

# **NORTHERN COBALT LIMITED**

ACN 617 789 732

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## **NOTICE OF ANNUAL GENERAL MEETING**

### **EXPLANATORY NOTES**

### **PROXY FORM**

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#### **Date of Meeting**

24 November 2017

#### **Time of Meeting**

10:30 am (Adelaide time)

#### **Place of Meeting**

Grant Thornton  
Level 3, 170 Frome Street  
Adelaide, South Australia

## NOTICE OF 2017 ANNUAL GENERAL MEETING

Notice is hereby given that the inaugural Annual General Meeting of Shareholders of NorthernCobalt Ltd ("Company") will be held at the offices of Grant Thornton, Level 3, 170 Frome Street, Adelaide, South Australia on Friday 24 November 2017 at 10:30 am (Adelaide time).

The business to be considered at the Annual General Meeting is set out below.

This Notice of Meeting should be read in its entirety in conjunction with the accompanying Explanatory Notes, which forms part of this Notice of Meeting and contains information in relation to the following Resolutions. If you are in any doubt as to how you should vote on the Resolutions set out in this Notice of Meeting, you should consult your financial or other professional adviser.

Defined terms used in this Notice of Meeting have the meanings given to those Terms in the Glossary at the end of the Explanatory Notes.

### GENERAL BUSINESS

#### 2017 Financial Statements

To receive, consider and discuss the Company's annual financial report including the Directors' Declaration for the year ended 30 June 2017 and the accompanying Directors' Report, Remuneration Report and Auditor's Report.

### ORDINARY BUSINESS

#### Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass with or without amendment, the following Resolution as a non-binding Resolution:

*"That the Remuneration Report that forms part of the annual financial report of the Company for the year ended 30 June 2017 be adopted for the purpose of section 250R(2) of the Corporations Act."*

Note: Section 250R(3) of the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

#### Resolution 2 – Re-election of Mr Duncan Chessell as a Director of the Company

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

*"That Mr Duncan Chessell, a Director retiring by rotation in accordance with clause 13.2 of the Constitution of the Company and ASX Listing Rule 14.5, being eligible, and having offered himself for re-election, be re-elected as a Director of the Company."*

#### Resolution 3 – Re-election of Mr Andrew Shearer as a Director of the Company

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

*"That Mr Andrew Shearer, a Director retiring by rotation in accordance with clause 13.2 of the Constitution of the Company and ASX Listing Rule 14.5, being eligible, and having offered himself for re-election, be re-elected as a Director of the Company."*

#### Resolution 4 – Ratification of 192,500 Shares issued in the preceding 12 month period

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue and allotment of 192,500 Shares during the preceding 12 month period on the terms and to the parties set out in the Notice of Meeting and Explanatory Notes."*

## **Resolution 5 – Appointment of Auditor**

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

*“That Grant Thornton Audit Pty Ltd, of Level 3, 170 Frome Street, Adelaide South Australia having been duly nominated by a shareholder of the Company and having consented in writing to act, be appointed as auditor of the Company.”*

## **SPECIAL BUSINESS – SPECIAL RESOLUTIONS**

### **Resolution 6 – Approval of 10% Additional Placement Capacity**

To consider and, if thought fit, pass the following Resolution as a Special Resolution:

*“That, for the purpose of ASX Listing Rule 7.1A, approval is given for the Company to have the additional capacity to issue Equity Securities totalling up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Notes.”*

## **VOTING INFORMATION, EXCLUSIONS AND PROHIBITIONS**

The business of the Meeting affects your Shareholding and your vote is important.

### **Voting prohibition statement in relation to Resolution 1**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- b) the voter is the Chair and the appointment of the Chair as proxy:
  - i) does not specify the way the proxy is to vote on this Resolution; and
  - ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

### **Voting exclusion in relation to Resolution 4 (ratification of Share issue)**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on this Resolution by S3 Consortium Pty Ltd and nominees and any associate of such persons. However, the Company need not disregard a vote if:

- a) it is cast by that person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b) it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides

### **Voting exclusion in relation to Resolution 6 (10% Additional Placement Capacity)**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Special Resolution 6 by any person who may participate in the proposed issue and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of Shares) and any associate of such person, if the Resolution is passed. However, the Company need not disregard a vote if:

- a) it is cast by that person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b) it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Important information concerning proxy votes on Resolution 1**

The Corporations Act places certain restrictions on the ability of Key Management Personnel and their closely related parties to vote on the Resolutions connected directly or indirectly with the remuneration of the Key Management Personnel.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and are encouraged to direct their proxy as to how to vote on all Resolutions. In particular, Shareholders who intend to appoint the Company's Chairman as their proxy (including an appointment by default) are encouraged to direct the Chairman as to how to vote on all Resolutions.

If the Chairman of the Meeting is appointed, or taken to be appointed, as your proxy, you can direct the Chairman to vote for, against or abstain from voting on Resolution 1 by marking the box opposite the respective Resolution on the Proxy Form. You should direct the Chairman how to vote on this Resolution.

However, if the Chairman of the Meeting is your proxy and you do not direct the Chairman how to vote in respect of Resolution 1 on the Proxy Form, you will be deemed to have directed and expressly authorised the Chairman to vote your proxy in favour of the relevant Resolution(s). This express authorisation acknowledged that the Chairman may vote your proxy even if:

- (a) Resolution 1 is connected directly or indirectly with the remuneration of a member or members of the Key Management Personnel for the Company; and
- (b) the Chairman has an interest in the outcome of Resolution 1 and that votes cast by the Chairman for these Resolutions, other than as authorised proxy holder, will be disregarded because of that interest.

### **Voting and proxy**

A Member who is entitled to attend and cast a vote at the Meeting and who wishes to vote on the Resolutions contained in this Notice should either attend in person at the time, date and place of the Meeting set out above or appoint a proxy or proxies to attend or vote on the Member's behalf.

In completing the attached Proxy Form, Members must be aware that where the Chairman of the Meeting is appointed as their proxy, they will be directing the Chairman to vote in accordance with the Chairman's voting intention unless you indicate otherwise by marking the "For", "Against" or "Abstain" boxes. The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. Members should note that they are entitled to appoint the Chairman as a proxy with a direction to cast the votes contrary to the Chairman's voting intention, or to abstain from voting, on any Resolution in the Proxy Form. Also, Members may appoint, as their proxy, a person other than the Chairman.

A proxy need not be a Member of the Company. For the convenience of Members, a Proxy Form is enclosed. A Member who is entitled to attend and cast two or more votes is entitled to appoint two proxies. Where two proxies are appointed, each appointment may specify the proportion or number of voting rights each proxy may exercise. If the Member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes able to be cast by the appointing Member.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form. In order to be valid, the Proxy Form must be received by the Company at the address or facsimile number specified below, along with any power of attorney or certified copy of a power of attorney (if the Proxy Form is signed pursuant to a power of attorney), by no later than 48 hours before the Meeting (i.e., by no later than 10:30am Adelaide time on 22 November 2017):

By mail:                Nothern Cobalt Limited  
                             c/- Security Transfer Australia Pty Ltd  
                             PO BOX 52  
                             Collins Street West VIC 8007

By hand:                Exchange Tower, Level 9, Suite 913  
                             530 Little Collins Street  
                             MELBOURNE VIC 3000

By facsimile:        +61 8 9315 2233

Any Proxy Forms received after that time will not be valid for the Meeting.

A Member who is a body corporate may appoint a representative to attend the Meeting in accordance with the Corporations Act. Representatives will be required to present documentary evidence of their appointment on the day of the Meeting.

For the purpose of determining the voting entitlements at the Meeting, the Directors have determined that Shares will be taken to be held by the registered holders of those Shares at 6:30pm Adelaide time on 22 November 2017. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

By order of the Board

Jaroslav (Jarek) Kopias  
Company Secretary  
Adelaide, 4 October 2017

## ANNUAL GENERAL MEETING - EXPLANATORY NOTES

These Explanatory Notes accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting, and should be read in conjunction with this Notice of Meeting.

If any Shareholder is in doubt as to how they should vote, they should seek advice from their legal, financial or other professional adviser prior to voting.

### Introduction

These Explanatory Notes have been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be considered at the Annual General Meeting of the Company. The Directors recommend Shareholders read these Explanatory Notes in full before making any decision in relation to the Resolutions.

Terms defined in the Notice of Meeting have the same meaning in these Explanatory Notes.

### Receiving financial statements and reports

The Corporations Act requires that Shareholders consider the annual consolidated financial statements and reports of the Directors and auditor every year.

There is no requirement either in the Corporations Act or the Constitution for Shareholders to approve the financial report, the Directors' report or the auditor's report. Shareholders will be given a reasonable opportunity at the meeting to:

- a) ask questions about, or make comments on, the management of the Company; and
- b) ask a representative of the Company's Auditor, Grant Thornton, questions relevant to:
  - 1) the conduct of the audit;
  - 2) the preparation and content of the Auditor's Report;
  - 3) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
  - 4) the independence of the Auditor in relation to the conduct of the audit.

A Member who is entitled to cast a vote at the Meeting may submit written questions to the Company's Auditor if the question is relevant to the content of the Auditor's report or the conduct of the audit of the annual financial report. A written question must be submitted by giving the question to the Company no later than 5:00pm Adelaide time on Thursday 16 November 2017, being five business days before the day on which the Meeting is to be held and, the Company will then, as soon as practicable after the question has been received, pass the question on to the Auditor.

The Chairman of the Annual General Meeting will allow a reasonable opportunity at the Annual General Meeting for a representative of the Company's Auditor to answer any such written questions submitted. If the Company's Auditor has prepared written answers to written questions, the Chairman may allow these to be tabled at the Meeting and such written answers will be available to Members as soon as practicable after the Meeting. The Company will make copies of the question list reasonably available to Members attending the Meeting.

No Resolution is required to be moved in respect of this item of general business.

## GENERAL BUSINESS

### Resolution 1: Adoption of Remuneration Report

The Remuneration Report for the financial year ended 30 June 2017 is set out in the Directors' Report within the 2017 Annual Report, which is available on the Company's website: <https://northerncobalt.com.au/>. The Remuneration Report sets out the Company's remuneration arrangements for Directors, including the Managing Director, and members of the Company's Key Management Personnel.

Section 300A of the Corporations Act requires the Directors to include a Remuneration Report in their report for the financial year. Section 250R(2) of the Corporations Act requires the Remuneration Report to be put to a vote at the Company's Annual General Meeting. The vote on the Resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

In relation to the non-binding Shareholder vote, under the Corporations Act, if 25% or more of the votes that are cast are voted against the adoption of a company's remuneration report at two consecutive AGM's, then Members will be required to vote at the second of those AGMs on a resolution ("Spill Resolution") that another meeting be held within 90 days at which all of the Directors (except the Managing Director) cease to hold office immediately before the end of the "spill meeting" and must stand for re-election.

The meeting may resolve to appoint those or other persons to the vacated positions. The Corporations Act also contains a re-setting mechanism so that a Spill Resolution could only be considered by Members at every second AGM. This is the Company's first AGM and consequently shareholders have not yet voted on the Company's remuneration report.

The Directors believe that the Company's remuneration policies and structures are appropriate relative to the size of the Company and its business.

**Board Recommendation:** The Board, while noting that each Director has a personal interest in their own remuneration from the Company, recommends that Members vote in favour of Resolution 1.

## **Resolution 2: Re-election of Mr Duncan Chessell as a Director of the Company**

In accordance with clause 13.2 of the Constitution, there must be an election of Directors at each Annual General Meeting. A retiring Director is eligible for re-election.

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

Clause 13.2 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
- (b) the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots;
- (c) a Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election; and
- (d) in determining the number of Directors to retire, no account is to be taken of:
  - a. a Director who only holds office until the next annual general meeting pursuant to clause 13.4 of the Constitution; and/or
  - b. a Managing Directoreach of whom are exempt from retirement by rotation. However, if more than one Managing Director has been appointed by the Directors, only one of them (nominated by the Directors) is entitled to be excluded from any determination of the number of Directors to retire and/or retirement by rotation.

Accordingly, Mr Duncan Chessell is required to retire as a Director of the Company and being eligible, has offered himself for re-election. A resume of Mr Chessell follows:

### **Mr Duncan Chessell, BSc, GAICD, MAusIMM (Non-executive Director)**

Mr Chessell is a geologist with over years' experience in business and in oil, gas and mineral exploration. He was Managing Director of Endeavour Group from 2010 to 2016 during which time he raised over \$5,000,000 and made new gold discoveries at the Double Dutch, Minos and Ariadne prospects in the Gawler Craton in South Australia.

He is a Graduate of the Australian Institute of Company Directors and a Member of the Australian Institute of Mining & Metallurgy. He is currently part time CEO of the Himalayan Development Foundation Australia Inc, a not-for-profit entity delivering assistance to the people of Nepal of which he was the founding Chairman. He is currently a non-executive Director of Coolabah Group, the project Vendor. Coolabah Group advances mineral exploration projects towards development.

Mr Chessell also has 12 years international business experience in adventure tourism, founding companies DCXP and PNG Expeditions in New Zealand, Australia and Papua New Guinea. He is also a triple Mt Everest summiter and leader of numerous adventures including 'world firsts' in Antarctica and has guided the "Seven Summits" – the highest peak on each continent.

The Board does not consider Mr Chessell to be an independent Director.

Mr Chessell has been a Director of the Company since 6 March 2017.

**Board Recommendation:** The Directors (other than Mr Chessell who is not entitled to make, and does not make, a recommendation) recommend that Shareholders vote in favour of Resolution 2.

The Chairman of the Meeting intends to vote all undirected proxies in favour of the re-election of Mr Chessell.

### Resolution 3: Re-election of Mr Andrew Shearer as a Director of the Company

In accordance with clause 13.2 of the Constitution, there must be an election of Directors at each Annual General Meeting. A retiring Director is eligible for re-election.

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting. Requirements under Clause 13.2 of the Constitution are further detailed in the explanation to Resolution 2.

Accordingly, Mr Andrew Shearer is required to retire as a Director of the Company and being eligible, has offered himself for re-election. A resume of Mr Shearer follows:

**Mr Andrew Shearer**, BSC (Geology), Hons (Geophysics), MBA (Non-executive Director)

Mr Shearer is an experienced geologist and has been involved in the mining and finance industries for 23 years. With a geoscientific and finance background he has experience in the resources industry from exploration through to development. As a Resources Analyst, Mr Shearer has been exposed to the global resources sector covering small to mid-cap resource stocks across a broad suite of commodities. Prior to moving into the finance sector he spent over a decade working in the minerals exploration industry in technical and senior management roles. Mr Shearer brings to Northern Cobalt strong professional skills and experiences in equity research, investor relations, valuations, supply and demand analysis and capital markets.

Mr Shearer's experience includes roles with PAC Partners Pty Ltd, PhillipCapital, Austock, South Australian Government, Mount Isa Mines Limited and Glengarry Resources Limited. He is currently Senior Resource Analyst at PAC Partners Pty Ltd.

The Board does not consider Mr Shearer to be an independent Director.

Mr Shearer has been a Director of the Company since 6 March 2017.

**Board Recommendation:** The Directors (other than Mr Shearer who is not entitled to make, and does not make, a recommendation) recommend that Shareholders vote in favour of Resolution 3.

The Chairman of the Meeting intends to vote all undirected proxies in favour of the re-election of Mr Shearer.

### Resolution 4: Ratification of 192,500 Shares issued in the preceding 12 month period

#### Background

On 6 October 2017, the Company announced that it had issued 192,500 Shares in satisfaction of an invoice. The Shares were issued and allotted without Shareholder approval under the Company's 15% placement capacity under Listing Rule 7.1.

#### Reason for approval

Under ASX Listing Rule 7.1, the Company may not, without Members' approval, issue Equity Securities of more than 15% of its total issued Securities within a 12-month period. Listing Rule 7.4 permits ratification of previous issues of Securities made without prior shareholder approval under Listing Rule 7.1, provided the issue did not breach the maximum thresholds set by Listing Rule 7.1.

The Shares were issued on 6 October 2017 without Shareholder approval pursuant to Listing Rule 7.1 and thus the Company is seeking ratification of the issue at this Meeting. The Company confirms that the issue and allotment of the Shares did not breach Listing Rule 7.1 at the date of issue.

By ratifying the issue of the Shares, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Listing Rule 7.5 contains certain requirements as to the contents of a Notice sent to Shareholders for the purpose of Listing Rule 7.4 and the following information is included in this Explanatory Statement for that purpose:

- 192,500 Shares were issued on 6 October 2017
- The Shares were issued at a price of 20 cents per share
- The Shares rank equally with all other Shares on issue
- The Shares were issued to S3 Consortium Pty Ltd, not a related party of the Company
- The purpose of the issue is satisfaction of an investor relations invoice

**Board Recommendation:** The Directors recommend that Shareholders vote in favour of Resolution 4.

The Chairman of the Meeting intends to vote all undirected proxies in favour of the adoption of the ratification of Consideration Shares, Tranche 1 Shares and Advisory Options issued in the preceding 12 month period.

## Resolution 5: Appointment of Auditor

Grant Thornton Audit Pty Ltd was appointed as auditor in accordance with section 327A(1) of the Corporations Act. That appointment will lapse in accordance with section 327A(2) of the Corporations Act at the Company's Annual General Meeting. Section 327B(1) requires the appointment of an auditor at the Company's Annual General Meeting.

Grant Thornton Audit Pty Ltd of Level 3, 170 Frome Street, Adelaide South Australia has been duly nominated for appointment as the Company's auditor, as required by section 328B of the Corporations Act.

A copy of the nomination appears in Appendix 1. Grant Thornton Audit Pty Ltd has consented to the firm's appointment.

**Board Recommendation:** The directors recommend that shareholders vote in favour of Resolution 5.

The Chairman of the Meeting intends to vote all undirected proxies in favour of the appointment of Grant Thornton Audit Pty Ltd as the Company's auditor.

## SPECIAL RESOLUTION

### Resolution 6: Approval of 10% Additional Placement Capacity

#### Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued Share capital through placements over a 12 month period after the Annual General Meeting at which approval of the issue is obtained (**10% Placement Facility**). This 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1 and allows the Company to issue up to 25% of its issued capital in total.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity at the date of this Notice of Meeting and must remain compliant with the requirements of Listing Rule 7.1A at the date of the Meeting to be able to utilise the additional capacity to issue Equity Securities under that Listing Rule.

The Company is now seeking Shareholder approval by way of a Special Resolution which requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

#### Number of Shares

The formula for calculating the maximum amount of Securities to be issued under the 10% Placement Facility is calculated as follows:

$$(A \times D) - E$$

**A** is the number of Shares on issue 12 months before the date of issue:

- plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary Shares that became fully paid in the 12 months;
- plus the number of Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4 (excluding an issue of Shares under the Company's 15% placement capacity without Shareholder approval);
- less the number Shares cancelled in the 12 months.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under this Listing Rule 7.1A.2 in the 12 months before the date of the issue and not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

The ability to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

A number of scenarios showing potential issues under Listing Rule 7.1A are detailed in **Table 1**.

#### Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Additional Placement Capacity as follows:



## 1. Minimum issue price

The issue price of Shares under this 10% Additional Placement Capacity will be no less than 75% of the VWAP for Securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- i) the date on which the price at which the Securities are to be issued is agreed; or
- ii) if the Securities are not issued within 5 trading days of the date in paragraph i), the date on which the Securities are issued.

## 2. Risk of economic and voting dilution

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Additional Placement Capacity, the existing Shareholders' voting power in the Company will be diluted as shown in **Table 1** below (in the case of unlisted options, only if the unlisted options are exercised).

There is a risk that:

- i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting in which the approval under rule 7.1A is given; and
- ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

**Table 1** also shows:

- i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary Securities the Company has on issue. The number of ordinary Securities on issue may increase as a result of ordinary Securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future meeting of Shareholders; and
- ii) two examples where the issue price of ordinary Securities has decreased by 50% and increased by 100% as against the current market price.

**TABLE 1**

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.10 50% decrease in issue price	\$0.20 Issue Price	\$0.40 100% increase in issue price
Current Variable A	10% voting dilution	3,577,000 Shares	3,577,000 Shares	3,577,000 Shares
35,770,000 Shares	Funds raised	\$358,000	\$715,000	\$1,431,000
<b>50% increase in current Variable A</b>	10% voting dilution	5,365,500 Shares	5,365,500 Shares	5,365,500 Shares
53,655,000 Shares	Funds raised	\$537,000	\$1,073,000	\$2,146,000
<b>100% increase in current Variable A</b>	10% voting dilution	7,154,000 Shares	7,154,000 Shares	7,154,000 Shares
71,540,000 Shares	Funds raised	\$715,000	\$1,431,000	\$2,862,000

**Table 1** has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Additional Placement Capacity.
- No listed or unlisted options (including any unlisted options issued under the 10% Additional Placement Capacity) are exercised into Shares before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- **Table 1** does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Additional Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

- **Table 1** shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The funds raised have been rounded to the nearest thousand dollars.
- The issue of Equity Securities under the 10% Additional Placement Capacity consists only of Shares. If the issue of Equity Securities includes listed options, it is assumed that those listed options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The issue price is based on a price of 20 cents, being the recent listing price of the Company on ASX.

### 3. Timing

The date by which the Equity Securities may be issued is the earlier of:

- 12 months after the date of this Annual General Meeting; and
- the date of approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

The approval will cease to be valid in the event that holders of the Company's Shares approve a transaction under ASX Listing Rule 11.1.2 or ASX Listing Rule 11.2.

### 4. Purposes for which Equity Securities may be issued

The Company may seek to issue the Equity Securities for the following purposes:

- Non-cash consideration for the acquisition new resources, assets or investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- Cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration or development expenditure on the Company's current assets and/or general working capital.

The Company will comply with disclosure obligations under Listing Rule 7.1A(4) and 3.10.5A upon issue of any Equity Securities under the 10% Additional Placement Capacity.

### 5. Allocation policy

The Company's allocation policy is dependent upon the prevailing market conditions at the time of any proposed issue pursuant to the 10% Additional Placement Capacity. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to, but not limited to, the following factors:

- The purpose of the issue;
- the methods of raising funds that are available to the Company, but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue in the Equity Securities on control of the Company;
- the financial situation and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Additional Placement Capacity have not been determined as at the date of this Notice, but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement will be vendors of the new resources, assets or investments where Equity Securities are issued for non-cash consideration.

### 6. Previously obtained approval under rule 7.1A

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A and hence no additional disclosure is required.

**Board Recommendation:** The Directors recommend that Shareholders vote in favour of Resolution 6.

The Chairman of the Meeting intends to vote all undirected proxies in favour of approval of 10% Additional Placement Capacity.

## Glossary

In the Notice of Annual General Meeting and Explanatory Notes:

**10% Additional Placement Capacity** means the Equity Securities issued under Listing Rule 7.1A.

**ASX** means ASX Limited (ABN 98 008 624 691).

**Board** means the board of Directors of Northern Cobalt.

**Chairman** means the chairman of the Meeting.

**Closely Related Party** has the meaning given to it in the Corporations Act and the Corporations Regulations.

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Corporations Regulations** means the *Corporations Regulations 2001* (Cth).

**Director** means a director of the Company.

**Equity Securities** or **Securities** has the same meaning as in the Listing Rules.

**Explanatory Notes** means these explanatory notes.

**Key Management Personnel** means a member of the key management personnel as disclosed in the Remuneration Report.

**Listing Rules** and **ASX Listing Rules** means the listing rules of ASX.

**Meeting, AGM or Annual General Meeting** means the Annual General Meeting of Shareholders to be held at the offices of Grant Thornton at Level 3, 170 Frome Street, Adelaide, South Australia on Friday 22 November 2017 at 10:30 am (Adelaide time).

**Member** or **Shareholder** means each person registered as a holder of a Share.

**Northern Cobalt** or **the Company** means Northern Cobalt Limited (ABN 99 617 789 732).

**Notice** or **Notice of Meeting** means this Notice of Annual General Meeting.

**Ordinary Resolution** means a resolution passed by more than 50% of the votes at a general meeting of Shareholders.

**Proxy Form** means the proxy form attached to this Notice of Meeting.

**Remuneration Report** means the section of the Directors' report of Northern Cobalt that is included in the Annual Report.

**Resolution** means a resolution referred to in this Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

**Special Resolution** means a resolution passed by more than 75% of the votes at a general meeting of Shareholders.

**Spill Resolution** means, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGM's, and no spill resolution was voted on at the first AGM, then the Members will be required to vote at the second of those AGM's on a resolution ("Spill Resolution") that another meeting be held within 90 days at which all of the Directors (except the Managing Director) must stand for re-election.

**VWAP** means the volume weighted average share price of the Company.

3 October 2017

Mr Jarek Kopias  
The Company Secretary  
Northern Cobalt Limited  
67 Goodwood Road  
WAYVILLE SA 5034

Dear Sir,

**NORTHERN COBALT LTD – NOMINATION OF AUDITOR**

In accordance with section 328B(1) of the Corporations Act 2001 (Cth), I Cassandra Kopias, being a shareholder of Northern Cobalt Ltd ("Company"), hereby nominate Grant Thornton Audit Pty Ltd of Level 3, 170 Frome Street, Adelaide, South Australia as auditor of the Company.

Yours faithfully

A handwritten signature in cursive script, appearing to read 'C. Kopias', written in black ink.

**CASSANDRA KOPIAS**

+

# NORTHERN COBALT LIMITED

ACN: 617 789 732

## REGISTERED OFFICE:

67 GOODWOOD ROAD  
WAYVILLE SA 5034

+

## SHARE REGISTRY:

Security Transfer Australia Pty Ltd

## All Correspondence to:

PO BOX 52

Collins Street West VIC 8007

Suite 913, Exchange Tower

530 Little Collins Street

Melbourne VIC 3000

T: 1300 992 916 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

Code:

N27

Holder Number:

## PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

### VOTE ONLINE

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

1. Log into the Investor Centre using your holding details.

2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

### SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 10:30am ACDT on Friday 24 November 2017 at Grant Thornton, Level 3, 170 Frome Street, Adelaide, South Australia and at any adjournment of that meeting.

### SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions.

In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

#### RESOLUTION

- Adoption of Remuneration Report
- Re-election of Mr Duncan Chessell as a Director of the Company
- Re-election of Mr Andrew Shearer as a Director of the Company
- Ratification of 192,500 Shares issued in the preceding 12 month period
- Appointment of Auditor
- Approval of 10% Additional Placement Capacity

For Against Abstain\*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director &amp; Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 10:30am ACDT on Wednesday 22 November 2017.

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Name:

(    )

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

**Email** registrar@securitytransfer.com.au

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.