information regarding the Company and its business activities is available on the SEDAR website located at [www.sedar.com](http://www.sedar.com) under "Company Profiles – First Cobalt Corp.". The Company's financial information is provided in its audited financial statements and MD&A for the nine-months ended December 31, 2017, which are available for review under the Company's profile on SEDAR. Shareholders may contact the Company to request copies of the financial statements and MD&A by: (i) mail to Suite 201, 140 Yonge Street, Toronto, Ontario, M5C 1X6; or (ii) e-mail to [info@firstcobalt.com](mailto:info@firstcobalt.com).

### **Approval of Directors**

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

DATED at Toronto, Ontario, the 25<sup>th</sup> day of May, 2018.

By Order of the Board of Directors,

*"Paul Matysek"*

Paul Matysek  
Chairman of the Board

**APPENDIX A:  
CHANGE OF REGISTERED OFFICE RESOLUTION**

**Resolution 4:**

**BE IT RESOLVED, as a special resolution that:**

- (a) the articles of continuance of First Cobalt Corp. (the "**Company**") under the *Canada Business Corporations Act* (the "**Act**") presented to the shareholders of the Company and approved by the shareholders on October 26, 2017, as revised to change the province in which the registered office of the Company is situated from British Columbia to Ontario, to be effective upon the Company's continuance as a federal company under the Act, are hereby approved;
- (b) any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, including, without limitation, the delivery of articles of continuance in the prescribed form to the Director appointed under the Act, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination; and
- (d) notwithstanding the passage of this resolution by the shareholders of the Company, the directors of the Company, in their sole discretion and without further notice to or approval of the shareholders of the Company, are hereby authorized to revoke this resolution at any time before a certificate of continuance is issued by the Director.

**APPENDIX B:  
BY-LAW RESOLUTION**

**Resolution 5:**

**BE IT RESOLVED, as a special resolution that:**

- (a) upon continuance of First Cobalt Corp. (the "**Company**") under the *Canada Business Corporations Act* (the "**Act**"), if effected, the Company will have as its by-laws, the amended and restated by-laws of the Company attached as Schedule 3 to Company's Management Proxy Circular for the Annual General and Special Meeting of the Company on June 26, 2018, which by-laws are hereby approved in all respects and any one director of the Company is authorized to sign the by-laws; and
- (b) any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

**APPENDIX C:  
INCENTIVE PLAN RESOLUTION**

**Resolution 6:**

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

- (a) the amended and restated long-term incentive plan (the "**Incentive Plan**") of First Cobalt Corp. (the "**Company**") as described in the Company's Management Proxy Circular for the Annual General and Special Meeting of the Company on June 26, 2018, is hereby ratified, confirmed and approved for the purposes of Australian Securities Exchange ("**ASX**") Listing Rule 7.2 Exception 9, and for all other purposes;
- (b) the form of the Incentive Plan may be amended in order to satisfy the requirements or requests of any regulatory authority or stock exchange without requiring further approval of the shareholders of the Company;
- (c) for the purposes of ASX Listing Rule 7.2 Exception 9, and for all other purposes, the Company be and is authorized to grant stock options ("**Options**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**") and deferred share units ("**DSUs**") pursuant and subject to the terms and conditions of the Incentive Plan and the Company be and is authorized to issue and allot common shares ("**Common Shares**") of the Company on exercise, redemption or settlement of those stock options or share units; and
- (d) any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

**APPENDIX D:  
AUTHORIZED DIRECTOR GRANT RESOLUTIONS**

**Resolution 7(a):**

**BE IT RESOLVED, as an ordinary resolution that** for the purposes of Australian Securities Exchange Listing Rule 10.14 and for all other purposes, the future grant by First Cobalt Corp. (the "**Company**") of up to 85,000 deferred share units ("**DSUs**") and 85,000 restricted share units ("**RSUs**") to Jason Bontempo, a director of the Company pursuant to and subject to the Company's long-term incentive plan and the issue and allotment of common shares of the Company on exercise, redemption or settlement of those DSUs and RSUs, as described in the Company's Management Proxy Circular for the Annual General and Special Meeting of the Company on June 26, 2018, are hereby authorized, confirmed and approved and any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

**Resolution 7(b):**

**BE IT RESOLVED, as an ordinary resolution that** for the purposes of Australian Securities Exchange Listing Rule 10.14 and for all other purposes, the future grant by First Cobalt Corp. (the "**Company**") of up to 170,000 deferred share units ("**DSUs**") to Garrett Macdonald, once elected as a director of the Company, pursuant to and subject to the Company's long-term incentive plan and the issue and allotment of common shares of the Company on exercise, redemption or settlement of those DSUs, as described in the Company's Management Proxy Circular for the Annual General and Special Meeting of the Company on June 26, 2018, are hereby authorized, confirmed and approved and any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

**Resolution 7(c):**

**BE IT RESOLVED, as an ordinary resolution that** for the purposes of Australian Securities Exchange Listing Rule 10.14 and for all other purposes, the future grant by First Cobalt Corp. (the "**Company**") of up to 85,000 deferred share units ("**DSUs**") to Paul Matysek, the Chairman and a director of the Company pursuant to and subject to the Company's long-term incentive plan and the issue and allotment of common shares of the Company on exercise, redemption or settlement of those DSUs, as described in the Company's Management Proxy Circular for the Annual General and Special Meeting of the Company on June 26, 2018, are hereby authorized, confirmed and approved and any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

**Resolution 7(d):**

**BE IT RESOLVED, as an ordinary resolution that** for the purposes of Australian Securities Exchange Listing Rule 10.14 and for all other purposes, the future grant by First Cobalt Corp. (the "**Company**") of up to 773,333 stock options ("**Options**") and up to 120,833 performance share units ("**PSUs**") to Trent Mell, the President, Chief Executive Officer and a director of the Company pursuant to and subject to the Company's long-term incentive plan and the issue and allotment of common shares of the Company on exercise, redemption or settlement of those Options and PSUs, as described in the Company's Management Proxy Circular for the Annual General and Special Meeting of the Company on June 26, 2018, are hereby authorized, confirmed and approved and any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

**Resolution 7(e):**



**BE IT RESOLVED, as an ordinary resolution that** for the purposes of Australian Securities Exchange Listing Rule 10.14 and for all other purposes, the future grant by First Cobalt Corp. (the "**Company**") of up to 85,000 deferred share units ("**DSUs**") and up to 85,000 restricted share units ("**RSUs**") to Ross Phillips, a director of the Company pursuant to and subject to the Company's long-term incentive plan and the issue and allotment of common shares of the Company on exercise, redemption or settlement of those DSUs and RSUs, as described in the Company's Management Proxy Circular for the Annual General and Special Meeting of the Company on June 26, 2018, are hereby authorized, confirmed and approved and any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

**Resolution 7(f):**

**BE IT RESOLVED, as an ordinary resolution that** for the purposes of Australian Securities Exchange Listing Rule 10.14 and for all other purposes, the future grant by First Cobalt Corp. (the "**Company**") of up to 85,000 deferred share units ("**DSUs**") to John Pollesel, a director of the Company pursuant to and subject to the Company's long-term incentive plan and the issue and allotment of common shares of the Company on exercise, redemption or settlement of those DSUs, as described in the Company's Management Proxy Circular for the Annual General and Special Meeting of the Company on June 26, 2018, are hereby authorized, confirmed and approved any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

**Resolution 7(g):**

**BE IT RESOLVED, as an ordinary resolution that** for the purposes of Australian Securities Exchange Listing Rule 10.14 and for all other purposes, the future grant by First Cobalt Corp. (the "**Company**") of up to 85,000 deferred share units ("**DSUs**") to Jeffrey Swinoga, a director of the Company pursuant to and subject to the Company's long-term incentive plan and the issue and allotment of common shares of the Company on exercise, redemption or settlement of those DSUs, as described in the Company's Management Proxy Circular for the Annual General and Special Meeting of the Company on June 26, 2018, are hereby authorized, confirmed and approved and any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

## **APPENDIX E: 2017 DIRECTOR GRANT RESOLUTIONS**

### **Resolution 8(a):**

**BE IT RESOLVED, as an ordinary resolution that** for purposes of Australian Securities Exchange Listing Rule 10.11 and for all other purposes, the re-grant by First Cobalt Corp. (the “**Company**”) to Jason Bontempo, a current or former director of the Company, as applicable, of 123,387 deferred share units (“**DSUs**”) of the Company or 123,387 restricted share units (“**RSUs**”) of the Company in lieu of the DSUs, in the event that the transaction between US Cobalt Inc. and the Company closes prior to the date hereof, pursuant to and subject to the Company’s amended and restated long-term incentive plan, to replace his cancelled DSUs from the fiscal year 2017, on the same terms as such cancelled DSUs as described in the Company’s Management Proxy Circular for the Annual General and Special Meeting of the Company on June 26, 2018, which grant shall be in addition to any other authorized grant of awards to Mr. Bontempo by the shareholders of the Company, is hereby ratified, confirmed and approved, and the Company be and is authorized to issue and allot common shares of the Company on exercise, redemption or settlement of those DSUs or RSUs, as applicable and any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

### **Resolution 8(b):**

**BE IT RESOLVED, as an ordinary resolution that** for purposes of Australian Securities Exchange Listing Rule 10.11 and for all other purposes, the re-grant by First Cobalt Corp. (the “**Company**”) to Paul Matysek, the Chairman and a director of the Company, of 176,267 deferred share units and 176,267 performance share units (collectively, the “**PSUs and DSUs**”) of the Company pursuant to and subject to the Company’s amended and restated long-term incentive plan, to replace his cancelled PSUs and DSUs from the fiscal year 2017, on the same terms as such cancelled PSUs and DSUs as described in the Company’s Management Proxy Circular for the Annual General and Special Meeting of the Company on June 26, 2018, which grants shall be in addition to any other authorized grant of awards to Mr. Matysek by the shareholders of the Company, is hereby ratified, confirmed and approved, and the Company be and is authorized to issue and allot common shares of the Company on exercise, redemption or settlement of those PSUs and DSUs and any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

### **Resolution 8(c):**

**BE IT RESOLVED, as an ordinary resolution that** for purposes of Australian Securities Exchange Listing Rule 10.11 and for all other purposes, the re-grant by First Cobalt Corp. (the “**Company**”) to Trent Mell, the President, Chief Executive Officer and a director of the Company, of 613,839 stock options (“**Options**”) and 194,894 performance share units (“**PSUs**”) pursuant to and subject to the Company’s amended and restated long-term incentive plan, to replace his cancelled Options and PSUs from the fiscal year 2017, on the same terms as such cancelled Options and PSUs as described in the Company’s Management Proxy Circular for the Annual General and Special Meeting of the Company on June 26, 2018, which grant shall be in addition to any other authorized grant of awards to Mr. Mell by the shareholders of the Company, is hereby ratified, confirmed and approved, and the Company be and is authorized to issue and allot common shares of the Company on exercise, redemption or settlement of those Options and PSUs and any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

### **Resolution 8(d):**

**BE IT RESOLVED, as an ordinary resolution that** for purposes of Australian Securities Exchange Listing Rule 10.11 and for all other purposes, the re-grant by First Cobalt Corp. (the “**Company**”) to Ross Phillips, a director of the Company, of 123,387 deferred share units (“**DSUs**”) of the Company pursuant to and subject to the Company’s amended and restated long-term incentive plan, to replace

his cancelled DSUs from the fiscal year 2017, on the same terms as such cancelled DSUs as described in the Company's Management Proxy Circular for the Annual General and Special Meeting of the Company on June 26, 2018, which grant shall be in addition to any other authorized grant of awards to Mr. Phillips by the shareholders of the Company, is hereby ratified, confirmed and approved, and the Company be and is authorized to issue and allot common shares of the Company on exercise, redemption or settlement of those DSUs and any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

**Resolution 8(e):**

**BE IT RESOLVED, as an ordinary resolution that** for purposes of Australian Securities Exchange Listing Rule 10.11 and for all other purposes, the re-grant by First Cobalt Corp. (the "**Company**") to John Pollesel, a director of the Company, of 176,267 deferred share units ("**DSUs**") of the Company pursuant to and subject to the Company's amended and restated long-term incentive plan, to replace his cancelled DSUs from the fiscal year 2017, on the same terms as such cancelled DSUs as described in the Company's Management Proxy Circular for the Annual General and Special Meeting of the Company on June 26, 2018, which grant shall be in addition to any other authorized grant of awards to Mr. Pollesel by the shareholders of the Company, is hereby ratified, confirmed and approved, and the Company be and is authorized to issue and allot common shares of the Company on exercise, redemption or settlement of those DSUs and any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

**Resolution 8(f):**

**BE IT RESOLVED, as an ordinary resolution that** for purposes of Australian Securities Exchange Listing Rule 10.11 and for all other purposes, the re-grant by First Cobalt Corp. (the "**Company**") to Jeffrey Swinoga, a director to the Company, of 176,267 deferred share units ("**DSUs**") of the Company pursuant to and subject to the Company's amended and restated long-term incentive plan, to replace his cancelled DSUs from the fiscal year 2017, on the same terms as such cancelled DSUs as described in the Company's Management Proxy Circular for the Annual General and Special Meeting of the Company on June 26, 2018, which grant shall be in addition to any other authorized grant of awards to Mr. Swinoga by the shareholders of the Company, is hereby ratified, confirmed and approved, and the Company be and is authorized to issue and allot common shares of the Company on exercise, redemption or settlement of those DSUs and any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

**Resolution 8(g):**

**BE IT RESOLVED, as an ordinary resolution that** for purposes of Australian Securities Exchange Listing Rule 10.11 and for all other purposes, the grant by First Cobalt Corp. (the "**Company**") to Robert Cross, a current director to the Company, of 123,387 restricted share units ("**RSUs**") of the Company pursuant to and subject to the Company's amended and restated long-term incentive plan, to replace his cancelled deferred share units from the fiscal year 2017, to vest immediately, as described in the Company's Management Proxy Circular for the Annual General and Special Meeting of the Company on June 26, 2018, is hereby ratified, confirmed and approved, and the Company be and is authorized to issue and allot common shares of the Company on exercise, redemption or settlement of those RSUs and any one officer or director of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to do all acts and things necessary or desirable to give effect to this resolution, the execution or delivery of any such document or instrument or the doing of any such other act or thing being conclusive evidence of such determination.

## **SCHEDULE 1: BOARD MANDATE**

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

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

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

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

### **OVERSIGHT OF MANAGEMENT**

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

### **BUSINESS STRATEGY**

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

## **FINANCIAL AND RISK MATTERS**

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

## **STAKEHOLDER COMMUNICATION**

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

## **SUSTAINABILITY**

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

## **CORPORATE GOVERNANCE**

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

## **BOARD ORGANIZATION**

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

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

### **PURPOSE**

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

### **COMPOSITION**

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

### **QUALIFICATIONS & EXPERIENCE**

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

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

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

### **RISK OVERSIGHT**

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

### **COMMITTEE RESPONSIBILITIES**

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

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

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

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

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

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

#### **CHAIRMAN RESPONSIBILITIES**

The Chairman of the Committee shall:

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

#### **AUTHORITY**

The Committee has authority to:

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

5. Obtain full access to the books, records, facilities and personnel of the Company and its subsidiaries.
6. Call a meeting of the Board to consider any matter of concern to the Committee.

#### **MEETINGS**

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

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



**SCHEDULE 3:  
AMENDED AND RESTATED BY-LAWS**

(see attached)

**BY-LAWS OF  
FIRST COBALT CORP.**

**(the “Corporation”)**

**1. INTERPRETATION**

**1.1 Definitions**

In the By-laws of the Corporation, unless the context otherwise requires:

- (1) “**Act**” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44.
- (2) “**appoint**” includes “elect” and vice versa.
- (3) “**Articles**” means the original or restated articles of incorporation, amendment, amalgamation, continuance, arrangement or revival of the Corporation and includes any amendments thereto.
- (4) “**ASX**” means the Australian Securities Exchange operated by ASX Limited (Australian Company Number 008 624 691);
- (5) “**Board**” means the board of directors of the Corporation.
- (6) “**CDI**” means a CHESS Depository Interest (as that term is defined in the ASX Settlement Operating Rules) in relation to a share or other security issued or granted by the Corporation, registered in the name of the Depository Nominee over securities of the Corporation;
- (7) “**Depository Nominee**” has the meaning given to that expression in the ASX Settlement Operating Rules;
- (8) “**Director**” means a member of the Board.
- (9) “**entity**” means a body corporate, a partnership, a trust, a joint venture or an unincorporated association or organization.
- (10) “**Listing Rules**” means the Listing Rules of ASX and any other rules of ASX which are applicable while the Corporation is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
- (11) “**meeting of shareholders**” means an annual meeting of shareholders and a special meeting of shareholders.
- (12) “**non-business day**” means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Canada).
- (13) “**person**” includes any individual, body corporate, partnership, trust, joint venture or unincorporated organization or association.
- (14) “**recorded address**” means

- (a) in the case of a shareholder, his or her address as recorded in the securities register of the Corporation;
  - (b) in the case of joint shareholders, the address appearing in the securities register of the Corporation in respect of the joint holding or the first address so appearing if there is more than one; and
  - (c) in the case of a Director, his or her latest address as recorded in the records of the Corporation.
- (15) “**special meeting**” means any meeting of any class or classes of shareholders or other security holders of the Corporation, other than an annual meeting of shareholders at which special business is to be conducted.

## 1.2 Other Definitions

Unless otherwise defined herein, the terms used in this By-law have the same meanings as when used in the Act. For the purposes of this By-law:

- (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”;
- (b) the word “or” is not exclusive; and
- (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this By-law as a whole.

This By-law shall be read with all changes in number and gender required by the context.

Unless the context otherwise requires, references herein:

- (a) to sections mean the sections of this By-law;
- (b) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and
- (c) to a statute, including the Act, means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder.

## 2. OFFICES

### 2.1 Offices

The address of the registered office of the Corporation shall be in the province or territory within Canada specified in the Articles and at such location therein as the Board may from time to time determine.

### 2.2 Books and Records

Any records maintained by the Corporation in the regular course of its business, including its securities register, books of account and minute books, may be maintained in a bound or loose-

leaf book or may be entered or recorded by any system of mechanical or electronic data processing or any other information storage device. The Corporation shall make such records available for inspection pursuant to applicable law.

### **3. MEETINGS OF THE SHAREHOLDERS**

#### **3.1 Place of Meetings**

All meetings of the shareholders shall be held at such place as the Board determines or, in the absence of such a determination, at the place stated in the notice of meeting. A meeting of shareholders shall be held in Canada unless all of the shareholders entitled to vote at that meeting so agree or the Articles specify a place outside Canada where a meeting of shareholders may be held.

#### **3.2 Annual Meeting**

The annual meeting of the shareholders shall be held at such date, time and place, if any, as shall be determined by the Board and stated in the notice of the meeting for the transaction of such business as may properly come before the meeting.

#### **3.3 Special Meetings**

Special meetings of shareholders for any purpose or purposes shall be called pursuant to a resolution approved by the Board or requisition by shareholders in accordance with the Act. The only business which may be conducted at a special meeting shall be the matter or matters set forth in the notice of such meeting.

#### **3.4 Fixing the Record Date**

- (a) In order that the Corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than 60 nor less than 21 days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the shareholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of shareholders entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the determination of shareholders entitled to vote at the adjourned meeting and in such case shall also fix as the record date for shareholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for the determination of shareholders entitled to vote therewith at the adjourned meeting.
- (b) In order that the Corporation may determine the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the shareholders entitled to exercise any rights in respect of any change, conversion

or exchange of shares, or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

### **3.5 Adjournments**

Any meeting of the shareholders, annual or special, may be adjourned from time to time to reconvene at the same or some other place, if any, and notice need not be given of any such adjourned meeting if the time, place, if any, thereof and the means of remote communication, if any, are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each shareholder entitled to vote at the meeting. If after the adjournment a new record date is fixed for shareholders entitled to vote at the adjourned meeting, the Board shall give notice of the new record date as well as notice of the adjourned meeting to each shareholder entitled to vote at the adjourned meeting in accordance with the Act and these By-laws.

### **3.6 Notice of Meetings**

Notice of the place, if any, date, hour and means of remote communication, if any, of every meeting of shareholders shall be given by the Corporation not less than 21 days in the case of distributing corporation nor more than 60 days before the meeting to every shareholder entitled to vote at the meeting as of the record date to each Director, and to the auditor of the Corporation. Notices of special meetings shall also specify the purpose or purposes for which the meeting has been called in sufficient detail to permit the shareholder to form a reasoned judgment on the special business, and include the text of any special resolution or by-law to be submitted at the meeting. Except as otherwise provided herein or permitted by applicable law, notice to shareholders shall be in writing and delivered personally or mailed to the shareholders at their recorded address. Without limiting the manner by which notice otherwise may be given effectively to shareholders, notice of meetings may be given to shareholders by means of electronic transmission in accordance with applicable law. Notice of any meeting need not be given to any shareholder who shall, either before or after the meeting, submit a waiver of notice or who shall attend such meeting, except when the shareholder attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. Any shareholder so waiving notice of the meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given.

### **3.7 List of Shareholders**

The officer of the Corporation who has charge of the securities register shall prepare a complete list of the shareholders entitled to vote at any meeting of shareholders, arranged in alphabetical order, and showing the address of each shareholder and the number of shares of each class or series in the Corporation registered in the name of each shareholder. If a record date is fixed, then this list shall be prepared by such officer of the Corporation no later than 10 days after setting the record date. If no record date is fixed, then such officer of the Corporation shall prepare this list at the close of business on the day immediately preceding the day on which notice of a shareholders' meeting is given, or where no notice of a shareholders' meeting is given, on the day on which the meeting is held. A shareholder may inspect the list of shareholders prepared for a meeting during the Corporation's usual business hours at its registered office or at the place

where its central securities register is maintained. A shareholder can also inspect this list at the shareholders' meeting for which the list was prepared. If the meeting is held solely by means of telephonic, electronic or other communication facility, the list shall also be open for inspection by any shareholder during the whole time of the meeting as provided by applicable law. Except as provided by applicable law, the securities register of the Corporation shall be the only evidence as to who are the shareholders entitled to inspect the securities register and the list of shareholders or to vote in person or by proxy at any meeting of shareholders.

### **3.8 Quorum**

Unless otherwise required by law, the Articles, a unanimous shareholder agreement or these By-laws, at each meeting of the shareholders at least two shareholders who, in the aggregate, hold at least 10% of the shares entitled to vote at the meeting of shareholders, present in person or represented by proxy, constitutes a quorum. If, however, such quorum is not present or represented at any meeting of the shareholders, the shareholders entitled to vote thereat, present in person or represented by proxy, shall have the power, by the affirmative vote of a majority in voting power thereof, to adjourn the meeting from time to time, in the manner provided in Section 3.4, until a quorum shall be present or represented. Once a quorum is established, it does not need to be maintained throughout the meeting. At any such adjourned meeting at which there is a quorum, any business may be transacted that might have been transacted at the original meeting.

### **3.9 Conduct of Meetings**

At every meeting of shareholders, the chairperson, or in his or her absence or inability to act, the chief executive officer, or, in his or her absence or inability to act, the person whom the chairperson shall appoint, shall act as chairperson of, and preside at, the meeting. The corporate secretary (if any) or, in his or her absence or inability to act, the person whom the chairperson of the meeting shall appoint secretary of the meeting, shall act as secretary of the meeting and keep the minutes thereof. The chairperson of any meeting of the shareholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairperson of the meeting, may include the following:

- (a) the establishment of an agenda or order of business for the meeting;
- (b) the determination of when the polls shall open and close for any given matter to be voted on at the meeting;
- (c) rules and procedures for maintaining order at the meeting and the safety of those present;
- (d) limitations on attendance at or participation in the meeting to registered shareholders of the corporation, their duly authorized and constituted proxies or such other persons as the chairperson of the meeting shall determine;
- (e) restricting entry to the meeting after the time fixed for the commencement thereof; and
- (f) limiting the time allotted to questions or comments by participants.

### **3.10 Voting; Proxies**

Unless otherwise required by law, the election of Directors shall be by written ballot and shall be decided by a plurality of the votes cast at a meeting of the shareholders by the holders of shares entitled to vote in such election. Unless otherwise required by law, the Articles, a unanimous shareholder agreement or these By-laws, any matter, other than the election of Directors, brought before any meeting of shareholders shall be decided by the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the matter. Each shareholder entitled to vote at a meeting of shareholders or to express approval of any resolution in writing may authorize another person or persons to act for such shareholder by proxy, but no such proxy shall be voted or acted upon except at the meeting in respect of which it is given or any adjournment thereof. A proxy may be revoked before the meeting. A shareholder may revoke any proxy by attending the meeting and voting in person or by delivering to the secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. Voting at meetings of shareholders need not be by written ballot, except where a ballot is demanded by a shareholder or proxy holder entitled to vote at the meeting.

### **3.11 Proxy Holders for Holders of CDIs**

The Depository Nominee may appoint a holder of CDIs or a person nominated by a holder of CDIs as its proxy for the purposes of attending and voting at a meeting of holders of the securities that underlie the CDIs.

### **3.12 Scrutineers at Meetings of Shareholders**

The Board, in advance of any meeting of shareholders, may, and shall if required by law, appoint one or more scrutineers, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and make a written report thereof. The Board may designate one or more persons as alternate scrutineers to replace any scrutineer who fails to act. If no scrutineer or alternate is able to act at a meeting, the chairperson shall appoint one or more scrutineers to act at the meeting. Each scrutineer shall faithfully execute the duties of a scrutineer with strict impartiality and according to the best of his or her ability. The scrutineers shall:

- (a) ascertain the number of shares outstanding and the voting rights of each,
- (b) determine the shares represented at the meeting, the existence of a quorum and the validity of proxies and ballots,
- (c) count all votes and ballots,
- (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the scrutineers, and
- (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots.

The scrutineers may appoint or retain other persons or entities to assist the scrutineers in the performance of their duties. Unless otherwise provided by the Board, the date and time of the opening and the closing of the polls for each matter upon which the shareholders will vote at a meeting shall be announced at the meeting. No ballot, proxies, votes or any revocation thereof or change thereto, shall be accepted by the scrutineers after the closing of the polls unless a court upon application by a shareholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of shareholders, the scrutineers may consider

such information as is permitted by applicable law. No person who is a candidate for office at an election may serve as a scrutineer at such election.

### **3.13 Resolution in Writing of Shareholders**

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless, in accordance with the Act:

- (a) in the case of the resignation or removal of a Director, or the appointment or election of another person to fill the place of that Director, a written statement is submitted to the Corporation by the Director giving the reasons for his or her resignation or the reasons why he or she opposes any proposed action or resolution for the purpose of removing him or her from office or the election of another person to fill the office of the Director; or
- (b) in the case of the removal or resignation of an auditor, or the appointment or election of another person to fill the office of auditor, representations are made to the Corporation by the auditor concerning its proposed removal, the appointment or election of another person to fill the office of auditor or its resignation.

### **3.14 Omissions and Errors**

The accidental omission to give any notice to any shareholder, Director, officer, member of a committee of the Board or auditor, the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the By-laws or any error in any notice not affecting its substance shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

### **3.15 Holders of CDIs**

If the Corporation shall be admitted to the official list of the ASX, and if CDIs shall have been issued over any securities of the Corporation, then holders of CDIs shall be entitled to attend any meeting of the holders of the securities that underlie the CDIs.

## **4. ADVANCE NOTICE PROVISIONS**

### **4.1 Nomination of Directors**

Subject only to the Act and this By-law, only persons who are nominated in accordance with the procedures set out in this section 4 shall be eligible for election as Directors. Nominations of persons for election as Directors may only be made at an annual meeting of shareholders, or at a special meeting called for any purpose at which the election of Directors is a matter specified in the notice of meeting, as follows:

- (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a valid proposal made in accordance with the provisions of the Act or a valid requisition of shareholders made in accordance with the provisions of the Act; or
- (c) by any person entitled to vote at such meeting (a **“Nominating Shareholder”**), who:



- (i) is, at the close of business on the date of giving notice provided for in this section 4 and on the record date for notice of such meeting, either entered in the central securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation; and
- (ii) has given timely notice in proper written form as set forth in this section 4.

#### 4.2 Exclusive Means

For the avoidance of doubt, this section 4 shall be the exclusive means for any person to bring nominations for election to the Board before any annual or special meeting of shareholders of the Corporation.

#### 4.3 Timely Notice

In order for a nomination made by a Nominating Shareholder to be timely notice (a “**Timely Notice**”), the Nominating Shareholder’s notice must be delivered to the corporate secretary of the Corporation at the principal executive offices or registered office of the Corporation:

- (a) in the case of an annual meeting of shareholders (including an annual and special meeting), not later than 5:00 p.m. in the city where the Corporation’s principal executive offices are located on the 30th day before the date of the meeting; provided, however, if the first public announcement made by the Corporation of the date of the meeting (each such date being the “**Notice Date**”) is less than 50 days before the meeting date, notice by the Nominating Shareholder may be given not later than the close of business on the 10<sup>th</sup> day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of Directors, not later than the close of business on the 15th day following the Notice Date;

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described in section 4.3(a) or 4.3(b), and the Notice Date in respect of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the date of the applicable meeting.

#### 4.4 Proper Form of Notice

To be in proper written form, a Nominating Shareholder’s notice to the corporate secretary must comply with all the provisions of this section 4 and disclose or include, as applicable:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a Director (a “**Proposed Nominee**”):
  - (i) the name, age, business and residential address of the Proposed Nominee;
  - (ii) the principal occupation/business or employment of the Proposed Nominee, both presently and for the past five years;

- (iii) the number of securities of each class of securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
  - (iv) full particulars of any relationships, agreements, arrangements or understandings (including financial, compensation or indemnity related) between the Proposed Nominee and the Nominating Shareholder, or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder;
  - (v) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of Directors pursuant to the Act or applicable securities law; and
  - (vi) (vi) a written consent of each Proposed Nominee to being named as nominee and certifying that such Proposed Nominee is not disqualified from acting as Director under the provisions of subsection 124(2) of the Act; and
- (b) as to each Nominating Shareholder giving the notice, and each beneficial owner, if any, on whose behalf the nomination is made:
- (i) their name, business and residential address;
  - (ii) the number of securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Corporation or any of its securities, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
  - (iii) their interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Corporation or the person's economic exposure to the Corporation;
  - (iv) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Nominating Shareholder or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;
  - (v) full particulars of any proxy, contract, relationship arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of Directors;
  - (vi) (vi) a representation that the Nominating Shareholder is a holder of record of securities of the Corporation, or a beneficial owner, entitled to vote at

such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;

- (vii) (vii) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Corporation in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Corporation in support of such nomination; and
- (viii) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of Directors pursuant to the Act or as required by applicable securities law.

Reference to “**Nominating Shareholder**” in this section 4.4 shall be deemed to refer to each shareholder that nominated or seeks to nominate a person for election as Director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

#### **4.5 Currency of Nominee Information**

All information to be provided in a Timely Notice pursuant to this section 4 shall be provided as of the date of such notice. The Nominating Shareholder shall provide the Corporation with an update to such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days before the date of the meeting, or any adjournment or postponement thereof.

#### **4.6 Delivery of Information**

Notwithstanding any other provision of these By-laws, any notice, or other document or information required to be given to the corporate secretary pursuant to this section 4 may only be given by personal delivery or courier (but not by fax or email) to the corporate secretary at the address of the principal executive offices or registered office of the Corporation and shall be deemed to have been given and made on the date of delivery if it is a business day and the delivery was made prior to 5:00 p.m. in the city where the Corporation’s principal executive offices are located and otherwise on the next business day.

#### **4.7 Defective Nomination Determination**

The chair of any meeting of shareholders of the Corporation shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this section 4, and if any proposed nomination is not in compliance with such provisions, must as soon as practicable following receipt of such nomination and prior to the meeting declare that such defective nomination shall not be considered at any meeting of shareholders.

#### **4.8 Failure to Appear**

Despite any other provision of this section 4, if the Nominating Shareholder (or a duly appointed proxy holder for the Nominating Shareholder or representative of the Nominating Shareholder) does not appear at the meeting of shareholders of the Corporation to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.

#### **4.9 Waiver**

The Board may, in its sole discretion, waive any requirement in this section 4.

#### **4.10 Definitions**

For the purposes of this section 4, “public announcement” means disclosure in a news release disseminated by the Corporation through a national news service in Canada, or in a document filed by the Corporation for public access under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

### **5. BOARD OF DIRECTORS**

#### **5.1 General Powers**

The Board shall manage, or supervise the management of, the business and affairs of the Corporation.

#### **5.2 Number; Term of Office**

If the Articles do not provide for a minimum and maximum number of Directors, the Board shall consist of the fixed number of Directors specified in the Articles. If the Articles provide for a minimum and maximum number of Directors, the Board shall be comprised of the fixed number of Directors as determined from time to time by the shareholders by ordinary resolution or, if the ordinary resolution empowers the Board to determine the number, by resolution of the Board. Each Director shall hold office until a successor is duly elected and qualified or until the Director’s earlier death, resignation, disqualification or removal.

#### **5.3 Newly Created Directorships and Vacancies**

Any newly created directorships resulting from an increase in the authorized number of Directors and any vacancies occurring in the Board, may be filled by the affirmative votes of a majority of the remaining members of the Board, or by a sole remaining Director, if constituting a quorum. A Director so elected shall be elected to hold office until the earlier of the expiration of the term of office of the Director whom he or she has replaced, the date a successor is duly elected and qualified or the earlier of such Director’s earlier death, resignation, disqualification or removal.

#### **5.4 Resignation**

Any Director may resign at any time by notice given in writing to the Corporation. Such resignation shall take effect at the date of receipt of such notice by the Corporation or at such later time as is therein specified.

#### **5.5 Removal**

Except as prohibited by applicable law, the Articles or any unanimous shareholder agreement, the shareholders entitled to vote in an election of Directors may remove any Director from office at any time, with or without cause, by ordinary resolution.

#### **5.6 Fees and Expenses**

Directors shall receive such fees and expenses as the Board shall from time to time prescribe.

## **5.7 Regular Meetings**

Regular meetings of the Board may be held at such times and at such places as may be determined from time to time by the Board or its chairperson. No notice shall be required for any such regular meeting except if the purpose of the meeting or the business to be transacted includes:

- (a) submitting to the shareholders any question or matter requiring the approval of the shareholders;
- (b) filling a vacancy among the Directors or appointing additional Directors;
- (c) filling a vacancy in the office of auditor;
- (d) issuing securities except as authorized by the Board;
- (e) issuing shares of a series except as authorized by the Board;
- (f) declaring dividends;
- (g) purchasing, redeeming or otherwise acquiring shares issued by the Corporation;
- (h) paying a commission to any person in consideration of the person's purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares;
- (i) approving a management proxy circular;
- (j) approving any annual financial statements; or
- (k) adopting, amending or repealing By-laws.

## **5.8 Ad Hoc Meetings**

Ad hoc meetings of the Board may be held at such times and at such places as may be determined by the chairperson or the corporate secretary on at least 24 hours' notice to each Director given by one of the means specified in section 5.12 hereof, other than by mail, or on at least three days' notice if given by mail. Ad hoc meetings shall be called by the chairperson or the corporate secretary in like manner and on like notice on the written request of any two or more Directors.

## **5.9 Telephone Meetings**

Board meetings or meetings of any committees of the Board may be held by means of telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. Participation by a Director or a member of a committee in a meeting pursuant to this section 5.9 shall constitute presence in person at such meeting.

## **5.10 Adjourned Meetings**

A majority of the Directors present at any meeting of the Board, including an adjourned meeting, whether or not a quorum is present, may adjourn and reconvene such meeting to another time and place. At least 24 hours' notice of any adjourned meeting of the Board shall be given to each Director, whether or not present at the time of the adjournment, if such notice shall be given by one of the means specified in section 5.11 thereof other than by mail, or at least three days' notice

shall be given if by mail. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

### **5.11 Residency Requirement**

The Board shall not transact business at a meeting unless at least 25% of the Directors present at the meeting are resident Canadians, except where:

- (a) (a) a resident Canadian Director who is unable to be present approves in writing or by telephonic, electronic, or other communications facilitates the business transacted at the meeting; and
- (b) a majority of Directors present at the meeting would have been resident Canadians had that Director been present at the meeting.

### **5.12 Notices**

Subject to section 5.8, section 5.10 and section 5.13 hereof, whenever notice is required to be given to any Director by applicable law, the Articles, any unanimous shareholder agreement or this By-law, such notice shall be deemed to be given effectively if given in person or by telephone, mail addressed to such Director at such Director's recorded address, by facsimile, e-mail or by other means of electronic transmission.

### **5.13 Waiver of Notice**

Whenever notice to Directors is required by applicable law, the Articles, any unanimous shareholder agreement or these By-laws, a waiver thereof, in writing signed by the Director entitled to the notice, whether before or after such notice is required, shall be deemed equivalent to notice. Attendance by a Director at a meeting shall constitute a waiver of notice of such meeting except when the Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called. Neither the business to be transacted at, nor the purpose of, any regular or ad hoc meeting of the Board or committee of the Board need be specified in any waiver of notice.

### **5.14 Organization**

At each meeting of the Board, the chairperson or, in his or her absence, another Director selected by the Board shall preside. The corporate secretary shall act as secretary at each meeting of the Board. If the corporate secretary is absent from any meeting of the Board, an assistant corporate secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the corporate secretary and all assistant corporate secretaries, the person presiding at the meeting may appoint any person to act as secretary of the meeting.

### **5.15 Quorum of Directors**

The presence of a majority of the Board shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the Board.

### **5.16 Majority Vote**

Except as otherwise expressly required by this By-law, the Articles, any unanimous shareholder agreement or by applicable law, the vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

### **5.17 Resolution in Writing of Board**

Unless otherwise restricted by the Articles, any unanimous shareholder agreement or this By-law, any resolution required or permitted to be passed at any meeting of the Board or of any committee thereof may be taken without a meeting if all Directors or members of such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writings or electronic transmissions are filed with the minutes of proceedings of the Board or committee in accordance with the Act.

### **5.18 Committees of the Board**

The Board may designate one or more committees, each committee to consist of one or more of the Directors of the Corporation. If a member of a committee shall be absent from any meeting, or disqualified from voting thereat, the remaining member or members present at the meeting and not disqualified from voting shall vote on any matter. Any such committee, to the extent permitted by applicable law, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all documents that may require it to the extent so authorized by the Board. Unless the Board provides otherwise, at all meetings of such committee, a majority of the then authorized members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the members of the committee present at any meeting at which there is a quorum shall be a resolution of the committee. Each committee shall keep regular minutes of its meetings. Unless the Board provides otherwise, each committee designated by the Board may make, alter and repeal rules and procedures, for the conduct of its business. In the absence of such rules and procedures each committee shall conduct its business in the same manner as the Board conducts its business pursuant to this section 5.

### **5.19 Limitation of Liability**

Every Director and officer of the Corporation in exercising his or her powers and discharging his or her duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no Director or officer shall be liable for the acts, omissions, failures, neglects or defaults of any other Director, officer or employee, or for joining in any act for conformity, or for any loss, damage or expense suffered or incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune which shall happen in the execution of the duties of his or her office or in relation thereto. Nothing herein shall relieve any Director or officer from the duty to act in accordance with the Act or from liability for any breach thereof.

### **5.20 Indemnity**

- (a) The Corporation shall indemnify a Director or officer of the Corporation, a former Director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer (or an individual acting in a similar capacity) of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other

proceeding in which the individual is involved because of that association with the Corporation or other entity.

- (b) The Corporation shall advance monies to a Director, officer or other individual for the costs, charges and expenses of a proceeding referred to in section 5.20(a). The individual shall repay the monies if he or she does not fulfill the conditions of section 5.20(c).
- (c) The Corporation shall not indemnify an individual under section 5.20(a) unless he or she (i) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which he or she acted as a director or officer or in a similar capacity at the Corporation's request and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.
- (d) The Corporation shall also indemnify the individual referred to in section 5.20(a) in such other circumstances as the Act or the law permits or requires. Nothing in this By-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this By-law.

## **6. MAJORITY VOTING**

Sections 6.1 through 6.3 apply as long as the rules of any stock exchange on which any securities of the Corporation are listed so require.

### **6.1 Resignation Required**

A newly elected Director to the Board must immediately resign if the number of votes casts by the Corporation's shareholders at a meeting in favour of this individual's election to the Board is equal to or less than the number of votes withheld. The newly elected Director's resignation must be in writing. This Director's resignation is conditional on its acceptance by the Board.

### **6.2 Exception for Contested Elections**

Section 6.1 does not apply if number of positions to be filled on the Board is less than the number of candidates running for election to the Board at a shareholders' meeting (a "**Contested Election**"). In a Contested Election individual candidates shall be elected to the Board by a plurality of the votes cast at a meeting of shareholders.

### **6.3 Board Decision**

If a newly elected Director must tender his or her resignation in accordance with section 6.1, the Board shall determine whether or not to accept that Director's resignation within 90 days of the date of the meeting of shareholders. The Board shall accept that Director's resignation unless it decides that there are exceptional circumstances which prevent the Board from accepting it. A newly elected Director who has tendered a resignation in accordance with section 6.1 shall not participate in any meeting of the Board or any committee of the Board at which his or her resignation is considered. The Corporation shall promptly issue a news release stating the Board's decision. The Corporation's news release must include the reasons for the Board's decision if the newly elected Director's resignation is not accepted.



## **7. OFFICERS**

### **7.1 Positions and Election**

The officers of the Corporation shall be elected annually by the Board and shall include a chief executive officer and a corporate secretary. The Board, in its discretion, may also elect a chairperson (who must be a Director), one or more vice-chairpersons (who must be Directors) and one or more of a president, vice-presidents, a treasurer, assistant treasurers, assistant corporate secretaries and other officers. Any two or more offices may be held by the same individual.

### **7.2 Term**

Each officer of the Corporation shall hold office until such officer's successor is elected and qualified or until such officer's earlier death, resignation or removal. Any officer elected or appointed by the Board may be removed by the Board at any time with or without cause by resolution of the Board. The removal of an officer shall be without prejudice to his or her contract rights, if any. The election or appointment of an officer shall not of itself create contract rights. Any officer of the Corporation may resign at any time by giving written notice of his or her resignation to the president or the secretary. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon its receipt. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Should any vacancy occur among the officers, the position shall be filled for the unexpired portion of the term by appointment made by the Board.

### **7.3 The Chief Executive Officer**

The chief executive officer shall have general supervision over the business of the Corporation and other duties incident to the office of chief executive officer, and any other duties as may be from time to time assigned to the chief executive officer by the Board and subject to the control of the Board in each case.

### **7.4 The Corporate Secretary**

The corporate secretary shall attend all sessions of the Board and all meetings of the shareholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for committees when required. The corporate secretary shall give, or cause to be given, notice of all meetings of the shareholders and meetings of the Board, and shall perform such other duties as may be prescribed by the Board or the chief executive officer. The corporate secretary shall keep in safe custody the seal of the Corporation (if any) and have authority to affix the seal to all documents requiring it and attest to the same.

### **7.5 Other Officers**

The president, each vice-president and other officers shall have such powers and perform such duties as may be assigned to him or her from time to time by the chairperson of the Board or the chief executive officer.

## **7.6 Duties of Officers May be Delegated**

In case any officer is absent, or for any other reason that the Board may deem sufficient, the president or the Board may delegate for the time being the powers or duties of such officer to any other officer or to any Director.

## **8. SHARE CERTIFICATES AND THEIR TRANSFER**

### **8.1 Shareholder Entitled to Certificate or Acknowledgement**

Each shareholder is entitled, without charge, to:

- (a) one share certificate representing the shares or series of shares registered in the shareholder's name, or
- (b) a non-transferable written acknowledgement of the shareholder's right to obtain such a share certificate,

provided that if two or more persons are registered as joint holders of any share, the Corporation is not bound to issue more than one share certificate. Delivery of a share certificate for a share to one of several joint shareholders or to the duly authorized agent of one of the shareholders will be sufficient delivery to all. Any one of such persons may give effectual receipts for the certificate issued in respect thereof for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

### **8.2 Certificates Representing Shares**

Share certificates shall be in the form, other than bearer form, approved by the Board. Certificates representing shares of each class or series shall be signed by, or in the name of, the Corporation by the chairperson, any vice-chairperson, the chief executive officer, the president or any vice-president, and by the corporate secretary, any assistant corporate secretary, the treasurer or any assistant treasurer. Any or all such signatures may be facsimiles. Although any officer, transfer agent or registrar whose manual or facsimile signature is affixed to such a certificate ceases to be such officer, transfer agent or registrar before such certificate has been issued, it may nevertheless be issued by the Corporation with the same effect as if such officer, transfer agent or registrar were still such at the date of its issue.

### **8.3 Transfers of Securities**

Securities of the Corporation shall be transferable in the manner prescribed by law and in this By-law. Transfers of securities shall be made on the books of the Corporation only by the registered holder thereof, by such person's attorney lawfully constituted in writing and, in the case of certificated securities, upon the surrender of the certificate thereof, which shall be cancelled before a new certificate or uncertificated shares shall be issued. No transfer of securities shall be valid as against the Corporation for any purpose until it shall have been entered in the securities register of the Corporation by an entry showing from and to whom transferred.

### **8.4 Transfer Agents and Registrars**

The Board may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

## **8.5 Lost, Stolen or Destroyed Certificates**

The Board may direct a new certificate or uncertificated security to be issued in place of any certificate issued by the Corporation and alleged to have been lost, stolen or destroyed upon the making of a statutory declaration of that fact by the owner of the allegedly lost, stolen or destroyed certificate. When authorizing such issue of a new certificate or uncertificated security, the Board may, in its discretion and as a condition precedent to the issuance thereof, require payment of such fee and compliance with such terms as to indemnity, reimbursement of expenses (including legal fees incurred by the Corporation) and evidence of loss and of title, all as the Board may from time to time prescribe, whether generally or in any particular case.

## **8.6 CDI Holdings**

The Corporation may not issue certificates for CDIs, or cancel existing certificates for CDIs without issuing any replacement certificate, if the Directors so resolve. The Corporation must issue to each holder of a CDI, in accordance with applicable law or applicable rules of ASX, statements of the holdings of CDIs registered in the holder's name.

## **8.7 Beneficial Interests in CDIs**

Except as required by applicable law, the rules of ASX, or these By-Laws, the Corporation is not required to recognise any interest in, or right in respect of, a CDI except an absolute right of legal ownership of the person or entity registered as the holder of that CDI.

# **9. GENERAL PROVISIONS**

## **9.1 Seal**

The Corporation may, but need not, adopt a corporate seal. If a corporate seal is adopted it shall be in such form as shall be approved by the Board. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise, as may be prescribed by law or custom or by the Board.

## **9.2 Financial Year**

The financial year of the Corporation shall be determined by the Board.

## **9.3 Cheques, Notes, Drafts, Etc.**

All cheques, notes, drafts or other orders for the payment of money of the Corporation shall be signed, endorsed or accepted in the name of the Corporation by such officer, officers, person or persons as from time to time may be designated by the Board or by an officer or officers authorized by the Board to make such designation.

## **9.4 Dividends**

Subject to applicable law, the Articles and any unanimous shareholder agreement, dividends upon any shares of the Corporation may be:

- (a) declared by the Board at any regular or ad hoc meeting of the Board, and
- (b) paid in cash, in property or in shares of the Corporation.

## **9.5 Conflict With Applicable Law or Articles**

This By-law is enacted subject to any applicable law, the Articles and any unanimous shareholder agreement. Whenever these By-laws may conflict with any applicable law, the Articles or any unanimous shareholder agreement, such conflict shall be resolved in favour of such law, Articles or unanimous shareholder agreement.

## **9.6 ASX Listing Rules**

If the Corporation is admitted to the Official List of ASX, the following clauses apply:

- (a) Notwithstanding anything contained in this By-law, if the Listing Rules prohibit an act being done, the act shall not be done.
- (b) Nothing contained in this By-law prevents an act being done that the Listing Rules require to be done.
- (c) If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (d) If the Listing Rules require this By-law to contain a provision and it does not contain such a provision, this By-law is deemed to contain that provision.
- (e) If the Listing Rules require this By-law not to contain a provision and it contains such a provision, this By-law is deemed not to contain that provision.
- (f) If any provision of this By-law is or becomes inconsistent with the Listing Rules, this By-law is deemed not to contain that provision to the extent of the inconsistency.

## **10. AMENDMENT AND REPEAL**

### **10.1 Amendment**

Subject to the Articles and any unanimous shareholder agreement, the Board may, by resolution, make, amend or repeal any By-laws. Any such By-law, amendment or repeal shall be effective from the date of the resolution of the Board until the next meeting of shareholders where it may be confirmed, rejected or amended by the shareholders by ordinary resolution. If the By-law, amendment or repeal is confirmed or confirmed as amended by the shareholders, it remains effective in the form in which it was confirmed. Such By-law, amendment or repeal ceases to have effect if it is not submitted to the shareholders at the next meeting of shareholders or if it is rejected by the shareholders at the meeting.

### **10.2 Repeal**

All previous By-laws of the Corporation are repealed as of the coming into force of this By-law. The repeal shall not affect the previous operation of any By-laws so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any Articles or predecessor charter documents of the Corporation obtained pursuant to, any such By-law before its repeal. All officers and persons acting under the provisions of this By-law, and all resolutions of the shareholders or the Board or a committee of the Board with continuing effect passed under any repealed By-laws


shall continue to be good and valid except to the extent inconsistent with this By-law and until amended or repealed.

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## LODGE YOUR VOTE

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

 **BY MAIL**  
 First Cobalt Corp.  
 C/- Link Market Services Limited  
 Locked Bag A14  
 Sydney South NSW 1235 Australia

 **BY FAX**  
 +61 2 9287 0309

 **BY HAND**  
 Link Market Services Limited  
 1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**  
 Telephone: +61 1300 554 474

## LODGEMENT OF A CDI VOTING INSTRUCTION FORM

This CDI Voting Instruction Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am (Toronto time) Wednesday, 20 June 2018**. Any CDI Voting Instruction Form received after that time will be invalid.

CDI Voting Instruction Forms may be lodged using the reply paid envelope or:

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the CDI Voting Instruction Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, stockholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this CDI Voting Instruction Form).

## HOW TO COMPLETE THIS CDI VOTING INSTRUCTION FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's CDI register. If this information is incorrect, please make the correction on the form. CDI Holders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your CDIs using this form.**

### DIRECTION TO CHESSE DEPOSITARY NOMINEES PTY LTD

Each CHESSE Depositary Interest (CDI) is evidence of an indirect ownership in the Company's shares of common stock (Shares). The underlying Shares are registered in the name of CHESSE Depositary Nominees Pty Ltd (CDN). As holders of CDIs are not the legal owners of the Shares, CDN is entitled to vote at the Meetings of stockholders on the instruction of the registered holders of the CDIs.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either holder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with Link. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** with respect to an Australian company, where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. With respect to a U.S. company or other entity, this form may be signed by one officer. Please give full name and title under the signature.



### COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



NAME SURNAME  
 ADDRESS LINE 1  
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 ADDRESS LINE 6



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## CDI VOTING INSTRUCTION FORM

STEP 1

### DIRECTION TO CHESSE DEPOSITARY NOMINEES PTY LTD

I/We being a holder of CHESSE Depository Interests (CDIs) of First Cobalt Corp. (Company) hereby direct CHESSE Depository Nominees Pty Ltd (CDN) to vote the shares underlying my/our CDI holding at the Annual General and Special Meeting of stockholders of the Company to be held at 10:00am (Toronto time) on Tuesday, 26 June 2018 at Suite 2400, Bay Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2T6, and at any adjournment or postponement of that Meeting, in accordance with the following directions. By execution of this CDI Voting Instruction Form the undersigned hereby authorises CDN to appoint such proxies or their substitutes in their discretion to vote in accordance with the directions set out below.

### VOTING INSTRUCTIONS

Voting instructions will only be valid and accepted by CDN if they are signed and received no later than Wednesday, 20 June 2018. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

Resolution	For	Abstain*	Resolutions	For	Against	Abstain*
1 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	7(a) Future Director Awards to Jason Bontempo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution</b>	<b>For</b>	<b>Against</b>	<b>Abstain*</b>	<b>7(b)</b> Future Director Awards to Garrett Macdonald	<input type="checkbox"/>	<input type="checkbox"/>
2 Fix the Number of Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7(c) Future Director Awards to Paul Matysek	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolutions</b>	<b>For</b>	<b>Abstain*</b>	<b>7(d)</b> Future Director Awards to Trent Mell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3(a) Election of Jason Bontempo as a Director	<input type="checkbox"/>	<input type="checkbox"/>	7(e) Future Director Awards to Ross Phillips	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3(b) Election of Paul Matysek as a Director	<input type="checkbox"/>	<input type="checkbox"/>	7(f) Future Director Awards to John Pollesel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3(c) Election of Trent Mell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	7(g) Future Director Awards to Jeffrey Swinoga	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3(d) Election of Ross Phillips as a Director	<input type="checkbox"/>	<input type="checkbox"/>	8(a) Re-Grant of 2017 Director Awards to Jason Bontempo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3(e) Election of John Pollesel as a Director	<input type="checkbox"/>	<input type="checkbox"/>	8(b) Re-Grant of 2017 Director Awards to Paul Matysek	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3(f) Election of Jeffrey Swinoga as a Director	<input type="checkbox"/>	<input type="checkbox"/>	8(c) Re-Grant of 2017 Director Awards to Trent Mell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3(g) Election of Garrett Macdonald as a Director	<input type="checkbox"/>	<input type="checkbox"/>	8(d) Re-Grant of 2017 Director Awards to Ross Phillips	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolutions</b>	<b>For</b>	<b>Against</b>	<b>Abstain*</b>	8(e) Re-Grant of 2017 Director Awards to Jason Pollesel	<input type="checkbox"/>	<input type="checkbox"/>
4 Change of Registered Office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8(f) Re-Grant of 2017 Director Awards to Jeffrey Swinoga	<input type="checkbox"/>	<input type="checkbox"/>
5 Amended and Restated CBCA By-Laws	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8(g) Re-Grant of 2017 Director Awards to Robert Cross	<input type="checkbox"/>	<input type="checkbox"/>
6 Amended and Restated Long-Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			

\* If you do not mark the "For" or "Against" or "Abstain" box your vote will not be counted. Under Canadian securities laws, the form of proxy to be provided must only allow security holders to vote in favour of, or to withhold their vote in respect of, a resolution to elect a director or in respect of appointment of auditor, for further information see "Background Information for CDI Holders" in the Company's management information circular.

STEP 3

### SIGNATURE OF CDI HOLDERS – THIS MUST BE COMPLETED

CDI Holder 1 (Individual)  Joint CDI Holder 2 (Individual)  Joint CDI Holder 3 (Individual)   
 Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

This form should be signed by the CDI Holder in accordance with the instructions overleaf.

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