

SEPTEMBER 2019 QUARTERLY ACTIVITIES REPORT

Highlights

Tererro Cu-Au-Zn VMS Project, New Mexico, USA

- Continued to make excellent progress with target definition work in advance of the Company's maiden drilling program.
- Highly encouraging assay results received for a recent soil sampling program over >3km of strike – highlighting several large areas to the south of the Jones Hill Deposit where additional mineralisation may be discovered.
- Acquisition of ground geophysics data over the same 3km-long corridor completed during October – with final data processing currently being completed and results expected early November.
- Continued to advance permit applications for the Company's maiden drilling program at and around the Jones Hill Deposit.

Colson Co-Cu Project, Idaho, USA

- Received all permit approvals to undertake the next phase of drilling at the project – which will enable the inaugural testing of large coincident IP/soil anomalies immediately along strike from the high grade cobalt mineralisation intersected in the Company's first phase of drilling at the Salmon Canyon Deposit, where assays up to 1.27% cobalt were returned.

Corporate

- Cash at 30 September 2019 of ~\$1.02 million and subsequently completed a \$2 million Placement to ensure the Company's maiden drilling program at the Tererro Project is well-funded.
- Appointed Tony Polglase to the Board of Directors, strengthening the Company's project development expertise as it advances the Tererro Project towards production.
- Seeking approval to change the company name to "New World Resources Limited" at the forthcoming AGM, to better reflect the Company's diversified asset portfolio

Tererro Cu-Au-Zn-Ag VMS Project, New Mexico, USA

During the September quarter, New World Cobalt Limited (ASX: **NWC**; "the Company" or "New World") continued to make excellent progress with target definition work in advance of the Company's maiden drilling program at the recently acquired Tererro Cu-Au-Zn VMS Project in New Mexico, USA ("Tererro VMS Project").

The Company received assay results for a soil sampling program conducted over, and along strike from, the Jones Hill Deposit which forms part of the Tererro VMS Project. Acquisition of ground geophysics data over the same corridor was completed in October 2019, with data processing nearing completion and the announcement of results imminent. These programs have been implemented as initial steps aimed at expanding the mineral resource base at the Tererro VMS Project.

New World Cobalt Limited
ABN 23 108 456 444

ASX Code: NWC

Directors and Officers

Richard Hill – Chairman
Mike Haynes – Managing Director/CEO
Tony Polglase – Non-Executive Director
Scott Mison – Non-Executive Director
Ian Cunningham – Company Secretary

Capital Structure

Shares: 873.2m
Share Price (30/10/19): \$0.02

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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



The Jones Hill Deposit

New World holds a 100% interest in approximately 4,700 acres over and immediately along strike from the Jones Hill Deposit in northern New Mexico, USA (see ASX Announcement dated 9 April 2019).

57 diamond core holes were drilled at the Jones Hill Deposit between 1977 and 1984. Following completion of the first 39 drill holes (22,129m), in 1981, Conoco Inc. calculated 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*

Despite mineralisation remaining open along strike in both directions and at depth, and the presence of an abundance of historical workings and mineralised occurrences along strike to the north and south of the Jones Hill Deposit over more than 15km of strike (see Figure 1), very little exploration has been undertaken since 1984.

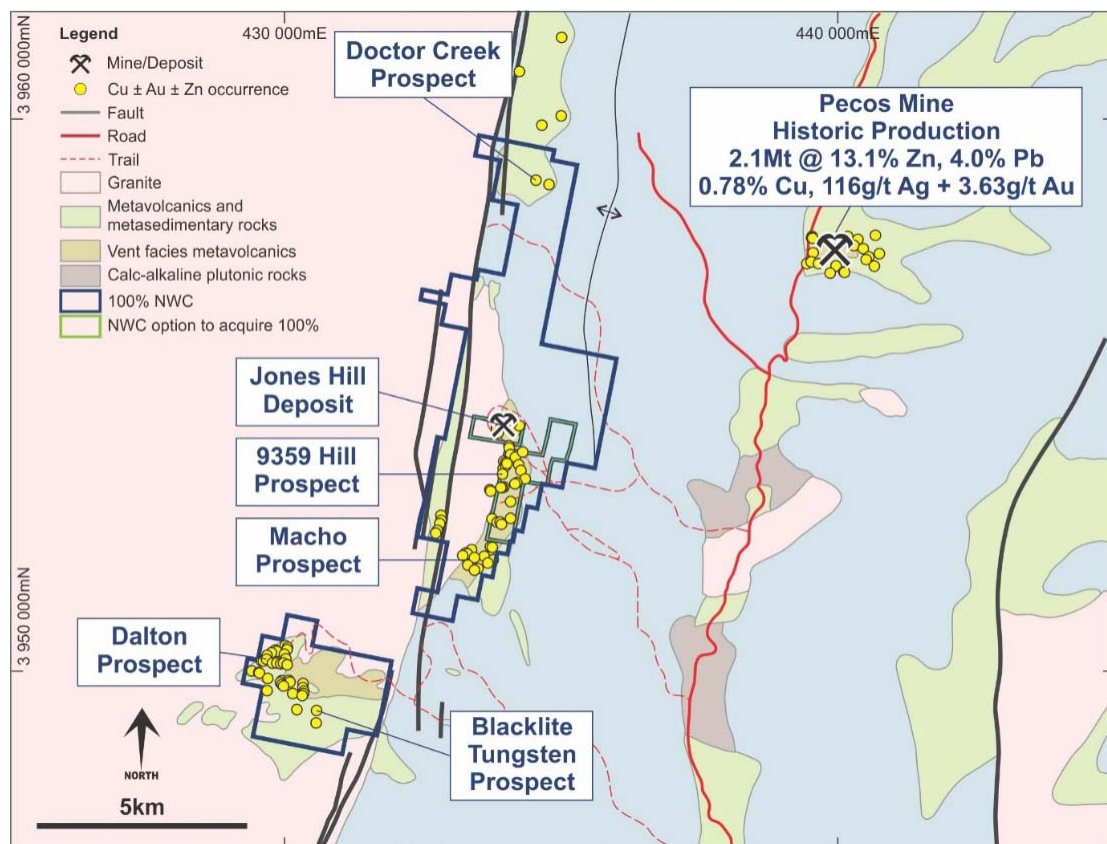


Figure 1. Geology of the Company's Tererro Cu-Au-Zn Project and surrounds, New Mexico, USA.

Importantly thick mineralisation, which comes to surface, provides the potential for low mining costs, with significant intersections in historical diamond drilling including:

94.8m @ 5.24 g/t Au, 0.83% Cu, 0.32% Pb, 0.68% Zn and 24.3 g/t Ag

Furthermore, as 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 discover additional mineralisation along strike from the Jones Hill Deposit.

Company Objectives

While the Tererro VMS Project can potentially be brought to production in the near term, there is also considerable potential to expand the mineral resource base. This should enhance the economics of developing a potential mining operation. So the Company has commenced a two-pronged approach to advancing the Tererro VMS Project, targeting:

- (i) Rapid completion of work programs at the Jones Hill Deposit so that mine development can be advanced as quickly as practicable; and
- (ii) Aggressively exploring:
 - a. For the extensions of the Jones Hill Deposit; and
 - b. To discover additional mineralisation at adjacent prospects, as discovery of any additional mineralisation is likely to enhance the economics of developing a mining operation at the Jones Hill Deposit.

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.

Soil Geochemistry Survey

During the September quarter the Company collected 595 soil samples over about 3.8km of strike where the geological sequence that hosts the Jones Hill Deposit outcrops. Samples were generally collected on a 150m x 50m grid array. Extensive anomalism is evident along the entire 3.8-km long corridor (see Figure 2 and below).

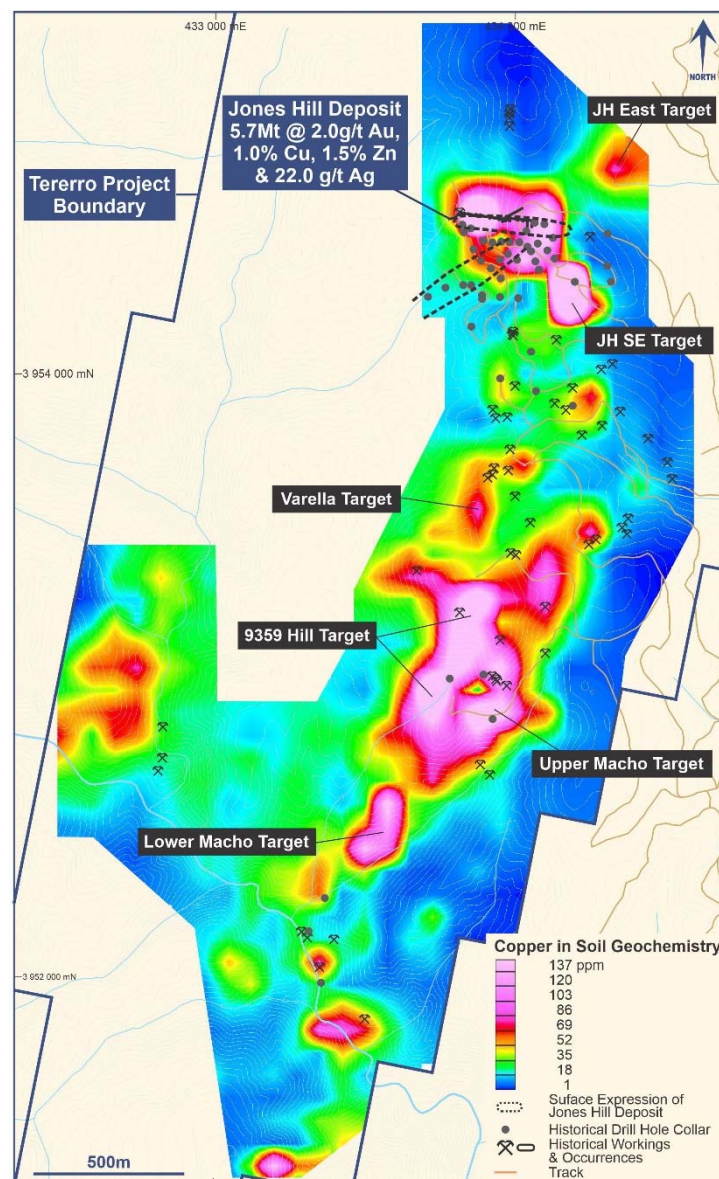


Figure 2. Copper-in-soil geochemistry data from the Tererro Project.

A very strong, 350m long, Cu-Au-Zn-Ag-Pb soil anomaly is evident over the Jones Hill Deposit itself, with copper assays of up to 964 ppm (see Figures 2-8).

Two very significant soil anomalies have also been delineated in close proximity to the Jones Hill Deposit – both of which are interpreted to potentially arise from shallow strike extensions of the Deposit, namely:

- (i) The **“JH SE Anomaly”** – a strong, 200m-long Cu-Au-Zn-Ag-Pb anomaly is located 250m to the south-east of the Jones Hill Deposit (copper assays to 776 ppm), in the vicinity of historical drill holes J13 and J15 (see Figures 3-8). While both of these historical drill-holes intersected multiple intervals of anomalous mineralisation, with results including 3m @ 0.22% Cu, 1.2m @ 0.51 g/t Au, 3m @ 0.1% Zn and 3m @ 11.7 g/t Ag, no follow-up drilling was undertaken. The recent soil sampling program has highlighted that further drilling in this area is warranted as the mineralisation intersected in these historic holes might be on the fringes of thicker and/or higher-grade mineralisation.
- (ii) The **“JH East Anomaly”** – a significant, 200m-long Cu-Au-Ag soil anomaly located approximately 250m to the north-east of the Jones Hill Deposit (copper assays to 126 ppm; see Figures 3-8). Anomalism in this area was unexpected as historical mapping shows that much younger sedimentary rocks outcrop here and overlie the prospective geological sequence that hosts the Jones Hill Deposit (see Figure 3). The Company is hopeful that the younger cover sequence is only shallow in this area, and that it might be masking the eastern extension of the Jones Hill Deposit. No drilling has been undertaken in this area previously, so further exploration in this area is being planned.

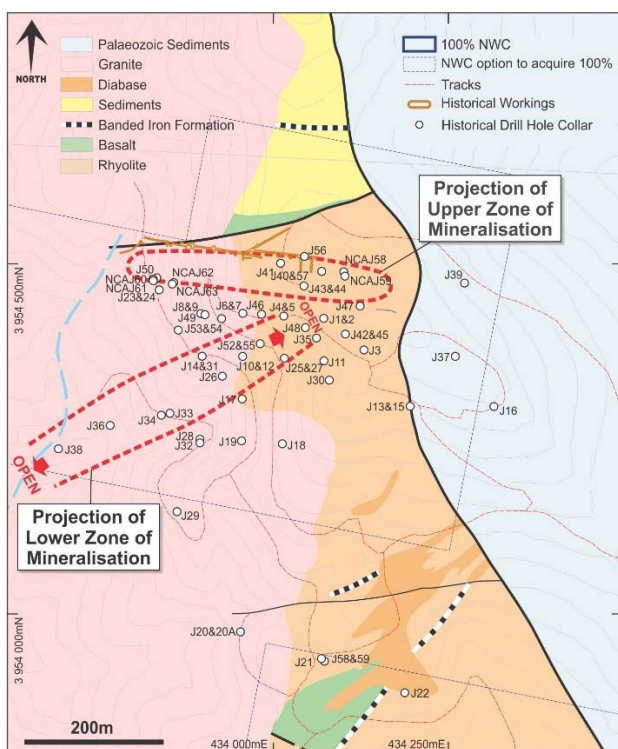


Figure 3. Mapped geology at the Jones Hill Deposit.

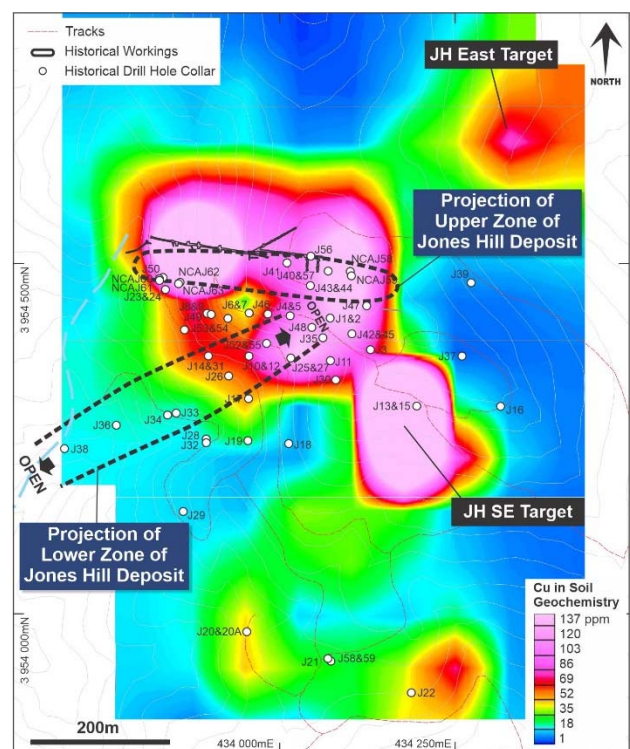


Figure 4. Copper-in-soil geochemistry data over the Jones Hill Deposit.

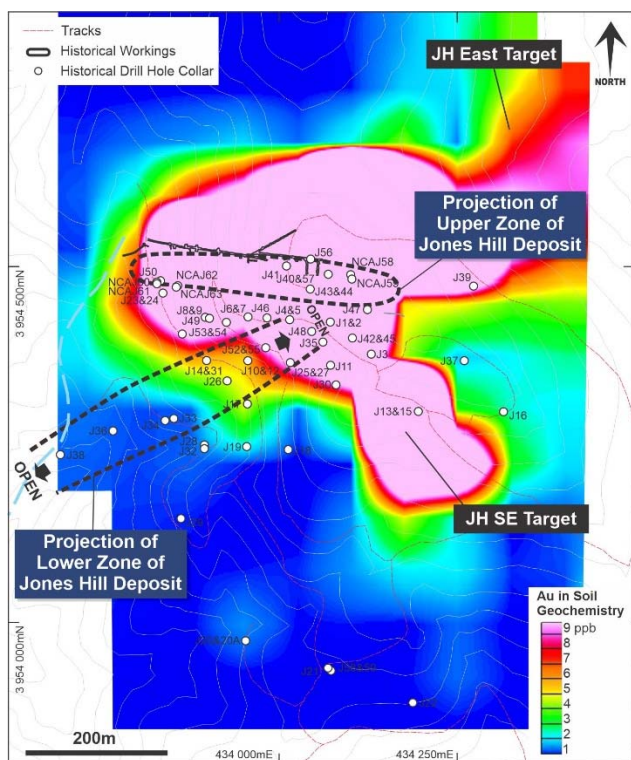


Figure 5. Gold-in-soil geochemistry data over the Jones Hill Deposit.

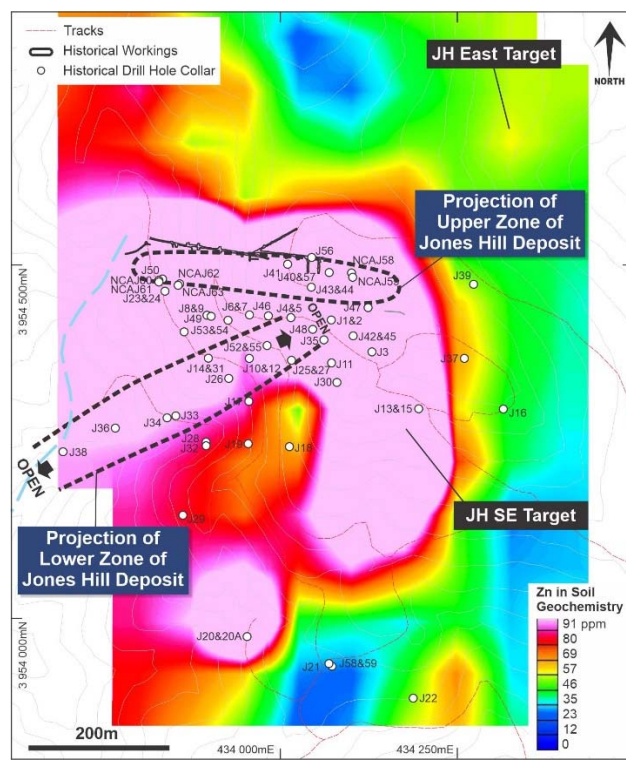


Figure 6. Zinc-in-soil geochemistry data over the Jones Hill Deposit

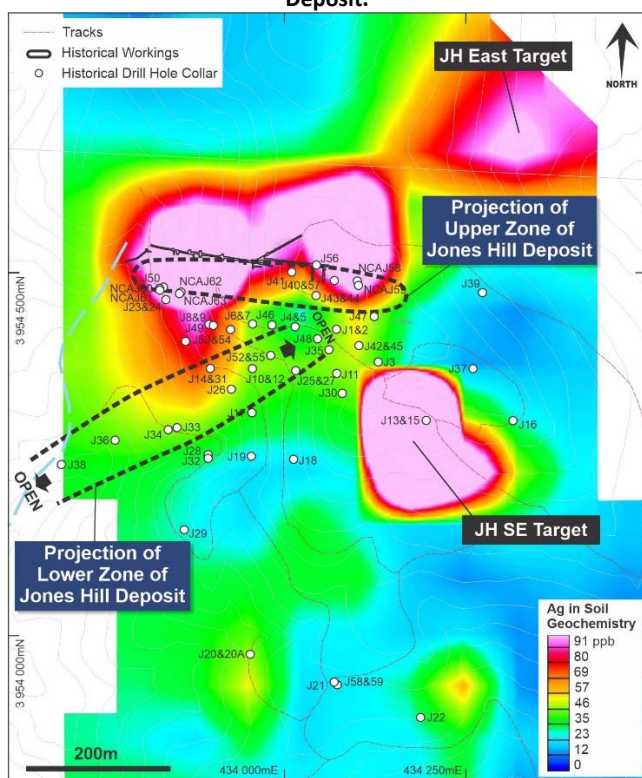


Figure 7. Silver-in-soil geochemistry data over the Jones Hill Deposit.

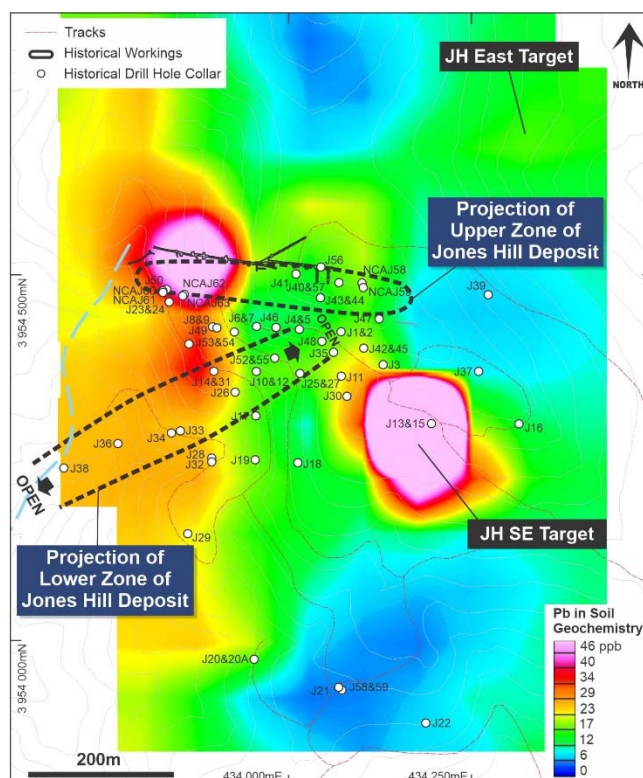


Figure 8. Lead-in-soil geochemistry data over the Jones Hill Deposit.

Strong copper anomalism has also been delineated over much of the 3km of strike sampled immediately south of the Jones Hill Deposit, including a broad area of particularly strong anomalism over >1,000m of strike at the Varella, 9359 Hill, Upper Macho and Lower Macho Prospects (with copper assays up to 894 ppm; see Figure 2). Multiple

historical workings have been recorded in all of these areas, providing further encouragement that these anomalies may be associated with significant mineralisation.

Ground Geophysics Survey

To help prioritise areas within the soil anomalies for initial drill-testing, the Company recently undertook a ground geophysics survey over the same corridor as the recent soil sampling program. Acquisition of controlled source audio-frequency magnetotelluric (“CSAMT”) data – a ground geophysics technique that helps detect sulphide mineralisation, commenced in early August. Surveying was completed in October 2019. Data processing is nearing completion, with the announcement of results expected in early November 2019.

Maiden Drilling Program

Throughout the quarter the Company continued to advance its applications for permits required to commence its maiden drilling program at the Tererro VMS Project.

Requisite permit approvals from the United States Forest Service and the New Mexico Energy, Minerals and Natural Resources Department, Mining and Minerals Division are expected in late 2019, with drilling scheduled to commence shortly thereafter.

Colson Cobalt-Copper Project, Idaho, USA

New World holds a 100% interest in the Colson Cobalt-Copper Project (“Colson Project”), which includes the historical high-grade Salmon Canyon Cobalt-Copper Deposit – one of the most advanced prospects within the Idaho Cobalt Belt – the most endowed high-grade cobalt district in the western world.

The deposit and surrounding area is heavily underexplored, with virtually all previous exploration focused on the deposit itself; and the last significant work undertaken in the 1970s.

Since securing the rights to the Salmon Canyon Deposit, New World has been implementing a multi-pronged exploration and development program comprising:

- (i) Drilling to test for the immediate extensions of the Salmon Canyon Deposit;
- (ii) Systematic soil sampling to identify potential extensions of the mineralised system;
- (iii) Strategic expansion of the project area; and
- (iv) Ground geophysics surveying over the most prospective parts of the project area to fast track identification of thicker and/or higher grade areas of mineralisation.

As positive results from exploration programs have been received, the Colson Project area, which initially comprised just 200 acres covering the Salmon Canyon Deposit, has been progressively expanded such that the Company now holds a 100% interest in more than 6,300 contiguous acres – covering more than 6km of prospective strike.

Several very strong anomalies were delineated in a second phase of IP surveying completed in late 2018, including:

- (i) A 750m x 750m anomaly that partially coincides with the Long Tom Soil Anomaly (see Figures 9 and 10). The strongest portion of the source of this “Long Tom IP Anomaly” is modelled to lie within about 250m of surface (see Figure 11; shallowest around 5,019,800N); and
- (ii) A shallower, smaller, strong “Shallow Long Tom IP Anomaly” that coincides with the strongest surface geochemistry assays (1,095 ppm Co and 724 ppm Co). This anomaly is modelled to lie within about 100m of surface and may be a shallow extension of the deeper Long Tom IP Anomaly (see Figures 9-11).

Both these anomalies will be targeted during the Company’s next drilling program.

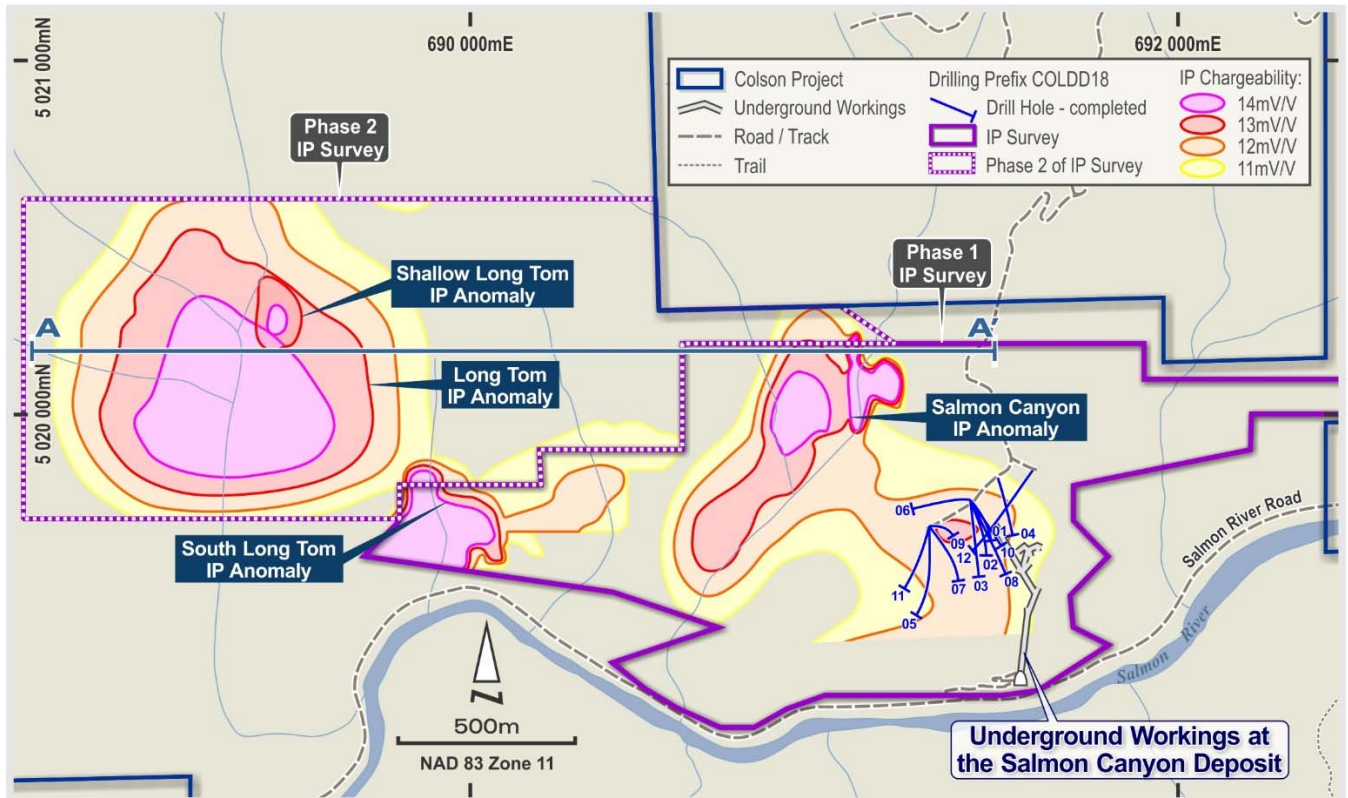


Figure 9. IP anomalies at the Colson Cobalt-Copper Project, relative to the historical underground workings at the Salmon Canyon Deposit and the traces of diamond core holes drilled during 2018 (illustrating the location of Cross Section 5,020,200N presented in Figure 11).

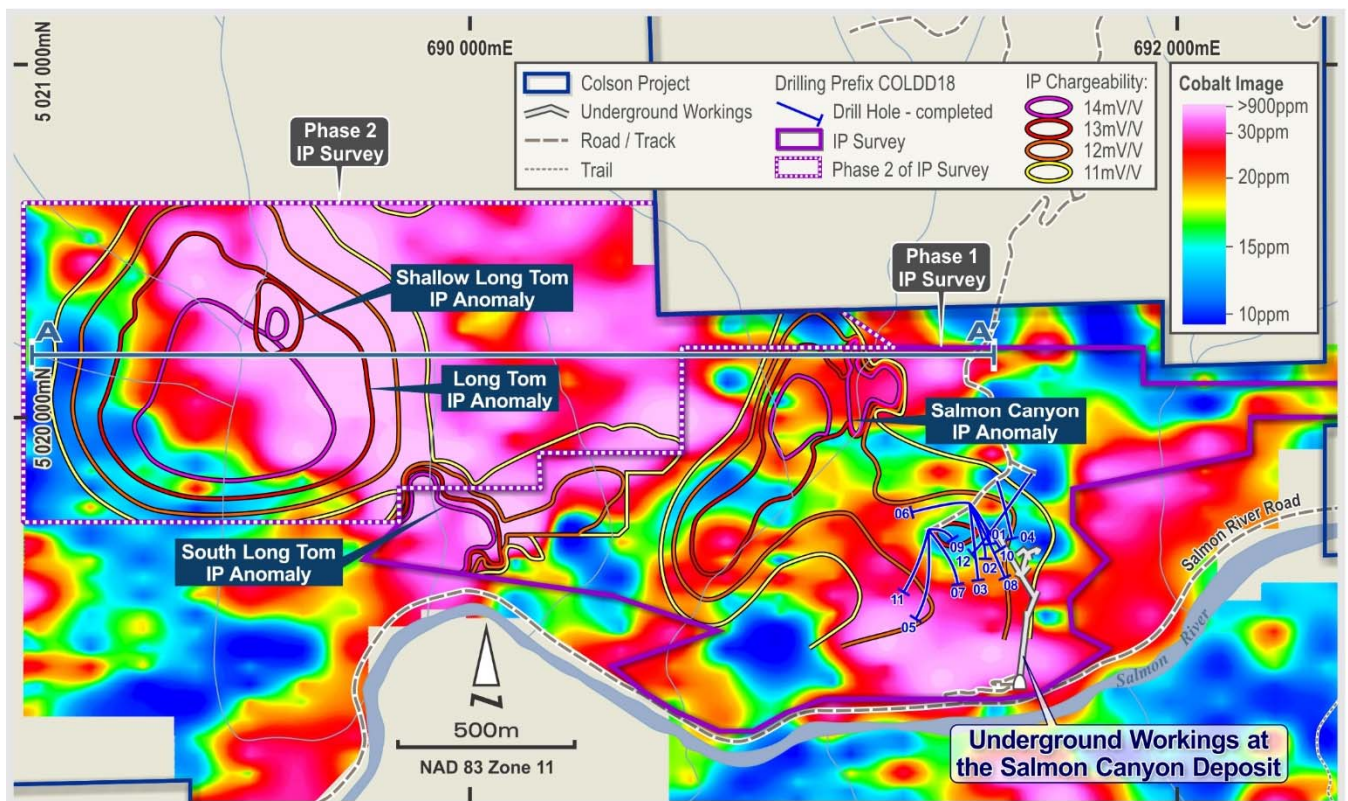


Figure 10. IP anomalies at the Colson Cobalt-Copper Project, relative to cobalt in soil geochemistry anomalism (illustrating the location of Cross Section 5,020,200N presented in Figure 11).

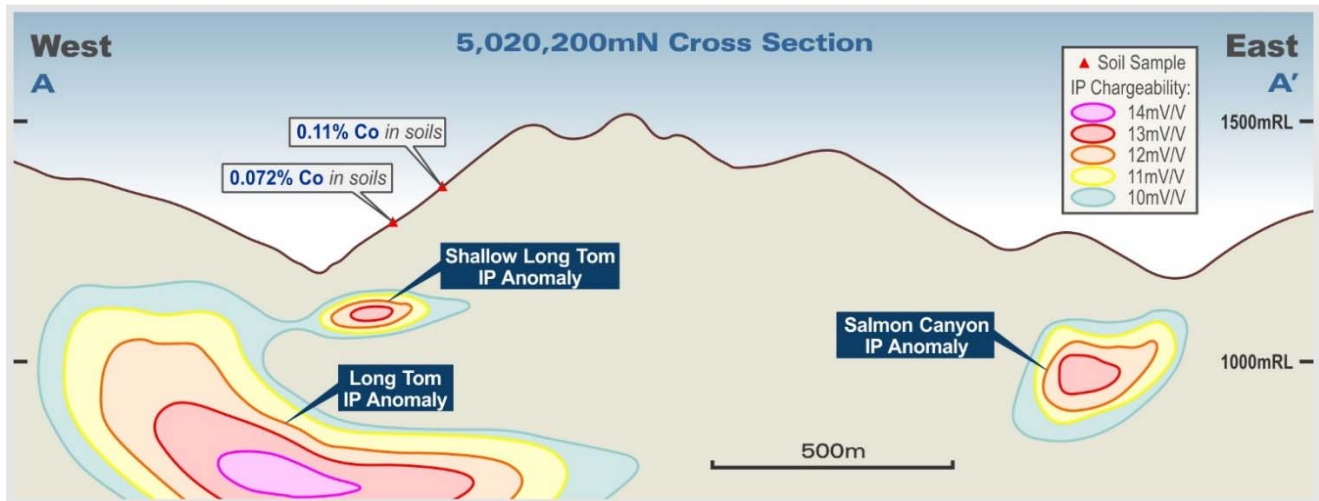


Figure 11. Cross-section 5,020,200N showing the Long Tom, Shallow Long Tom and Salmon Canyon IP anomalies at the Colson Cobalt-Copper Project.

Data collected during the second phase of IP surveying also confirmed and refined the location of the undrilled Salmon Canyon IP Anomaly (see Figures 9-11). This is a very strong IP anomaly located in a very prospective position – immediately along strike from the Salmon Canyon Deposit. It will also be targeted during the Company’s next drilling program.

During the September 2019 quarter the Company received permit approvals to undertake a second-phase drilling program, which will allow drill-testing the recently defined strong IP anomalies and the Long Tom soil geochemistry.

Elkhorn Creek Cobalt-Copper Project, Idaho

No work was completed at the Elkhorn Creek Project during the recent quarter.

Goodsprings Copper-Cobalt Project, Nevada

No field work was completed at the Goodsprings Project during the recent quarter.

During the quarter the Company renegotiated terms for the agreement that provides it rights to explore and develop a privately-owned 120-acre parcel of land that includes and encompasses the high-grade Columbia Copper-Cobalt Mine (“Columbia Mine”) within the Goodsprings Project area. The revised acquisition terms are:

- (i) The Company has been granted a 3-year extension until 2 October 2022 (“Extension Date”), to complete sufficient work to calculate a JORC Inferred Resource estimate and reduce the area of influence to 20 acres (*previously 2 October 2019*);
- (ii) In the event the cobalt price exceeds US\$25/lb for 10 consecutive days (“Price Threshold Date”) during this 3 year extension period, the Company will only have until the earlier of (a) 12 months from the Price Threshold Date; or (b) 2 October 2022; to satisfy its obligations to calculate a JORC Inferred Resource estimate and reduce the area of influence to 20 acres; and
- (iii) Prior to the Extension Date, the Company will make annual payments to the vendor to maintain its rights for each subsequent year of the extension, comprising (i) US\$5,000 cash; and (ii) US\$10,000 worth of Shares in the Company. For each payment instalment, the number of Shares to be issued will be based on the 10-day volume weighted average price of the Company’s shares immediately prior to the date of each Share issue.

All other terms remain the same as per the Company’s previous announcements in relation to the Columbia Mine Acquisition.

Corporate

On 4 October 2019, the Company completed a \$2.0 million placement by issuing 100 million new shares at \$0.02 per share together with 25 million free options (on a 1:4 basis and exercisable at \$0.04 each on or before 27 September 2022). This placement ensures the Company's maiden drilling program at the Tererro VMS Project is well funded.

To strengthen the Company's project development expertise as it endeavours to move the Tererro VMS Project through advanced exploration towards production, on 17 October it was announced that Tony Polglase had been appointed a non-executive director of the Company. Tony has a long and successful history in the mining industry. He has been instrumental in taking numerous projects through construction and into production. Most recently, Tony was both a founder and the Managing Director of Avanco Resources Limited ("Avanco"). In this role, Tony led Avanco from discovery at the Antas Copper Project in Brazil, into feasibility, permitting and project finance, then through construction and into commercial production. In 2018 Avanco was acquired by Oz Minerals Limited for \$418 million.

Following the acquisition of the Tererro VMS Project, to reflect the diversification of the Company's asset portfolio, the Company will seek shareholders' approval to change the Company name to "New World Resources Limited" at the forthcoming annual general meeting – which will be held in Perth on 29 November 2019.

For further information please contact:

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Historical Mineral Resource Estimate

In 1981, Conoco calculated a Mineral Resource estimate based on the 39 diamond core holes (22,129 m) it had drilled to that time. The resource estimate comprised:

Table 1. Historic (1981) Mineral Resource estimate for the Jones Hill Deposit.

| Zone | Tonnes | Au (g/t) | Cu % | Pb % | Zn % | Ag (g/t) |
|--------------|------------------|-----------------|-------------|-------------|-------------|-----------------|
| Upper | 3,649,666 | 2.74 | 0.81 | 0.33 | 0.62 | 27.1 |
| Lower | 2,134,642 | 0.62 | 1.39 | 0.08 | 2.89 | 11.7 |
| Total | 5,784,307 | 1.96 | 1.02 | 0.24 | 1.46 | 21.4 |

* 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 7 February, 22 March, 6 April, 23 May, 30 July, 5 September, 19 September, and 20 December 2018 and 23 January and 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.