

\$2.2M CAPITAL RAISING TO UNDERPIN MAIDEN EXPLORATION PROGRAMS AT NEW HIGH-GRADE VMS COPPER-GOLD-ZINC PROJECT IN USA

Fully-underwritten rights issue provides opportunity for all shareholders to participate in exciting new growth opportunity

Highlights

- **Non-renounceable 2-for-5 rights issue at \$0.01 per share, fully underwritten by Cygnet Capital Pty Ltd, to raise a minimum of \$2.2M (before costs).**
- **Represents a 33.3% discount to closing price of NWC shares on 26 April 2019.**
- **Proceeds to fund upcoming exploration of the new Tererro Copper-Gold-Zinc VMS Project in New Mexico, USA, which includes the advanced Jones Hill VMS Deposit (refer to the Company's ASX release of 9 April 2019).**
- **Rare, high-grade VMS exploration and development opportunity in a Tier-1 jurisdiction.**
- **Modern geophysics to be applied in advance of an initial drill program.**

New World Cobalt Limited (ASX: NWC; **the Company**" or **New World**) is pleased to announce a \$2.2 million capital raising to fund the commencement of its initial exploration program at the recently acquired Tererro Copper-Gold-Zinc Project in New Mexico, USA (**Tererro VMS Project**) (refer to the Company's ASX release of 9 April 2019).

The Company will undertake a fully underwritten 2-for-5 non-renounceable rights issue (**Entitlement Issue**) to raise approximately \$2.2 million (before costs). The Entitlement Issue will comprise the issue of 220,607,054 shares at an issue price of \$0.01 per share, which represents a 33.3% discount to the Company's closing share price on 26 April 2019

The Entitlement Issue is fully underwritten by Cygnet Capital Pty Ltd.

The net proceeds from the Entitlement Issue will primarily be used to fund the Company's initial exploration program at the Tererro VMS Project comprising:

- A ground geophysics program that will include electromagnetics "EM" and/or Induced Polarisation "IP" surveying; and
- A follow-up drilling program;

Proceeds from the raising will also be used to fund the completion of the acquisition of the Tererro VMS Project, exploration of the Company's Idaho and Nevada assets and for working capital. Refer to the Use of Funds table below for further details.

NWC's Managing Director, Michael Haynes, said this important capital raising would allow the Company to complete the acquisition of the high-quality Tererro VMS Project in New Mexico and to kick-start exploration at this exciting new project.

"As we announced recently, this is a rare, high-grade VMS exploration and development opportunity in a Tier-1 jurisdiction, and it represents a standout new growth opportunity for the Company alongside our existing high-grade cobalt assets in North America."

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: 551.5m

Share Price (26/4/19): \$0.015

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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



“High quality VMS assets are extremely hard to come by; but we have successfully secured one that offers the opportunity to both establish JORC compliant Resources in the near term so development opportunities can be assessed and to conduct further exploration with a view to potentially establishing a multi-deposit VMS mine camp.

“We have not lost sight of the huge opportunity presented by our high-grade cobalt portfolio, and part of the funds raised will allow us to continue to advance the high-potential Colson Project in Idaho. However, in the short term our focus will be on a program of geophysics and then initial drilling at the advanced Jones Hill Deposit at the Tererro Project.”

ENTITLEMENT ISSUE

The Entitlement Issue will be undertaken by way of a non-renounceable pro-rata offer to eligible shareholders, on the basis of two (2) shares (**New Shares**) for every five (5) shares held by eligible shareholders registered at 5.00pm (WST) on 6 May 2019 (**Record Date**) at an issue price of \$0.01 per share to raise approximately \$2.2 million (before costs). The issue price of \$0.01 per share represents a 33.3% discount to the Company’s closing share price on 26 April 2019.

On the basis that no further shares are issued or options exercised prior to the Record Date, the Company will issue up to 220,607,054 New Shares under the Entitlement Issue.

Cygnit Capital Pty Ltd is Lead Manager and arranger of the underwriting. Cygnit Capital will receive a fee of 6% of the underwritten amount, plus 35,000,000 unlisted options exercisable at \$0.02 each on or before 30 June 2022. Further details of the underwriting arrangements will be set out in the offer document (**Offer Document**), which will be dispatched to eligible shareholders in accordance with the timetable below.

The table below sets out the impact of the Entitlement Issue on the capital structure of the Company:

Event	Shares ¹	Number of unquoted options ¹
Balance at date of announcement of the Entitlement Issue	551,517,635	13,883,334
New securities to be issued under the Entitlement Issue	220,607,054	35,000,000 ²
Total at completion of the Entitlement Issue	772,124,689	48,883,334

1. Assumes no options are exercised prior to the Record Date; and

2. Underwriter options, each exercisable at \$0.02 on or before 30 June 2022.

The New Shares issued under the Entitlement Issue will rank equally with the existing shares on issue.

ELIGIBLE SHAREHOLDERS

The Entitlement Offer is available to all Company shareholders who:

- Are registered as a holder of shares on the Record Date;
- Have a registered address in Australia, New Zealand, Singapore, Malaysia, Hong Kong or the United Kingdom;
- Are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds shares in the Company for the account or benefit of such person in the United States); and
- Are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer booklet to be lodged or registered.

SHORTFALL OFFER

A Shortfall Offer will allow Eligible Shareholders that have fully subscribed for their entitlement under the Entitlement Issue (**Entitlement**) to subscribe for additional New Shares in excess of their Entitlement (**Additional New Shares**). There is no guarantee that applicants will receive all or any of the Additional New Shares they apply for under the facility and the Directors, in conjunction with the Underwriter, reserve their right to allocate the Additional New Shares at their discretion.

Pursuant to the Shortfall Offer, and in accordance with the Underwriting Agreements, any shortfall will be allocated in the following priority:

- Eligible shareholders who have subscribed for their full Entitlement of New Shares under the Entitlement Offer and subscribe for Additional New Shares; and
- The balance to the underwriter to the Entitlement Issue, Cygnet Capital Pty Ltd.

Further details regarding the allocation policy will be included in the Offer Document.

INDICATIVE TIMETABLE

An indicative timetable for the Entitlement Issue is set out below.

Event	Date
Announce Entitlement Issue	30 April 2019
Lodge Appendix 3B and notice under section 708AA	1 May 2019
Send notice of Entitlement Issue to Shareholders	2 May 2019
Record Date for determining Entitlements (7.00pm Sydney time)	6 May 2019
Offer documents dispatched to Eligible Shareholders	7 May – 9 May 2019
Opening date	9 May 2019
Closing date	20 May 2019
Notification of shortfall	21 May 2019
Anticipated date for issue of the Shares under the Entitlement Issue Deferred settlement trading ends	27 May 2019
Anticipated date for commencement of Shares trading on a normal settlement basis	28 May 2019

The Offer Document and a personalised entitlement and acceptance form will be sent to eligible shareholders in accordance with the above timetable.

The indicative timetable is subject to change and the Company reserves the right to withdraw or vary the timetable without notice, subject to compliance with the Corporations Act 2001 (Cth) and the Listing Rules.

In particular, the Company reserves the right to extend the closing date of the Entitlement Issue, to accept late applications under the Entitlement Issue without prior notice.

Any extensions of the closing date will have a consequential effect on the issue date of shares.

USE OF FUNDS

The Company intends to apply the funds raised from the Entitlement Issue in accordance with the table set out below:

Item of Expenditure	Amount (\$m)
Exploration at the Tererro VMS Project including geophysics and drilling programs	1.05
Exploration at the Idaho and Nevada projects	0.2
Working capital	0.78
Expenses of the Entitlement Issue	0.17
TOTAL	2.2

For further information please contact:

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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.