

JUNIOR MINERALS EXPLORATION INCENTIVE

- **N27 has been successful in its application for participation in the Federal Government's Junior Minerals Exploration Incentive ("JMEI") scheme**
- **JMEI credits will be distributed to shareholders as tax credits for the 2017/18 tax year – allocation up to \$275,000 in JMEI credits**
- **To be eligible, shareholders must have participated in the Company's fundraising activity after the issue of JMEI credits on Monday, 23 April 2018 and up to 30 June 2018**
- **Only new shares issued by N27 are eligible for JMEI credits**
- **Successful SPP participants raising \$582,500 are eligible for JMEI credits**

Northern Cobalt Ltd (ASX: N27) ("N27" or the "Company") is pleased to announce that it has been advised by the Australian Taxation Office ("ATO") that its application to participate in the JMEI scheme has been accepted and the Company has received an allocation of up to \$275,000, which can be distributed to eligible shareholders.

The Company has recently announced the issue of shares under an SPP raising \$0.6 million. The successful applicants under the SPP will be eligible to receive a share of the Company's JMEI credit allocation. N27 anticipates the Company will make a JMEI distribution of approximately 9 cents per share if no other shares are issued between the Record Date and 30 June 2018. The precise distribution per share will be determined after 30 June 2018 and will be impacted by any other new shares issued prior to 30 June 2018.

CAPITAL STRUCTURE

Ordinary Shares
Issued 50.2M

Options
Listed 7.0 M @ 20c
Unlisted 12.3 M @ 25c

Performance Shares

Class A 9.6 M
Class B 3.6 M

Last Capital Raise
24 Apr 2018 - SPP
\$0.6M @ 35c

BOARD

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

In March 2018, the Federal Parliament passed legislation introducing the JMEI scheme with effect from 1 July 2017 for a four-year period based on an annual application process. The ATO is the administrator of the scheme.

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.

Australian resident shareholders that are issued with JMEI credits will generally be entitled to refundable tax offsets (for individual shareholders 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.

The Company’s allocation of JMEI credits must be distributed to all eligible shareholders on a pro-rata basis. For shareholders to be eligible to receive a pro-rata distribution of JMEI credits from the Company, they must have applied for and be issued shares in the Company after Monday 23 April 2018 (“Record date”) and no later than 30 June 2018.

The JMEI credits will apply to the 2017/18 tax year and can be issued by the Company after lodgement of its 30 June 2018 tax return.

The Record Date to determine eligibility for JMEI credits is Monday 23 April 2018 and only those shareholders to whom shares were issued after this date and before 30 June 2018 will be eligible to receive a distribution of the JMEI credits allocated to the Company.

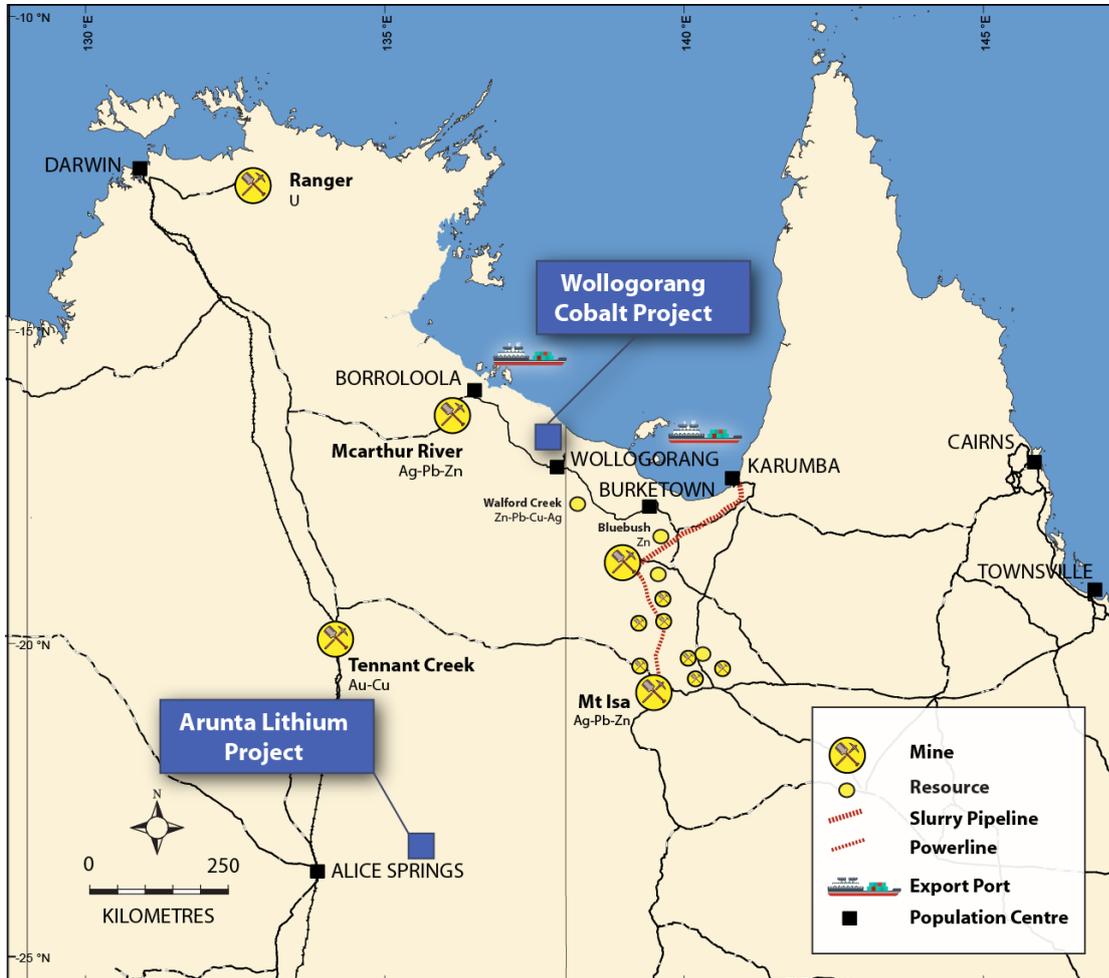
Shares issued prior to the Record Date will not be eligible for the credit.

Eligible shareholders are expected to be notified by the Company of their JMEI credit entitlement in the approved form by 30 September 2018, and the JMEI credits will apply to income tax assessed for the year ended 30 June 2018.

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Project Location

The Wologorang Cobalt Project occurs in the far north-eastern corner of the Northern Territory, a mining friendly jurisdiction. The Project area is 180 km to the south-east of the population centre of Borroloola. The capital city of Darwin is 870 km to the north-west and the McArthur River Mine is approximately 150 km to the west-northwest.

About Northern Cobalt Ltd

Northern Cobalt Ltd is an emerging resource company engaged in the acquisition, exploration and development of cobalt mineral projects. The company is led by an experienced and diverse board of directors and management team with proven success in corporate finance, operational management, engineering and exploration project management. Their combined experience and commitment provides