



2 May 2019

Dear Shareholder,

NON-RENOUCEABLE RIGHTS ISSUE – NOTIFICATION TO ELIGIBLE SHAREHOLDERS

On 30 April 2019, New World Cobalt Limited (**Company**) announced a capital raising of approximately \$2.2 million (before costs) through a fully underwritten non-renounceable entitlements issue of two (2) fully paid ordinary share (**New Shares**) for every five (5) existing shares to shareholders with a registered address in Australia, New Zealand, Singapore, Malaysia, Hong Kong and the United Kingdom (**Eligible Shareholders**) held as at 5.00pm on Monday, 6 May 2019 (**Record Date**) (**Offer**).

The Offer will be made by the Company pursuant to an offer document in accordance with section 708AA of the *Corporations Act 2001 (Cth)* (**Offer Document**) to be sent to shareholders on or about Tuesday, 7 May 2019.

Details of the Offer

Pursuant to the Offer, the Company will issue approximately 220,607,054 New Shares at an issue price of \$0.01 per New Share to raise approximately \$2.2 million before costs.

The Offer is fully underwritten by Cygnet Capital Pty Limited (**Underwriter**).

The New Shares will rank equally in all respects with the Company's Existing Shares. The Company will apply to the ASX for quotation of the New Shares.

If you are an Eligible Shareholder, you will be able to subscribed for two (2) New Shares for every five (5) existing shares held on the Record Date (**Entitlement**).

Eligible Shareholders who choose not to take up their Entitlement will receive no value in respect of their Entitlement and their shareholding in the Company will be diluted. Shareholders who are not Eligible Shareholders are "Ineligible Shareholders" and are consequently unable to participate in the Offer.

Use of funds

The Company intend to apply the proceeds from the Offer together with the Company's existing cash reserves for the following purposes:

- exploration at the Tererro VMS Project, including geophysics and drilling programs, and exploration at the Idaho and Nevada projects;
- provide additional working capital; and
- to fund expenses of the Offer – including underwriting fees, legal costs, and other administrative expenses (including ASX, ASIC and Share Registry fees).

Timetables

The Company expects the Offer to be conducted in accordance with the following timetable:

Event	Date
Announcement of Offer	Tuesday 30 April 2019
Record Date for the Offer	Monday 6 May 2019
Despatch of Offer Document and Entitlement and Acceptance Form and announcement that despatch completed	Tuesday 7 May 2019
Offer opens	Thursday 9 May 2019
Offer closes	5.00pm (WST) Monday 20 May 2019
Settlement of Offer	Monday 27 May 2019
Quotation of New Shares under the Offer	Tuesday 28 May 2019
Despatch date of holding statements, New Shares entered into the holders' security holdings	Tuesday 28 May 2019

** The timetable is indicative only and subject to change. The Company reserves the right, subject to the Corporations Act 2001 (Cth) and the ASX Listing Rules, to amend the above dates.*

Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the capital raising is set out below, assuming the Offer is fully subscribed, and no existing Options are exercised.

Event	Shares
Shares currently on issue	551,517,635
Shares to be issued under the Entitlement Offer	220,607,054
TOTAL ISSUED SHARES	772,124,689

Event	Options
Unlisted Options exercisable at \$0.125 on or before 13 December 2019	1,250,000
Unlisted Options exercisable at \$0.10 on or before 9 May 2020	10,000,000
Unlisted Options exercisable at \$0.12 on or before 22 September 2020	833,334
Unlisted Options exercisable at \$0.0225 on or before 24 January 2021	750,000
Unlisted Options exercisable at \$0.125, \$0.15, \$0.175, \$0.20 and \$0.225 on or before 13 December 2021	1,050,000
TOTAL ISSUED OPTIONS	13,883,334

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Offer. Full details of the Offer will be set out in the Offer Document to be sent to shareholders shortly, together with a personalised entitlement and application form (**Application Form**).

A copy of the Offer Document may also be viewed on the ASX website.

Action required by Eligible Shareholders:

Your Entitlement may have value and it is important you determine whether to (in whole or in part) take up or do nothing in respect of your Entitlement. If you take up your Entitlement, you can also apply for additional New Shares. Your Entitlement to participate in the Offer is non-renounceable and therefore will not be tradeable or otherwise transferable.

- (a) Take up your Entitlement: If you wish to take up all or part of your Entitlement, you must follow the instructions in the Application Form. Applications and application monies must be received by the Company's Share Registry by 5.00pm (WST) on 20 May 2019 (unless the offer period is extended by the Company).
- (b) Apply for additional New Shares: If you take up your Entitlement in full, you can also apply for additional New Shares (subject to scale back as determined by the Company in conjunction with the Underwriter). Further information on applying for additional New Shares will be provided in the Offer Document and Application Form.
- (c) Do nothing: If you take no action, you will not be allocated New Shares, your Entitlement will lapse and those New Shares for which you would have otherwise been entitled under the Offer may be acquired by the Underwriter or sub-underwriters.

As the Offer is fully underwritten, shareholders who do not take up their Entitlement in full will have a reduced (i.e. diluted) percentage shareholding in the Company after settlement of the Offer

If you have any questions, please call the Company Secretary on +61 8 9226 1356 at any time between 8.30am to 5.30pm (WST), Monday to Friday before the Offer closes, or consult your stockbroker or professional advisor.

The Company thanks you for your continuing support and looks forward to your participation in the Offer.

Yours faithfully,

New World Cobalt Limited



Ian Cunningham
Company Secretary