

11 July 2018

The Manager Companies  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

(23 pages by email)

## UNDERWRITTEN NON-RENOUNCEABLE RIGHTS ISSUE

- **1 for 10 rights issue offered at 8.0 cents per share to raise approximately \$4.0 million.**
- **The Offer is fully underwritten.**
- **Directors will subscribe for their full entitlements.**
- **Attractive pricing – 26.6% discount to 1 month VWAP of 10.9 cents.**
- **Funding to advance the HPA First process.**
- **Detailed Investor Presentation attached.**

The Directors are pleased to advise that Collerina Cobalt Limited (the **Company**) will proceed with a fully underwritten 1 for 10 pro-rata, non-renounceable rights issue (**Offer**) to raise approximately \$4.0 million before costs of the Offer.

This Offer is being conducted to advance the HPA First process, as a fast track to become a globally significant, low cost producer of High Purity Alumina (**HPA**).

The funds raised will be principally used to:

- Advance pre-feasibility study (**PFS**) testwork.
- PFS engineering and reporting.
- Testwork piloting.
- Project and product marketing.
- Working capital and costs of the Offer.

The Offer will be made to eligible shareholders on the basis of 1 New Share for every 10 Existing Shares held, at an issue price of \$0.08 per New Share to Eligible Shareholders who are registered on the Company's share register at 5.00pm EST on 16 July 2018 (**Record Date**). The issue price represents a 26.6% discount to the 1 month volume weighted average price (**VWAP**) of 10.9 cents.

Shareholders will be given the opportunity to apply for additional securities in excess of their entitlement, however, allocations are not guaranteed.

Directors have advised that they will subscribe for their full entitlement under the Offer.

Bell Potter Securities Limited has been appointed to act as Lead Manager and Underwriter to the Offer.

The proposed timetable\* for the offer is as follows:

Announcement of Offer, Appendix 3B and section 708AA notice	11 July 2018
Shares trade ex-entitlement (Ex Date)	13 July 2018
Record date to determine Entitlements (Record Date)	16 July 2018
Dispatch of Offer document and Entitlement and Acceptance Form Offer opening date	19 July 2018
Offer Closing date (5pm EST)	30 July 2018
Securities quoted on deferred settlement basis	31 July 2018
Notify ASX of under subscriptions	2 August 2018
Allotment date Deferred settlement trading ends	6 August 2018
Dispatch of shareholding statements	7 August 2018
Normal trading of New Shares expected to commence	7 August 2018

\*The above timetable is indicative and may change, subject to the Corporations Act and Listing Rules.

An Offer Document and a personalised Entitlement and Acceptance form will be sent to Eligible Shareholders in accordance with the above timetable. Furthermore, from 19 July 2018, eligible shareholders can view their personalised entitlement and acceptance form online at [www.investorcentre.com](http://www.investorcentre.com).

Shareholders should carefully consider the Offer Document in deciding whether to acquire New Shares.

The Company gives notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) that:

1. The Company will offer the New Shares in for issue pursuant to the Entitlement Offer in reliance of section 7088AA (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) and without disclosure to investors under Part 6D.2 of the Corporations Act.
2. As at the date of this notice:
  - (a) the Company has complied with the provisions of Chapter 2M of the Corporations Act as they apply to the Company;
  - (b) the Company has complied with section 674 of the Corporations Act; and
  - (c) there is no 'excluded information' within the meaning of sections 708AA(8) and 708AA(9) of the Corporations Act which is required to be disclosed under section 708AA(7)(d) of the Corporations Act.
3. The potential effect that the Entitlement Offer will have on control of the Company and the consequences of that effect will depend upon a number of factors, including investor demand. As the Entitlement Offer is pro rata, on a 1 for 10 basis and fully underwritten, the Company does not expect the Entitlement Offer to give rise to any material effect or consequence on the control of the Company.

Yours sincerely



Richard Edwards  
Company Secretary

pjn9454

**COLLERINA COBALT LTD (ASX:CLL)**

**RIGHTS ISSUE TO FAST TRACK  
HPA PRODUCTION**



# Disclaimer



**This presentation has been prepared by Collerina Cobalt Limited (ABN 79 106 879 690) (“Collerina Cobalt” or the “Company”). It should not be considered as an offer or invitation to subscribe for or purchase any securities in the Company or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in the Company will be entered into on the basis of this presentation.**

**This presentation contains forecasts and forward looking information. Such forecasts and information are not a guarantee of future performance, involve unknown risks and uncertainties. Actual results and developments will almost certainly differ materially from those expressed or implied. Collerina Cobalt has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this presentation. Accordingly, to the maximum extent permitted by applicable laws, Collerina Cobalt makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and take no responsibility and assume no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission, from any information, statement or opinion contained in this presentation.**

**You should not act or refrain from acting in reliance on this presentation material. This overview of Collerina Cobalt does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of the Company’s prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation and making any investment decision.**

# “HPA FIRST” - FAST TRACK PATH TO HPA PRODUCTION

Collerina Project PFS testwork has identified a major opportunity to fast track High Purity Alumina (HPA) production (the “HPA First” process)



Major opportunity to fast track HPA production using proprietary technology

**The “HPA First” process**



**HPA First** is a major process simplification:  
Major OpEx reductions  
Major CapEX reductions

**Dominant HPA revenue fast tracked**



PFS Study adjusted to include the **HPA First** process

**Expected to deliver a dramatically improved business case**

**The HPA First process will capture the dominant project revenue (HPA) whilst retaining the attractive option of future integration of the nickel-cobalt process using Collerina Project ore.**

# Rights Issue

- Collerina Cobalt is launching a 1 for 10 fully underwritten rights issue at 8.0 cents per share to raise ~\$4m
- Proceeds of the offer to fund the amended HPA First Pre-Feasibility Study (PFS), to commence HPA marketing and Project Piloting for the Definitive Feasibility Study (DFS)

ASX Code	CLL	
Existing Issued Capital (1 July 2018)	508,272,744	shares
Rights Issue (1 for 10)	50,827,274	shares
Offer Price	\$0.08	
Discount to 30 day VWAP	26.6%	
Discount to last traded	27.3%	
<b>Funds Raised (before costs)</b>	<b>\$4,066,182</b>	
Post-Issue Capital Structure <sup>1</sup>		
Shares on Issue	559,100,018	shares
Unlisted Options (@2c)	8.0M	(exp Oct 18)
Unlisted Options (@10c)	30.0M	(exp Oct 19)

1. It is proposed that Rimas Kairaitis be issued with 10M unlisted options at a strike price of 15c with a maturity date of 31 October 2020. The issue of these options will be subject to shareholder approval.

Indicative Use of Funds	\$
Additional PFS Testwork	300,000
PFS Engineering & Reporting	260,000
Testwork Piloting	1,720,000
Project & Product Marketing	50,000
Administration	264,000
Capital Raising Costs	300,000
Working Capital	1,172,182
	<b>4,066,182</b>

## Indicative Timetable to the Offer

Event	Date
Announcement Date	Wednesday 11th July, 2018
Shares trade ex-entitlement (Ex-date)	Friday 13th July, 2018
Record Date to determine entitlement (Record Date)	Monday 16th July, 2018
Offer Document Despatched	Thursday 19th July, 2018
Offer Closes (5pm)	Monday 30th July, 2018
Deferred Settlement Trading commences	Tuesday 31st July, 2018
Notify ASX of under-subscriptions	Thursday 2nd August, 2018
Issue Date and Deferred Settlement Trading ceases	Wednesday 6th August, 2018

This timetable is indicative and may change, subject to the Corporations Act and the ASX Listing Rules

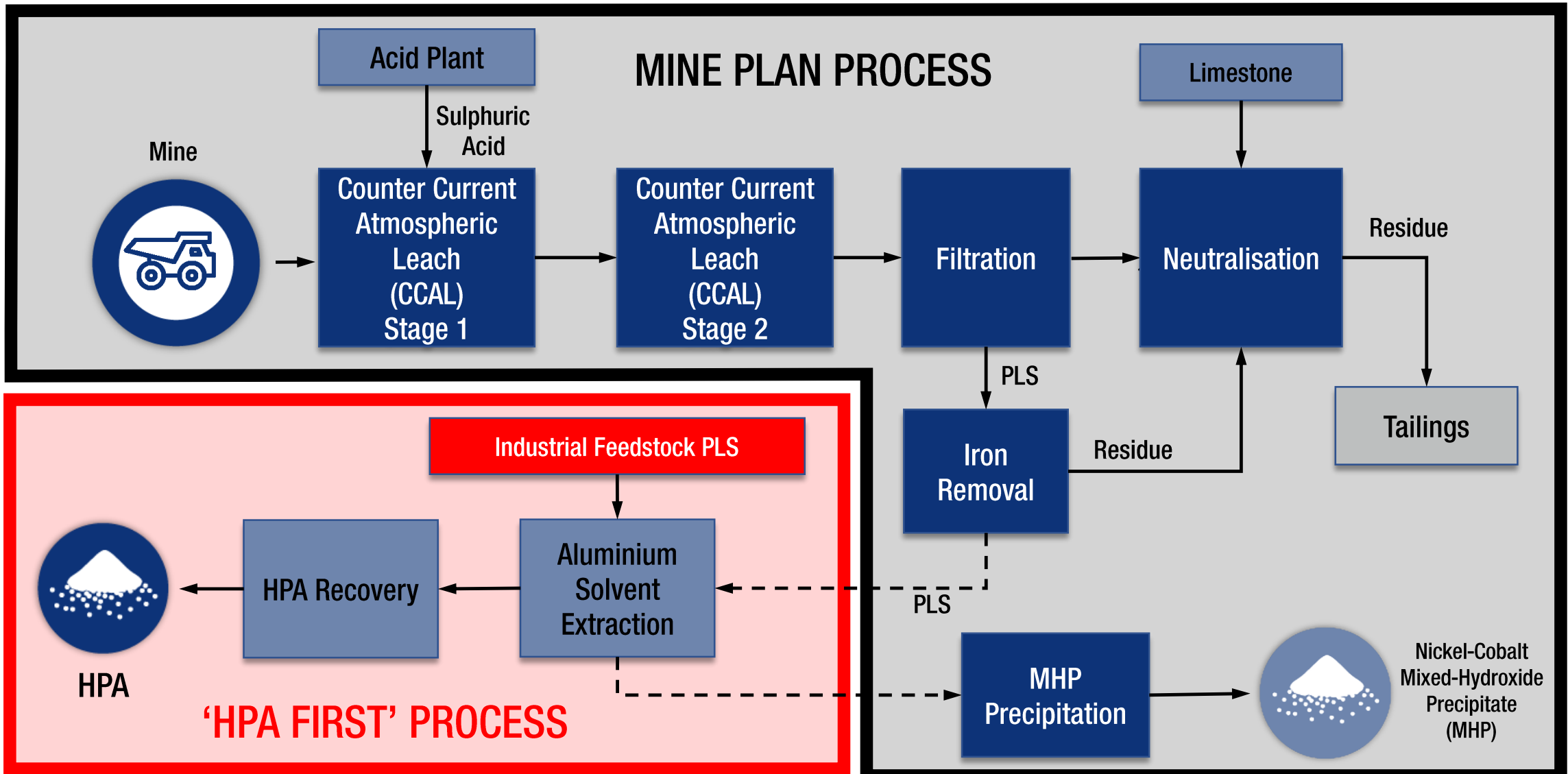


# HPA First

- The Collerina Project PFS testwork has identified a major opportunity to fast track High Purity Alumina (HPA) production (the **HPA First** process).
- The HPA First process uses the Company's proprietary licenced solvent extraction (SX) and refining technology and a feedstock blend of readily available industrial products rather than an acid leach solution generated from the Collerina Project ore.
- The alternate feedstock delivers an aluminium tenor at multiples higher than achievable with an acid leach solution.
- Bench scale SX test results have confirmed the viability of the HPA First process.
- This major advance represents the opportunity to rapidly fast track HPA production, as the dominant revenue material, ahead of any mine development.
- This HPA First process is a far simpler process than the original process flow sheet, and does not require the development of a mining operation or associated acid plant, leach vessels, filtration plant, neutralisation circuits or tailings facilities, with the following implied benefits:
  - significant reductions in the process plant equipment and vessel sizing;
  - significant CapEx reductions;
  - significant OpEx reductions;
  - de-risked project implementation with a faster track through DFS, permitting, financing and construction to operational cash-flow.
- The Pre-Feasibility Study (PFS) has been formally modified to deliver an initial study based on the HPA First process and is expected to deliver a dramatically improved business case.
- To accommodate the additional engineering and testwork required, the PFS delivery is now expected in October 2018.
- The option for the future integration of a nickel-cobalt process is retained.

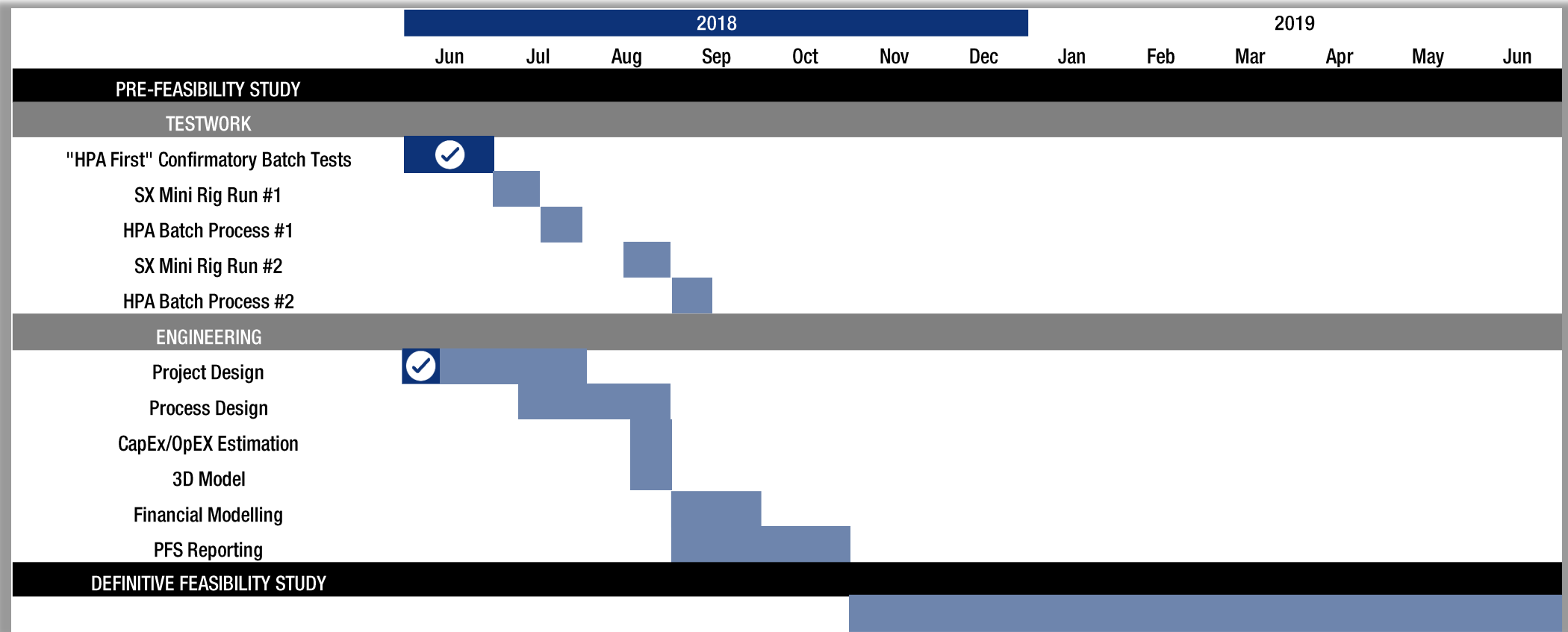


# HPA First – A Major Process Simplification



# Indicative Timetable

- A modified PFS has been adopted to deliver on the HPA First process.
- Two additional SX mini-rig and HPA runs are required on the new feedstock, with PFS delivery due in October 2018.
- The PFS is expected to roll directly into pilot scale testwork for a DFS delivery in 2019.

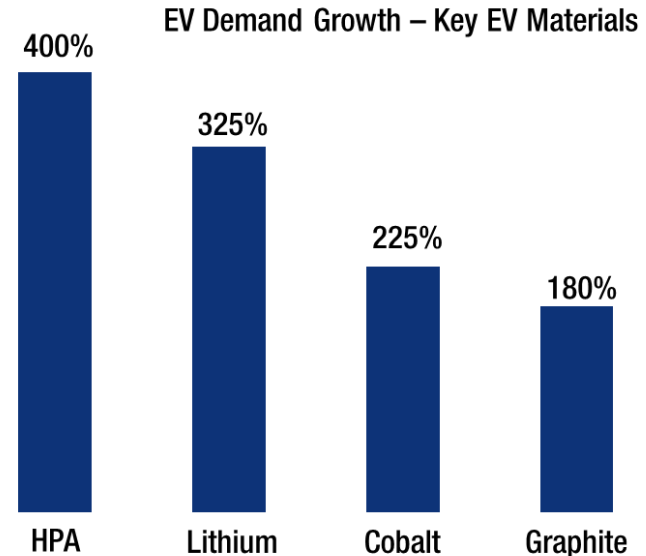


# About High Purity Alumina (HPA)



- HPA is the pure form of aluminium oxide ( $Al_2O_3$ ) HPA is the pre-cursor material for the manufacture of **sapphire glass** and **ceramic coated Lithium-Ion-Battery (Li-B) separators**
- Its value derives from its physical properties of extreme hardness and chemical stability
- Purity is determined by the concentration of trace elements in the alumina compound eg, iron, magnesium, sodium
- Price and performance of HPA varies upon product density, crystal structure, particle size and distribution and degree of purity

4N HPA is the largest sector of the HPA market and is seen by Collerina Cobalt as the most logical sector of the market in which to focus in terms of demand volumes and margin optimisation



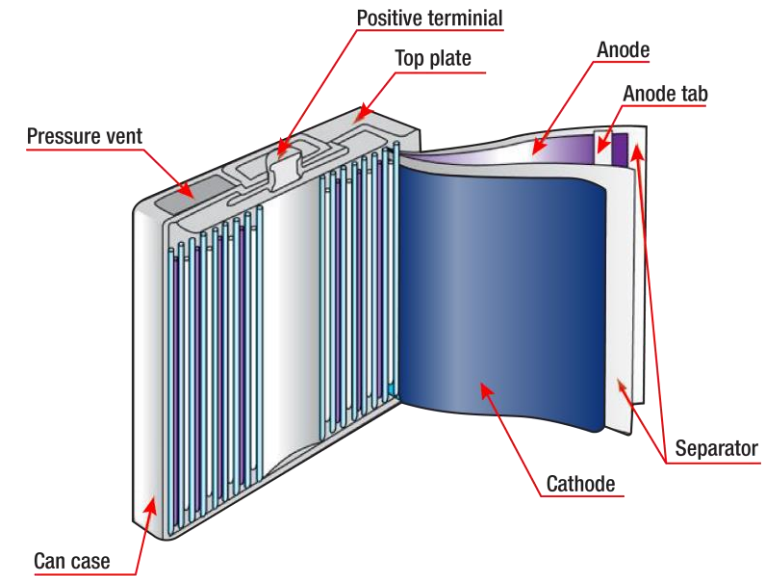
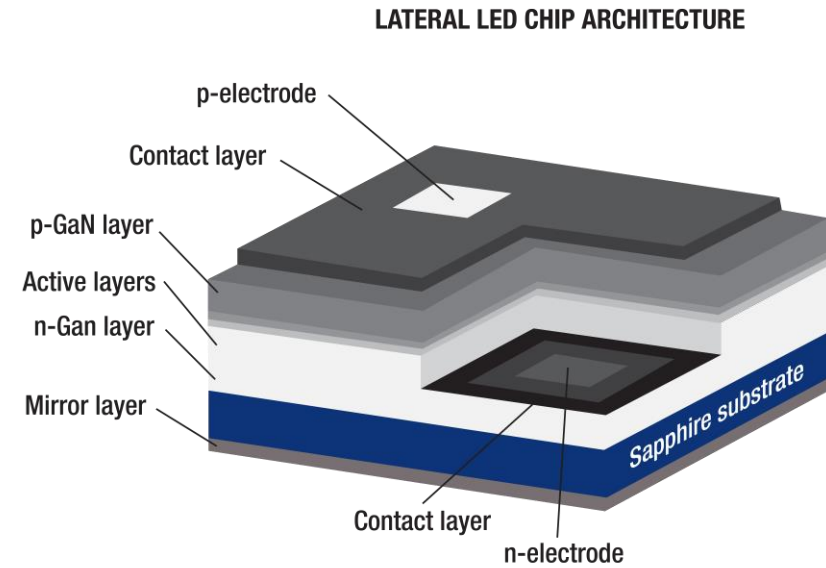
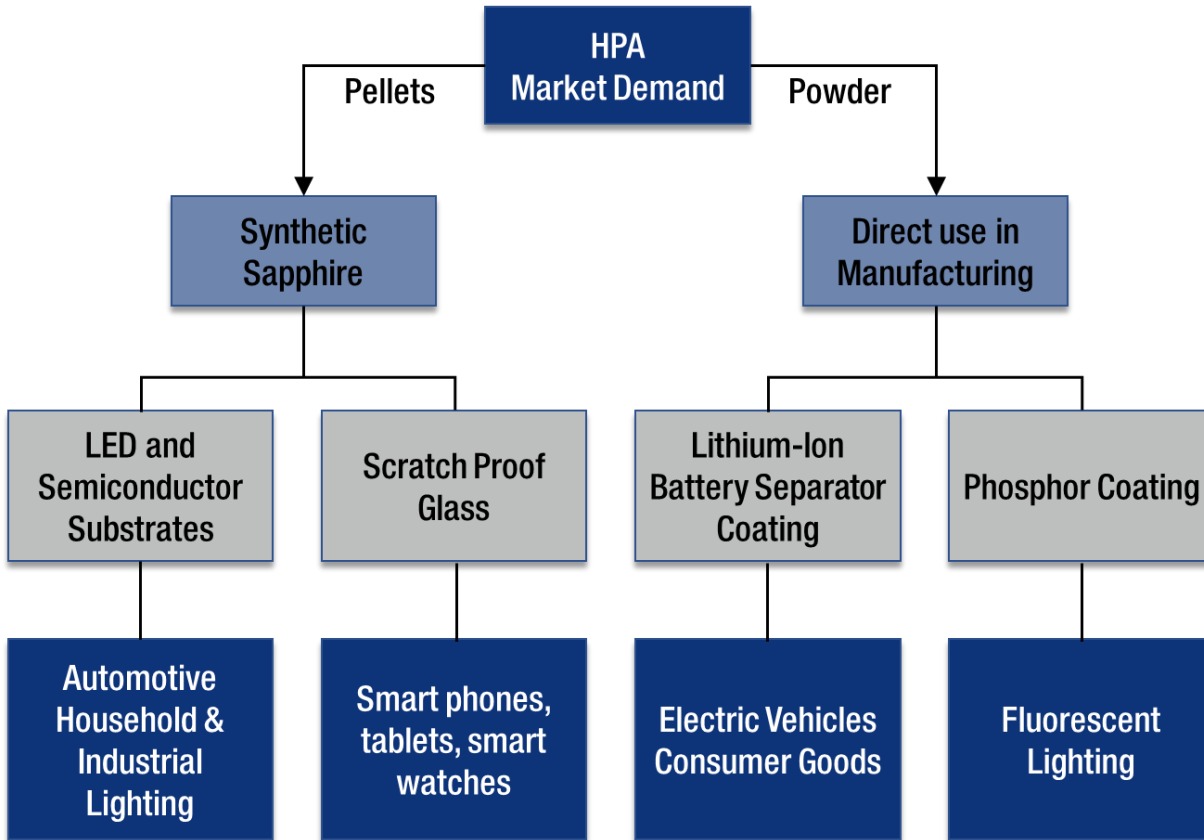
Source: Various Industry Sources & Research

## PRICE FOR PURITY

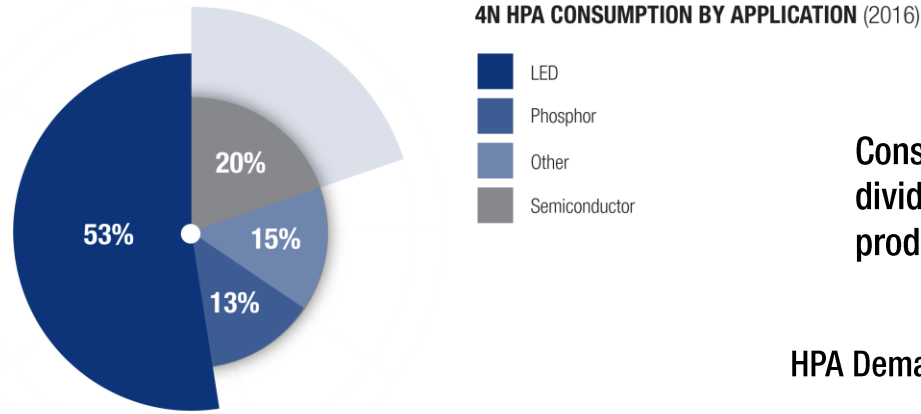
SGA	99.5% purity	~US\$400/t
3N HPA	99.9% purity	~US\$10-25/kg
4N HPA	99.99% purity	~US\$25-50/kg
5N HPA	99.999% purity	~US\$50-100/kg
6N HPA	99.9999% purity	By negotiation in a very limited market.

Source: CRU

# The High Purity Alumina (HPA) – Market

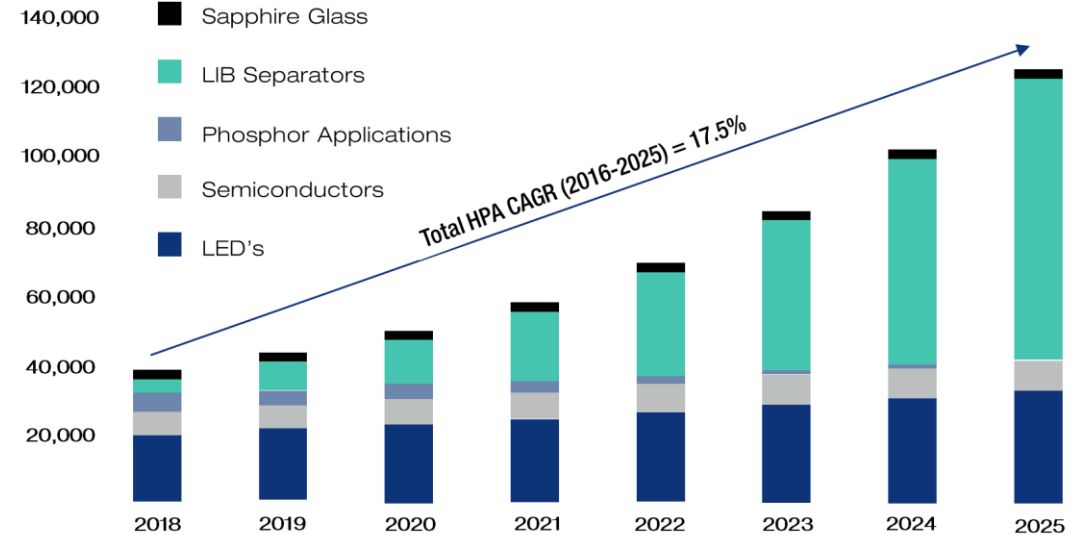
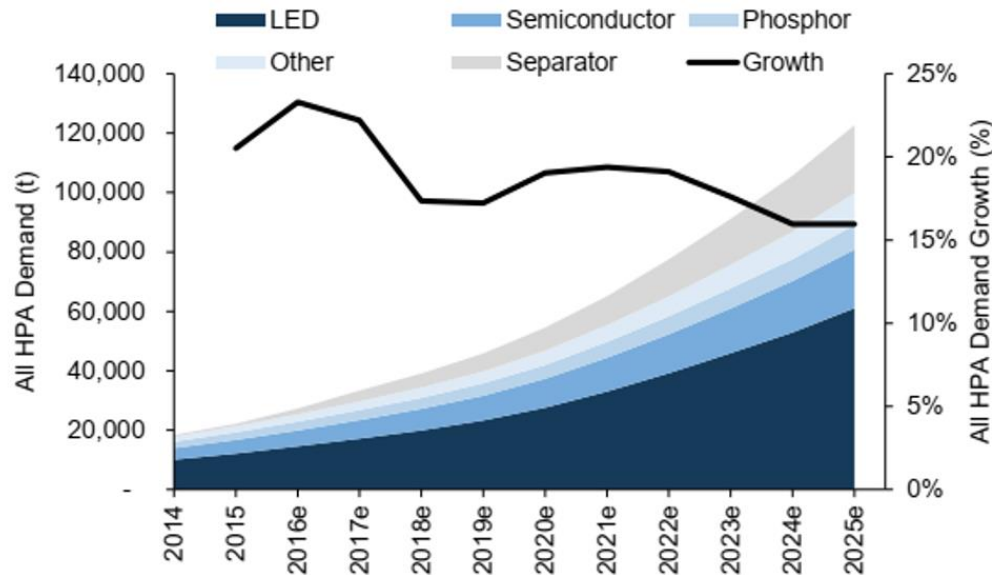


# High Purity Alumina (HPA) – Demand Outlook



Consensus market agreement on strong demand growth for HPA to 2025. Market analysts divided on growth driver being either the increasing adoption of LED (Light Emitting Diode) products and/or separator coatings in lithium ion batteries (Li-B's).

HPA Demand Outlook (2018-2025)



Source: Petra Capital

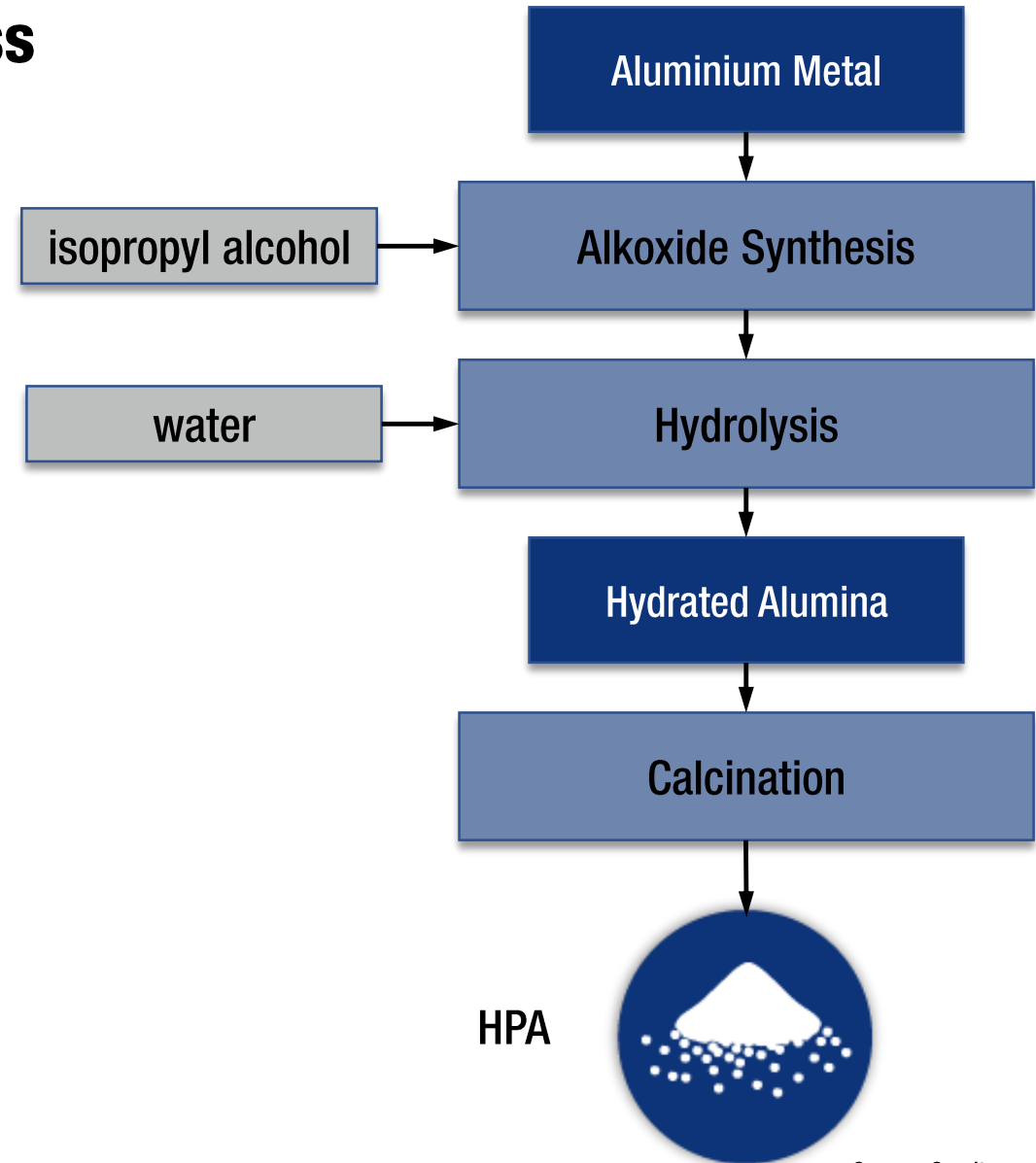
Source: CRU

# Existing HPA Market Production Process

Existing HPA production is synthesised from Al metal feedstock.

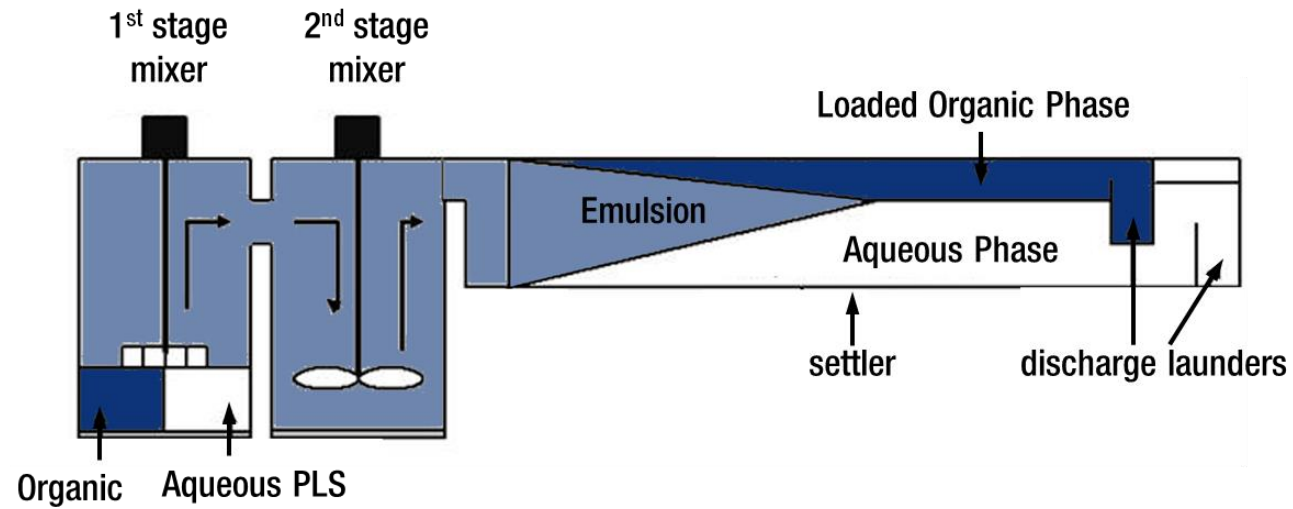
Aluminium alkoxide is synthesised from aluminium metal and alcohol, and hydrated alumina is produced by hydrolysis of alkoxide, and finally high purity alumina is obtained by calcination.

**High Cost:** Contains the inherited process cost of Al metal feedstock (Bayer Process+ Hall–Hérault Process)

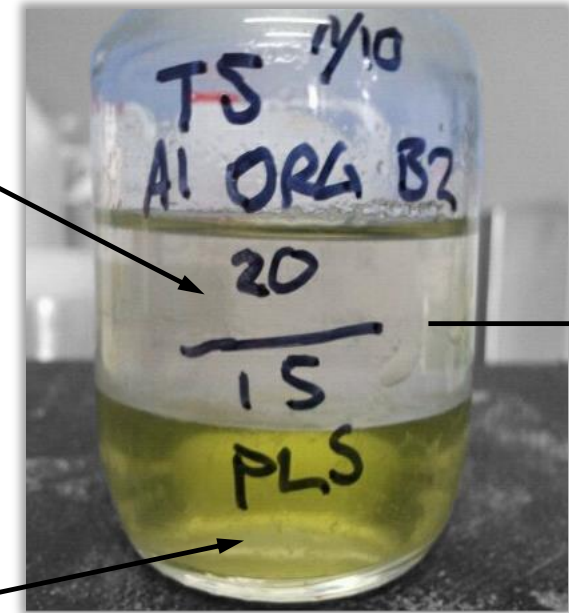


Source: Sumitomo Chemicals

# Our HPA Process – Solvent Extraction



Aluminum Loaded Organic Phase



Aqueous Phase (Raffinate)



Proprietary processing steps

Aluminium loaded organic



# Key Risks Statement

## Process Risk

Funds raised under this offer will primarily be used to advance chemical process test work and feasibility studies. The process flow sheet under evaluation is novel, and a successful process test results cannot be guaranteed.

## Development Risk

The finding of the feasibility studies may not be commercially viable or recoverable. For a wide variety of reasons the financially viable implementation of the process flowsheet at commercial scale cannot be guaranteed.

## Environmental Risk

The Company is subject to a number of laws and regulations regarding the protection of the environment. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former activities and locations where operations are or were conducted. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous occupiers or non-compliance with environmental laws or regulations. The Company proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.

## Commodity Prices

Commodity prices, including the price of HPA, can fluctuate rapidly and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, production cost levels, macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities as well as general global economic conditions. These factors may have an adverse effect on the Company's activities as well as the Company's ability to fund those activities.

## Contractors Consultants and Advisors

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients. In particular, the Company engages or will engage a number of external contractors to provide chemical test work services and process engineering. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the operations and performance of the Company. It is not possible for the Company to predict or protect the Company against all such risks.

## Insurance

The Company insures its operations in accordance with industry practice. In certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover and in some circumstances appropriate insurance cover may not be available or financially viable for certain risks. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. The Company's business is subject to a number of risks and hazards generally, including without limitation, adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to properties or facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in development, monetary losses and possible legal liability. The Company will maintain insurance coverage that is substantially consistent with mining industry practice. However, there is no guarantee that such insurance or any future necessary coverage will be available to the Company at all or at economically viable premiums or that, in the event of a claim, the level of insurance carried by the Company now or in the future will be adequate, or that a liability or other claim would not materially and adversely affect the Company's business.

## Future capital needs and additional funding

The funds raised by the Offer will primarily be used to fund process testwork and feasibility studies. There is a risk that these funds will not be sufficient to complete the proposed work and that further funding may be required.

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including results of process test work, subsequent feasibility studies, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

## Key people

The responsibility of overseeing the Company's operations and strategic management depends substantially on its Directors and key personnel. There can be no assurance that there will not be a detrimental impact on the Company if one or more of these persons cease their employment or involvement with the Company.

# Board & Management



**Norman Seckold**  
Chairman

30+ years in the full time management of natural resource companies. Past Chairman and Director of listed companies including Bolnisi Gold NL, Timberline Minerals Inc., Perseverance Corporation Limited, Valdora Minerals NL, Palmarejo Silver and Gold Corp. and Cockatoo Coal Limited. Currently Chairman of Santana Minerals Limited and Planet Gas Limited and unlisted public company Nickel Mines Limited.



**Justin Werner**  
Managing Director <sup>1</sup>

20+ years' mining and management experience. Previously consulted to a number of blue chip mining companies including BHP, Rio Tinto and Freeport McMoran. Successful track record of mine discovery and development. Currently a Director of unlisted public company Nickel Mines Limited.



**Peter Nightingale**  
Director and CFO

20+ years as a Director or Company Secretary for a range of resource companies including Pangea Resources Limited, Timberline Minerals Inc., Perseverance Corporation Limited, Valdora Minerals NL, Mogul Mining NL, Bolnisi Gold NL, Cockatoo Coal Limited and Sumatra Copper and Gold plc. Currently a Director Planet Gas Limited and unlisted public companies Nickel Mines Limited and Prospech Limited.



**Rimas Kairaitis**  
Technical Director <sup>1</sup>

20+ years experience in minerals exploration and resource development in gold, base metals and industrial minerals. Led the geological field teams to the discovery of the Tomingley and McPhillamy's gold deposits in NSW and steered the Hera gold-lead-zinc Project from discovery through to successful commissioning and commercial production. Previously founding Managing Director and CEO of ASX-listed Aurelia Metals.



**Tony Sgro**  
Non-Executive Director

Chemical Engineer with 45+ years' senior management experience in the supply of specialised equipment to the process industries with an emphasis on mining and oil & gas.

Co-founder, Director and General Manager of Kelair Pumps for 36 years.

<sup>1</sup> It is proposed that Rimas Kairaitis will replace Justin Werner as Managing Director in August 2018 following a planned IPO of Nickel Mines Limited.

**Norman Seckold**  
Chairman

[nseckold@collerinacobalt.com.au](mailto:nseckold@collerinacobalt.com.au)

**Justin Werner**  
Managing Director

[jwerner@collerinacobalt.com.au](mailto:jwerner@collerinacobalt.com.au)

**Rimas Kairaitis**  
Technical Director

[rkairaitis@collerinacobalt.com.au](mailto:rkairaitis@collerinacobalt.com.au)

**Peter Nightingale**  
Director/Chief Financial Officer

[pnightingale@collerinacobalt.com.au](mailto:pnightingale@collerinacobalt.com.au)

**Cameron Peacock**  
Investor Relations and Business Development

[cpeacock@collerinacobalt.com.au](mailto:cpeacock@collerinacobalt.com.au)

+61 (0) 439 908 732



# COLLERINA COBALT LTD (ASX:CLL)

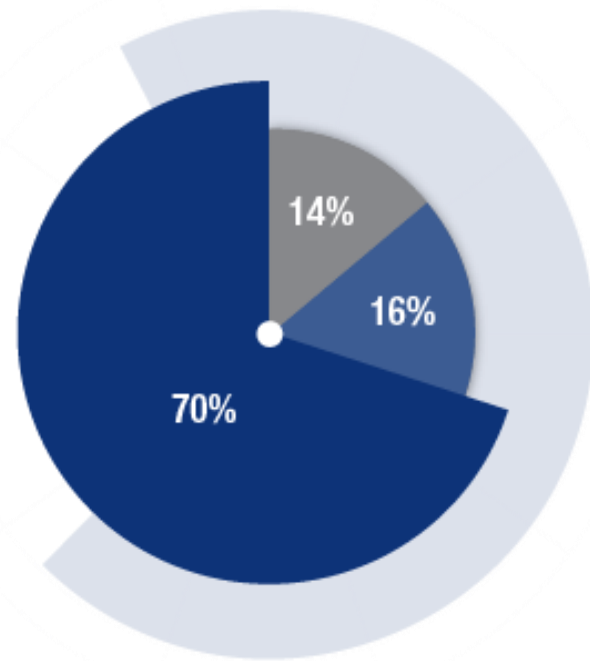
THE METALS OF THE FUTURE

## **Appendices**

## Appendix 1

# Demand for HPA – Regions

Demand for HPA is primarily being driven by the increasing adoption of LED (Light Emitting Diode) products, separators in lithium ion batteries (Li-B's) and scratch resistant artificial sapphire glass for smartphone screens and watches



HPA DEMAND BY GEOGRAPHIC REGION (2016)

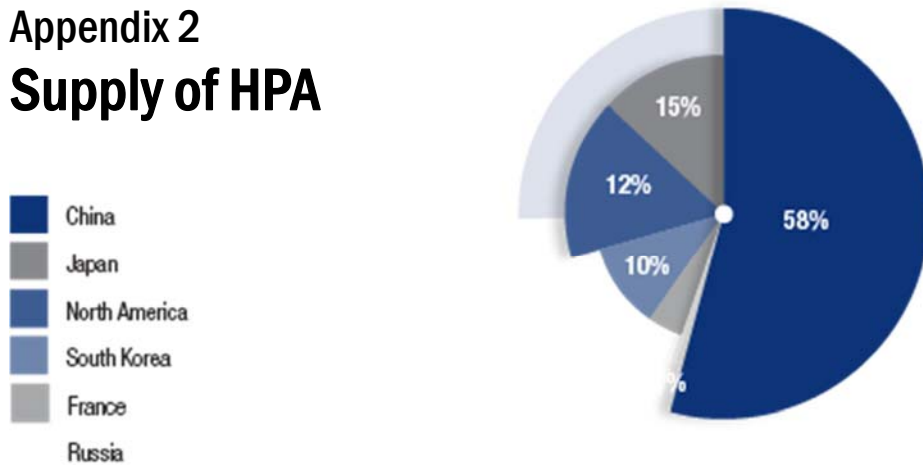


Growth demand is dominated by the APAC Region (~70% in 2016) primarily China, Japan and South Korea

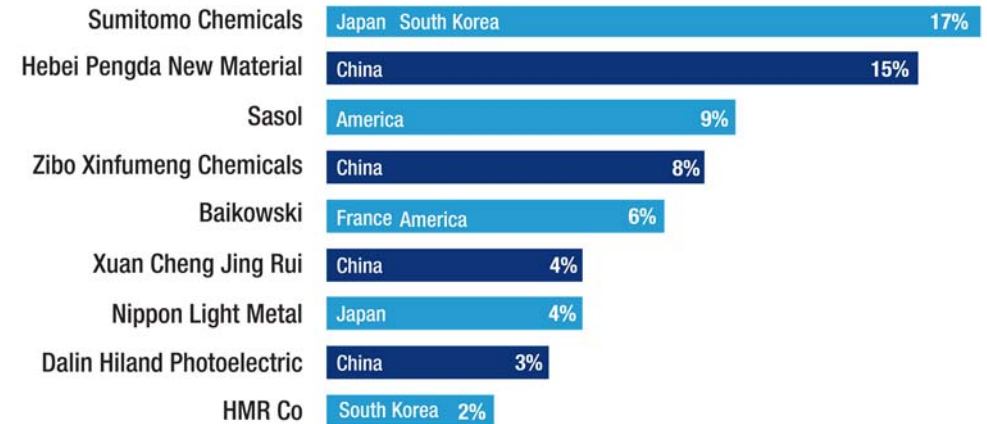
As a would-be Australian based HPA producer, Collierina Cobalt is ideally placed to service the most dominant region of global HPA demand



## Appendix 2 Supply of HPA



GLOBAL HPA SUPPLY DISTRIBUTION - 2016E



% EXPECTED 2016 OUTPUT

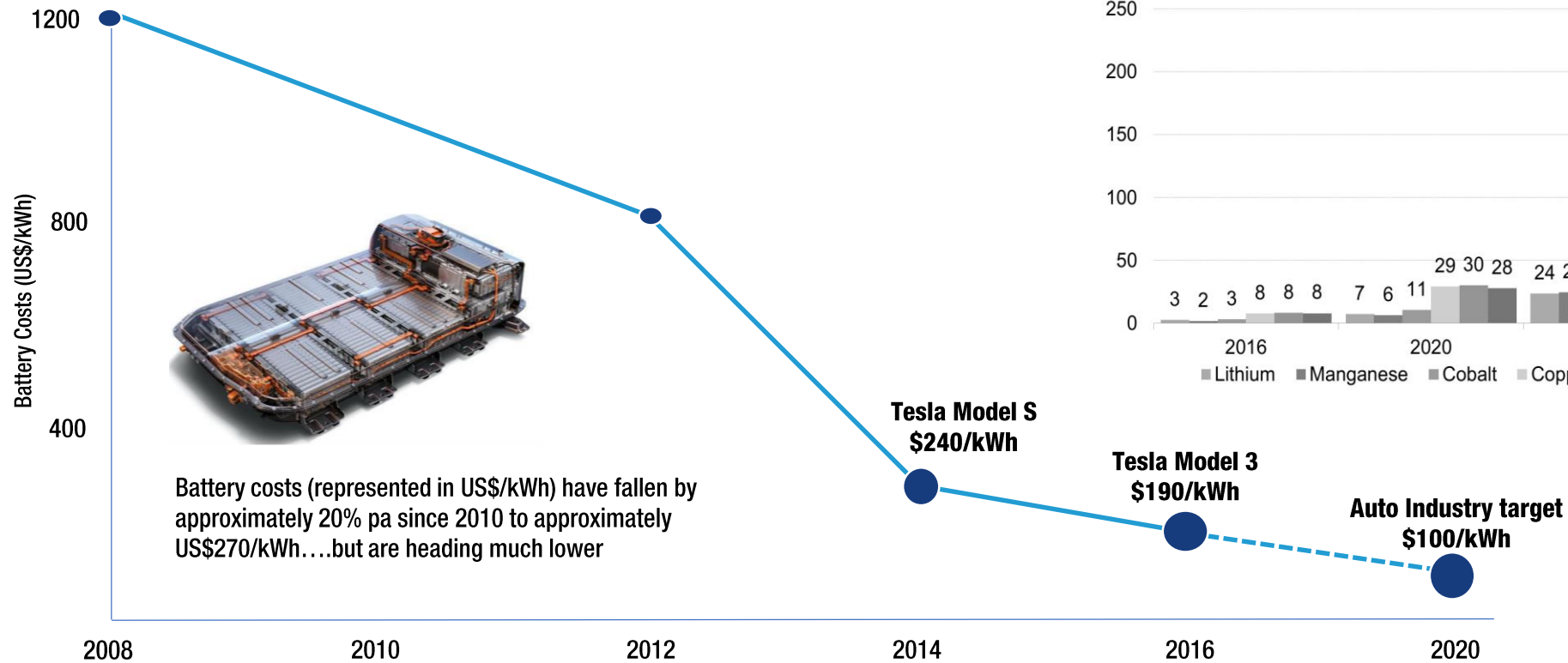
SOURCE: PERSISTENCE MARKET RESEARCH

- Current HPA supply is concentrated in the Asia Pacific region (~83%) with China the most prolific producer
- Dominated by large diversified chemical companies where HPA is a non-core product and an immaterial percentage of revenue (< 5% for Sumitomo Chemicals)
- Collerina Cobalt sees enormous opportunity as a focused HPA producer to:
  - Become a genuine alternative supply source to the existing dominant APAC producing countries, and more importantly
  - Fill an expected supply shortage as forecast HPA demand escalates over the next decade
- Collerina Cobalt stands to become an extremely low-cost HPA producer
- Strong potential exists for long-term offtake agreements prior to commercial production

## Appendix 3

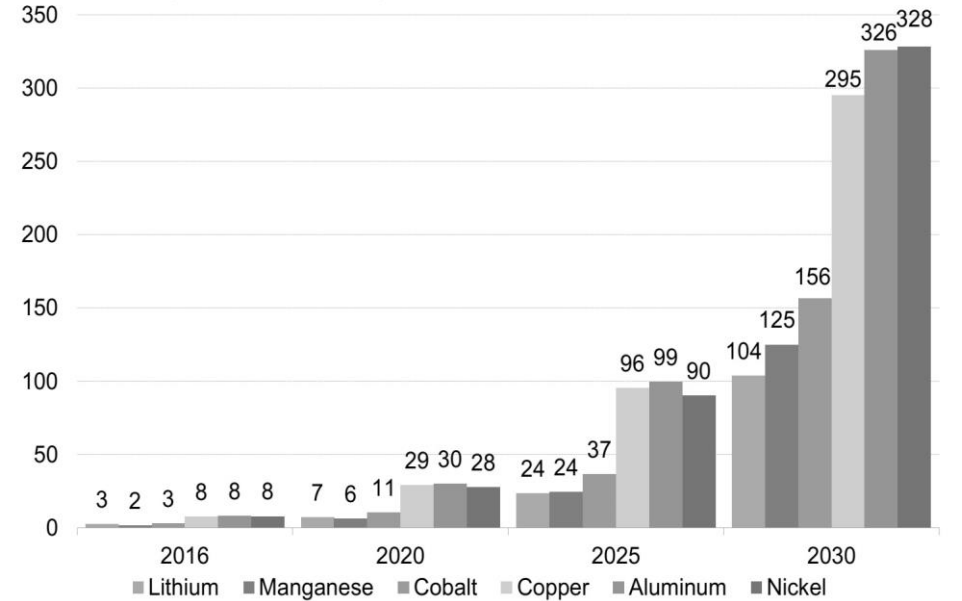
# Battery Costs Will Underpin EV Penetration

Batteries with lower cost structures and greater energy densities will drive EV penetration and demand for battery metals



## Forecast demand for key battery materials

Metal demand (thousand metric tons)



Source: Bloomberg New Energy Finance



# Appendix 4

## Statement of Compliance



### Competent Persons Statement (Process Development Testwork)

Information in this announcement that relates to metallurgical results is based on information compiled by or under the supervision of Mr Boyd Willis, an Independent Consultant trading as Boyd Willis Hydromet Consulting. Mr Willis is a Fellow and Chartered Professional of The Australasian Institute of Mining and Metallurgy (AusIMM). Mr Willis has sufficient experience to the activity which he is undertaking to qualify as a Competent Persons under the 2012 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Willis consents to the inclusion of the technical data in the form and context in which it appears.

For further information on testwork results and processes see ASX announcements dated 9 July 2018, 30 April 2018, 26 April 2018, 21 March 2018, 6 March 2018, 21 February 2018, 8 December 2017, 30 November 2017, 29 November 2017, 24 November 2017 and 13 November 2017.