

ACQUISITION OF HIGH-GRADE COBALT PROJECT IN ARIZONA FURTHER STRENGTHENS GROWTH PIPELINE

[Low-cost acquisition further enhances the Company's portfolio of high-grade cobalt projects in North America](#)

Highlights

- NWC secures 100% interest in the Grapevine Cobalt-Nickel-Copper Project in Arizona, USA
- Cobalt reported from at least five of the multiple historical workings at the Project, over >1.5km of strike:
 - Cobalt assays to 7.5% Co reported previously
- Considerable secondary cobalt mineralisation (erythrite or “cobalt-bloom”) observed in historical workings recently, with rock samples collected at the Walker Prospect assaying up to 4.65% Co
- Sizeable 3,800 acre land position secured over the favourable geological host sequence based on mapping and surface geochemistry
- Opportunity to rapidly advance the Project towards first-ever drilling, with low-cost systematic geochemistry and geophysical programs
- Project vendors, comprising an experienced team of Arizona-based geologists and mining engineers, to assist with implementation of ongoing work programs

New World Cobalt Limited (ASX: NWC; “New World Cobalt” or “the Company”) is pleased to advise that it has secured a 100% interest in a highly prospective cobalt-nickel-copper project in central Arizona, USA.



Figure 1. Outcropping secondary cobalt mineralisation at the Walker Prospect.

The high-grade Grapevine Cobalt-Nickel-Copper Project, located ~25km east of Prescott in central Arizona, USA (see Figure 2), contains extensive historical cobalt workings.

The Company was attracted to the project when it identified (in a 1941 report) that samples of mineralisation from the area had assayed up to 7.5% Co. Further investigation revealed that at least five of the numerous historical workings in the area contain cobalt mineralisation, which extends over a strike length of more than 1.5km.

The geological sequence hosting the mineralisation is a gabbro – the same rock-type that hosts some of the world’s largest Ni-Cu-Co

deposits, including Voisey’s Bay and Sudbury in Canada, and Norilsk in Russia.

New World Cobalt Limited
ABN 23 108 456 444

ASX Code: NWC

Directors and Officers

Richard Hill – Chairman

Mike Haynes – Managing Director/CEO

Scott Mison – Non-Executive Director

Ian Cunningham – Company Secretary

Capital Structure

Shares: 451.3m

Share Price (3/5/18): \$0.087

Cash (31/3/18): \$3.9m

Office Address

Suite 9, 5 Centro Ave.

Subiaco WA 6008

Australia

Contact Details

Phone: +61 8 9226 1356

Email:
info@newworldcobalt.com

Website:
www.newworldcobalt.com

Projects

- Colson Cobalt-Copper Project, Idaho, USA
- Goodsprings Copper-Cobalt Project, Nevada, USA
- Hazelton Cobalt-Copper-Gold Project, British Columbia, Canada
- Grapevine Cobalt-Nickel-Copper Project, Arizona, USA



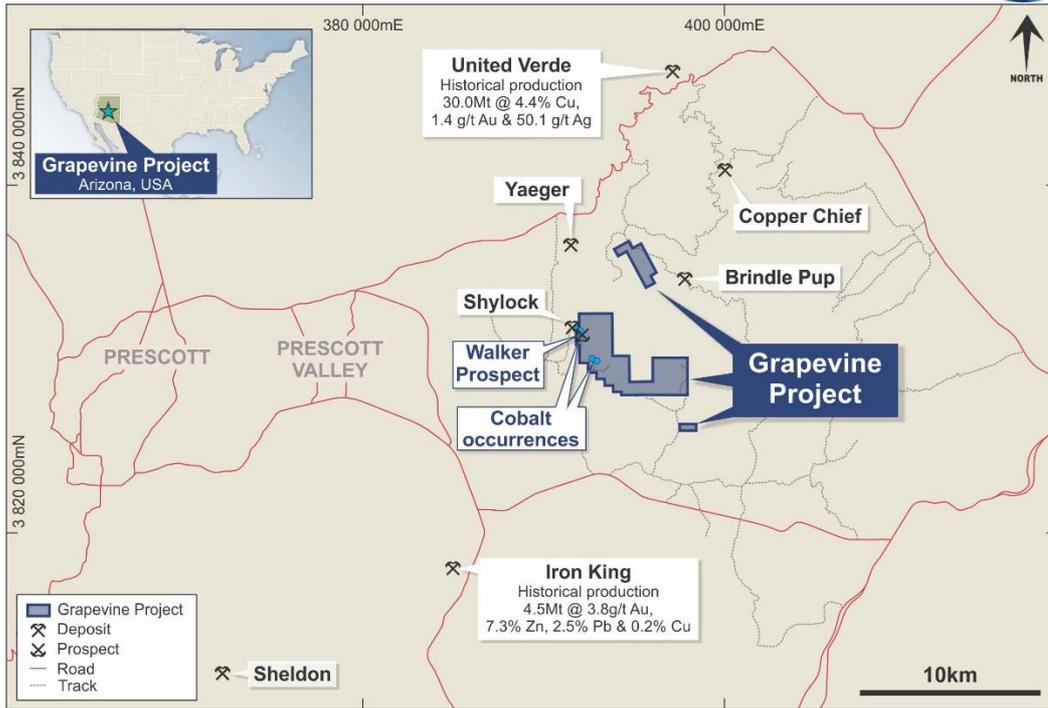


Figure 2. Location of New World Cobalt’s Grapevine Project, Arizona, USA.

With no evidence of any modern exploration having been undertaken at the project previously, the Company has secured a 100% interest in the mineral rights covering approximately 3,800 acres; using available geochemistry data and targeting the prospective gabbro sequence (see below and Figure 3).

The Company intends undertaking low-cost, systematic geochemistry and geophysical programs over the coming months to rapidly advance its understanding of the mineralised system, with a view to bringing targets to drill-ready stage.

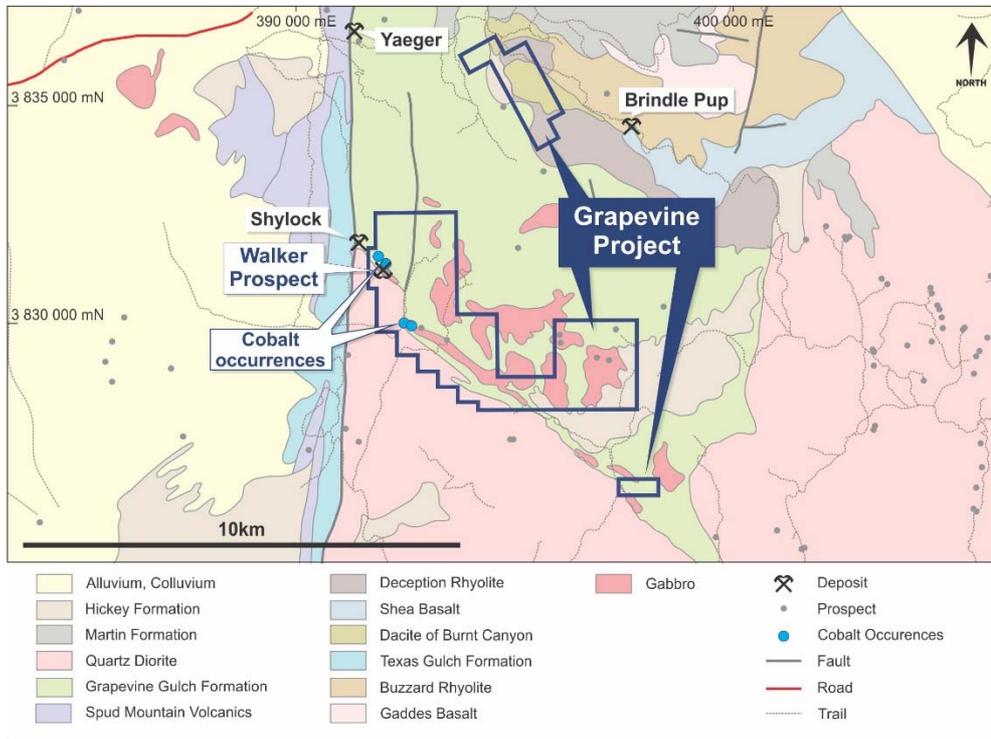


Figure 3. Geology of New World Cobalt’s Grapevine Project, Arizona, USA.

Acquisition Terms

The Company has entered into an agreement with Grapevine Resources LLC (“GRL”) to acquire a 100% interest in 40 BLM mineral claims (covering 800 acres) that GRL owns that cover the known historical cobalt occurrences within the project area. The consideration payable to GRL comprises an initial cash payment of US\$40,000 and the issue of US\$60,000 worth of shares in the Company (“Shares”) within the next 30 days, at an issue price equal to the 5 day VWAP prior to the date of issue. The Shares will be subject to a four month escrow period.

GRL will retain a 1.0% royalty on any production within two (2) miles of GRL’s 40 BLM mineral claims, as well as be entitled to annual payments of US\$25,000 cash and US\$40,000 of Shares for as long as the Company holds an interest in mineral rights within the designated project area. The issue price for the annual Share payments will be based on the 5 day VWAP prior to the date of each issue.

The Company has staked an additional 148 BLM mineral claims (covering an additional 3,000 acres) in the project area (100% NWC).

GRL shareholders comprise a team of very experienced Arizona-based geologists and mining engineers. Under the terms of the acquisition agreement, these people will continue to help implement work programs at the Project at standard commercial rates. This ensures the Company is positioned to continue to efficiently implement work programs across all of its projects.

For further information please contact:

Mike Haynes
Managing Director/CEO
New World Cobalt Limited
Phone: +61 419 961 895
Email: mhaynes@newworldcobalt.com

Media Inquiries:
Nicholas Read – Read Corporate
Phone: +61 419 929 046
Email: nicholas@readcorporate.com.au

Qualified and Competent Person

The information in this report that relates to exploration results for the Grapevine Cobalt-Nickel-Copper Project is based on information compiled by Mr Ben Vallerine, a consultant to and shareholder of the Company. Mr Vallerine is a Member of the Australian Institute of Geoscientists. Mr Vallerine has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results (JORC Code). Mr Vallerine consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Forward Looking Statements

Any forward-looking information contained in this news release is made as of the date of this news release. Except as required under applicable securities legislation, New World Cobalt does not intend, and does not assume any obligation, to update this forward-looking information.

APPENDIX 1 –

JORC CODE 2012 EDITION, TABLE 1 REPORT

JORC Code, 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

(Criteria in this section applies to all succeeding sections)

Criteria	JORC Code Explanation	Commentary
Sampling Techniques	<ul style="list-style-type: none">• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.• Aspects of the determination of mineralisation that are Material to the Public Report.• In cases where 'industry standard' work has been done, this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information	<ul style="list-style-type: none">• Historical reports refer to rock samples being collected from a number of veins, adits, and shafts. Assays in the range 1.49% Co to 7.5% Co were reported. The location of these samples cannot be determined with any confidence. It is not possible to determine whether these grades are representative without conducting further exploration and sampling, which the Company plans to undertake in the near-term.• A photograph of the material that the Company sampled recently at the Walker Prospect, that assayed 4.65% Co, is provided in the body of this announcement. This material was selected for assay as part of the Company's due diligence investigations because it was readily accessible and evidently mineralised. A 3.1kg sample of this outcropping mineralisation was submitted to ALS Laboratories for analysis.

Criteria	JORC Code Explanation	Commentary
Drilling Techniques	<ul style="list-style-type: none"> • Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). 	<ul style="list-style-type: none"> • The Company is not aware of any drilling having been undertaken on the Project previously.
Drill Sample Recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material 	<ul style="list-style-type: none"> • The Company is not aware of any drilling having been undertaken on the Project previously.
Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged 	<ul style="list-style-type: none"> • The Company is not aware of any drilling having been undertaken on the Project previously.

Criteria	JORC Code Explanation	Commentary
Sub-Sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • Historical reports do not disclose the sampling methods employed. • A whole-rock sample from the Walker Prospect was sent to the laboratory for analysis.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established 	<ul style="list-style-type: none"> • Historical reports do not disclose the analytical procedures employed. • The sample from the Walker Prospect was crushed and pulverised then assayed for multi-elements using ALS Global's ME-MS61 and PGM-ICP27 methodologies. This is considered appropriate for this stage of exploration and targeted style of mineralisation. No blanks, standards or duplicate samples were submitted during this program.

Criteria	JORC Code Explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data 	<ul style="list-style-type: none"> • Further exploration and sampling needs to be undertaken to verify previously reported results. The Company plans to undertake such work in the near-term.
Location of data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • The location of historical samples cannot be determined with any confidence. • The location of the rock sample taken from the Walker Prospect was determined with hand-held GPS utilising the UTM NAD 83 datum and projection.
Data Spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • Samples were collected sporadically, where mineralisation was evident.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> • Samples were collected sporadically and should not be used to infer thickness of mineralisation. At this time not enough information is known about the mineralisation to determine controls and thicknesses.

Criteria	JORC Code Explanation	Commentary
Sample Security	<ul style="list-style-type: none"> The measures taken to ensure sample security 	<ul style="list-style-type: none"> Historical reports do not disclose the sample security measures employed. The sample from the Walker Prospect was placed in a single bag which was immediately tied closed following sample collection to ensure there was no contamination.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data 	<ul style="list-style-type: none"> Not undertaken.

Section 2: Reporting of Exploration Results

(Criteria listed in section 1 also apply to this section)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area 	<ul style="list-style-type: none"> The Grapevine Project comprises 40 US Federal Mining Claims in which the Company is acquiring a 100% interest from Grapevine Resources LLC (which will retain a 1.0% royalty) and approximately 148 additional US Federal Mining Claims that New World Cobalt holds a 100% interest in.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> To New World Cobalt's knowledge, no modern exploration has been undertaken previously within the Grapevine Project area.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation 	<ul style="list-style-type: none"> New World Cobalt is exploring for gabbro-hosted Co-Ni-Cu mineralisation (and any other economic forms of mineralisation it encounters).

Criteria	JORC Code Explanation	Commentary
Drillhole Information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: <ul style="list-style-type: none"> • easting and northing of the drillhole collar • elevation or RL (Reduced Level elevation above sea level in metres) of the drillhole collar • dip and azimuth of the hole • downhole length and interception depth • hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case 	<ul style="list-style-type: none"> • The Company is not aware of any drilling having been undertaken on the Project previously.
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated 	<ul style="list-style-type: none"> • The Company is not aware of any drilling having been undertaken on the Project previously.

Criteria	JORC Code Explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. • If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<ul style="list-style-type: none"> • The Company is not aware of any drilling having been undertaken on the Project previously.
Diagrams	<ul style="list-style-type: none"> • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views 	<ul style="list-style-type: none"> • Maps showing the distribution of cobalt and other mineralisation are included in the body of this announcement.
Balanced reporting	<ul style="list-style-type: none"> • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results 	<ul style="list-style-type: none"> • Assay results from all significant samples are presented in this announcement, however in all cases these are rock samples, which may not reflect the true thickness and/or the grade of mineralisation.
Other substantive exploration data	<ul style="list-style-type: none"> • Other exploration data, if meaningful and material, should be reported including (but not limited to) geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> • No other exploration data is available from this area at this time.

Criteria	JORC Code Explanation	Commentary
Further Work	<ul style="list-style-type: none"> • The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> • New World Cobalt intends undertaking systematic surface geochemistry sampling programs, which may be followed by surface geophysics programs (depending on results). Once results from this work are assessed, drilling programs will be planned as appropriate.