

11 July 2018

The Manager Companies  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

(5 pages by email)

**LETTER TO ELIGIBLE AND INELIGIBLE SHAREHOLDERS**

The Company advises that the following two letters has been sent in relation to the Non-Renounceable Rights Issue announced on 11 July 2018:

- a) Letter to shareholders of Collerina Cobalt Limited who have registered addresses in Australia and New Zealand as at the Record Date of 7:00pm (AEST) on 16 July 2018, and are eligible to participate in the Rights Issue (Eligible Shareholders); and
- b) Letter to shareholders of Collerina Cobalt Limited who have registered addresses outside Australia and New Zealand as at the Record Date of 7:00pm (AEST) on 16 July 2018, and are not entitled to participate in the Rights Issue (Ineligible Shareholders).

Yours faithfully



Richard Edwards  
Company Secretary

11 July 2018

[name of shareholder]

[address of shareholder]

Dear Shareholder

### **NON-RENOUNCEABLE RIGHTS ISSUE**

On 11 July 2018 Collerina Cobalt Limited (**Company**) announced a non-renounceable pro rata offer to shareholders with a registered address in Australia or New Zealand of approximately 50 million fully paid ordinary shares on the basis of 1 New Share for every 10 Shares held as at 7:00pm (AEST) on 16 July 2018 (**Record Date**), at an issue price of \$0.08 per new share (**Rights Issue**) to raise up to approximately \$4 million (before costs).

The Rights Issue is fully underwritten by Bell Potter Securities Limited.

The Directors have agreed to participate in the Offer for their full entitlement.

The Company intends to apply the proceeds from the Offer as follows:

<b>Use of funds (\$) (approx.)</b>	<b>Underwritten Amount</b>
Additional PFS testwork	300,000
PFS engineering and reporting	260,000
Testwork piloting	1,720,000
Project and product marketing	50,000
General working capital <sup>3</sup>	1,370,000
Costs of the Offer <sup>4</sup>	300,000
<b>Total use of funds</b>	<b>4,000,000</b>

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

Announcement of Offer, appendix 3B and section 708AA notice	11 July 2018
Ex rights date	13 July 2018
Record date to determine entitlement to New Shares	16 July 2018
Dispatch of Offer document and Entitlement and Acceptance Form Offer opening date	19 July 2018
Offer closing date	30 July 2018
Securities quoted on deferred settlement basis	31 July 2018
Notify ASX of total subscriptions	2 August 2018
Allotment Date	6 August 2018

The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 2 months after the date the Offer is announced. As such the date the New Shares are expected to commence trading on ASX may vary.

The new shares issued pursuant to the Rights Issue will rank equally with existing fully paid ordinary shares in the Company. Application has been made for the quotation of the new shares.

The Rights Issue will be offered without disclosure by reason of section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), which enables certain entities to offer shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act.

An offer document will be sent to Eligible Shareholders shortly after the Record Date. Shareholders should consider the offer document carefully in deciding whether to acquire securities offered under the Rights Issue. Eligible Shareholders may also apply for additional shares in excess of their entitlement.

The capital structure of the Company before and after completion of the Rights Issue is set out below:

Shares currently on issue <sup>1</sup>	508,272,744
New shares offered under the Rights Issue <sup>1</sup>	50,827,274
<b>Total shares on issue after completion of the Rights Issue</b>	<b>559,100,018</b>

<sup>1</sup> Assumes no further shares are issued prior to the Record Date.

Options currently on issue <sup>1</sup>	38,000,000
Options offered under the Rights Issue	Nil
<b>Total options on issue after completion of the Rights Issue<sup>2</sup></b>	<b>38,000,000</b>

<sup>1</sup> Comprised of 8,000,000 options exercisable at \$0.02 per option expiring on 24 October 2018 and 30,000,000 options exercisable at \$0.10 per option expiring on 31 October 2019.

<sup>2</sup> It is proposed that Rimas Kairaitis be issued with 10,000,000 unlisted options exercisable at \$0.15 per option expiring on 31 October 2020. The issuance of these options will be subject to shareholder approval.

Bell Potter Securities Limited will be paid a lead manager fee of 2% of amounts raised and an underwriting fee of 4%.

Should you have any questions regarding the Rights Issue you may contact the Company on +61 2 9300 3310 or consult your stockbroker or professional adviser.

We look forward to your participation in the Rights Issue.

Yours faithfully



Richard Edwards

Company Secretary

11 July 2018

[ineligible shareholder]

[address of noteholder]

Dear Shareholder,

**NON-RENOUNCEABLE RIGHTS ISSUE - NOTIFICATION TO INELIGIBLE SHAREHOLDERS**

On 11 July 2018 Collerina Cobalt Limited (**Company**) announced a non-renounceable pro rata offer to shareholders with a registered address in Australia or New Zealand of approximately 50 million fully paid ordinary shares on the basis of 1 New Share for every 10 Shares held as at 7:00pm (AEST) on 16 July 2018 (**Record Date**), at an issue price of \$0.08 per new share (**Rights Issue**) to raise up to approximately \$4 million (before costs).

The Company has decided that it is unreasonable to make offers under the Rights Issue to shareholders with a registered address outside Australia or New Zealand (Ineligible Shareholders), having regard to the number of such shareholders, their holdings and the compliance costs required to offer the Shares under the Rights Issue to those shareholders.

Unfortunately, since you are an Ineligible Shareholder, no offer is being made to you and the offer document prepared by the Company in relation to the Rights Issue will not be sent to you.

This letter is neither an offer to issue new shares to you, nor an invitation for you to apply for new shares.

You do not have to take any further action in relation to the Rights Issue.

Should you have any questions regarding the Rights Issue or discuss applying for shortfall (where lawful to do so) you may contact the Company on +61 2 9300 3310.

Yours faithfully



Richard Edwards

Company Secretary