NOTICE TO READER

The unaudited condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019, have been refiled to remove reference to the Company's auditor not performing a review. Subsequent to the original filing date, a review by the Company's auditor has since been performed.

First Cobalt Corp. is hereby filing these amended and restated condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019 as the Company has determined that the impairment charge taken relating to the Cobalt Camp mineral assets at December 31, 2019 was understated. Refer to Note 2 for details of the restatement and Note 27 which includes additional subsequent events from the date of original filing through to November 20, 2020.

In connection with the filing of these amended and restated condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019, and the adjustment noted above, the Company is also filing (i) amended and restated management discussion and analysis in compliance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations*, and (ii) CEO and CFO certifications in compliance with National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*.

Toronto, Canada
November 20, 2020

FIRST COBALT CORP.

AMENDED AND RESTATED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019

(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

AMENDED AND RESTATED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2020 AND DECEMBER 31, 2019 (UNAUDITED)

(expressed in Canadian Dollars)		**March 31, 2020 Restated - Note 2**		**December 31, 2019 Restated - Note 2**
ASSETS				
Current Assets				
Cash and cash equivalents	$	4,636,641	$	4,419,642
Restricted cash (Note 5)		-		11,500
Prepaid expenses and deposits (Note 7)		583,712		432,419
Receivables (Note 6)		398,922		263,114
		5,619,275		5,126,675
Non-Current Assets				
Exploration and evaluation assets (Note 9)		87,420,122		87,420,122
Plant and equipment (Note 8)		4,876,364		4,876,364
Long-term restricted cash (Note 5)		918,732		918,732
Total Assets	$	98,834,493	$	98,341,893
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities (Note 11)	$	99,243	$	286,589
		99,243		286,589
Non-Current Liabilities				
Long-term loan payable (Note 13)		7,001,397		6,318,026
Financial derivative liability (Note 14)		275,347		413,193
Asset retirement obligations (Note 12)		2,737,321		2,737,321
Total Liabilities	$	10,113,308	$	9,755,129
Shareholders' Equity				
Common shares (Note 15)		231,851,739		230,374,837
Reserve (Note 16 and 17)		14,487,949		13,714,970
Accumulated other comprehensive income		518,944		523,085
Deficit		(158,137,447)		(156,026,128)
Total Shareholders' Equity	$	88,721,185	$	88,586,764
Total Liabilities and Shareholders' Equity	$	98,834,493	$	98,341,893

Nature of operations (Note 1)
Going Concern (Note 3)
Commitments and Contingencies (Note 23)
Subsequent events (Note 27)

Approved on behalf of the Board of Directors and authorized for issue on November 20, 2020

/s/ Susan Uthayakumar	*/s/ Trent Mell*
Susan Uthayakumar, Director	Trent Mell, Director

AMENDED AND RESTATED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND OTHER COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019 (UNAUDITED)

(expressed in Canadian Dollars)		**Three months ended March 31, 2020**		**Three months ended March 31, 2019**
Operating expenses				
Consulting fees	$	159,997	$	178,890
Exploration and evaluation expenditures (Note 18)		18,719		925,556
General and administrative		105,838		92,632
Investor relations and marketing		105,850		147,753
Refinery and associated studies		728,708		60,491
Environmental expenses		171,570		67,689
Professional fees		39,799		332,120
Salary and benefits		304,634		413,599
Share-based payments (Note 17)		133,941		555,554
Travel		2,826		37,646
Operating loss		(1,771,882)		(2,811,930)
Other				
Foreign exchange gain (loss)		(298,663)		(25,185)
Interest income (expense)		(178,620)		4,844
Gain (loss) on sale of equipment		-		49,550
Gain (loss) on financial derivatives revaluation		137,846		-
Other non-operating income (expense)		-		(1,428)
Loss before taxes		(2,111,319)		(2,784,149)
Income tax expense		-		-
Net loss		(2,111,319)		(2,784,149)
Other comprehensive income				
Foreign currency translation income (expense)		(4,141)		55,244
Net loss and other comprehensive loss	$	(2,115,460)	$	(2,728,905)
Basic and diluted loss per share	$	(0.01)	$	(0.01)
Weighted average number of shares outstanding (basic and diluted) (Note 19)		381,374,504		339,566,302

AMENDED AND RESTATED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019 (UNAUDITED)

(expressed in Canadian Dollars)		Three months ended March 31, 2020		Three months ended March 31, 2019
Operating activities				
Net loss	$	(2,111,319)	$	(2,784,149)
Adjustments for items not affecting cash:				
Share-based payments		133,941		555,554
Directors fees paid in DSUs		47,367		-
(Gain) Loss on financial derivatives revaluation		(137,846)		-
Unrealized (gain) loss on foreign exchange		504,373		-
Interest expense on long-term debt		178,998		-
		(1,384,486)		(2,228,595)
Changes in non-cash working capital:				
Decrease (Increase) in receivables		(135,808)		1,501,796
Decrease (Increase) in prepaid and other current assets		(187,346)		(236,523)
Increase (Decrease) in accounts payable and accrued liabilities		(151,293)		(1,602,808)
Increase (Decrease) in restricted cash		11,500		-
Cash Flows used in operating activities		(1,847,433)		(2,566,130)
Investing activities				
Acquisition of exploration and evaluation assets, net of cash (Note 9)		-		(307,256)
Cash Flows provided by (used in) investing activities		-		(307,256)
Financing activities				
Proceeds from issuance of common shares		2,068,573		1,288,840
Cash Flows provided by financing activities		2,068,573		1,288,840
Changes in cash during the period		221,140		(1,584,546)
Effect of exchange rates on cash		(4,141)		55,244
Cash – Beginning of the period		4,419,642		3,262,121
Cash – End of the period	$	4,636,641	$	1,732,819

Supplemental information (Note 24)

AMENDED AND RESTATED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019 (UNAUDITED)

(Expressed in Canadian Dollars, except per share amounts)

	Common Shares							
	Number of Shares	Amount	Reserves		Accumulated Other Comprehensive Income	Deficit		Total
Restated Balance – December 31, 2019	372,249,684	$230,374,837	$13,714,970	$	523,085	$(156,026,128)	$	88,586,764
Net loss for the year	-	-	-		-	(2,111,319)	$	(2,111,319)
Other comprehensive loss for the period	-	-	-		(4,141)	-	$	(4,141)
Share based payment expense	-	-	133,941		-	-	$	133,941
Directors fees paid in DSUs	-	-	47,366		-	-	$	47,366
Shares and units issued for:								
Cash (Note 15)	15,097,430	1,476,902	591,672		-	-	$	2,068,574
Balance – March 31, 2020	387,347,114	$231,851,739	$14,487,949	$	518,944	$(158,137,447)	$	88,721,185
Balance – December 31, 2018	339,321,829	$225,477,272	$11,834,934	$	648,825	$ (39,583,605)	$	198,377,426
Net loss for the year						(2,784,149)	$	(2,784,149)
Other comprehensive loss for the period					55,244		$	55,244
Share based payment expense	-	-	555,554		-	-	$	555,554
Shares and units issued for:								
Exercise of DSU/PSU/RSU	321,265	148,605	(148,605)		-	-	$	-
Cash	8,913,251	1,155,438	448,518		-	-	$	1,603,956
Balance – March 31, 2019	348,556,345	$226,781,315	$12,690,401	$	704,069	$ (42,367,754)	$	197,808,031

1. General Information and Nature of Operations

General Information

First Cobalt Corp. (the "Company", "First Cobalt" or "FCC") was incorporated on July 13, 2011 under the Business Corporations Act of British Columbia (the "Act"). On September 4, 2018, the Company filed a Certificate of Continuance into Canada and adopted Articles of Continuance as a Federal Company under the Canada Business Corporations Act (the "CBCA"). The Company is in the business of acquisition and exploration of resource properties and on cobalt refining. The Company is focused on building an ethical North American supply of cobalt.

First Cobalt is a public company which is listed on the Toronto Venture Stock Exchange (TSX-V) (under the symbol FCC) and the OTCQX (under the symbol FTSSF). The Company's registered office is Suite 2400, Bay-Adelaide Centre, 333 Bay Street, Toronto, Ontario, M5H 2T6 and the corporate head office is located at 401 Bay Street, 6th Floor, Toronto, Ontario, M5H 2Y4.

Nature of Operations

The Company is in the process of advancing its refinery to a restart decision and exploring and developing its mineral properties. The Company is focused on building a diversified portfolio of assets that are highly leveraged to the cobalt market with assets located primarily in North America with the intent of providing a North American supply of cobalt. The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, successful permitting, the ability of the Company to obtain necessary financing to complete exploration and development, and upon future profitable production or proceeds from disposition of each mineral property. Furthermore, the acquisition of title to mineral properties is a complicated and uncertain process, and while the Company has taken steps in accordance with normal industry standards to verify its title to the mineral properties in which it has an interest, there can be no assurance that such title will ultimately be secured. The carrying amounts of exploration and evaluation assets are based on their acquisition costs, and do not necessarily represent present or future values.

2. Restatement of Previously issued Condensed Interim Consolidated Financial Statements

First Cobalt has restated its condensed interim consolidated statement of financial position as at March 31, 2020 and its consolidated statement of changes in equity for the three months ended March 31, 2020.

As part of a review of its consolidated financial statements, the Company determined that the impairment charge taken relating to the Cobalt Camp mineral assets at December 31, 2019 was understated. The Company had previously carried the value of the Cobalt Camp at its estimated recoverable value, which was determined with respect to consideration in comparable market transactions and historical exploration costs incurred. The Company has re-evaluated this position and has determined that the Cobalt Camp should be further impaired to $1. Specifically, the Company is focused on cobalt, a specialty metal without the same market comparables as precious metals or other base metals (copper or zinc) and the properties do not yet have a mineral resource estimate associated with them. Therefore, given an impairment trigger was noted under *IFRS 6 – Exploration for and Evaluation of Mineral Resources* for the year-ended December 31, 2019 and there is a lack of cobalt-specific data to support a recoverable value for these properties, the Cobalt Camp has been written down to a value of $1 as at December 31, 2019.

The previously filed consolidated financial statements for the three months ended March 31, 2020 and 2019 have been restated to adjust the December 2019 write down of the Cobalt Camp by an additional $11,945,624, resulting in a decrease in the carrying value of the property at both March 31, 2020 and December 31, 2019.

(expressed in Canadian dollars)

As a result, the following adjustments were made to the consolidated financial statements as at and for the three months ended March 31, 2020.

March 31, 2020:

	As Previously Reported	Adjustment	As Restated
Consolidated Statement of financial position			
Exploration and evaluation assets	$ 99,365,746	($ 11,945,624)	$ 87,420,122
Total Assets	110,780,117	(11,945,624)	98,834,493
Deficit	(146,191,823)	(11,945,624)	(158,137,447)
Total Shareholders' Equity	100,666,809	(11,945,624)	88,721,185
Total Liabilities and Shareholders' Equity	110,780,117	(11,945,624)	98,834,493
Consolidated Statement of changes in shareholders' equity			
Deficit at the beginning of the period	($ 144,080,504)	($ 11,945,624)	($ 156,026,128)
Deficit at the end of the period	($ 146,191,823)	(11,945,624)	(158,137,447)
Total Shareholders' Equity	100,666,809	(11,945,624)	88,721,185

December 31, 2019:

	As Previously Reported	Adjustment	As Restated
Consolidated Statement of financial position			
Exploration and evaluation assets	$ 99,365,746	($ 11,945,624)	$ 87,420,122
Total Assets	110,287,517	(11,945,624)	98,341,893
Deficit	(144,080,504)	(11,945,624)	(156,026,128)
Total Shareholders' Equity	100,532,388	(11,945,624)	88,586,764
Total Liabilities and Shareholders' Equity	110,287,517	(11,945,624)	98,341,893

3. Significant Accounting Policies and Basis of Preparation

Basis of Presentation and Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, these condensed interim consolidated financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process.

These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Company's audited financial statements for the year ended December 31, 2019. The policies applied in these condensed interim consolidated financial statements are based on IFRS issued as of May 28, 2020, the date the Board of Directors approved the financial statements. These condensed interim consolidated financial statements should be read in conjunction with the Company's amended and restated consolidated financial statements for the year ended December 31, 2019.

All amounts on the condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise stated.

Going Concern
The Company incurred a net loss of $2.1 million for the three months ended March 31, 2020, had a deficit of $158.1 million as at March 31, 2020 and had a net working capital position of $5.5 million at March 31, 2020.

On August 26, 2019, the Company completed a US$5 million loan arrangement with Glencore AG ("Glencore") to fund the advancement of the First Cobalt Refinery. At March 31, 2020, C$2.6 million of these funds remained on hand. With the feasibility study now completed, the remaining cash will be utilized to complete further project optimization work and to advance permit amendment applications as the Company moves towards a formal re-start decision. Capital costs to re-start the refinery are expected to be funded primarily through new debt arrangements.

On February 5, 2020, the Company completed a private placement for $2.1 million to improve its liquidity position. On August 28, 2020 the Company completed another private placement which included $1.3 million of proceeds on a flow-through basis and $1.2 million of proceeds on a non-flow-through basis With the proceeds from this financing the Company has sufficient funds on hand to continue operations for the next 12 months. However, the Company would require additional funding in Q4 2021 to continue its operations and conduct any other exploration activities. The Company has historically been successful in financing activities; however, there can be no assurances that the Company will be able to obtain financing. This represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not include the adjustments to the amounts and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

Functional Currency
The functional currency of the Company and its controlled entities are measured using the principal currency of the primary economic environment in which each entity operates. The functional currency of the Company and its subsidiaries is Canadian dollars, except for Cobalt One Limited which has a functional currency of Australian Dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are retranslated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Foreign exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the costs of assets when they are regarded as an adjustment to interest costs on those currency borrowings
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks and

(expressed in Canadian dollars)

- Exchange differences on monetary items receivable from or payable to a foreign operation which settlement is neither planned nor likely to occur, which are recognized initially in other comprehensive income/ (loss) and reclassified from equity to profit or loss on repayment of the monetary items.

Basis of Consolidation
These consolidated financial statements include the accounts of the Company and its controlled entities. Control is achieved when the Company has the power to govern the financial operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

The following subsidiaries has been consolidated for all dates presented within these financial statements (from the date at which control achieved):

Subsidiary	**Ownership**	**Location**
Cobalt Projects International Corp.	100%	Canada
Cobalt Industries of Canada Corp.	100%	Canada
Cobalt One Limited	100%	Australia
CobalTech Mining Inc.	100%	Canada
US Cobalt Inc. ("USCO")	100%	Canada

All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

4. Recently Adopted Accounting Standards

The Company has reviewed amendments to accounting pronouncements that have recently been issued and there were no new standards that had an impact on the Company's financial statements.

5. Restricted Cash

	March 31, 2020	**December 31, 2019**
Current	$ -	$ 11,500
Long-term	918,732	918,732
	$ 918,732	$ 930,232

Long-term restricted cash relates to amounts on deposit with the Ministry of Energy, Northern Development and Mines as financial assurance for the refinery closure plan. An additional deposit of $216,179 was made in November 2019 to the Ministry to bring the total financial assurance deposits in line with the estimated closure plan liability.

(expressed in Canadian dollars)

6. Receivables

	March 31, 2020	**December 31, 2019**
GST Receivable	$ 398,922	$ 263,114
	$ 398,922	$ 263,114

All GST receivable amounts currently outstanding are expected to be collected within the next twelve months.

7. Prepaid Expenses and Deposits

	March 31, 2020	**December 31, 2019**
Prepaid expenses	$ 557,252	$ 405,959
Deposits	26,460	26,460
	$ 583,712	$ 432,419

Prepaid expenses predominantly relate to prepayments made for engineering studies and metallurgical test work relating to the Refinery. These are expected to be drawn down over the next few months.

8. Plant and Equipment

The carrying value of Plant and Equipment is $4,876,364 (December 31, 2019 - $4,876,364), which solely relates to the Refinery. As at March 31, 2020, the Company's closure costs for the Refinery are estimated to be $926,321 (December 31, 2019: $926,321) and are recorded as asset retirement obligations. No depreciation has been recorded for the Refinery in the current year (December 31, 2019 - $Nil).

(expressed in Canadian dollars)

9. Restated Exploration and Evaluation Assets

	Balance December 31, 2019	Acquisition Costs	Writedown	ARO Adjustment	Other Adjustments	Balance March 31, 2020
Iron Creek	$ 87,420,121	$ -	$ -	$ -	$ -	$ 87,420,121
Cobalt Camp, Ontario	1	-	-	-	-	1
Other Properties	-	-	-	-	-	-
Total	$ 87,420,122	$ -	$ -	$ -	$ -	$ 87,420,122

	Balance December 31, 2018	Acquisition Costs	Writedown	ARO Adjustment	Other Adjustments	Balance December 31, 2019
Iron Creek	$ 87,312,865	$ 107,256	$ -	$ -	$ -	$ 87,420,121
Cobalt Camp, Ontario	106,372,001	200,000	(106,843,000)	271,000	-	1
Other Properties	213,779	-	(213,779)	-	-	-
Total	$ 193,898,645	$ 307,256	$ (107,056,779)	$ 271,000	$ -	$ 87,420,122

In 2019, the Company acquired additional surface rights on certain Iron Creek land packages for a payment of $107,256. Additionally, the Company earned a 50% joint venture interest with Canadian Silver Hunter in the Keeley-Frontier properties in the Canadian Cobalt Camp after making the final required anniversary payment of $200,000 in January 2019.

10. Impairment Charges

The Company reviews for indicators of impairment at each period end. As at March 31, 2020, no indicators of impairment are present. In 2019, the Company recorded a non-cash impairment charge of $106.8 million relating to the Cobalt Camp.

11. Accounts Payable and Accrued Liabilities

	March 31, 2020	December 31, 2019
Accounts Payable	$ 99,243	$ 151,628
Accrued Liabilities	-	134,961
	$ 99,243	$ 286,589

Accounts payable and accrued liabilities comprise primarily of trade payables incurred in the normal course of business. Included in accounts payable and accrued liabilities are amounts totalling $Nil (December 31, 2019 - $61,468) due to related parties (see note 25).

(expressed in Canadian dollars)

12. Asset Retirement Obligations

	March 31, 2020	**December 31, 2019**
Current	$ -	$ -
Long-term	2,737,321	2,737,321
	$ 2,737,321	$ 2,737,321

As at March 31, 2020, the Company has recorded its best estimate of the asset retirement obligations relating to its properties and assets. The Refinery has a formal closure plan filed with the Ministry of Energy, Northern Development, and Mines (ENDM). The cost estimates for this filed closure plan were updated for inflation during 2019 and the current expected closure cost are $926,321, which has been recorded as an asset retirement obligation liability.

First Cobalt controls properties under both patents and mineral claims. For features on patented land, the Company is liable for any rehabilitation required. The majority of properties controlled by First Cobalt are under mineral claims. Claims are leased property and thus the liability remains with the owner – the Government.

The Company has recorded its best estimate of the cost to rehabilitate the known features on patented lands as an asset retirement obligation. This amounted to $1,811,000 at December 2019. The Company plans to progressively reduce this obligation over time. The future cash flows required to settle this obligation involve a degree of uncertainty, as they are estimates at this time. The company determined both the risk-free interest rate and the estimated impact of inflation to be within similar ranges therefore, any discounting impact is insignificant.

At present the company expects the cash outflows to occur evenly over the next ten years, however, actual annual spending will be revised based on market conditions. There is no mandated level of annual activity. The future cash flows required to settle this obligation involve a degree of uncertainty, as they are estimates at this time.

13. Restated Long-term Loan Payable

The Company completed a US$5 million loan arrangement with Glencore on August 26, 2019. As this loan included a conversion feature, its value was split between Financial Derivative Liability and Long-term Loan.

(expressed in Canadian dollars)

The following table sets out the details of the Company's long-term debt as of March 31, 2020 and December 31, 2019.

Long-term Loan Payable – Initial recognition (August 26, 2019)	$ 6,157,674
Accretion and capitalized interest	160,352
Long-term Loan Payable – December 31, 2019	$ 6,318,026
Accretion and capitalized interest	683,371
Long-term Loan Payable – March 31, 2020	$ 7,001,397
Less: current portion	-
Non-current portion	$7,001,397

The US$5 million loan arrangement bears interest at quarterly (Mar. 31, Jun. 30, Sep. 30, Dec. 31) US dollar LIBOR + 5%. The Company holds the option to pay the interest on the loan in-kind, by accruing it to the principal and paying it upon maturity. The Company also has the right to extend the maturity date by one year as long as not in default. Additionally, Glencore has the option to convert the full balance owing at the maturity date of August 23, 2021 to common shares of the Company at a 15% discount to the Company's 10-day volume weighted average trading price on TSVX prior to maturity subject to a floor price of $0.13 per share. The Company may prepay all or any part of the principal amount owing at any time, subject to a minimum amount of US$1,000,000.

The host debt is classified as a liability, measured at fair value at initial recognition and subsequently measured at amortized cost using the effective interest rate method. Under the Company's debt agreement with Glencore, there are basic covenants related to the use of funds and ensuring the refinery studies remain on schedule, though there are no financial metric-related covenants. The proceeds from the debt agreement are permitted to be used for the advancement of the refinery with work programs mutually agreed between the Company and Glencore.

The Company is in compliance with all elements of the Glencore loan arrangement as at March 31, 2020. The loan arrangement is secured by a pledge of shares of First Cobalt subsidiaries that own the refinery asset.

On November 10, 2020, the Company announced an extension to the maturity date by one year to August 23, 2022.

14. Financial Derivative Liability

As at March 31, 2020, the company had an outstanding financial derivative liability of $275,347 (December 31, 2019 – $413,193). Derivatives are initially recognized at their fair value on the date the derivative contract is entered into and transaction costs are expensed. The fair value of the derivative at initial recognition was measured using Monte Carlo Simulation, assuming a risk-free rate of 1.39% per year, term of 2.0 years, and a share floor price of $0.13 per share. The Company's derivatives are subsequently re-measured at their fair value at each reporting date with changes in fair value recognized in the consolidated statement of loss and other comprehensive loss. The financial derivative arises from a conversion feature in the Glencore loan arrangement (Note 12) which is an embedded derivative that is fair valued each reporting period. The fair value of the derivative as at March 31, 2020 was measured using a conversion option value simulation model, assuming a risk-free rate of 0.46% per year, term of 1.40 years, and a share floor price of $0.13 per share.

(expressed in Canadian dollars)

The following table sets out the details of the Company's financial derivative liability as of March 31, 2020 and December 31, 2019.

Financial Derivative Liability – Initial recognition (August 26, 2019)	$346,528
Loss (gain) on fair value derivative revaluation	66,665
Financial Derivative Liability – December 31, 2019	$413,193
Loss (gain) on fair value derivative revaluation	(137,846)
Financial Derivative Liability – March 31, 2020	$275,347

15. Share Capital

(a) ***Authorized Share Capital***

The Company is authorized to issue an unlimited number of common shares without par value. As at March 31, 2020, the Company had 387,347,114 (December 31, 2019 – 372,249,684) common shares outstanding.

(b) ***Issued Share Capital***

During the three months ended March 31, 2020, the Company issued common shares as follows:

- On February 5, 2020, the Company completed a non-brokered private placement by issuing 15,097,430 Units at a Unit price of $0.14 for gross proceeds of $2.1 million. Each Unit consists of one common share in the share capital of the Company and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional common share at a price of $0.21 for a period of two years. The Warrants are subject to an acceleration clause such that, if the closing price of the common shares of the Company is equal to or greater than $0.37 per share for a period of ten consecutive trading days, the Company shall have the option, but not the obligation, to effect an accelerated expiration date that shall be 20 calendar days from the issuance of a notice of acceleration.

During the year ended December 31, 2019, the Company issued common shares as follows:

- On March 18, 2019, the Company issued 321,265 common shares on the vesting and entitlement of certain DSUs, PSUs, and RSUs. The common shares were valued at $148,605 based on a share price of $0.493 on the date of issue.

- On March 29, 2019, the Company completed a non-brokered private placement by issuing 8,913,251 Units for gross proceeds of $1.6 million. Each Unit consists of one common share in the share capital of the Company and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional common share at a price of $0.27 for a period of two years. The Warrants are subject to an acceleration clause such that, if the closing price of the common shares of the Company is equal to or greater than $0.37 per share for a period of ten consecutive trading days, the Company shall have the option, but not the obligation, to effect an accelerated expiration date that shall be 20 calendar days from the issuance of a notice of acceleration.

(expressed in Canadian dollars)

- On May 2, 2019, the Company issued 21,265,809 common shares in a private share purchase agreement to acquire 9,640,500 common shares of eCobalt Solutions Inc. for investment purposes, recorded as $3,229,567 and valued using the quoted public market of the shares received.

- On May 13, 2019, the Company issued 2,427,530 common shares to settle $363,954 of indebtedness owed to a creditor.

16. Warrants

Details regarding warrants issued and outstanding are summarized as follows:

	Weighted average exercise price	Number of shares issued or issuable on exercise
Balance – December 31, 2018	$1.48	13,217,682
Issuance of warrants	$0.27	9,104,466
Balance – December 31, 2019	$0.99	22,322,148
Issuance of warrants	$0.21	15,256,476
Warrant expiries	$1.50	(13,017,682)
Balance – March 31, 2020	$0.23	24,560,942

The expiry of warrants are as follows:

Grant Date	Expiry Date	Number of warrants outstanding	Weighted Average Exercise Price
May 31, 2016	May 31, 2021	200,000	$0.06
March 15, 2018	March 15, 2020	-	$1.50
March 29, 2019	March 29, 2021	9,104,466	$0.27
February 5, 2020	February 5, 2022	15,256,476	$0.21
		24,560,942	$0.23

During the three months ended March 31, 2020, the Company issued 15,256,476 share purchase warrants. A total of 15,097,430 warrants were issued to subscribers in the Company's private placement which closed on February 5, 2020 (Note 14). A further 159,046 warrants were issued as finders' fees associated with the private placement. The total fair value of $591,673 was recorded in reserves. The fair value of the warrants was estimated using the Black-Scholes Option Pricing Model assuming a risk-free interest rate of 1.54%, an expected life of 2 years, an expected volatility of 71.57%, no expected dividends, and a share price of $0.14.

During the year ended December 31, 2019, the Company issued 9,104,466 share purchase warrants. A total of 8,913,251 warrants were issued to subscribers in the Company's private placement which closed on March 29, 2019 (Note 15). A further 191,215 warrants were issued as finders' fees associated with the private placement. The total fair value of $448,518 was recorded in reserves. The fair value of the warrants was estimated using the Black-Scholes Option Pricing Model assuming a risk-free interest rate of 1.79%, an expected life of 2 years, an expected volatility of 92.70%, no expected dividends, and a share price of $0.15.

(expressed in Canadian dollars)

17. Share based payments

The Company adopted a new long-term incentive plan on October 1, 2019 (the "Plan") whereby it can grant stock options, restricted share units ("RSUs"), Deferred Share Units ("DSUs"), and Performance Share Units ("PSUs") to directors, officers, employees, and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 28,000,000 shares.

(a) ***Stock Options***

The changes in incentive share options outstanding are summarized as follows:

	Weighted average exercise price	**Number of shares issued or issuable on exercise**
Balance – December 31, 2018	$0.57	14,531,815
Grant	$0.18	1,000,000
USCO expiries	$0.30	(2,275,000)
Former FCC Personnel Expiries	$0.62	(575,000)
FCC Personnel Options Cancelled	$1.43	(1,433,482)
Grant	$0.14	3,830,000
Grant	$0.16	350,000
Former FCC Personnel Expiries	$1.43	(175,000)
Balance December 31, 2019	$0.38	15,253,333
Grant		-
Expiries		-
Balance March 31, 2020	$0.38	15,253,333

In February 2019, the Company granted 1,000,000 stock options to a new director. The options may be exercised within 5 years from the date of grant at a price of $0.18 per share, and vest over a one-year period. The fair value of the options at the date of grant was estimated to be $98,593 using the Black-Scholes Option Pricing Model, assuming a risk-free rate of 1.79% per year, an expected life of 2.5 years, an expected volatility of 92.93%, no expected dividends, and share price of $0.18.

Additionally, in September 2019 company granted 3,830,000 stock options to Officers, Directors, and Employees as an annual grant under its long-term incentive plan. The options may be exercised within 5 years from the date of grant at a price of $0.14 per share, and vest over a three-year period. The fair value of the options at the date of grant was estimated to be $286,607 using the Black-Scholes Option Pricing Model, assuming a risk-free rate of 1.35% per year, an expected life of 2.5 years, an expected volatility of 90.68%, no expected dividends, and share price of $0.14.

In October 2019, the Company issued 350,000 incentive stock options to a new Director, and a consultant of the Company. The options may be exercised within 5 years from the date of grant at a price of $0.16 per share, and vest over a three-year period. The fair value of the options at the date of grant was estimated to be $30,109 using the Black-Scholes Option Pricing Model, assuming a risk-free rate of 1.54% per year, an expected life of 2.5 years, an expected volatility of 91.11%, no expected dividends, and share price of $0.16.

(expressed in Canadian dollars)

Incentive share options outstanding and exercisable March 31, 2020 are summarized as follows:

	Options Outstanding				Options Exercisable		
Exercise Price	**Number of Shares Issuable on Exercise**	**Weighted Average Remaining Life (Years)**		**Weighted Average Exercise Price**	**Number of Shares Issuable on Exercise**		**Weighted Average Exercise Price**
$ 1.43	75,000	3.24	$	1.43	75,000	$	1.43
0.69	1,290,000	2.17	$	0.69	1,290,000		0.69
0.66	1,500,000	1.92	$	0.66	1,500,000		0.66
0.52	450,000	2.84	$	0.52	450,000		0.52
0.51	810,000	2.80	$	0.51	810,000		0.51
0.49	2,273,333	3.24	$	0.49	757,778		0.49
0.42	225,000	2.34	$	0.42	225,000		0.42
0.36	1,300,000	3.49	$	0.36	433,333		0.36
0.36	1,000,000	5.50	$	0.36	1,000,000		0.36
0.36	562,500	1.13	$	0.36	562,500		0.36
0.29	187,500	1.86	$	0.29	187,500		0.29
0.27	400,000	3.57	$	0.27	133,333		0.27
0.18	1,000,000	3.90	$	0.18	1,000,000		0.18
0.14	3,830,000	4.43	$	0.14	-		0.14
0.16	350,000	4.51	$	0.16	-		0.16
	15,253,333	3.43	$	0.38	8,424,444	$	0.49

(b) ***DSUs, RSUs and PSUs***

During the three months ended March 31, 2020, the Company issued 326,657 DSUs. DSUs vest immediately and may not be exercised until a director ceases to serve on the board. The DSUs were issued to Directors in lieu of cash directors fees for the fourth quarter of 2019. The company expensed $47,365 related to these Director DSUs.

During the three months ended March 31, 2020, the Company has expensed $60,124 (2019 - $171,581) for DSUs valued at share prices $0.15 to $0.49, number of units 326,657 to 425,000, and expense period of immediate to 2 years, $Nil (2019 - $11,859) for PSUs, and $Nil (2019 - $Nil) for RSUs as shared-based payment expense.

(expressed in Canadian dollars)

18. Exploration and Evaluation Expenses

Exploration and evaluation expenditures incurred for the three months ended March 31, 2020 and 2019:

	March 31, 2020			March 31, 2019		
	Iron Creek, USA	Cobalt Camp, Canada	Total	Iron Creek, USA	Cobalt Camp, Canada	Total
Drilling	$ -	$ -	$ -	$ -	$ -	$ -
Exploration support and administration	-	-	-	-	963	963
Field Operations and consumables	-	-	-	-	3,787	3,787
Geochemistry	-	-	-	14,505	17,893	32,398
Geological consulting	1,296	-	1,296	158,365	-	158,365
Geologist salaries	-	-	-	-	131,924	131,924
Property taxes	-	-	-	-	15,160	15,160
Sampling and geological costs	17,423	-	17,423	390,277	192,682	582,959
Total	$ 18,719	$ -	$ 18,719	$ 563,147	$ 362,409	$ 925,556

19. Loss Per Share

The following table sets forth the computation of basic and diluted loss per share for the three months ended March 31, 2020 and 2019:

	March 31, 2020	March 31, 2019
Numerator		
Net loss for the year / period	$ (2,111,319)	$ (2,784,149)
Denominator		
Basic – weighted average number of shares outstanding	381,374,504	339,566,302
Effect of dilutive securities	-	-
Diluted – adjusted weighted average number of shares outstanding	381,374,504	339,556,302
Loss Per Share – Basic and Diluted	$(0.01)	$(0.01)

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year.

The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options, and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive.

Share purchase warrants and stock options were excluded from the calculation of diluted weighted average number of common shares outstanding during the three months ended March 31, 2020 and 2019 as the warrants and stock options were anti-dilutive since the Company was in a loss position.

(expressed in Canadian dollars)

20. Financial Instruments

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet ongoing business requirements, taking into account its current cash position and potential funding sources. In the future the company may need to issue additional equity or attain additional debt to repay debt obligations as they come due (see Note 3 for Going Concern disclosure). The following are the contractual maturities of financial liabilities as at March 31, 2020, and December 31, 2019:

		As at March 31, 2020	
	< 1 Year	**Between 1 – 2 Years**	**>2 Years**
Accounts payable and accrued liabilities	$ 99,243	$ -	$ -
Long-term loan payable	-	7,001,397	-
Total	$99,243	$ 7,001,397	$ -

		As at December 31, 2019	
	< 1 Year	**Between 1 – 2 Years**	**>2 Years**
Accounts payable and accrued liabilities	$ 286,589	$ -	$ -
Long-term loan payable	-	6,318,026	-
Total	$286,589	$ 6,318,026	$ -

Fair Value

The Company's financial instruments consisted of cash and cash equivalents, restricted cash, long-term loan payable, financial derivative liability, and accounts payable and accrued liabilities. The fair values of cash and cash equivalents, restricted cash, and accounts payable and accrued liability approximate their carrying values because of their current nature. The fair value of long-term loan payable, and financial derivative liability are estimated using risk-free rate, LIBOR, share price volatility, and foreign exchange fluctuations, and are estimated to approximate carrying value.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents and restricted cash which are being held in bank accounts. The cash and cash equivalents and restricted cash are deposited in bank accounts held with major Canadian banks so there is a concentration of credit risk. This risk is managed by using major Canadian banks that are high credit quality financial institutions as determined by rating agencies.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, prepayments, accounts payable and accrued liabilities, and its long-term debts that are denominated in US Dollars. The Company also holds minor cash in Australian Dollars though exposure to fluctuations in the Australian dollar exchange rate are negligible. The Company has not used derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations. The following table indicates the foreign currency exchange risk on monetary financial instruments as at March 31, 2020:

	As at March 31, 2020	
	USD	**AUD**
Cash and cash equivalents	$1,849,485	$ 9,195
Restricted Cash	-	-
Prepaid and deposits	-	-
Receivables	-	-
Accounts payable and accrued liabilities	(22,287)	-
Accrued interest	(87,322)	-
Long-term loan payable	(5,125,477)	-
Total	($3,385,601)	$ 9,195

During the three months ended March 31, 2020, the Company recognized a loss of $0.3 million on foreign exchange (2019 – loss of $0.03 million). Based on the above working capital exposures, and the exposure of the US Dollar long-term loan payable as at March 31, 2020, a 10% depreciation or appreciation of the US Dollar against the Canadian dollar would result in a $0.5 million increase or decrease in the Company's before-tax net loss (2019 - $0.17 million); the Australian Dollar exposure against the Canadian dollar is minimal as the company holds a very small working capital balance, therefore, a 10% depreciation or appreciation is negligible.

	As at December 31, 2019	
	USD	**AUD**
Cash and cash equivalents	$2,950,253	$1,500
Restricted Cash	-	-
Prepaid and deposits	-	-
Receivables	-	-
Accounts payable and accrued liabilities	(76,969)	-
Long-term loan payable	(5,125,477)	-
Total	($2,252,193)	$1,500

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The Company's debt with Glencore bears interest at a rate of LIBOR + 5%

and thus is a floating rate instrument. Therefore, changes in the market LIBOR interest rate will impact the cash flows ultimately required to settle interest payment obligations under the debt agreement. An increase or decrease of 100 basis points in the annual interest rate would result in an increase or decrease loss before tax of $0.07 million.

21. Management of Capital

The Company manages its capital structure, consisting of share capital and debt (loan payable), and will make adjustments to it depending on the funds available to the Company for its future refinery and exploration activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is dependent on external financing to fund its activities. In order to carry out its planned refinery advancement work, exploration activities and pay for future general and administrative expenses, the Company expects to issue new shares, issue debt, or acquire or dispose of assets. The Company will continue to assess new exploration and evaluation assets and seeks to acquire additional interests if sufficient geologic or economic potential is established and adequate financial resources are available.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements, other than restrictions on how the proceeds from the Glencore loan can be spent. In 2019, the addition of the Glencore loan has added a debt component to the Company's capital structure, and the Company will continue to adjust its capital structure based on Management's assessment of the best capital mix to effectively advance its assets.

22. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described, as follows, based on the lowest-level input that is significant to the fair value measurement as a whole:

Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 — Quoted prices in markets that are not active or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 — Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

(expressed in Canadian dollars)

Assets and Liabilities Measured at Fair Value of a Basis

The Company's fair values of financial assets and liabilities were as follows:

	Carrying Value		March 31, 2020			
	Fair value through profit or loss	**Amortized cost**	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Assets:						
Cash and Cash Equivalents	$4,636,641	$ -	$4,636,641	$ -	$ -	$4,636,641
Restricted cash	-	918,732	918,732	-	-	918,732
	$4,636,641	$918,732	$5,555,373	$ -	$ -	$5,555,373
Liabilities:						
Accounts payable and accrued liabilities	$ -	$99,243	$99,243	$ -	$ -	$99,243
Long-term loan payable	-	7,001,397	-	7,001,397	-	7,001,397
Financial Derivative Liability	275,347	-	-	275,347	-	275,347
	$275,347	$7,100,640	$99,243	$7,276,744	$ -	$7,375,987

Valuation techniques

A) Cash and cash equivalents

Cash, cash equivalents are included in Level 1 due to the short-term maturity of these financial assets.

B) Restricted cash

Restricted cash are included in Level 1 as they are known deposits held in cash by government agencies, and major banking institutions.

C) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are recorded at amortized cost and included in Level 1 due to the short-term maturity of these financial liabilities.

D) Long-term loan payable

Long-term loan payable is recorded at amortized cost and included in Level 1. The carrying amount is adjusted for the effective interest accretion on a quarterly basis.

E) Financial Derivative Liability

The fair value of the embedded derivative as at December 31, 2019 was $275,347 and is accounted for at FVTPL. The valuation is based on the discounted cash flows at the risk-free rate to determine the present value of the conversion benefit. The conversion benefit is equal to 15% of the balance owing on the date of maturity, due to Glencore's option to elect to receive shares of the Company at a 15% discount to market instead of a cash repayment of the debt. The conversion feature contains a floor price limitation such that the share price used to convert the balance owing cannot be below $0.13. The Company may prepay all or any part of the principal amount owing at any time, subject to a minimum amount of $1,000,000.

23. Commitments and Contingencies

As at March 31, 2020, the Company was not committed to any material exploration contracts that require significant future outflow of resources.

On August 26, 2019 The Company completed a US$5 million loan arrangement with Glencore which has now committed the Company to future repayment. The interest rate is variable at LIBOR + 5%. The table below reflects the current estimate of cash outflows for interest and principal payments under the loan in Canadian dollars.

The Company holds the option to pay the interest on the loan in-kind, by accruing it to the principal and paying it upon maturity. The Company also has the right to extend the maturity date by one year. Additionally, Glencore has the option to convert the full balance owing at maturity to common shares of the Company at a 15% discount to the Company's 10-day volume weighted average trading price. The conversion feature contains a floor price limitation such that the share price used to convert the balance owing cannot be below $0.13. The Company may prepay all or any part of the principal amount owing at any time, subject to a minimum amount of $1,000,000. As each of these items is dependent on the exercise of a future right or option, they have not been reflected in the commitments table below.

	Interest	**Principal**	**Total Debt Commitments**
2020	$466,138	$-	$466,138
2021	298,022	7,222,310	7,520,332
Thereafter	-	-	-
Total	$ 764,160	$ 7,222,310	$ 7,986,470

The Company now must comply with a mutually agreed work and spending schedule relating to the advancement of the refinery. This can be amended from time to time between the Company and Glencore. In connection with the current refinery work plan, the Company has signed contracts with numerous vendors, including Ausenco Engineering Canada, SGS Canada, and Story Environmental, though if work is halted for any reason there are no locked in contractual minimums that would be required to be paid. All contracts are on a time and materials basis.

24. Supplemental Cash Flow Information

The Company did not make any cash payments and had no cash receipts for interest or income taxes during the three months ended March 31, 2020 and 2019, other than minor interest on cash balances.

(expressed in Canadian dollars)

25. Segmented Information

The Company's exploration and evaluation activities are located in the province of Ontario, Canada and Idaho, USA, with its head office function in Canada. All of the Company's capital assets, including property and equipment, and exploration and evaluation assets are located in Canada and USA. Refer to notes 8 and 17 for segmented information by geographic locations.

26. Related Party Transactions

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

(a) Key Management Personnel Compensation

During the three months ended March 31, 2020 and 2019, the Company paid and/or accrued the following fees to management personnel and directors:

	March 31, 2020	**March 31, 2019**
Management	$ 295,867	$262,027
Directors	48,744	94,109
	$ 344,611	$ 356,136

During the three months March 31, 2020 the Company had share-based payments made to management and directors of $114,829 (December 31, 2019 - $511,819).

(b) Due to Related Parties

As at March 31, 2020 and December 31, 2019, the Company had the following amounts due to related parties:

	March 31, 2020	**December 31, 2019**
Accounts payable and accrued liabilities	$ -	$ 61,468
	$ -	$ 61,468

27. Restated Subsequent Events

Subsequent to March 31, 2020:

(a) On July 10, 2020, the Company issued 1,114,643 DSUs, 1,050,000 RSUs, and 2,200,000 options to Directors and employees of the Company under its 2019 Long-Term Incentive Plan. The options are exercisable at a price of $0.14 per share for a period of five years.

(b) On August 26, 2020, the Company issued 250,000 RSUs and 500,000 options under its 2019 Long-Term Incentive Plan in connection with the appointment of a new Vice President, Project Development. The options are exercisable at a price of $0.145 per share for a period of five years and vest over a two-year period.

(c) On August 28, 2020, the Company completed a non-brokered private placement for total proceeds of $2.5 million. The offering consists of (i) an aggregate of 8,225,000 units of the Company ("Flow-Through Units") at a price of $0.16 per Flow-Through Unit for gross proceeds of approximately $1.3 million (the "FT Offering") and (ii) an aggregate of 8,528,643 units (the "Units") of the Company at a price of $0.14 per Unit for gross proceeds of approximately $1.2 million. Each Flow-Through Unit consists of one common share of the Company qualifying as a 'flow-through share' (a "Flow-Through Share") and one-half of one common share purchase warrant (each whole common share purchase warrant a "Warrant"). Each Unit consists of one common share of the Company (a "Common Share") and one Warrant. Each full Warrant will entitle the holder thereof to purchase one Common Share of the Company at a price of $0.21 per Common Share, for a period of 24 months following the Closing Date. All proceeds from the sale of the Flow-Through Units will be used to incur eligible Canadian Exploration Expenses as defined in the *Income Tax Act* (Canada) related to the Company's projects in Ontario, Canada. A further 852,750 warrants were issued as finders' fees associated with the private placement.

(d) On November 10, 2020, the Company announced an extension in the maturity date on the US$5 million loan with Glencore by one year to August 2022 to better align with expected refinery commissioning timelines.