

## NEW WORLD ANNOUNCES INTENTION TO DEMERGE NORTH AMERICAN COBALT ASSETS

*Anticipates an in-specie distribution to current shareholders*

New World Resources Limited (ASX: NWC; “the Company”, or “New World”) is pleased to advise that it intends to pursue a demerger of its portfolio of cobalt assets in North America, subject to shareholder and other requisite approvals.

The decision to demerge these assets follows a strategic review of its asset base in light of the outstanding success of its ongoing resource and exploration drilling program at the high-grade Antler Copper Deposit in Arizona, USA (“Antler Copper Project”).

The Board considers that, given the Company’s strategic focus on the potential redevelopment of the Antler Copper Project, the value of its cobalt assets is not currently reflected in New World’s share price and these assets now logically sit in a separately listed vehicle specifically focused on progressing their exploration and development.

Since the start of 2021 the price of cobalt has risen by more than 50% from ~US\$33,000/tonne to ~US\$50,000/tonne (as recorded by the London Metals Exchange; see Figure 1). This rising price is widely attributed to increasing demand for minerals that are integral in the production of electric vehicles, including cobalt.

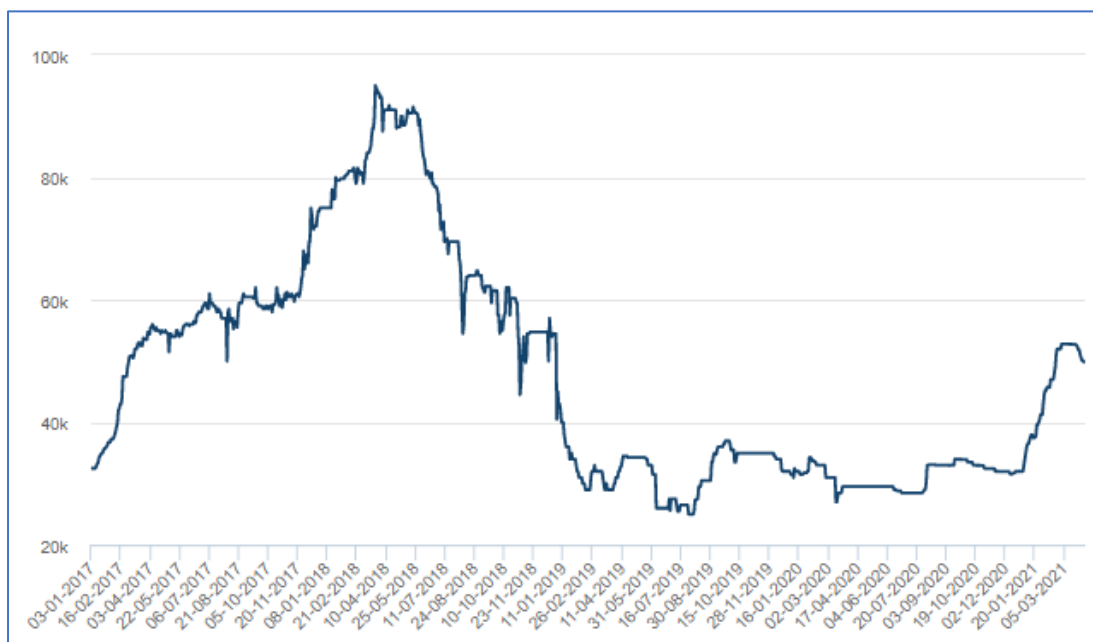


Figure 1. London Metals Exchange Cobalt Price January 2017 – April 2021 (US\$/tonne).

Since 2017 New World has held a 100% interest in two cobalt projects in the United States – the Colson Cobalt-Copper Project in Idaho and the Goodsprings Copper-Cobalt Project in Nevada.

Between 2017 and 2019 the Company focused on, and undertook extensive exploration programs at, these projects. The cobalt price peaked at more than US\$95,000/tonne in mid-2018, and for a period the Company’s market capitalisation exceeded A\$40 million.

New World Resources  
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

Ian Cunningham  
Company Secretary

### CAPITAL STRUCTURE:

Shares: 1,356.8m  
Share Price (12/4/21):  
\$0.091

### PROJECTS:

Antler Copper Project,  
Arizona, USA

Tererro Copper-Gold-Zinc  
Project, New Mexico, USA

Colson Cobalt-Copper  
Project, Idaho, USA

Goodsprings  
Copper-Cobalt Project,  
Nevada, USA

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As a result of the very successful exploration programs the Company has implemented at these two projects, drill-ready targets have been defined at both projects, with drill permits approved for the Colson Cobalt-Copper Project.

However, as the cobalt price declined, and as the Company increasingly focused on its Antler Copper and Tererro Copper-Gold Projects during recent years, no further exploration has been undertaken.

In order to:

- (i) Fund further exploration at these highly prospective projects;
- (ii) Minimise shareholder dilution in the Antler Copper Project; and
- (iii) Provide shareholders leverage to the potential of the cobalt assets

the Company intends to pursue a demerger of these assets into a separate corporate entity (“NewCo”), subject to shareholder and other requisite approvals.

While plans for the demerger are still being finalised, it is anticipated that:

- (i) NewCo would acquire the Company’s cobalt assets;
- (ii) NewCo would seek to list on the ASX during 2021 by way of an initial public offering (IPO), which would fund NewCo’s initial exploration activities;
- (iii) In conjunction with the IPO, shareholders in New World would receive an in-specie distribution of shares in NewCo, thereby providing them ongoing exposure to the cobalt assets; and
- (iv) Shareholders in New World would be entitled to participate in a priority offer in the IPO.

The Company will announce further details regarding the proposed demerger in due course.

#### **Background Information on New World’s Cobalt Projects**

##### ***Colson Cobalt-Copper Project, Idaho, USA***

New World holds a 100% interest in approximately 4,500 acres at and around the under-explored Salmon Canyon Cobalt-Copper Deposit – covering more than 6km of prospective strike at the northern end of the Idaho Cobalt Belt – the most endowed high-grade cobalt district in the western world (see Figure 2).

Prior to the Company’s exploration programs between 2017 and 2019, virtually all previous exploration work in the Project area had been focused on the Salmon Canyon Deposit itself, with the last significant work undertaken in the 1970s.

In 2017 the Company delineated extensive soil anomalism over the Salmon Canyon Deposit (see Figure 3), and in 2018 an initial program of drilling confirmed the presence of very high-grade cobalt mineralisation at the Deposit, with assay results from limited drilling including:

- **5.5m @ 0.20% Co and 0.69 g/t Au, including**
  - **0.3m @ 1.26% Co, 0.17% Cu and 2.95 g/t Au; and**
  - **0.7m @ 0.49% Co and 0.30 g/t Au;**
- **1.1m @ 0.18% Co, 1.43% Cu and 0.74 g/t Au;**
- **1.6m @ 0.12% Co, 1.42% Cu and 0.77 g/t Au;**
- **1.3m @ 0.15% Co, 1.18% Cu and 0.56 g/t Au; and**
- **1.8m @ 0.13% Co, 0.56% Cu and 0.26 g/t Au**

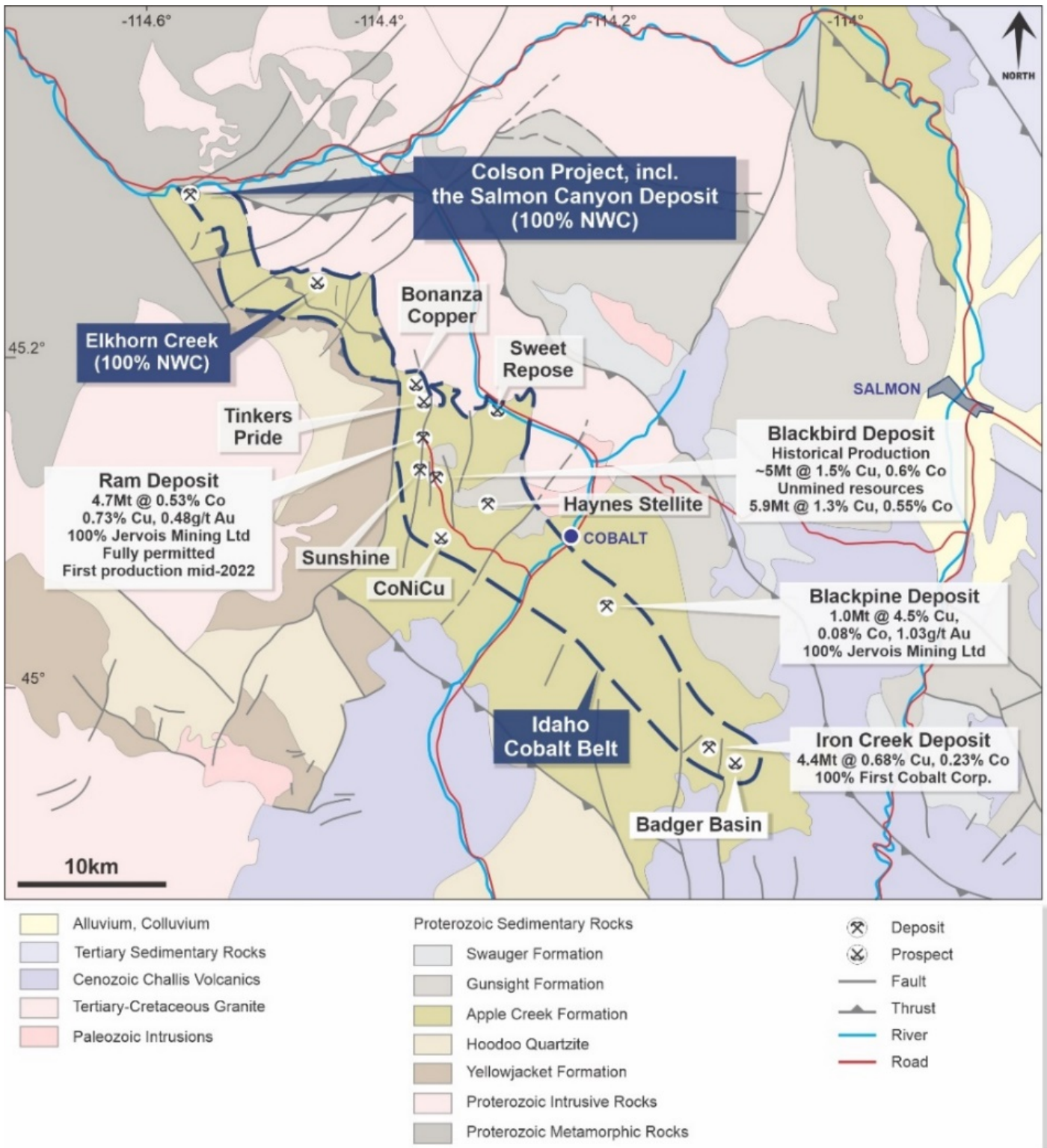


Figure 2. Geology of the Idaho Cobalt Belt, USA, including the location of the Company's Colson Cobalt Project.

The Company subsequently extended its soil sampling coverage, at which time it delineated a much larger and stronger geochemistry anomaly at the newly discovered Long Tom Prospect, located approximately 2km along strike from the Salmon Canyon Deposit. Here soil samples returned extremely high assays, up to 0.11% Co and 0.39% Cu.

Subsequent IP surveying delineated several strong, coincident IP and soil anomalies along this corridor. Notably there is a moderately-strong IP anomaly over the Salmon Canyon Deposit, so these stronger IP anomalies, along-strike, are very high-priority exploration targets, as they may comprise thicker and/or higher-grade zones of sulphide-rich cobalt-copper-gold mineralisation (see Figures 3-5).

All permits are in place to undertake a drilling program that will facilitate the initial testing of these, yet-to-be-drilled, targets. The Company has deliberately delayed commencement of drilling until the cobalt price improves.

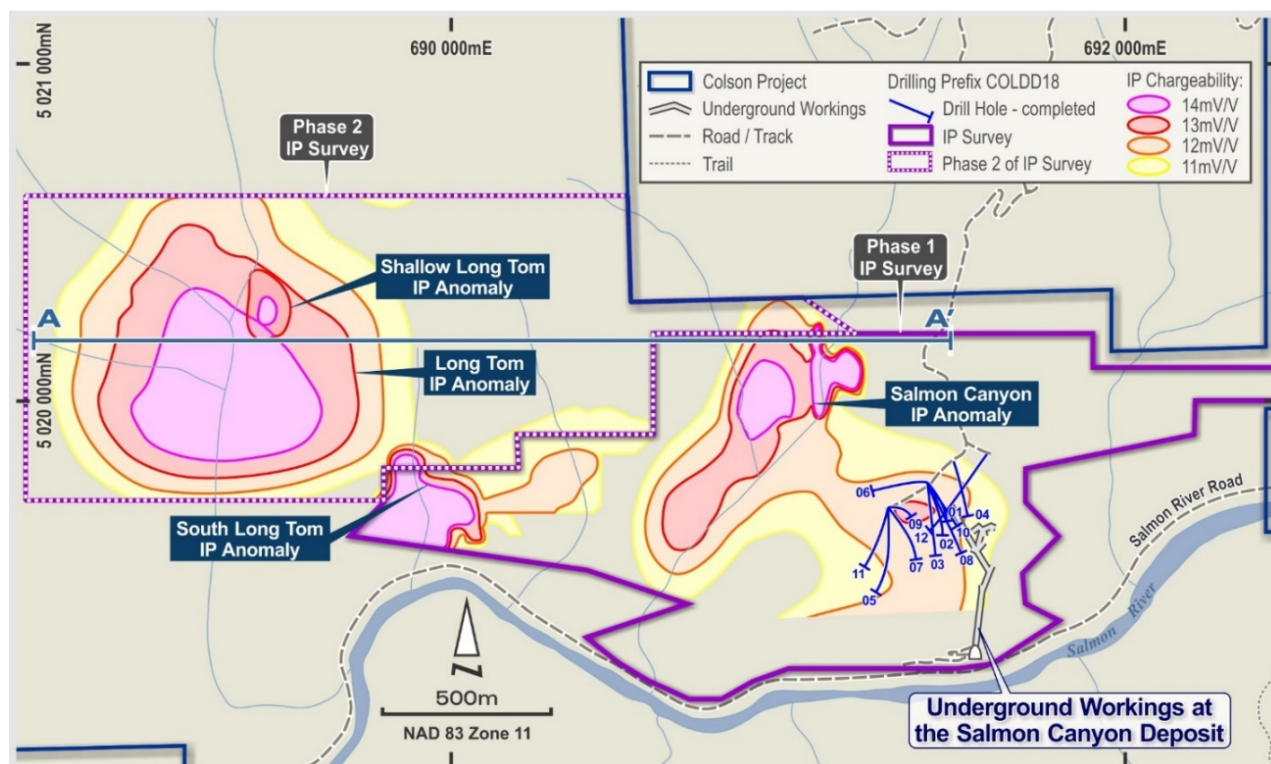


Figure 3. IP anomalies at the Colson Cobalt-Copper Project, relative to the historical underground workings at the Salmon Canyon Deposit and the traces of diamond core holes drilled during 2018 (illustrating the location of Cross Section 5,020,200N presented in Figure 5).

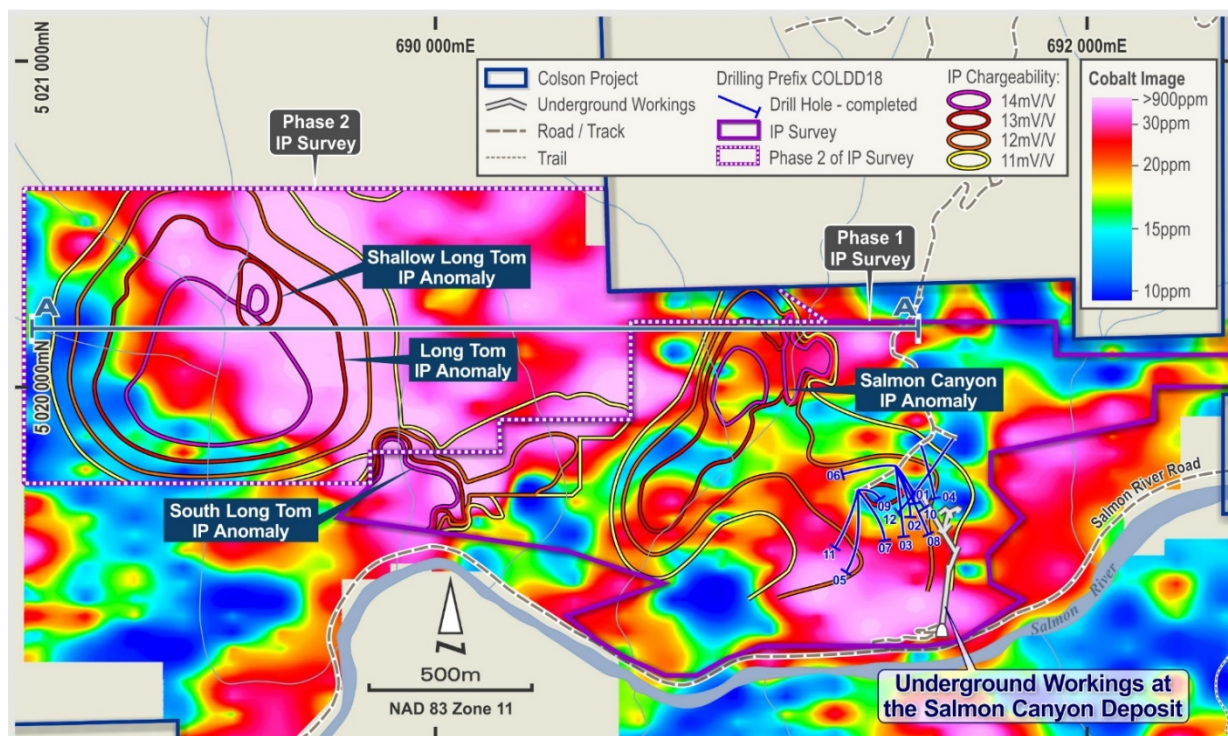


Figure 4. IP anomalies at the Colson Cobalt-Copper Project, relative to cobalt in soil geochemistry anomaly (illustrating the location of Cross Section 5,020,200N presented in Figure 5).

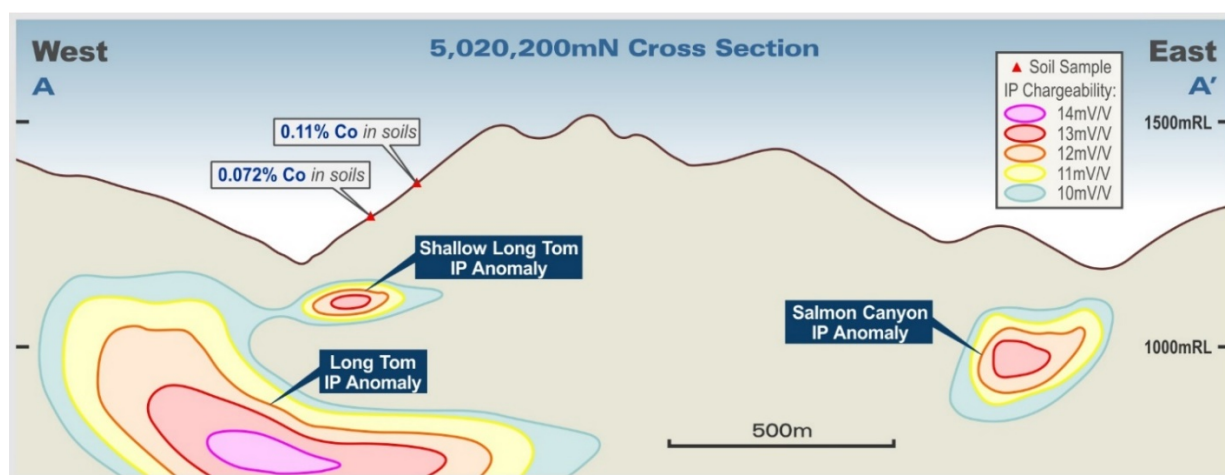


Figure 5. Cross-section 5,020,200N showing the Long Tom, Shallow Long Tom and Salmon Canyon IP anomalies at the Colson Cobalt-Copper Project.

### **Goodsprings Copper-Cobalt Project, Nevada, USA**

The Goodsprings Copper-Cobalt Project is located in southern Nevada and currently comprises:

- (i) A 100% interest in 118 Federal mining claims, covering approximately 2,300 acres, that encompass and include several historic copper-cobalt deposits as well as extensions of the geological sequences that host those and other copper-cobalt deposits; and
- (ii) The 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").

Historic records indicate that shallow mining was undertaken intermittently at the Columbia Mine between 1880 and 1928. Ore was mined predominantly from two inclined shafts located approximately 250 metres apart. These shafts were developed to around 30 metres depth, with stopes up to 6 metres high.

The average grade of the mined ore was 12.8% copper. During 1921, three parcels of cobalt ore were mined and sold – with individual ore parcels grading 29.18% Co, 13.42% Co and 5.13% Co (weighing 249kg, 1,720kg and 2,190 kg respectively). Historic workings at the Columbia mine extend over more than 500 metres of strike.

The Company's Project area also includes workings at the historical Blue Jay Mine, where, in 1922, more than 0.5 tonnes of ore that contained (on average) 6.37% cobalt were recovered from a waste dump.

Production of high-grade cobalt ore is recorded at several other historical mines within the Goodsprings District, all of which were mined previously with copper as the primary target.

During 2017 and 2018 the Company completed systematic soil sampling over the majority of the project area. Extensive cobalt and copper anomalism is evident across the project. Sixteen coincident cobalt-copper anomalies were ranked "high-priority" targets for further work. However, expenditure on the Goodsprings Project was subsequently minimised, with no substantial field work completed, as the Company waited for the cobalt price to improve.

**Authorised for release by Michael Haynes, Managing Director**

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## **Additional Information**

### **Qualified and Competent Person**

*The information in this report that relates to exploration results 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, 12 April, 23 May, 30 July, 5 September, 19 September, 26 October and 20 December 2018 and 23 January 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 report is based on numerous assumptions and is subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in mineral exploration and development. As a result, actual results may vary materially from those described in the forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.*