



First Cobalt Proposal to Merge With Cobalt One

June 26, 2017

Cobalt One Limited ("Cobalt One") (ASX: CO1)(formerly Equator Resources Limited) and First Cobalt Corp. ("First Cobalt") (TSX-V: FCC, OTC: FTSSF) are pleased to announce a non-binding, conditional expression of interest by First Cobalt pursuant to which First Cobalt intends to acquire 100% of the shares in Cobalt One by way of a court approved scheme of arrangement (the "Proposal"), as announced by First Cobalt on the TSX Venture Exchange ("TSXV") dated June 21, 2017. Both parties have subsequently signed a letter of intent on June 23, 2017 ("LOI"). The Proposal is subject to a number of conditions, including due diligence, the negotiation and entering into of definitive binding documentation and approval by shareholders.

Highlights under First Cobalt's Proposal:

- Would create a leading pure-play cobalt exploration company ("MergeCo") with a portfolio of high-quality exploration assets and the only permitted cobalt extraction refinery in the Cobalt, Ontario mining camp (the "Cobalt Camp")
- Merge Co would be led by an experienced management team based in Toronto with a proven track record of discovery, development, finance and located in close proximity to the Cobalt Camp
- MergeCo is expected to be the largest listed cobalt exploration company with a pro-forma fully diluted market capitalization of \$140 million
- It is anticipated that MergeCo will be listed on the TSXV, the ASX and the OTCQB, subject to regulatory approval
- Increased scale of MergeCo should enhance its capital markets profile, liquidity, provide greater access to capital across the exchanges and provide for strong re-rating potential
- Following completion of the Proposal, it is intended that MergeCo's Board would be reconstituted to include Cobalt One chairman Paul Matysek, Cobalt One Executive Director Jason Bontempo and Bob Cross

Cobalt One Executive Director Jason Bontempo commented,

"This Proposal, represents an attractive opportunity for Cobalt One to expand and allow shareholders to benefit from being part of a larger company that is expected to have greater liquidity and access to capital from two of the world's leading capital markets. Cobalt One shareholders would have a meaningful position in the merged company."

Trent Mell, First Cobalt President and CEO commented,

"I look forward to welcoming Jason, Paul and Bob to the Board of Directors. By creating what we believe to be the largest cobalt exploration company in the world, the new company will provide strong leverage to the growth of the electric vehicle market."

Potential benefits to Cobalt One Shareholders:

- The Proposal presents an opportunity to leverage First Cobalt's management team's strong in-country mining expertise to help optimise exploration and development strategy
- Positions MergeCo as the dominant landholder in the Cobalt Camp, consolidating almost 50% of the prospective properties in the Cobalt Camp
- Greater potential liquidity and prospect of market re-rating with enhanced scale, capital markets profile and likely increased access to capital across multiple listed markets
- Under the Proposal Cobalt One shareholders would maintain a majority stake in MergeCo, allowing for greater potential upside if MergeCo progresses with planned exploration programs

Terms of the Proposal

Under the terms of the Proposal, Cobalt One shareholders would receive 0.145 of a First Cobalt common share for each Cobalt One ordinary share (a "CO1 Share"), representing the equivalent of A\$0.11 per CO1 Share, based on the last trading price (CAD\$0.76) of First Cobalt shares on the 23rd June 2017. This exchange ratio implies a total transaction value of approximately \$140 million on a fully diluted in the money basis. The Proposal would constitute a reverse-takeover of First Cobalt under the policies of the TSXV.

The Proposal is subject to a number of conditions, including due diligence, the negotiation and entering into of definitive binding documentation, approval by the requisite majorities of the shareholders of Cobalt One and First Cobalt and receipt of all required regulatory approvals, including the approval of the TSXV and an Australian court. The Proposal cannot close until these conditions (and the requirements of definitive, binding documentation) are satisfied and the required approvals are obtained.

The LOI allows the parties the opportunity to exchange information and maintain confidentiality, while working in good faith to negotiate definitive binding documentation. The LOI also contains exclusivity provisions which, generally speaking, prevent either party soliciting, encouraging, discussing or accepting another takeover offer, allowing a third party to acquire a controlling interest in its share capital, disposing of a material asset or taking any other action with the intent (or foreseeable effect) of leading to a transaction contrary the Proposal, subject to fiduciary duties. The LOI terminates on the earlier of the date agreed and six weeks from execution.

Management and Directors

The Proposal envisages that the MergeCo Board will be reconstituted to include Cobalt One chairman Mr. Paul Matysek, Cobalt One Executive Director Mr. Jason Bontempo, Mr Robert (Bob) Cross and some or all of the current First Cobalt Board members.

Mr. Paul Matysek is a corporate entrepreneur, professional geochemist and geologist with over 30 years of experience in the mining industry. He was previously CEO of Lithium One, which merged with Galaxy Resources of Australia via \$112M plan of arrangement to create an integrated lithium company. He also served CEO of Potash One, which was acquired by K+S Ag for \$434 million in a friendly takeover in 2011. Mr. Matysek was also the founder and CEO of Energy Metals Corporation, a uranium company that grew from a market capitalization of \$10 million to approximately \$1.8 billion when sold in 2007.

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. Mr Bontempo has worked primarily providing corporate advice and the financing of resource companies across multiple capital markets including resource asset acquisitions and divestments. Mr Bontempo 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.

Mr. Robert (Bob) Cross is an engineer and Harvard MBA with 25 years of experience as a financier in the mining and oil & gas sectors. He was co-founder and Chairman of B2Gold, which has a \$3.7 billion market cap and produces almost one million ounces of gold per year. He was also co-founder and Chairman of Bankers Petroleum Ltd., co-founder and Chairman of Petrodorado Energy Ltd., and until October 2007, was the Non-Executive Chairman of Northern Orion Resources Inc. Between 1996 and 1998, Mr. Cross was Chairman and Chief Executive Officer of Yorkton Securities Inc. From 1987 to 1994, he was a Partner, Investment Banking with Gordon Capital Corporation in Toronto.

Advisors and Counsel

Canaccord Genuity Corp. is acting as financial advisor to First Cobalt, Cassels Brock and Blackwell LLP and Jackson McDonald are acting as legal counsel to First Cobalt.

Gilbert + Tobin and Fasken Martineau DuMoulin LLP are acting as legal counsel to Cobalt One.

About First Cobalt

First Cobalt is focused on building a diversified global portfolio of assets that are highly leveraged to the cobalt market. The Company's current assets include almost 3,000 hectares and three former mines in the Cobalt camp in Ontario, Canada. Cornerstone assets include an option for the former producing Keeley-Frontier mine, a high-grade mine that produced over 3.3 million pounds of cobalt and 19.1 million ounces of silver from 301,000 tonnes of ore, as well as a joint venture on a fully permitted cobalt refinery in Cobalt, Ontario. First Cobalt also has interests in seven prospective copper-cobalt properties covering 190 square kilometres in the Democratic Republic of the Congo, all with known surface mineralization.

About Cobalt One Limited

Cobalt One is a cobalt exploration company with high grade projects and the only permitted cobalt extraction refinery in a Tier 1 mining jurisdiction, Ontario Canada. It has seven high-grade cobalt properties in Cobalt, Ontario which include; Cobalt Town claims, Lorrain Valley Cobalt claims, Silver Centre Cobalt claims and Siverfields mine property, which has four

patented mining claims near Cobalt Town.

On behalf of First Cobalt Corp.

Trent Mell
President & Chief Executive Officer

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