

NORTHERN COBALT LIMITED

ABN 99 617 789 732

20 May 2019

PROSPECTUS

For the offer of:

1. Pro-rata non renounceable one (1) for three (3) rights issue of up to approximately 20,937,802 New Shares at an issue price of A\$0.05 per New Share, with one (1) free attaching New Option for every two (2) New Shares subscribed, to raise up to approximately A\$1.04 million;
2. The offer of any Shortfall in respect of the Rights Issue Offer; and
3. Approximately 4,500,000 Placement Options on the basis of one (1) free attaching Placement Option for every two (2) Shares subscribed for by Placement Participants under the Placement.

LEAD MANAGER - PAC PARTNERS

CLOSING DATE: 5.00pm Adelaide time on 17 June 2019

IMPORTANT NOTICE

This is an important document. If you do not understand it, or are in doubt as to how to act, you should consult your financial or other professional adviser. The securities offered pursuant to this Prospectus should be considered a speculative investment and potential investors should refer to section 6 for details concerning the risk factors.

CORPORATE DIRECTORY

Directors	Michael Schwarz (Managing Director) Len Dean (Chairman) Duncan Chessell (Director) Andrew Shearer (Director)
Company Secretary	Jarek Kopias
Registered Office	67 Goodwood Road Wayville SA 5034 Telephone: +61 402 101 790
Lead Manager for Placement and Rights Issue*	PAC Partners Securities Pty Ltd
Share Registry*	Security Transfer Australia Pty Ltd
Lawyers	Piper Alderman Level 16, 70 Franklin Street Adelaide SA
Website	https://northerncobalt.com.au

*These parties are included for information purposes and have not been involved in the preparation of this Prospectus.

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HIGHLIGHTS OF INVESTMENT OPPORTUNITY

- (1) Rights Issue Offer to raise up to approximately \$1.04 million.
- (2) Rights Issue Offer allows Shareholders to subscribe for one New Share for every three Shares held at the Record Date at 5 cents per New Share, which is a discount of 8.9% to the volume weighted average price of Shares on the 5 days that the Company's Shares traded prior to 10 May 2019 (being the day the Company entered a trading halt pending announcement of the rights issue).
- (3) Shareholders participating in the rights issue may be eligible for Junior Minerals Exploration Incentive (JMEI) credits. The JMEI scheme entitles investors to a refundable tax offset of up to 30% of their investment in their 2018/19 income tax return. The JMEI scheme is further detailed in Section 2.6.
- (4) The Rights Issue Offer includes one free attaching listed New Option for every 2 New Shares subscribed for, exercisable at 10 cents per share, expiring on 30 June 2022.
- (5) The Shortfall Offer is an offer for the Shortfall under the Rights Issue.
- (6) The Placement Offer is for approximately 4,500,000 listed Placement Options, on the basis of one (1) free attaching Option granted for every two (2) Shares subscribed for by each Placement Participant under the Placement, on the same terms as the Options issued under the Rights Issue Offer.
- (7) After payment of the costs and expenses of the Offers, the Company intends to use the funds as follows:
 - (a) progress the Company's Snettisham project in Alaska;
 - (b) progress the Company's Wologorang project in the Northern Territory; and
 - (c) working capital

KEY RISKS ASSOCIATED WITH THE OFFERS

- (1) An investment in the Company's securities is speculative.
- (2) There is no guarantee that any funds will be raised under the Rights Issue Offer.
- (3) If the Rights Issue Offer and Shortfall Offer are undersubscribed the Company will need to rely on alternative sources of funding in order to undertake some or all of the proposed exploration programs, with funds raised to first be applied towards costs of the Offers and the Company's working capital commitments.
- (4) The operations of the Company may be affected by a number of operational and technical difficulties encountered in exploration and mining, including those leading to inability to mine and increased or unforeseen costs.
- (5) Market factors, commodity prices and lack of exploration or operational success may have an impact on operating costs and the price at which the Company's securities trade.

This is a brief description of the highlights of the investment opportunity and key risks associated with the Offers, and should be read in conjunction with the rest of this Prospectus.

IMPORTANT NOTICES

This Prospectus is dated 20 May 2019 and was lodged with ASIC on 20 May 2019. ASIC and ASX take no responsibility for the contents of this Prospectus.

This Prospectus is for an offer of continuously quoted securities and options to acquire continuously quoted securities, issued in accordance with section 713 of the Corporations Act.

No New Securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

In preparing this Prospectus, regard has been given to the fact that ASX maintains a file containing publicly disclosed information about the Company and that the Company is a disclosing entity for the purpose of the Corporations Act, and certain matters may reasonably be expected to be known to professional advisers whom potential investors may consult.

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements. These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

This Prospectus and accompanying Application Forms does not constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer. Where the Prospectus has been dispatched to persons domiciled in a country other than Australia or New Zealand and where that country's securities code or legislation prohibits or restricts in any way the making of the Offer, the Prospectus and accompanying Application Forms are provided for information purposes only. Any recipient of this Prospectus domiciled in a country outside of Australia or New Zealand should consult their professional advisers on requisite formalities.

No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

Expressions used in this Prospectus with an upper-case initial letter have defined meanings which are set out at the end of this Prospectus.

Warning statement applicable to New Zealand investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

KEY DATES

The indicative timetable for the Offers is as follows:

EVENT	DATE
Announcement of Placement and Rights Issue	Tuesday 14 May 2019
Formal Announcement of Rights Issue and Lodgement of Prospectus – Announcement of Rights Issue and Appendix 3B lodged with ASX and Prospectus lodged with ASIC and ASX	Monday 20 May 2019
Notice to Shareholders – notice of Rights Issue Offer sent to Shareholders containing information required by Appendix 3B	Tuesday 21 May 2019
Ex date – the date on which Shares commence trading without the entitlement to participate in the Rights Issue Offer	Wednesday 22 May 2019
Record Date – the date for determining entitlements of Shareholders to participate in the Rights Issue Offer (6:30pm Adelaide time)	Thursday 23 May 2019
Prospectus sent to Shareholders – despatch of Prospectus and Application Forms–Offers open for acceptance	Tuesday 28 May 2019
Closing Date – The last day for receipt of Rights Issue Offer Application Forms (5.00pm Adelaide time)	Monday 17 June 2019
Shortfall notification date	Thursday 20 June 2019
General meeting to consider approval of Placement Options	Friday 21 June 2019
Despatch date – Allotment of New Shares and New Options.	Monday 24 June 2019
Expected commencement of normal trading in New Securities on ASX	Tuesday 25 June 2019
Close of Shortfall Offer (5pm Adelaide time)	17 September 2019 (unless closed earlier)

Subject to the ASX Listing Rules, the Directors reserve the right to vary the dates for the Offers at their discretion. Should this occur, the variation will have a consequential effect on the anticipated date of issue and normal trading of New Securities (if applicable).

The Placement Offer opens on the date of this Prospectus and the Placement Options will be issued at the same time as the New Securities under the Rights Issue, subject to Shareholder approval at the upcoming general meeting on 21 June 2019.

CHAIRMAN'S LETTER

Dear Shareholder

Rights Issue Offer

On behalf of the directors of Northern Cobalt, I am pleased to present an opportunity to participate in a non-renounceable pro-rata rights issue at an issue price of 5 cents per New Share, to raise approximately A\$1.04 million (before costs and expenses).

The Rights Issue offers you the right to take up one New Share for every three Shares you hold as at 6.30pm Adelaide time on 23 May 2019 at an issue price of 5 cents per New Share. You will also receive one free listed New Option for every two New Shares subscribed for under the Rights Issue Offer. The New Options are exercisable at 10 cents each and will expire on 30 June 2022.

The Rights Issue Offer provides you with an opportunity to increase your investment in Northern Cobalt at an attractive price and with a free attaching option for every 2 shares subscribed, and to contribute to the funds Northern Cobalt needs for its key projects in Alaska (Snettisham) and the Northern Territory (Wollogorang).

The issue price of the New Shares represents a discount of approximately 8.9% to the volume weighted average price of Shares on the 5 ASX trading days on which Shares traded prior to 10 May 2019 (being the day the Company entered a trading halt pending announcement of the rights issue). The free attaching New Options will also give you the opportunity to further participate in the future of the Company.

Further, you may be eligible for JMEI credits that have been issued to the Company by the ATO. The JMEI scheme entitles investors to a refundable tax offset of up to 30% of their investment and can be claimed through your 2018/19 income tax return.

After payment of the costs and expenses of the Offers, the proceeds from the rights issue will be applied towards our key projects at Snettisham in Alaska and Wollogorang in the Northern Territory.

My fellow Directors and I are pleased to offer Shareholders the opportunity to participate in this capital raising to fund Northern Cobalt's exciting exploration programs.

You are encouraged to read this Prospectus and the accompanying Application Forms fully. If you have any questions about the Rights Issue Offer, you should consult your stockbroker or other professional adviser.

Yours sincerely



Len Dean
Chairman

1. DETAILS OF THE OFFERS

1.1 The Rights Issue Offer

Northern Cobalt offers each of its Shareholders the opportunity to subscribe for New Shares under a pro-rata non-renounceable rights issue. Each Shareholder is entitled to subscribe for one (1) New Share for every three (3) Shares held by that Shareholder as at the Record Date at an issue price of 5 cents per New Share. For every two New Shares subscribed for, Shareholders will receive one (1) free attaching listed New Option.

The issue price of the New Shares represents a discount of approximately 8.9% to the volume weighted average price of Shares on the 5 ASX trading days on which Shares traded prior to 10 May 2019 (being the day the Company entered a trading halt pending announcement of the rights issue).

Shareholders participating in the rights issue may be eligible for JMEI credits. The JMEI scheme entitles investors to a refundable tax offset of up to 30% of their investment in their 2018/19 income tax return. The JMEI scheme is further detailed in Section 2.6.

The New Shares will be fully paid and will rank equally in all respects with Northern Cobalt's existing Shares on issue. A summary of the rights and liabilities attaching to the New Shares is set out in section 7.1.

The New Options will be exercisable at 10 cents each on or before 5pm (Adelaide time) on 30 June 2022 and will be granted on the terms and conditions set out in section 7.2.

Northern Cobalt will apply to ASX for quotation of both the New Shares and the New Options within 7 days of the date of this Prospectus. If the New Securities are not admitted to quotation within 3 months of the date of this Prospectus, no New Securities will be issued under the Rights Issue Offer.

If a Shareholder becomes entitled to a fraction of a New Share or New Option, the entitlement will be rounded up to the nearest whole number.

(1) What is my Entitlement?

The number of New Shares for which you are entitled to subscribe under the Rights Issue Offer (with a free attaching New Option for every two New Shares subscribed for) (**Entitlement**) is shown in the accompanying Entitlement and Acceptance Form.

Shareholders may:

- (a) subscribe for all or part of their Entitlement;
- (b) subscribe for a nominated number of New Shares in excess of their Entitlement as part of any Shortfall;
- (c) allow all or part of their Entitlement to lapse; and

(d) do any combination of the above.

If you choose not to accept all of your Entitlement under the Rights Issue Offer, or if you choose not to exercise any of the New Options before the expiration of the New Options, your shareholding in Northern Cobalt will be diluted.

Detailed instructions on how to accept and/or sell all or part of your Entitlement are set out in section 3. All applications, once received, are irrevocable, except as required by law.

Excluded Shareholders may not take any of the steps described above. Refer to sections 1.1(5) and 2.3 for information relating to Excluded Shareholders.

(2) **Shortfall Shares**

If you wish to accept your Entitlement in full and apply for Shortfall Shares complete the Entitlement and Acceptance Form accompanying this Prospectus and also fill in the number of Shortfall Shares you wish to apply for in the space provided on the accompanying Entitlement and Acceptance Form. You must pay the appropriate application monies (at 5 cents per New Share subscribed) as provided in section 3.1(2) below.

Persons who apply for and are allocated Shortfall Shares will also receive one free New Option for every two Shortfall Shares allotted.

Shortfall Shares will only be issued if the Rights Issue Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions. If Northern Cobalt receives applications for Shortfall Shares that would result in the Rights Issue Offer being oversubscribed, then the Company will not accept such oversubscriptions and will reject or scale back applications at its absolute discretion.

Shareholders must have regard to and comply with the takeovers prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold), when applying for Shortfall Shares. The Company expressly disclaims any responsibility for monitoring such applications or ensuring that individual Shareholders do not breach section 606 as a result of participation in the Rights Issue Offer.

Non-Shareholders may apply for Shortfall Shares using the Shortfall Application Form attached to the Prospectus, that can be obtained from the Company on request after the Closing Date, if there is a Shortfall. The Company will endeavour to allocate Shortfall Shares first to existing Shareholders.

Investors that may be at risk of exceeding the 20% voting power threshold in section 606 or increasing their voting power from a position above 20% as a result of application for Shortfall Shares should seek professional advice before applying for Shortfall Shares.

The Directors reserve the right to reject any application for Shortfall Shares or to allot a lesser number of Shortfall Shares than applied for. Application monies received but not applied towards subscriptions for Shortfall Shares will be

refunded as soon as practicable. No interest will be paid on application monies held and returned.

Northern Cobalt will not issue Shortfall Shares where Northern Cobalt is aware that to do so would result in a breach of the Corporations Act or the ASX Listing Rules. Shareholders wishing to apply for Shortfall Shares must consider whether the issue of the Shortfall Shares applied for would breach the Corporations Act or the ASX Listing Rules having regard to their own circumstances (including the existence of any associates).

(3) Opening and closing dates

The Rights Issue Offer opens for receipt of acceptances on 28 May 2019. The closing date and time for acceptances and payments is 5:00pm Adelaide time on 17 June 2019, subject to any variation of the closing date by the Directors in accordance with the ASX Listing Rules.

(4) Who is entitled to participate in the Rights Issue Offer?

Each Shareholder with a registered address in Australia or New Zealand, who is registered as the holder of Shares at 6:30pm Adelaide time on 23 May 2019 is entitled to participate in the Rights Issue Offer in respect of the number of Shares for which that Shareholder is then registered as the holder.

Existing Option holders may only participate in the Rights Issue Offer in respect of the Shares to be issued on exercise of the Options held by them if they exercise their Options prior to the Record Date and are registered as the holder of the underlying Shares on the Record Date.

(5) Rights Issue Offer not made to Excluded Shareholders

Northern Cobalt has decided that it is unreasonable to make the Rights Issue Offer to shareholders who have a registered address in a country outside of Australia or New Zealand having regard to the number of shareholders in such places, the number and value of the New Securities they would be offered and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions. The number of Shares held by shareholders who have registered addresses in countries outside of Australia and New Zealand as at close of trading on 17 May 2019 was 630,831 Shares.

Shareholders holding Shares on behalf of persons who are resident outside of Australia or New Zealand are responsible for ensuring that subscribing for the New Securities under the Rights Issue Offer does not breach regulations in the relevant overseas jurisdiction.

This Prospectus does not constitute an offer to Excluded Shareholders and the Prospectus will not be sent to Excluded Shareholders.

1.2 The Placement Offer

As announced on ASX on 14 May 2019, the Company has placed approximately 9,000,000 Shares at the same issue price as the Rights Issue Offer of 5 cents to a range of investors that do not require disclosure identified by PAC Partners Securities Pty Ltd.

Under the terms of the Placement, the Company has agreed to offer the Placement Options to the parties that have participated in the Placement, on the basis of one Placement Option for every two New Shares subscribed for under the Placement. The Placement Offer is made with disclosure under this Prospectus.

The Placement Options will be granted for no additional consideration, on the same terms and conditions as the New Options (see section 7.2 for further detail).

The Placement Offer is subject to and conditional upon shareholders approving the issue of the Placement Options pursuant to ASX Listing Rule 7.1. A general meeting will be convened on 21 June 2019 to consider a resolution seeking this approval.

The Placement Options are being issued with disclosure under this Prospectus in order to:

- (a) remove any secondary sale restrictions that may attach to the Placement Options;
- (b) ensure a disclosure exception is available for the issue of Shares on the exercise of the Placement Options and any on-sale of those Shares in the 12 months from the date of issue.

The Company will apply for quotation of the Placement Options within 7 days of the date of this Prospectus. If, for whatever reason, the Placement Options are not admitted to quotation within 3 months of the date of this Prospectus, no Placement Options will be issued under this Prospectus. Subscribers should be aware that the issue of the Placement Options are subject to both shareholder approval and quotation conditions being met.

The Placement Offer is a separate offer pursuant to this Prospectus and only those persons that participated in the Placement may accept Placement Options by completing the Placement Offer Application Form accompanying this Prospectus. Only those parties that have participated in the Placement will receive a Placement Offer Application Form to accept Placement Options.

The Placement Offer will close at the same time as the Rights Issue Offer unless the Directors in their absolute discretion otherwise determine.

2. FURTHER INFORMATION IN RELATION TO THE OFFERS

2.1 Use of funds raised from the Offer

After payment of the costs and expenses of the Offers and working capital commitments, and assuming the Rights Issue is fully subscribed, the Company intends to apply the funds raised from the Rights Issue Offer as follows:

Use of funds	\$
Snettisham Project	300,000
Wollogorang Project	300,000
Keeping tenements in good standing	250,000
Working capital	196,000
TOTAL	1,046,000

It is noted that the figures in the table above may be subject to change and will depend on the funds raised under the Rights Issue. If the Rights Issue Offer is not fully subscribed, funding will be first allocated to working capital (which includes corporate costs, costs associated with the Offers, existing commitments of the Company and work associated with ongoing exploration to maintain tenements in good standing) and then towards Snettisham Project.

2.2 Application for quotation and Issue of New Securities

Northern Cobalt will apply to ASX for quotation of the New Securities being offered pursuant to this Prospectus within 7 days of the date of this Prospectus.

The issue of New Securities will only be made after permission for their quotation on ASX has been granted. If, for whatever reason, the New Securities are not admitted to quotation within 3 months of the date of this Prospectus, no New Securities will be issued under the Offers and application monies received will be refunded as soon as practicable. No interest will be paid on application monies held and returned.

2.3 Offers not made where to make the Offers would be unlawful

This Prospectus and accompanying Application Forms do not constitute offers of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer. Return of a duly completed Application Form will constitute a representation that there has been no breach of any applicable regulations. Where the Prospectus has been dispatched to persons domiciled in a country other than Australia or New Zealand and where that country's securities code or legislation prohibits or restricts in any way the making of the Offers, the Prospectus and accompanying Application Forms are provided for information purposes only.

2.4 Prohibition on exceeding 20% voting power threshold

Potential investors must have regard to and comply with the takeovers prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold), when applying for New Securities offered pursuant to this Prospectus, and exercising New Options.

The Company has not appointed a nominee for the purposes of ASX Listing Rule 7.7.1(c) and section 615 of the Corporations Act.

Based on the information available to it as at 17 May 2019, the Company is not aware of any Shareholder that would be at risk of exceeding 20% voting power in the Company as a result of taking up its Entitlement.

The Company reserves the right to reject or scale back any application for Shortfall Securities which it considers may result in breach of section 606. The Company expressly disclaims any responsibility for monitoring such applications or ensuring that individual investors do not breach section 606 as a result of participation in the Offers or exercise of New Options.

Any investor that may be at risk of breaching section 606 as a result of the exercise of New Options has the following choices available to them:

- (1) sell their Options on market
- (2) sell some or all of their Shares prior to exercising any Options held by them; or
- (3) rely on another exemption from the takeovers prohibition in section 611 (such as the 3% creep exemption).

Investors that may be at risk of exceeding the 20% voting power threshold in section 606 or increasing their voting power from a position above 20% as a result of application for Shortfall Shares or the acquisition of Shares following exercise of New Options, should seek professional advice before applying for Shortfall Shares or exercising New Options (as applicable).

2.5 Not Underwritten

The Rights Issue Offer is not underwritten

2.6 Taxation

You should seek and rely on your own taxation advice regarding the acquisition, sale or exercise of New Securities as the taxation consequences will depend on your particular circumstances.

Shareholders participating in the rights issue may be eligible for Junior Minerals Exploration Incentive (JMEI) credits. The JMEI scheme enables eligible exploration companies to create refundable tax credits to distribute to eligible shareholders by forgoing a portion of their carried forward tax losses that have arisen from allowable expenditure on “greenfield” exploration. The final amount of JMEI credits to be distributed will be impacted by the Company’s expenditure on “greenfield” exploration, the tax losses incurred during 2018/19 and the number of new shares issued during 2018/19. The JMEI credits will apply to the 2018/19 tax year and can be issued by the Company after lodgment of its 30 June 2019 tax return.

Australian resident shareholders that are issued with JMEI credits will generally be entitled to refundable tax offsets (for individual shareholders, trusts or superannuation funds) or franking credits (for companies). Receiving a JMEI credit could have tax consequences and shareholders who are issued JMEI credits by the

Company should obtain independent tax advice specific to their personal circumstances.

Shares issued under the Placement and Rights Issue may entitle eligible shareholders to receive JMEI credits on a pro-rata basis and eligible shareholders are expected to be notified by the Company of their JMEI credit entitlement in the approved form by 30 September 2019. The JMEI credits will apply to income tax assessed for the year ended 30 June 2019.

2.7 Declarations

By making an Application (including by returning an Application Form to the Company or by making a payment for New Shares), you will be deemed to have:

- (a) if you are applying under the Rights Issue Offer, represented and warranted that you are an Eligible Shareholder;
- (b) represented and warranted that you are not in the United States and are not acting for the account or benefit of a person in the United States;
- (c) represented and warranted that you understand and acknowledge that:
 - (i) neither the Offers nor the New Securities have been, nor will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States.
 - (ii) the Offers may not be accepted by, and the New Securities may not be offered or sold to, persons in the United States;
 - (iii) New Securities may not be offered, sold or resold in the United States except in a transaction exempt form, or subject to the registration requirements of the US Securities Act and any other applicable U.S. state securities laws;
- (e) represented and warranted that you have not and will not send this Prospectus or Application Form or any other materials relating to the Offers to any person in the United States or access this Prospectus or Application Form(s) in any jurisdiction other than Australia or New Zealand;
- (f) acknowledged that you have fully read and understood both this Prospectus and the Application in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Prospectus and the Application Form;
- (g) agreed to be bound by the terms of the Offers, the provisions of the Prospectus and the Company's constitution;
- (h) authorised the Company to register you as the holder of the New Securities allotted to you;
- (i) declared that all of the details and statements in the Application Form are complete and accurate;
- (j) declared that you are over 18 years of age (if an individual) and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (k) acknowledged that once the Company receives your Application Form or any payment of Application Money you may not withdraw your Application except as allowed by law;
- (l) agreed to apply for and be issued up to the number of New Securities specified in the Application Form, or for which you have submitted payment of any Application Money, at the issue price of 5 cents per New Share;

- (m) authorised the Company, its Share Registry and their respective officers or agents to do anything on your behalf necessary for New Securities to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Application Form;
- (p) acknowledged that the information contained in this Prospectus and the Application Form is not investment advice nor a recommendation that the New Securities are suitable for you given your investment objectives, financial situation or particular needs;
- (q) acknowledged that this Prospectus contains an offer for New Securities to acquire continuously quoted securities and is issued under section 713 of the Corporations Act and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (r) acknowledged that investments in the Company are subject to risk (including those risks set out in section 6 of this Prospectus);
- (s) acknowledged that none of the Company or its related bodies corporate, affiliates or directors, officers, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (u) authorised the Company to correct any errors in your Application Form or other form provided by you;
- (v) represented and warranted that the law of any place does not prohibit you from being given or accessing this Prospectus and the Application Form, nor does it prohibit you from making an application for New Securities;
- (w) represented and warranted that if in the future you decide to sell or otherwise transfer the New Securities, you will only do so where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or is acting for the account or benefit of a person in the United States; and
- (x) represented and warranted that if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Application Form is resident in Australia or New Zealand, and you have not sent this Prospectus or Application Form or any information relating to the Offers to any person located outside of Australia or New Zealand.

2.8 Directors discretion

The Directors may at any time decide to withdraw this Prospectus.

The Directors may make determinations in any manner they think fit in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Offers whether generally or in relation to any Applicant. Any determinations by the Board will be conclusive and binding on all and other Applicants to whom the determination relates.

2.9 Enquiries

If you have any questions regarding the Offers, or anything referred to in this Prospectus, please contact the Company on:

Telephone: +61 402 101 790

E-mail: mschwarz@northerncobalt.com.au

3. HOW TO ACCEPT THE OFFERS

3.1 How to accept the Rights Issue Offer

(1) How to take up all or part of your Entitlement

To subscribe for all or part of your Entitlement, please:

- (a) complete the accompanying Entitlement and Acceptance Form in respect of that part of your Entitlement you wish to accept according to the instructions on that form; and
- (b) forward the completed form together with payment of the appropriate application monies (at 5 cents per New Share subscribed for) to the Company's Share Registry in the manner provided in section 3.1(2) **by no later than 5.00pm Adelaide time on 17 June 2019** (or such later date as the Directors advise).

Alternatively, if you wish to apply via BPay, you do not need to return the Entitlement and Acceptance Form, you simply need to make payment in accordance with the instructions on the accompanying Entitlement and Acceptance Form, for the number of New Shares you wish to apply for, multiplied by the issue price of 5 cents.

Acceptances will not be valid if they are received after the Closing Date.

Refer to sections 1.1(2) and 4 for details of how to apply for Shortfall Shares in addition to your Entitlement.

If you decide not to accept all or part of your Entitlement or fail to do so by the Closing Date, your Entitlement will lapse and will form part of the Shortfall.

(2) Payment

Payment must be made with your acceptance **by 5.00pm Adelaide time on 17 June 2019**, or such later date as the Directors advise, and must be in Australian currency and made by:

- (a) cheque drawn on and payable at any Australian bank;
- (b) money order drawn in Australian currency; or
- (c) personalised BPay reference.

Your Entitlement and Acceptance Form, together with your cheque or money order for the appropriate application monies (at 5 cents per New Share subscribed for) must be sent to Northern Cobalt's Share Registry, Security Transfer Australia, at:

By Post:

Northern Cobalt Limited
c/- Security Transfer Australia Pty Ltd
PO BOX 52
Collins Street West VIC 8007

so that they reach the registry **by no later than 5.00pm Adelaide time on 17 June 2019**, or such later date as the Directors advise.

Alternatively, if you wish to pay by BPay, you do not need to return the Entitlement and Acceptance Form accompanying this Prospectus, you simply need to follow the instructions on the Entitlement and Acceptance Form. Different financial institutions may implement earlier cut off times with regards to electronic payment, so please take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPay are received by the Closing Date.

Applications will not be valid if they are received after the Closing Date.

Your Cheque, money order or bank draft must be made payable to 'Northern Cobalt Limited' and crossed 'Not Negotiable'. Cash payments will not be accepted and receipts for payment will not be provided.

3.2 How to accept the Placement Offer (participants in the Placement only)

Acceptance of the Placement Offer must be made on the Placement Offer Application Form accompanying this Prospectus. Only those persons that participated in the Placement will receive and should complete the accompanying Placement Offer Application Form. Applicants will be granted an allocated number of Placement Options under the Placement Offer as shown on that form. Applicants may not apply for additional Placement Options.

All Placement Offer Application Forms must be completed in accordance with the instructions set out on the Placement Offer Application Form.

Completed Placement Offer Application Forms must be received by the Company by no later than 5.00pm Adelaide time on 17 June 2019, or such later date as the Directors advise.

4. SHORTFALL SHARES

Any Entitlement not taken up pursuant to the Rights Issue Offer will form part of the Shortfall Offer.

The Shortfall Offer is a separate offer made under this Prospectus and will remain open for three months following the Closing Date, unless there is no Shortfall, or unless closed earlier by the Directors in their absolute discretion.

Eligible Shareholders may apply for Shortfall Shares in addition to their Entitlement. Non-Shareholders may apply for Shortfall Shares by requesting a copy of the Prospectus with a Shortfall Application Form from the Company.

Shortfall Securities will only be issued if the Rights Issue Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

If there is any Shortfall, the Shortfall Securities will be allocated to persons who have applied for Shortfall Shares. The Company will endeavour to allocate Shortfall Shares first to existing Shareholders.

The Directors reserve the right to issue the Shortfall Securities in their absolute and sole discretion. Any Shortfall Securities so issued will, in accordance with the ASX Listing Rules, be issued within 3 months after the Closing Date and will be issued at a price that is not less than the issue price of the New Shares under the Rights Issue Offer.

Northern Cobalt will not issue Shortfall Securities where Northern Cobalt is aware that to do so would result in a breach of the Corporations Act, the ASX Listing Rules or any other relevant legislation or law.

Application money received under this Prospectus will be held on trust until the New Securities are issued or the application money is returned (without interest) to the applicants.

5. EFFECT OF THE OFFERS ON THE COMPANY

5.1 Effect on financial position

A principal effect of the Offers on the Company, assuming that the Rights Issue Offer is fully subscribed and no existing Options are exercised and no Performance Shares or Performance Rights convert prior to the Record Date, and without taking into account the impact of rounding, will be that cash reserves will increase from \$527,000 as at 31 March 2019 to \$1,894,000 (based on the pro forma Balance Sheet set out below which takes into account deductions for the expenses of the Offers as set out in section 8.7).

A pro-forma Balance Sheet has been prepared and is set out below for illustrative purposes, but it has not been audited or reviewed. The pro-forma Balance Sheet has been prepared on the same basis and using the same accounting policies as the Company's reviewed accounts for the half-year ended 31 December 2018. The pro-forma Balance Sheet has been prepared on the basis that the Rights Issue Offer is fully subscribed and there have been no material movements in assets and liabilities of the Company between 31 December 2018 and the date of this Prospectus other than:

- (a) the Placement, due to complete on or about 17 June 2019, to raise \$423,000 (net of capital raising costs);
- (b) the impact of cash movement of -\$599,000 to 31 March 2019 as reported in the Company's quarterly report and lodged as an ASX announcement on 26 April 2019 and as indicated in the unaudited management accounts below in the balance sheet below; and
- (c) expenses of the Offers of approximately \$102,725.

NORTHERN COBALT BALANCE SHEET			
	Northern Cobalt Reviewed 31-Dec-18	Northern Cobalt management accounts 31-Mar-19	Pro Forma Unaudited Maximum Subscription
Current Assets			
Cash and Cash Equivalents	1,125,712	526,712	1,893,877
Other current assets	262,507	262,507	262,507
Total Current Assets	1,388,219	789,219	2,156,384
Non-Current Assets			
Property plant and equipment	185,110	185,110	185,110
Exploration expenditure	6,458,460	6,899,460	6,899,460
Total Non-Current Assets	6,643,570	7,084,570	7,084,570
Total Assets	8,031,789	7,873,789	9,240,954
Current Liabilities			
Trade and other payables	608,436	608,436	608,436
Employee provisions	5,386	5,386	5,386
Total Current Liabilities	613,822	613,822	613,822
Total Liabilities	613,822	613,822	613,822
Net Assets	7,417,967	7,259,967	8,627,132
Equity			
Issued Capital	9,006,025	9,001,025	10,368,190
Reserves	731,888	731,888	731,888
Retained Profits	(2,319,946)	(2,472,946)	(2,472,946)
Total Equity	7,417,967	7,259,967	8,627,132

5.2 Effect of the Offers on the capital structure of the Company

The capital structure of the Company as at the date of this Prospectus is summarised below:

	Number	Expiry Date	Exercise Price
Listed securities			
Shares	53,813,406	n/a	n/a
Options	6,323,337	14 Sep 2019	\$0.20
Unlisted securities			
Existing Performance Shares	13,175,000	6 Sep 2022	n/a
Existing Performance Rights	2,500,000	31 Dec 2020	n/a
Existing Options	6,450,000	21 Mar 2021	\$0.25
	5,800,000	6 Sep 2021	\$0.25

Assuming that the Rights Issue Offer is fully subscribed, the securities under the Placement are issued, no existing Options are exercised and no Performance Shares or Performance Rights convert, and without taking into account the impact of rounding, the capital structure following completion of the Offers will be as above, however:

- (1) the number of Shares on issue will increase from 62,813,406 (including 9,000,000 shares issued under the Placement) to 83,751,208; and
- (2) the number of listed Options will increase from 6,323,337 to 21,292,238 (although the New Options will form a new class of listed Options).

5.3 Potential effect on control

If all Shareholders take up their Entitlements in full the Rights Issue Offer will have no effect on the control of Northern Cobalt.

As at the date of the Prospectus, the relevant interests and voting power of the substantial shareholders of the Company (based on the last substantial shareholding notice or change of director's interest notice lodged with the Company) are as follows:

Shareholder	Number of Shares	Voting power
Coolabah Group Pty Ltd	4,875,000	9.06%

The Rights Issue Offer is not anticipated to have a material effect on the control of the Company, with the maximum dilution experienced by Shareholders that do not participate in the Rights Issue Offer being 33% (if the offer is fully subscribed and the Options offered under the Rights Issue Offer are all exercised).

Based on the information available to it as at 17 May 2019, the Company is not aware of any Shareholder that would be at risk of exceeding 20% voting power in the Company as a result of taking up its Entitlement. Further, no Shareholder will be permitted to exceed 20% voting power as a result of subscribing for Shortfall. As a result, the Rights Issue Offer is not expected to have any material effect on the control of Northern Cobalt.

6. RISK FACTORS

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. The summary is not exhaustive, and you should examine the contents of this Prospectus in its entirety, rely on your own knowledge of the Company and consult your professional adviser before deciding whether to apply for New Securities. Nothing in this Prospectus constitutes financial or investment advice.

6.1 General

The New Securities offered under this Prospectus should be considered speculative because of the nature of the Company's business. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which New Securities will trade.

6.2 General economic climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, commodity prices and stock market prices. The Company's future revenues and the market price for its listed securities may be affected by these factors, as well as by fluctuations in the price of cobalt, copper or other minerals, which are beyond the Company's control.

6.3 Operational risks

The business of mining and mineral exploration, development and production by its nature involves significant risks. The business depends on, amongst other things, successful exploration and identification of mineral reserves, security of tenure, the availability of adequate funding, satisfactory performance of mining operations, weather conditions, availability and cost of consumables and plant and equipment and skilled labour when required, good industrial relations and competent management. Profitability and asset values can be affected by unforeseen changes in operating circumstances, mineral reserves and geotechnical considerations.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its projects. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

6.4 Requirements for capital

The Company is a mineral exploration company and currently relies on external funding. Therefore, it is possible that even if the Offer is fully subscribed, the Company may need to raise additional working capital in the future.

The Company's capital requirements depend on numerous factors including the success of its planned exploration programs, the future exploration programs for its projects, the Company's ability to generate income from its operations and possible acquisitions or other corporate opportunities. If the Company acquires any new project it may need to raise further capital to fund the acquisition or the project once acquired.

The Offer has no minimum subscription. If the Rights Issue Offer is not fully subscribed, the Company may need to raise additional working capital in the future.

The Company has entered in a controlled placement agreement (**CPA**) with Acuity Capital that provides up to \$2 million of standby equity capital to 31 December 2020.

Under the terms of the CPA, the Company retains full control of all aspects of the placement process: having sole discretion as to whether or not to utilise the CPA, the quantum of issued shares, the minimum issue price of shares and the timing of each placement tranche (if any).

There are no obligations on the Company to utilise the CPA and the Company may terminate the CPA at any time with 5 Business Days' notice, without cost or penalty. Acuity Capital and the CPA do not place any restrictions at any time on N27 raising capital through other methods.

If the Company elects to utilise the CPA, it is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price and a price of up to a 10% discount to a Volume Weighted Average Price (VWAP) over a period of the Company's choosing (again at the sole discretion of the Company).

As collateral for the CPA, the Company has placed 2,500,000 fully paid ordinary shares at nil consideration to Acuity Capital (Collateral Shares) on 15 March 2019. The Company may, at any time, terminate the CPA and buy back the Collateral Shares for nil consideration (subject to shareholder approval).

Whilst the Company may utilise the CPA it may also rely on alternative forms of funding.

Any future capital raising could result in dilution to existing Shareholders, depending on the nature of the capital raising (whether it is via debt or equity).

Further, there is no guarantee that any future funding required by the Company would be available or on terms acceptable to the Company. If funding was not available on terms acceptable to the Company, it may need to scale back its exploration programs, which may impact adversely on the Company, or it may not be able to secure opportunities to acquire new projects or other corporate opportunities.

6.5 Key management

The Directors are primarily responsible for overseeing the operations and the strategic management of the Company. The day-to-day operations of the Company are the responsibility of the Managing Director, assisted by the Chief Financial Officer. There can be no assurance that there will be no detrimental impact on the Company if one or more of the Directors, particularly the Managing Director, no longer act as

Directors of the Company, or if the employment outlook for geologists and other mining industry specialists remains tight or further tightens for any reason.

6.6 Exploration and development

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:

- (a) discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- (b) access to adequate capital throughout the acquisition/discovery and project development phases;
- (c) securing and maintaining title to mineral exploration projects;
- (d) obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and
- (e) accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

There can be no assurance that exploration on any of the Company's projects, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

6.7 Conditions to tenements

Interests in tenements in the Northern Territory are governed by legislation and are evidenced by the granting of leases and licences by the Territory. The Company is subject to the Minerals Titles Act in the Northern Territory and the Company will have an obligation to meet conditions that apply to the Northern Territory Projects, including the payment of rent and prescribed annual expenditure commitments.

The tenements comprised in the Northern Territory Projects are subject to annual review and periodic renewal. While it is the Company's intention to satisfy the conditions that apply to those tenements, there can be no guarantees made that, in the future, the tenements that are subject to renewal will be renewed or that minimum expenditure and other conditions that apply to the tenements will be satisfied. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Northern Territory Projects. These events could have a materially adverse effect on the Company's prospects and the value of its assets.

If a licence holder fails to comply with the terms and conditions of a licence, there is a range of penalties and offences under the Mineral Titles Act which may apply.

Interests in tenements in Alaska are governed by legislation and are evidenced by the granting of leases and licences by the Alaska Department of Natural Resources. The Company is subject to applicable requirements and statutes of the U.S. Bureau of Land Management (BLM) regulations (43 CFR §3809) and Alaska Department of Natural Resources (ADNR) and the Company will have an obligation to meet conditions that apply to the Alaska projects, including the payment of rent.

6.8 Grant of future authorisations to explore and mine

Drilling approvals are required in order to undertake exploration activities on the Snettisham Project in Alaska and a further Mining Management Plan is required in order to undertake further drilling activities at the Wollgorang Project in the Northern Territory. Whilst these are standard applications and the Company knows of no reason why they would not be approved, to the extent that required approvals are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

6.9 Land access

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both native title claimants and land owners/occupiers may be required before the Company can access land for exploration or mining activities. Inability to access, or delays experienced in accessing, the land may impact on the Company's activities.

6.10 Share market conditions

The market price of the Company's securities may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular.

6.11 Environmental risks

The operations and proposed activities of the Company are subject to both Australian and United States Federal and State laws and regulations concerning the environment. All exploration projects and mining operations have an impact on the environment, particularly advanced exploration and mine development.

The Company endeavors to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, as with all exploration and mining activities, the Company's operations are expected to have an impact on the environment. There are also risks inherent in the Company's

activities including accidental leakages, spills, or other unforeseen circumstances that could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before undertaking activities that are likely to impact on the environment. If the Company fails to obtain such approvals it will be prevented from undertaking those activities. The Company cannot predict what future legislation and regulations may govern mining, and may impose significant environmental obligations on the Company.

6.12 Speculative nature of investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Securities offered under this Prospectus. Potential investors should consider that investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Securities.

7. TERMS AND CONDITIONS OF NEW SECURITIES

7.1 New Shares

The New Shares will rank equally in all respects with existing Shares.

The rights and liabilities attaching to Shares are set out in the Company's constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of holders of Shares.

(1) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares (at present there are none), at meetings of shareholders of Northern Cobalt:

- (a) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid Share held, or in respect of which that person is appointed a proxy, attorney or representative, have one vote, but in respect of partly paid Shares (at present there are none), shall have such number of votes as bears the same proportion which the amount paid, not credited, is of the

total amounts paid, and payable, whether or not called (excluding amounts credited) on the partly paid Shares.

(2) Rights on a winding up

On a winding up of Northern Cobalt, shareholders will have the right to participate equally in the distribution of its assets subject to any amounts unpaid on the Share.

(3) Transfer of Shares

Subject to the Constitution of Northern Cobalt, the Corporations Act, and any other laws and ASTC Settlement Rules and ASX Listing Rules, Shares are freely transferable.

(4) Future increases in capital

The allotment and issue of any Shares is under the control of the Directors. Subject to restrictions on the allotment of Shares in the ASX Listing Rules, the Constitution of the Company and the Corporations Act, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

(5) Variation of rights

Under the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders, vary or abrogate the rights attaching to Shares. If at any time the share capital is divided into different classes of shares unless the terms of issue of the Shares of a class state otherwise, the rights attached to any class may be varied or abrogated with the sanction of a special resolution passed at a meeting of shareholders, together with the consent in writing of the holders of three quarters of the issued shares of that class, or a special resolution passed at a separate meeting of the holders of the shares of that class.

(6) Dividend rights

Subject to the rights of holders of shares issued with special, preferential or qualified rights (at present there are none), the profits of the Company which the Directors determine to distribute by way of dividend are divisible among the holders of Shares in proportion to the number of Shares held by them.

7.2 New Options and Placement Options

Each of the New Options and Placement Options will be granted on the following terms and conditions:

- (1) Each of those Options will entitle the holder (**Optionholder**) to subscribe for one Share (subject to possible adjustments referred to in paragraphs (10), (11) and (12) below).
 - (2) Each of those Options will be exercisable during the period from the date it is granted until 5.00pm (Adelaide time) on 30 June 2022 (**Expiry Date**). Options not exercised before the Expiry Date will lapse.
-

- (3) The exercise price of each of those Options will be 10 cents (**Exercise Price**).
- (4) Those Options will be exercisable by notice in writing to the Company, delivered to the registered address of the Company and accompanied by the full payment of the Exercise Price in cleared funds.
- (5) Some or all of those Options will be able to be exercised at any one time or times prior to the Expiry Date.
- (6) Shares issued pursuant to the exercise of any of those Options will rank in all respects on equal terms with the existing Shares.
- (7) The Company will seek to have those Options admitted to the official list of ASX and those Options will be listed on ASX (or no securities will be issued under this Prospectus). The Company will make application for new Shares allotted on exercise of those Options to be admitted to the official list of entities maintained by ASX.
- (8) Those Options will be freely transferable at any time before the Expiry Date.
- (9) Those Options will not entitle the Optionholder to participate in any new issue of securities by the Company unless the Option has been duly exercised prior to the relevant record date. The Company will ensure that for the purposes of determining entitlements to participate in any new issues of securities to holders of Shares, that the record date will be at least five business days after the date the issue is announced.
- (10) If there is a bonus issue to the holders of Shares:
 - (a) the number of Shares over which each of those Options are exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.
- (11) If, prior to the Expiry Date the issued capital of the Company is reorganised, the rights of the holders of those Options may be varied to comply with the Corporations Act and the ASX Listing Rules which apply at the time of the reorganisation.
- (12) If the Company makes a rights issue (other than a bonus issue) of securities to holders of Shares after the date of issue of those Options, the Exercise Price of those Options will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

8. ADDITIONAL INFORMATION

8.1 Continuous disclosure and documents available for inspection

This is a Prospectus for the offer of continuously quoted securities (within the meaning of the Corporations Act) and options to acquire such continuously quoted securities and is issued pursuant to section 713 of the Corporations Act as a

transaction specific prospectus. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offering prospectus.

The Company is a “disclosing entity” for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. As a listed company, the Company is subject to the ASX Listing Rules which require it to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Shares, subject to certain exceptions.

Copies of documents lodged with ASIC in relation to the Company may be obtained, or inspected at, an office of ASIC.

During the Offer Period, the Company will provide to any person, on request and free of charge, a copy of each of the following documents:

- (a) the annual financial report of the Company for the financial year ended 30 June 2018, being the annual report of the Company most recently lodged with ASIC before the issue of this Prospectus;
- (b) the half-year financial report of the Company for the half year ended 31 December 2018; and
- (c) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to above until lodgement of the Prospectus with ASIC, in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporation Act.

The Company has lodged the following announcements with ASX since the lodgment of the 2018 annual report:

Date	Description of announcement
17 Aug 2018	2018 Corporate Governance Statement and Appendix 4G
17 Aug 2018	Notice of 2018 AGM and Proxy Form
24 Aug 2018	Drilling of High Priority Cobalt Targets Underway
28 Aug 2018	Copper Discovered at First Drill Target
6 Sep 2018	Mining the Territory Presentation
19 Sep 2018	Copper Discovery Grows at GregJo Prospect
28 Sep 2018	2018 AGM Managing Director's Presentation
28 Sep 2018	Results of 2018 Annual General Meeting
28 Sep 2018	Appendix 3B - Issue of Performance Rights
28 Sep 2018	Change of Director's Interest Notice - L Dean
28 Sep 2018	Change of Director's Interest Notice - M Schwarz
28 Sep 2018	Change of Director's Interest Notice - D Chessell
28 Sep 2018	Change of Director's Interest Notice - A Shearer
9 Oct 2018	Copper Intersection Confirms New Model at Running Creek
19 Oct 2018	Cobalt System Developing at Running Creek Prospect
29 Oct 2018	Quarterly Activities and Cashflow Report 30 September 2018
14 Nov 2018	Investor Presentation
18 Dec 2018	Cobalt and Copper System Confirmed at Running Creek
18 Dec 2018	Trading Halt

Date	Description of announcement
19 Dec 2018	Southern Alaskan Vanadium Project Acquired
20 Dec 2018	Appendix 3B - Issue of Consideration Shares
20 Dec 2018	Cleansing Notice - Consideration Shares
22 Jan 2019	Geophysics Highlight Potential at Gregjo
25 Jan 2019	Quarterly Activities and Cashflow Report 31 December 2018
22 Feb 2019	Northern Cobalt Half Year Financial Report
26 Feb 2019	Magnetic Survey Identifies Vanadium and Iron Ore Potential
14 Mar 2019	3D Model Confirms Vanadium and Gold Potential at Snettisham
15 Mar 2019	Controlled Placement Facility
15 Mar 2019	Appendix 3B - Issue of Collateral Shares
15 Mar 2019	Cleansing Notice - Collateral Shares
25 Mar 2019	Change of Director's Interest Notice - M Schwarz
29 Mar 2019	Change of Director's Interest Notice - M Schwarz
8 Apr 2019	Northern Cobalt Investor Presentation
26 Apr 2019	Quarterly Activities and Cashflow Report 31 March 2019
10 May 2019	Trading Halt
14 May 2019	Share Placement and Rights Issue
17 May 2019	Letter to Optionholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours, or is available on the ASX website at www.asx.com.au, using the Company's code N27.

8.2 Information excluded from continuous disclosure notices

As at the date of this Prospectus, there is no information that has not been disclosed under the continuous disclosure requirements of the ASX Listing Rules because the ASX Listing Rules expressly or impliedly exclude the information from disclosure, and which, in the Board's opinion, Shareholders and their professional advisers would reasonably require in order to assess the Company's assets and liabilities, financial position and prospects and the rights and liabilities attaching to the New Securities.

It is noted, however, that the Company is continuing to assess opportunities in relation to its existing projects or in relation to new projects or other corporate opportunities, as and when those opportunities are presented from time to time. If any proposal is presented to and accepted by the Company in relation to such an opportunity, the market will be immediately informed.

8.3 Interests of Directors

Other than as set out below, in this section 8 or elsewhere in this Prospectus, no Director or any entity in which a Director is a partner or director, has or has had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (c) the Offers.

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any Director or to any entity in which a Director is a partner or a director, either to induce him to become, or qualify as, a Director or otherwise for services rendered by him or by the entity in connection with the formation or promotion of the Company or the Offers.

Interests in Existing Securities

As at the date of this Prospectus the Directors have a direct or indirect interest in the following securities of the Company:

Director	Existing Shares	Existing Options	Existing Performance Securities
Len Dean Chairman	292,858	1,000,000	500,000
Michael Schwarz Managing Director	304,001	3,000,000	500,000
Duncan Chessell Director*	33,750	697,500	2,958,125
Andrew Shearer Director	840,000	450,000	1,625,000

**Duncan Chessell also holds a 25% interest in Coolabah Group Pty Ltd, which holds 4,875,000 shares or 9.06% of the Company.*

Remuneration of Directors

Directors are entitled to remuneration out of the funds of the Company, but the remuneration of the non-executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the non-executive Directors has been fixed at a maximum of \$400,000 per annum.

Directors are also entitled to be paid reasonable travel, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

The Directors are currently or have been entitled to the following remuneration or directors' fees over the past 2 years:

Director	Current annual Remuneration	Cash remuneration for prior 2 years	Equity remuneration for prior 2 years*
Len Dean Chairman	Directors' fees of \$60,000 per annum (inclusive of superannuation)	101,833	2,206
Michael Schwarz	Remuneration \$176,000 per annum (inclusive of	314,170	2,206

Managing Director	superannuation)		
Duncan Chessell Director	Directors' fees of \$35,000 per annum (inclusive of superannuation)	218,128	2,206
Andrew Shearer Director	Directors' fees of \$35,000 per annum (inclusive of superannuation)	58,804	2,206

* Fair value of options and performance rights issued (as appropriate).

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company. The Company has entered into indemnity, insurance and access deeds with each of the Directors (**Deeds**). Under the Deeds, the Company agrees to indemnify each of the Directors to the extent permitted by the Corporations Act against certain liabilities incurred by the Directors whilst acting as an officer of the Company, and to insure each Director against certain risks to which the Company is exposed as an officer of the Company. The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company.

8.4 Piper Alderman

Piper Alderman will receive a time based fee of approximately \$20,000 (excluding GST and disbursements) in connection with legal advice provided to the Company in respect of the Offers and the preparation of documentation in connection with the Offers.

Piper Alderman has also acted as legal service provider to the Company since November 2017 and in the last 2 years up to the date of this Prospectus has received or is entitled to receive legal fees in respect of legal services of approximately \$18,381 (exclusive of GST and disbursements), excluding in respect of the legal fees for the Offer.

8.5 PAC Partners

PAC Partners Securities Pty Ltd will be entitled to a fee for acting as Lead Manager in relation to the Offers, comprising 6% of the total amount raised. PAC Partners may pay fees to other brokers of up to 6% of funds received from those other brokers that participate in the Offers.

PAC Partners also acted as lead manager in respect of other capital raisings, including the Company's initial public offering, by the Company and has, in the 2 years prior to the date of this Prospectus, received fees in respect of those services of approximately \$487,938.

Non-Executive Director, Andrew Shearer, is Senior Resource Analyst at PAC Partners Securities Pty Ltd.

8.6 Broker handling fees

No broker handling fees are payable by the Company in connection with the Offers.

8.7 Expenses of the Offers

In the event that the Rights Issue Offer is fully subscribed, the estimated expenses of the Offers, including ASX Listing Fees, legal fees, share registry expenses, printing and postage costs, are \$102,725.

8.8 Consents and disclaimer

Each of the parties referred to in this section 8.8:

- (a) has not authorized or caused the issue of this Prospectus;
- (b) has not made, or purported to make any statement in this Prospectus, or on which any statement made in this Prospectus is based, other than the statements referred in this section 8.8;
- (c) does not assume responsibility for any part of this Prospectus except for the statements referred to in this section 8.8; and
- (d) to the maximum extent permitted by law, disclaim any responsibility or liability for any part of this Prospectus, other than a reference to it or a statement to be included in this Prospectus with their consent as specified in this section 8.8.

Each of the following has consented in writing to being named in the Prospectus in the capacity noted below and in the form and context in which they have been named, and has not withdrawn such consent prior to the lodgment of this Prospectus with ASIC:

- (a) Piper Alderman as legal advisor to the Company;
- (b) PAC Partners Securities Pty Ltd as Lead Manager of Offers; and
- (c) Security Transfer Australia Pty Ltd as the Company's share registry.

8.9 Liability statement

Neither PAC Partners Securities Pty Ltd nor Security Transfer Australia Pty Ltd were involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus. Neither PAC Partners Pty Ltd nor Security Transfer Australia Pty Ltd makes any express or implied representation or warranty in relation to Northern Cobalt, this Prospectus, nor is any statement in it based on any statement made by PAC Partners Securities Pty Ltd and Security Transfer Australia Pty Ltd. To the maximum extent permitted by law, PAC Partners Securities Pty Ltd and Security Transfer Australia Pty Ltd expressly disclaim and take no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

8.10 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened.

8.11 Further information

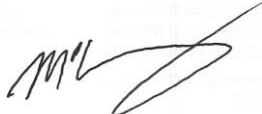
If you have any questions about the Offers, please contact either:

- (a) Northern Cobalt's share registry, Security Transfer Australia Pty Ltd, 1300 992 916; or
- (b) your stockbroker or professional adviser.

DIRECTORS STATEMENT

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of
Northern Cobalt Limited
On 20 May 2019

A handwritten signature in black ink, appearing to read 'MS', is written over a light grey rectangular background.

Michael Schwarz
Managing Director

9. DEFINED TERMS

In this Prospectus, the following words have the following meanings unless the context requires otherwise:

Application Forms	the Entitlement and Acceptance Form, the Placement Offer Application Form and/or the Shortfall Application Form.
ASX	ASX Limited or the securities exchange operated by ASX Limited (as the context requires).
ATO	Australian taxation Office.
ASX Listing Rules	the official listing rules of ASX.
Business Day	has the same meaning as in the ASX Listing Rules.
Closing Date	the last date for accepting the Rights Issue Offer, being 5.00pm Adelaide time on 17 June 2019, or such later date as the Directors advise.
Corporations Act	Corporations Act 2001 (Cth).
Directors	the directors of Northern Cobalt.
Entitlement	is defined in section 1.1(1).
Entitlement and Acceptance Form	The personalised form accompanying this Prospectus sent to Shareholders to allow Shareholders to apply for some or all of their Entitlement and any Shortfall.
Excluded Shareholder	a registered holder of Shares on the Record Date with a registered address in a country outside of either Australia or New Zealand.
New Share	a Share to be issued pursuant to this Prospectus at 5 cents per Share.
New Security or New Securities	a New Share, New Option and/or Placement Option (as appropriate).
New Option	an Option to be issued under the Offers pursuant to this Prospectus on the terms and conditions set out in section 7.2.
Northern Cobalt or the Company	Northern Cobalt Limited ACN 617 789 732
Northern Territory Projects	The following projects held by the Company in the Northern Territory: (a) 100% owned Wologorang Cobalt Project, comprising EL30496, EL30590, EL31272, EL31546, EL31547, EL31548,

EL31549 and EL31550; and

- (b) 100% owned Arunta Project, comprising EL28886, EL31777, EL31778 and EL31779.

Offers	the Rights Issue Offer, the Shortfall Offer and the Placement Offer made pursuant to this Prospectus.
Offer Period	the period during which the Rights Issue Offer will remain open for acceptance in accordance with the terms of the Rights Issue Offer.
Option	an option to subscribe for a Share.
Performance Right	a Performance Right granted under the Northern Cobalt Performance Share Plan.
Performance Share	a performance share which automatically converts to a Share upon the satisfaction of certain conditions.
Prospectus	this prospectus dated 20 May 2019 under which the Offers are being made.
Placement	The placement of 9,000,000 fully paid ordinary shares to investors that do not require disclosure identified by PAC Partners Securities Pty Ltd at 5 cents each, as announced to ASX on 14 May 2019.
Placement Offer	the offer of Placement Options made under this Prospectus, on the basis of 1 free Placement Option for every 2 New Shares subscribed for under the Placement.
Placement Offer Application Form	The personalized application form accompanying this Prospectus sent to Placement Participants for the acceptance of the Placement Options.
Placement Options	4,500,000 Options offered to parties that have participated under the Placement, on the same terms and conditions as the New Options.
Placement Participants	those persons that participated in the Placement
Record Date	6.30pm Adelaide time on Thursday 23 May 2019.
Rights Issue Offer	the offer made under this Prospectus of one New Share for every three Shares held by a Shareholder on the Record Date, with one free attaching New Option for every two New Shares subscribed for.
Share	a fully paid ordinary share in the capital of Northern Cobalt.
Shareholder	a registered holder of Shares with a registered address in either

Australia or New Zealand as at the Record Date.

Shortfall or Shortfall Shares	those New Shares forming Entitlements or part of Entitlements not accepted under the Rights Issue Offer, including the right to be issued one free attaching New Option for every two New Shares subscribed for.
Shortfall Application Form	The application form for non-Shareholders to apply for Shortfall, available with a copy of the Prospectus on request from the Company.
Shortfall Offer	The offer of Shortfall on the terms and conditions set out in this Prospectus, particularly sections 1.1(2) and 4.
Snettisham Project	The Snettisham project consists of 48 contiguous Federal Load Claims (AKAA 095408 to AKAA 095455) administered by the Bureau of Land Management in Alaska, USA. The project occurs approximately 50 km to the south of the capital city of Juneau in south-western Alaska.
Wollogorang Cobalt Project	100% owned Wollogorang Cobalt Project in the Northern Territory, comprising EL30496, EL30590, EL31272, EL31546, EL31547, EL31548, EL31549 and EL31550