

SHARE PLACEMENT AND NON-RENOUNCEABLE RIGHTS ISSUE

- Northern Cobalt is pleased to announce a share placement raising \$450,000 and a 1-for-3 non-renounceable rights issue at 5 cents per share to raise up to \$1.04 million.
- Participants in the placement and rights issue may be eligible for the Junior Minerals Exploration Incentive (JMEI). The JMEI entitles some investors to a refundable tax offset of up to 30% of their investment in this capital raise – available in the 2018/19 income tax return.
- For every two new shares issued under the placement and rights issue, subscribers will also receive one new option with an exercise price of 10 cents and expiry of 30 June 2022 – quotation to be sought for placement and rights issue options and shareholder approval required for placement options.
- Eligible Northern Cobalt shareholders will be given the opportunity to apply for additional shares in excess of their entitlements.
- Net proceeds together with existing cash reserves will fund exploration to develop drill-ready targets on the Company's Snettisham project in Alaska and Wollogorang project in the NT.

Northern Cobalt Limited (**N27** or **Company**) is pleased to announce a share placement raising \$450,000 and a non-renounceable rights issue to raise up to \$1.04 million (before costs). The funds raised will be used to further progress the Company's Snettisham project in Alaska and Wollogorang project in the Northern Territory.

The Snettisham project is in south-western Alaska, contains the potential for large scale mineralisation and is positioned with access to infrastructure requirements such as cheap electricity, transport options and proximity to the mining town of Juneau in southern Alaska. The local geology is well suited to hosting Juneau Gold Belt style mineralisation which occurs as lode gold within fault and shear structures in the host rocks.

CAPITAL STRUCTURE

Ordinary Shares
Issued 53.8 M

Options and rights
Listed options 6.3 M @ 20c
Unlisted options 12.3 M @ 25c
Unlisted rights 2.5 M

Performance Shares

Class A 9.6 M
Class B 3.6 M

Last Capital Raise

24 April 2018 - SPP
\$0.6M @ 35c

BOARD

Len Dean - Chair
Michael Schwarz - MD
Duncan Chessell - NED
Andrew Shearer - NED
Jarek Kopias - Co Sec

N27 will be testing the Gregjo Prospect for copper and Running Creek Prospect for copper and cobalt in the NT. The Gregjo Prospect includes a large induced polarisation (IP) chargeability anomaly identified in multiple traverses. The anomaly is directly below copper mineralisation intersected in recent shallow drilling, extending up to 200m out from the Gregjo Fault and 800m along the fault. The Running Creek Prospect is adjacent to the Company's Stanton Cobalt Mineral Resource and has a similar IP anomaly extending up to 200m from mineralisation. Drilling results include 55m @ 0.78% Cu from 0m (hole 18RAB102) including 33m @ 1.08% Cu from 11m and 13m @ 2.01% Cu from 11m. Both prospects will be tested with follow up drilling campaigns following the capital raise.

Junior Minerals Exploration Incentive (JMEI)

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 lodgement 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 will 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.

Share placement

The Company has received firm commitments for \$450,000 from investors not requiring a disclosure document. Funds received from the placement will be used to progress N27's Snettisham project, copper and cobalt projects at Wollogorang (Gregjo and Running Creek) and for working capital.

The approximately 9,000,000 fully paid ordinary shares to be issued in connection with the placement will be issued under N27's existing Listing Rule 7.1 capacity (3,920,000 shares) and Listing Rule 7.1A capacity (5,080,000 shares).

Investors in the placement will be offered options exercisable for one fully paid share in the Company at \$0.10 each on or before 30 June 2022 (**Option**). N27 will seek shareholder approval and quotation of the Options.

Rights Issue

N27 is undertaking a non-renounceable rights issue (**Rights Issue**) of one (1) new fully paid ordinary share for every three (3) shares held at an issue price of 5 cents per share to raise up to \$1.04 million.

Subscribers to the Rights Issue will also receive one (1) free attaching option for every two (2) shares subscribed for, exercisable at 10 cents on or before 30 June 2022. N27 will seek quotation of the Options.

Shareholders with an address in Australia or New Zealand on the Company's register at 6:30pm Adelaide time on 23 May 2019 will be eligible to participate in the Rights Issue (**Eligible Shareholders**).

The issue price reflects an 18% discount to the most recent 1-month volume weighted average of the Company's share price.

The Directors reserve the right to place any shortfall not taken up by Eligible Shareholders at their discretion within three months after the close of the offer, provided that the issue price is not less than the issue price under the Rights Issue.

Eligible Shareholders' entitlements pursuant to this Rights Issue are non-renounceable and accordingly, they may:

- take up their entitlement in full or in part;
- do nothing, in which case their entitlement will lapse; or
- take up their entitlement in full and apply for additional new shares.

Shareholder approval is not required for the Rights Issue.

Full details of the Rights Issue are set out in a Prospectus, which will be lodged by the Company with the Australian Securities and Investments Commission (ASIC) and the Australian Securities Exchange (ASX) on or about 20 May 2019.

This report includes results that have previously been released under JORC 2012 by the Company as "Copper Intersection Confirms New Model at Running Creek" on 9 October 2018. The Company is not aware of any new information or data that materially affects the information included in this announcement.

The proposed timetable for the Rights Issue is as follows:

Notice sent to Optionholders	17 May 2019
Lodgement of Prospectus with ASIC and ASX Lodgement of Appendix 3B with ASX	20 May 2019
Notice sent to Shareholders	21 May 2019
Ex date	22 May 2019
Record Date for determining Entitlements	6:30pm Adelaide time on 23 May 2019
Prospectus despatched to Shareholders & Company announces despatch has been completed	28 May 2019
Closing Date*	5pm Adelaide time 17 June 2019
Shares quoted on a deferred settlement basis	18 June 2019
ASX notified of under subscriptions	20 June 2019
Issue date for new securities	24 June 2019
Shares and Options issued under the Offer to commence trading	25 June 2019
Despatch of holding statements	27 June 2019

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

Existing option holders will need to exercise their options and be a registered holder of shares at the close of business on 23 May 2019 if they wish to participate in the Rights Issue.

N27 has decided it is unreasonable to make the 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 shares they would be offered and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions.

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