

\$2.0M PLACEMENT TO UNDERPIN MAIDEN DRILLING PROGRAM AT THE TERERRO Cu-Au-Zn VMS PROJECT

Raising will allow NWC to advance aggressive exploration campaign including ongoing geophysics, target prioritisation and maiden drilling program

Highlights

- Firm commitments received to raise \$2M through a share placement at \$0.02 per share, with attaching unlisted options to be issued on a 1:4 basis, exercisable at \$0.04 per option.
- The Placement ensures the Company's ongoing exploration activities and upcoming maiden drilling program at the Tererro Cu-Au-Zn VMS Project in New Mexico, USA are well-funded.
- Maiden upcoming drilling program designed to:
 - (i) Facilitate calculation of an inaugural JORC Code compliant Resource estimate for the gold-rich Jones Hill VMS Deposit; and
 - (ii) Commence extensional drilling at the Jones Hill Deposit.
- Drilling scheduled to commence in the near-term, following completion of an ongoing ground geophysical survey, prioritisation of targets and receipt of permit approvals.

New World Cobalt Limited (ASX: **NWC**; "the Company" or "New World") is pleased to announce that it has received firm commitments from institutional and sophisticated investors to raise \$2.0 million.

The proceeds will be used to underpin the Company's ongoing exploration program at its Tererro Cu-Au-Zn VMS Project in New Mexico, USA, where it is gearing up to commence its maiden diamond drilling program.

Placement

The Company will raise \$2.0 million by issuing 100 million new shares at \$0.02 per share ("the Placement") – a 10% discount to the Company's 20-day VWAP. Participants in the Placement will also be issued one free attaching unlisted option for every four shares they subscribe for in the Placement. These options will be exercisable at \$0.04 each on or before 27 September 2022.

Settlement of the Placement is expected to take place on or about 3 October 2019. The Company intends to issue 49,996,648 securities under its existing placement capacity pursuant to Listing Rule 7.1 and the remaining 75,003,352 shares under its existing placement capacity pursuant to Listing Rule 7.1A.

Peloton Capital is the Lead Manager of the Placement.

The total costs of the Placement include (i) a capital raising fee equal to 6% of funds raised; and (ii) subject to shareholder approval, a total of 40,000,000 unlisted options,

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: 772.5m

Share Price (27/9/19): \$0.024

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Projects

- Tererro Copper-Gold-Zinc Project, New Mexico, USA
- Colson Cobalt-Copper Project, Idaho, USA
- Goodsprings Copper-Cobalt Project, Nevada, USA



exercisable at \$0.04 each on or before 27 September 2022, will be issued to Peloton Capital and to the Company's corporate advisor, Cygnet Capital Pty Ltd.

Use of Proceeds

Proceeds from the Placement will be used to continue the Company's aggressive exploration program at the Tererro Cu-Au-Zn VMS Project, which is centred on the gold-rich Jones Hill VMS Deposit in New Mexico, USA ("the Project").

Historical drilling at the Jones Hill Deposit intersected thick, high-grade mineralisation, with results including:

- **94.8m @ 5.24 g/t Au, 0.83% Cu, 0.32% Pb, 0.68% Zn and 24.3 g/t Ag from 203.9m, including:**
 - 5.5m @ 13.10 g/t Au, 1.37% Cu, 0.64% Zn and 24.6 g/t Ag from 210.3m;
 - 30.6m @ 7.73 g/t Au, 1.13% Cu, 0.47% Pb, 0.72% Zn and 32.7 g/t Ag from 249.8m; and
 - 8.0m @ 8.73 g/t Au, 1.90% Cu, 0.26% Pb, 0.58% Zn and 43.9 g/t Ag from 286.5m;
- **33.2m @ 2.34 g/t Au, 2.76% Cu, 0.09% Pb, 6.01% Zn and 22.5 g/t Ag from 185.0m;**
- **48.6m @ 2.88 g/t Au, 1.00% Cu, 0.48% Pb, 0.49% Zn and 36.6 g/t Ag from 130.0m, including:**
 - 19.1m @ 3.52 g/t Au, 1.57% Cu, 0.63% Pb, 0.65% Zn and 48.7 g/t Ag from 145.8m; and
- **63.4m @ 3.05 g/t Au, 0.40% Cu, 0.21% Pb, 0.18% Zn and 17.2 g/t Ag from 284.4m, including:**
 - 10.8m @ 5.41 g/t Au, 0.27% Cu, 0.57% Pb and 42.3 g/t Ag from 337.0m

Previous work culminated in Conoco Inc. calculating a historical Mineral Resource estimate for the Jones Hill Deposit which comprised:

5.7Mt @ 1.96 g/t Au, 1.02% Cu, 1.46% Zn, 0.24% Pb and 22.0 g/t Ag*

Virtually no work has been undertaken at the Project since 1984. The mineralisation remains open along strike and at depth, offering considerable potential to increase the resource base with further exploration at and around the Deposit. Furthermore, because the mineralisation at the Jones Hill Deposit is of the Volcanogenic Massive Sulphide ("VMS") type – and VMS deposits usually occur in clusters – there is considerable potential to expand the resource base at the Project by discovering additional mineralisation along strike from the Jones Hill Deposit.

In light of this potential, the Company has implemented a two-pronged approach to advance the Project since acquiring it in June 2019, targeting:

- (i) Rapid completion of work programs at the Jones Hill Deposit so that mine development can be assessed and advanced as quickly as practicable; and
- (ii) Aggressively exploring:
 - a. For extensions of the Jones Hill Deposit; and
 - b. To discover additional mineralisation at adjacent prospects.

To achieve this, the Company is using a combination of surface geochemistry and ground geophysics to define the highest priority targets in advance of drilling.

The Company recently announced that it had completed a soil geochemistry program that delineated multiple strong and sizeable anomalies over more than 3km of strike at, and to the south of, the Jones Hill Deposit. Virtually all previous drilling at the Project targeted the Jones Hill Deposit itself.

Several of these anomalies are regarded as very high-priority exploration targets that provide considerable opportunity to expand the resource base at the Project.

Since early August, the Company has also been undertaking a ground geophysics survey over a similar corridor. The intention of this survey is to detect sulphide mineralisation at depth, thereby helping to target the most prospective portions of soil anomalies early in drilling programs.

These work programs are deliberately being undertaken in advance of the Company's maiden drilling program at the Project.

Drilling, which is scheduled to commence in the near-term, will initially focus on confirming historical drilling results by twinning and/or in-fill drilling between previous successful drill holes, so that data from the historical 59 diamond core holes drilled at the Project can be verified and used to calculate a JORC Code compliant resource estimate for the Jones Hill Deposit.

With mineralisation at the Jones Hill Deposit open in all directions, and abundant potential to discover additional mineralisation along strike, the focus of drilling will then rapidly turn to expanding the resource base through:

- (i) Extensional drilling at the Jones Hill Deposit; and
- (ii) By commencing testing high-priority exploration targets elsewhere within the Project area. The larger the resource base, the more robust the economics of developing a mining operation at the Project are likely to be.

The Company has submitted applications for permits to commence its maiden drilling program at the Tererro Project. It continues to advance these permit applications, with its maiden drilling program scheduled to commence following the completion of the CSAMT ground geophysical survey and subsequent prioritisation and confirmation of drill targets.

Accordingly, the proposed use of proceeds from the Placement is set out in the table below:

| | Amount |
|--|--------------------|
| Drilling | \$1,400,000 |
| Soil Sampling | \$50,000 |
| Ground geophysics | \$150,000 |
| Baseline environmental work/permitting | \$100,000 |
| Costs of Offer | \$140,000 |
| Working Capital | \$160,000 |
| Total | \$2,000,000 |

For further information please contact:

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****Notes to Historical Mineral Resource Estimate for the Jones Hill Deposit:***

1. Readers are referred to the Company's initial market release dated 9 April 2019 which provides supporting information on the historical resource estimate.
2. The Company confirms that the supporting information disclosed in the initial market announcement continue to apply and has not materially changed.
3. Readers are cautioned that that this estimate is a "historical estimate" under ASX Listing Rule 5.12 and is not reported in accordance with the JORC Code.
4. A Competent Person has not yet undertaken sufficient work to classify the historic estimate as mineral resources or ore reserves in accordance with the JORC Code.

5. It is uncertain that, following evaluation and/or further exploration work, it will be possible to report this historical estimate as mineral resources or ore reserves in accordance with the JORC Code.

Qualified and Competent Person

The information in this report that relates to exploration results and the historic resource estimate is based, and fairly reflects, information compiled by Mr Patrick Siglin, who is the Company's Exploration Manager. Mr Siglin is a Registered Member of the Society for Mining, Metallurgy and Exploration. Mr Siglin 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 and Mineral Resources (JORC Code). Mr Siglin consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

Previously Reported Results

There is information in this report relating to exploration results which were previously announced on 9 April, 17 June, 31 July and 25 September 2019. Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

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 does not intend, and does not assume any obligation, to update this forward-looking information.