

17 May 2019

Dear Optionholder

### **Non-renounceable Rights Issue**

On 20 May 2019, Northern Cobalt Limited ACN 617 789 732 (**Company**) intends to lodge a prospectus (**Prospectus**) with ASX Limited (**ASX**) and the Australian Securities & Investments Commission (**ASIC**) for a pro-rata non-renounceable rights issue of one (1) new share for every three (3) shares held by shareholders with addresses in Australia and New Zealand registered at 6:30pm (Adelaide time) on Thursday 23 May 2019 (**Record Date**) at an issue price of 5.0 cents per new share to raise approximately \$1,046,900 before costs, together with a free attaching option with an exercise price of \$0.10 and expiry of 30 June 2022 for every two (2) new shares subscribed for (**Rights Issue**).

Fractional entitlements will be rounded up to the nearest whole share and option. Shareholders with registered addresses in countries other than Australia and New Zealand will not be eligible to participate in the Rights Issue. Shareholder approval is not required in relation to the Rights Issue.

A full copy of the Prospectus will be mailed to all eligible shareholders on Tuesday 28 May 2019.

This Prospectus will be available in electronic form on the ASX website at [www.asx.com.au](http://www.asx.com.au) or the Company's website at [www.northerncobalt.com.au](http://www.northerncobalt.com.au) from 20 May 2019.

The purpose of the Rights Issue is to ensure adequate funds are available for further exploration and working capital purposes as more specifically detailed in the Prospectus. The Rights Issue will close on 17 June 2019.

The purpose of this letter is to advise you of the upcoming Rights Issue and to advise you that as an Option Holder you cannot participate in the Rights Issue without first exercising some or all of your Options and being registered as the holder of the underlying shares before the Record Date.

If you do not wish to participate in the Rights Issue (in respect of your Options) you do not need to take any action.

The timetable for the Rights Issue is as follows\*:

Notice sent to Optionholders	17 May 2019
Lodgement of Prospectus with ASIC and ASX	20 May 2019
Lodgement of Appendix 3B with ASX	
Notice sent to Shareholders	21 May 2019
Ex date	22 May 2019
Record Date for determining Entitlements	23 May 2019
Prospectus despatched to Shareholders & Company announces despatch has been completed	28 May 2019
Closing Date	17 June 2019
Shares quoted on a deferred settlement basis	18 June 2019
ASX notified of under subscriptions	20 June 2019
Issue date for new securities	24 June 2019
Shares and Options issued under the Offer to commence trading	25 June 2019
Despatch of holding statements	27 June 2019

\*These dates are determined based upon the current expectations of the Directors and, subject to the Listing Rules, may be changed without notice. The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.

You are encouraged to read the Prospectus in full before exercising any of your Options.

Should you have any questions in relation to the above matters, you should consult your stockbroker or other professional adviser or please contact Security Transfer Australia on telephone 1300 992 916.

Yours sincerely,

Jaroslav (Jarek) Kopias  
Company Secretary  
**Northern Cobalt Limited**