ABN: 48 119 978 013

ASX Announcement (ASX: TSC) 16 August 2018

Pungalina EL granted

Twenty Seven Co. Limited (ASX:TSC) (Company) is pleased to announce that the NT Exploration Licence (**EL**) 31761 (Pungalina) has been granted to its wholly owned subsidiary, Nomad Explorations Pty Ltd (**Nomad**).

On 13 June 2018, the Company announced that it had entered into an agreement with Nomad shareholders to acquire 100% of Nomad's issued capital. The acquisition of Nomad was finalised on 13 August 2018. The Company now holds six highly prospective cobalt exploration tenements in NSW, the NT and WA.

The Pungalina tenement area is about 824 sq.km in size and located in the prospective McArthur Basin, NT. The McArthur Basin hosts the world class McArthur River deposit, the Stanton Cobalt Deposit and the historic Redbank Copper deposits. Pungalina is one of three exploration tenements in the NT held by Nomad, totalling around 2456 sq.km and the first exploration license to be granted to the Company.

Pungalina is adjacent to Northern Cobalt's (ASX:N27) tenements which host the Stanton Cobalt Deposit containing 1200t of cobalt[1]. The Company believes its tenements in the NT have significant potential for shallow sediment and volcanic hosted cobalt mineralisation similar to Stanton. N27 have identified a potential volcanic pipe cluster at the Barra Anomaly[2] in the northern part of their tenure adjacent to Pungalina.

Three cobalt anomalous areas worthy of follow-up have been identified in a review of previous exploration on EL31761. Historic exploration by Rio Tinto Pty Ltd included stream sediment sampling in the 1990's. Anomalous stream sediment samples up to 35ppm Co were collected. An anomalous cobalt zone on EL31761 trends in a north-westerly direction away from N27's Barra Anomaly (Figure 2). Previous exploration did not focus on cobalt and hence these anomalies have not been adequately followed up, with no drilling recorded at Pungalina.

Twenty Seven Co. CEO, Ian Warland commented: "*The granting of Pungalina tenement is the first of three exciting cobalt projects to be granted to the Company in the prospective McArthur Basin. The presence of anomalous Co at Pungalina in historic stream sediments samples is highly encouraging. A recent field trip to the area to talk to landowners and undertake reconnaissance was completed and we look forward to updating the market with exploration progress in the near future.*"

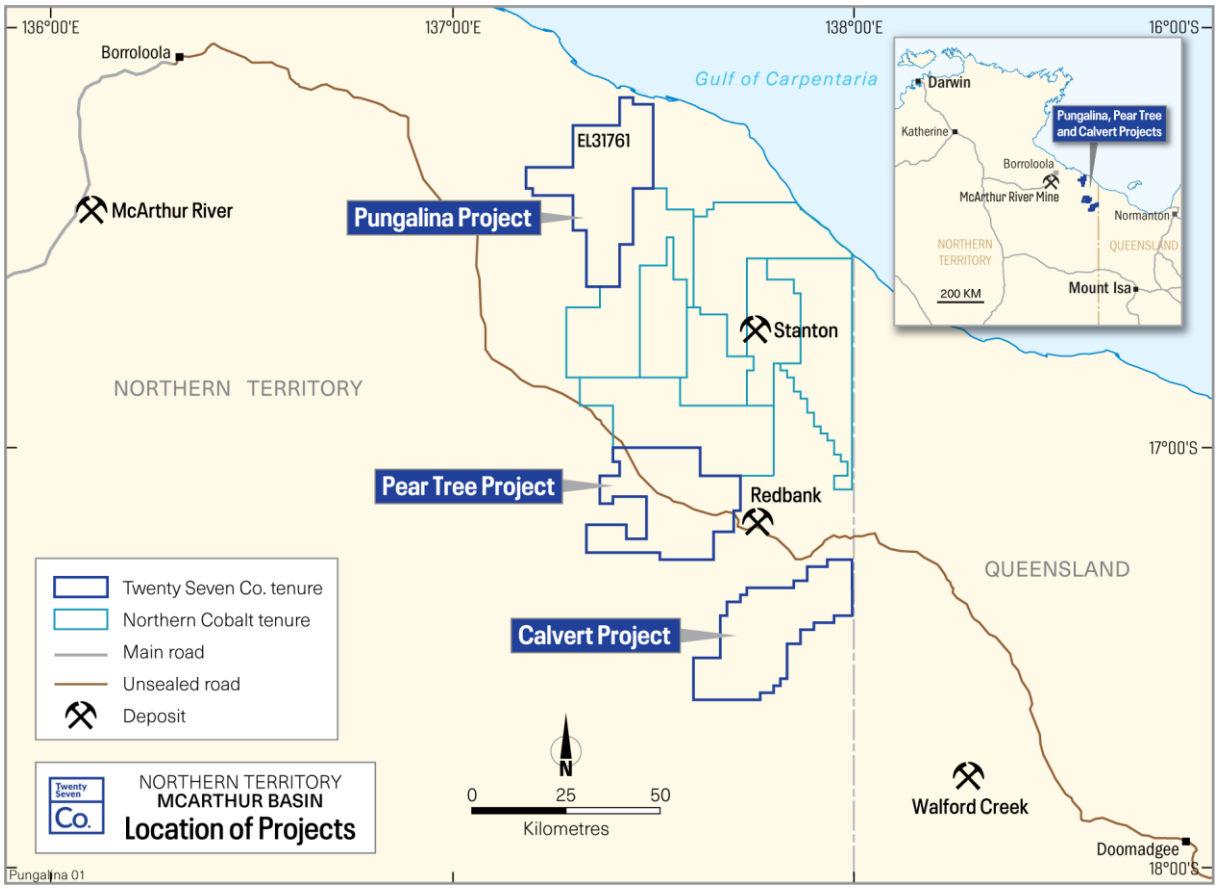

Figure 1: PUNGALINA PROJECT LOCATION MAP (source: TSC geology team)

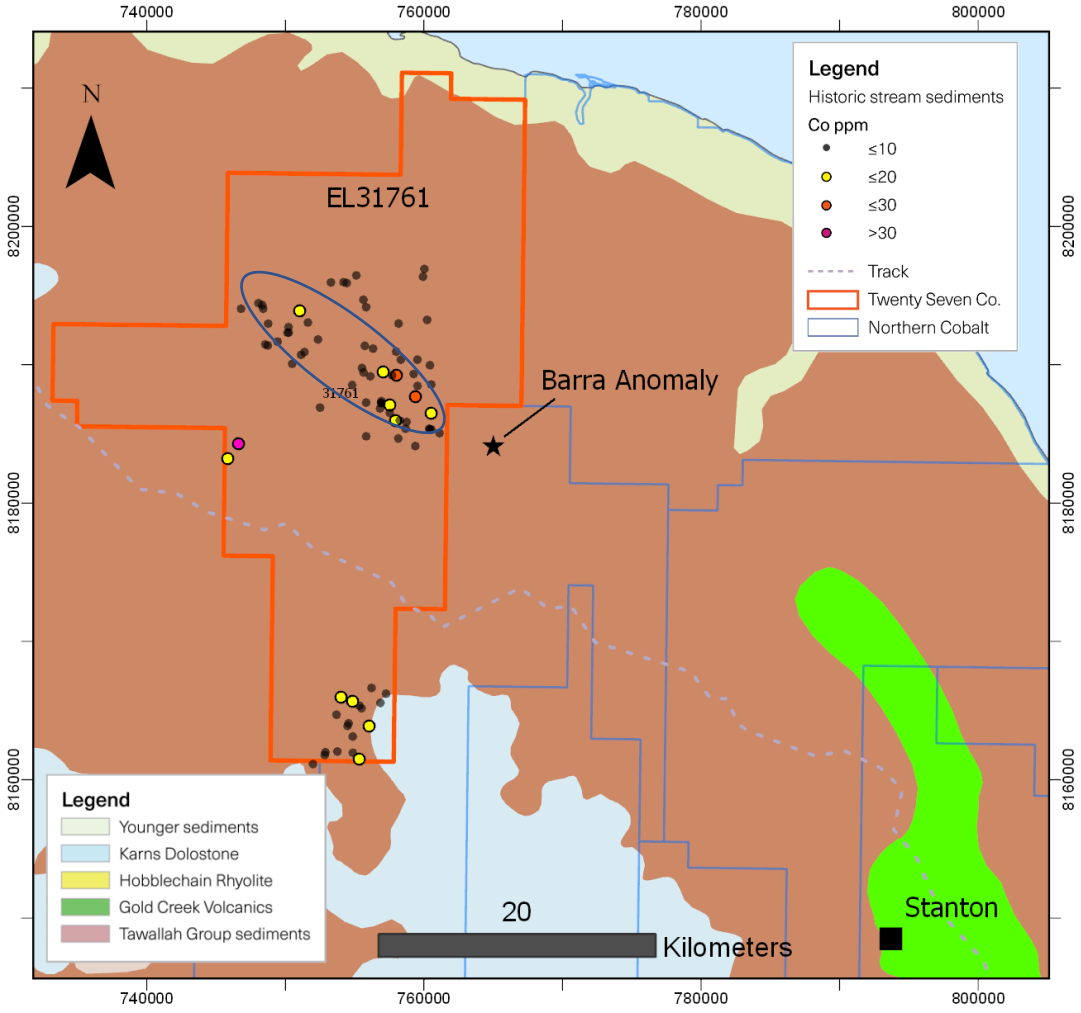

Figure 2: PUNGALINA PROJECT SIMPLIFIED GEOLOGY AND HISTORIC STREAM SEDIMENT SAMPLES. (Source: TSC geology team)

Next Steps

The Company has commenced field reconnaissance work in preparation for more extensive field work in the coming months.

COMPETENT PERSON'S STATEMENT:

The information in this report that relates to Geological Interpretation and Historical Exploration Results is based on information compiled by Ian Warland, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Warland is employed Twenty Seven Co. Limited. Mr Warland has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Warland consents to the inclusion in the report of the matters based on his information and the form and context in which it appears.

Reference:

1. N27: ASX Release dated 6 March 2018
2. N27: ASX Release dated 30 May 2018

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1. APPENDIX 1: The following tables are provided to ensure compliance with JORC Code (2012) requirements for reporting exploration results for the Pungalina Project.

1.1. Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	Results in this release and historic and taken from Northern Territory "STRIKE" on line database and map. • Stream sediments samples in this release are historical. Samples were collected by CRA Exploration Pty Ltd on EL8533, 7964 and 7314. Samples were collected where drainage systems were available. Samples were generally sieved to minus 80 mesh with approximately 100 grams of sample collected. Samples were submitted to ALS Townsville for assay using the ICP method for Ag, As, Bi, Cd, Co, Cr, Cu, Hg, Fe, Mn, Mo, Ni, P, Pb, Sb and Zn. Follow-up stream sediment was undertaken to verify initial results and samples from this survey were submitted to Amdel, Darwin for assay using ICP method.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• No Drilling reported
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• No Drilling reported

Criteria	JORC Code explanation	Commentary
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• No Drilling reported • Stream sediment samples sometimes included a basic lithological description.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No Drilling reported
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Stream sediment samples reported in this release are historical and not all details are known. The assaying and laboratory procedures are considered to be appropriate for reporting of exploration results given the sampling methodology and laboratories used.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No drilling reported • No adjustments made to the data
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Location of data points are taken from the Strike NTGS database and quoted as accurate to 100m.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• For Stream sediments the data spacing is depended on distribution of drainage and considered appropriate for early exploration sampling.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• No drilling reported • Sample relationship to mineralisation and structure is unknown at this stage.
Sample security	• *The measures taken to ensure sample security.*	• Stream sediment samples are historic and method is not reported.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Stream sediment samples are historic and method is not reported.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The tenement referred to in this release is EL31761 is 100% owned by Nomad Explorations Pty Ltd which is was acquired by Twenty Seven Co. Limited on the 13th August 2018 (ASX: TSC: 13 August 2018) • The license is currently in good standing with relevant authorities.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The area has been explored in the past by several companies primarily looking for commodities other than Co, which is the focus of TSC. • CRA Exploration Limited completed early stage stream sediment sampling, minor rock chip and soil sampling and mapping in the tenement area. Most of the exploration by CRA Exploration was conducted off EL31761 and associated with the nearby Stanton Deposit on Northern Cobalt's tenure. • BHP Minerals Ltd explored for Mn on EL1613 but did not assay for Cobalt.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Pungalina Project is located in the Proterozoic McArhur Basin, a thick sedimentary succession of dolostone, sandstone and shale units with minor felsic and mafic volcanics. • The main geological units of interest in the project area are the Wollogorang Formation and Gold Creek Volcanics (interlayered basalt lavas and sediments). Co and Cu mineralisation is often associated with breccia pipes within the Gold Creek Volcanics, such as at Stanton and Red Bank deposits. • On the Wearyan Shelf the Gold Creek volcanics can are overlain in the west by younger sediments of Echo

Criteria	JORC Code explanation	Commentary
		Sandstone.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• No drilling reported in this release
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No data aggregation reported
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• No drilling reported in this release
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any*	• See main body of this release.

Criteria	JORC Code explanation	Commentary
	significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The reporting is considered balanced with all relevant data reported in the diagrams.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Limited exploration in the area has been completed by previous explorers. Further review of available data is ongoing.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Early stage exploration and follow-up of identified Co anomalies including additional interpretation of geophysical data, reviews and assessments of regional targets.