

ASX Announcement

16 October 2018

NEW ISSUE, APPENDIX 3B AND CLEANSING NOTICE

New World Cobalt Limited ("the Company") (ASX:NWC) advises that it has made the following new issues:

- 1) 1,371,213 fully paid ordinary shares ("Shares") were issued as part consideration pursuant to the option agreement to acquire a 100% interest in the Badger Basin Prospect (refer further ASX announcement of 5 September 2018); and
- 2) 394,477 shares have been issued as part consideration for an amendment to the terms of the existing agreement under which the Company has the right to acquire an 80% interest in tenements E04/1972 & E04/2314 ("the West Kimberley Project"), which are located in Western Australia (refer further details below);

(collectively the "Consideration Shares")

An Appendix 3B in relation to these issues is attached.

Cleansing Notice

The Company issued the Consideration Shares without disclosure to investors under Part 6D.2 of the Corporations Act 2001 (Cth) ("the Act"). For the purposes of section 708A(5)(e) of the Act, the Company notifies ASX that:

- (a) the Consideration Shares were issued without disclosure to investors under Part 6D.2 of the Act;
- (b) this notice is being given under section 708A(5)(e) of the Act;
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act; and
- (d) as at the date of this notice, there is no information that:
 - (i) has been excluded from a continuous disclosure notice given to ASX in accordance with the ASX Listing Rules; and
 - (ii) investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (B) the rights and liabilities attaching to fully paid ordinary shares.

West Kimberley Project

In March 2017 the Company exercised an option to acquire an 80% interest in the West Kimberley Project, subject to an obligation to complete 3,000 metres of drilling by 14 March 2019. The Company has secured an extension of this deadline to 14 March 2020, in consideration for the issue of:

- (i) 394,477 Shares on 16 October 2018 (refer above); and
- (ii) a further \$10,000 worth of Shares, to be issued within 5 days of the Company providing notice that the 3,000 metres of drilling has been completed and at an issue price based on the 5-day VWAP prior to the date of issue.

For further information please contact:

Ian Cunningham
Company Secretary
+61 8 9226 1356

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

New World Cobalt Limited

ABN

23 108 456 444

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| 1 | Class of securities issued or to be issued | Fully paid ordinary shares (Shares) |
| 2 | Number of securities issued or to be issued (if known) or maximum number which may be issued | 1,765,690 Shares |
| 3 | Principal terms of the securities (eg, if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion) | The Shares are fully paid

685,607 Shares will be subject to a voluntary escrow period of 6 months from the date of issue |

<p>4 Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The Shares rank equally in all respects with existing quoted Shares</p>
<p>5 Issue price or consideration</p>	<p>1) 1,371,213 Shares were issued as part consideration under the Badger Basin option agreement, pursuant to which the Company may acquire a 100% interest in the Badger Basin Prospect in Idaho USA ("Badger Basin Prospect")</p> <p>2) 394,477 Shares were issued as part consideration to acquire an 80% interest in tenements E04/1972 and E04/2314 in Western Australia ("West Kimberley Project")</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1) 1,371,213 Shares were issued as part consideration to acquire 100% of the Badger Basin Prospect (refer announcement of 5 September 2018)</p> <p>2) 394,477 Shares were issued as part consideration to acquire an 80% interest in the West Kimberley Project (refer announcement of 16 October 2018)</p>
<p>6a Is the entity an eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>30 November 2017</p>
<p>6c Number of securities issued without security holder approval under rule 7.1</p>	<p>1,765,690</p>

6d	Number of securities issued with security holder approval under rule 7.1A	Nil				
6e	Number of securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil				
6f	Number of securities issued under an exception in rule 7.2	Nil				
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15-day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Not Applicable				
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not Applicable				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<u>ASX Listing Rule 7.1</u> 56,523,216 Securities <u>ASX Listing Rule 7.1A</u> 49,475,316 Shares				
7	Dates of entering securities into uncertificated holdings or despatch of certificates	16 October 2018				
8	Number and class of all securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	<table><tr><th>Number</th><th>Class</th></tr><tr><td>511,192,927</td><td>Fully paid ordinary shares</td></tr></table>	Number	Class	511,192,927	Fully paid ordinary shares
Number	Class					
511,192,927	Fully paid ordinary shares					

9 Number and class of all securities not quoted on ASX (including the securities in section 2 if applicable)

Number	Class
10,000,000	Unlisted Options exercisable at \$0.10 on or before 9 May 2020
1,250,000	Unlisted Options exercisable at \$0.125 on or before 13 December 2019
833,334	Unlisted Options exercisable at \$0.12 on or before 22 September 2020
1,050,000	Unlisted Options exercisable at \$0.125, \$0.15, \$0.175, \$0.20 and \$0.225 on or before 13 December 2021
566,667	Class A Performance Shares
566,667	Class B Performance Shares
20,000,000	Performance Rights expiring 1 November 2018

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

N/A

Part 2 - Bonus issue or pro rata issue

Questions 11 to 33 are not applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Questions 35 to 42 are not applicable

Quotation agreement

- 1 Quotation of our additional securities is in ASX's absolute discretion. ASX may quote the securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those securities should not be granted quotation.
 - An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before quotation of the securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Ian Cunningham
 (Company Secretary)

Date: 16 October 2018

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	286,781,885
Add the following: <ul style="list-style-type: none"> Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid ordinary securities issued in that 12 month period with shareholder approval Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	124,452,515 82,880,458 Shares (27/10/2017 GM) 638,310 Shares (30/11/2017 AGM)
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	494,753,168

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	74,212,975
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	250,000 Shares (13/12/2017) 750,000 Unlisted Options (13/12/2017) 500,000 Unlisted Options (29/03/2018) 3,553,682 Shares (30/04/2018) 907,938 Shares (31/05/2018) 9,962,449 Shares (30/08/2018) 1,765,690 Shares (16/10/2018)
“C”	17,689,759
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	74,212,975
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	17,689,759
Total [“A” x 0.15] – “C”	56,523,216 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	494,753,168
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	49,475,316
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	-
“E”	-

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	49,475,316
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	49,475,316 <i>Note: this is the remaining placement capacity under rule 7.1A</i>