

QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED

30 SEPTEMBER 2019

- The Company has executed a binding term sheet with Millrock Resources Inc (TSXV: MRO) to earn up to an 80% interest in the brownfields Goodpaster Project in Alaska
- The Goodpaster Project surrounds Northern Star's (ASX: NST) Pogo Mine, which has produced 4 Moz @ 13.6g/t at 300koz pa; reserve/resource of over 6 Moz Au (ASX: NST Announcement 19/9/2019)
- Northern Cobalt has secured an exclusive option for up to 100 days to complete due diligence and provision drill access road works in preparation for the 2020 drilling program
- Drilling to begin in Q1, 2020 on high priority drill targets immediately adjacent to the recent NST announced Goodpaster Discovery "2.3km strike open in all directions" (ASX: NST Announcement 16/9/2019) within 450m of the claim boundary
- Management changes implemented to take Goodpaster project forward with Millrock

Northern Cobalt Limited (ASX: N27 or Company) entered into a binding term sheet (Term Sheet) with Millrock Resources Inc (Millrock or MRO) following the end of the quarter to acquire, via joint venture earn-in, up to 80% in the Goodpaster Project in Alaska. The Goodpaster Project is adjacent to Northern Star's Pogo Mine which has a total endowment of 10 million ounces of gold and is currently producing at a rate of ~300,000 ounces per annum. Northern Star has announced a planned 30% production expansion by spending a further US\$30m (A\$43m) capital expenditure, in parallel with utilising better mining methods which will allow NST to lower the cut-off grade and reduce AISC, see ASX: [NST Announcement 19/9/2019](#).

A new Millrock Resources geophysical survey ([see TSX.V: MRO Announcement released on the 9/10/19](#)) has detected a high conductivity response directly along strike from a recent gold discovery on NST's adjacent claims. The conductor appears to be gently dipping and is therefore consistent with a low-angle regional shear zone that is known to host the adjacent Pogo Gold Mine (total gold endowment of approximately 10 Moz Au). This will be the immediate focus for Northern Cobalt, with drilling proposed to begin in the Q1, 2020.

The Initial exploration program for year 1, will aim to deploy 7,500m of diamond core drilling and utilise Lidar, field mapping, geochemical sampling and CSAMT geophysics surveys to unlock the structural controls and focus in on gold mineralisation on the West Pogo Prospect; as well as conduct regional work to identify further drill targets in this district scale system, with \$1m allocated to regional targets per year for years 1 and 2.

CAPITAL STRUCTURE

Ordinary Shares

Issued 75.9 M

Options and rights

Listed options 6.1 M @ 10c

Unlisted options 12.3 M @ 25c

Unlisted rights 2.5 M

Performance Shares

Class A 9.6 M

Class B 3.6 M

Last Capital Raise

October 2019 – Placement

\$1.5M @ 3.5c

BOARD

Len Dean - Chair

Duncan Chessell - MD

Andrew Shearer - NED

Jarek Kopias - Co Sec

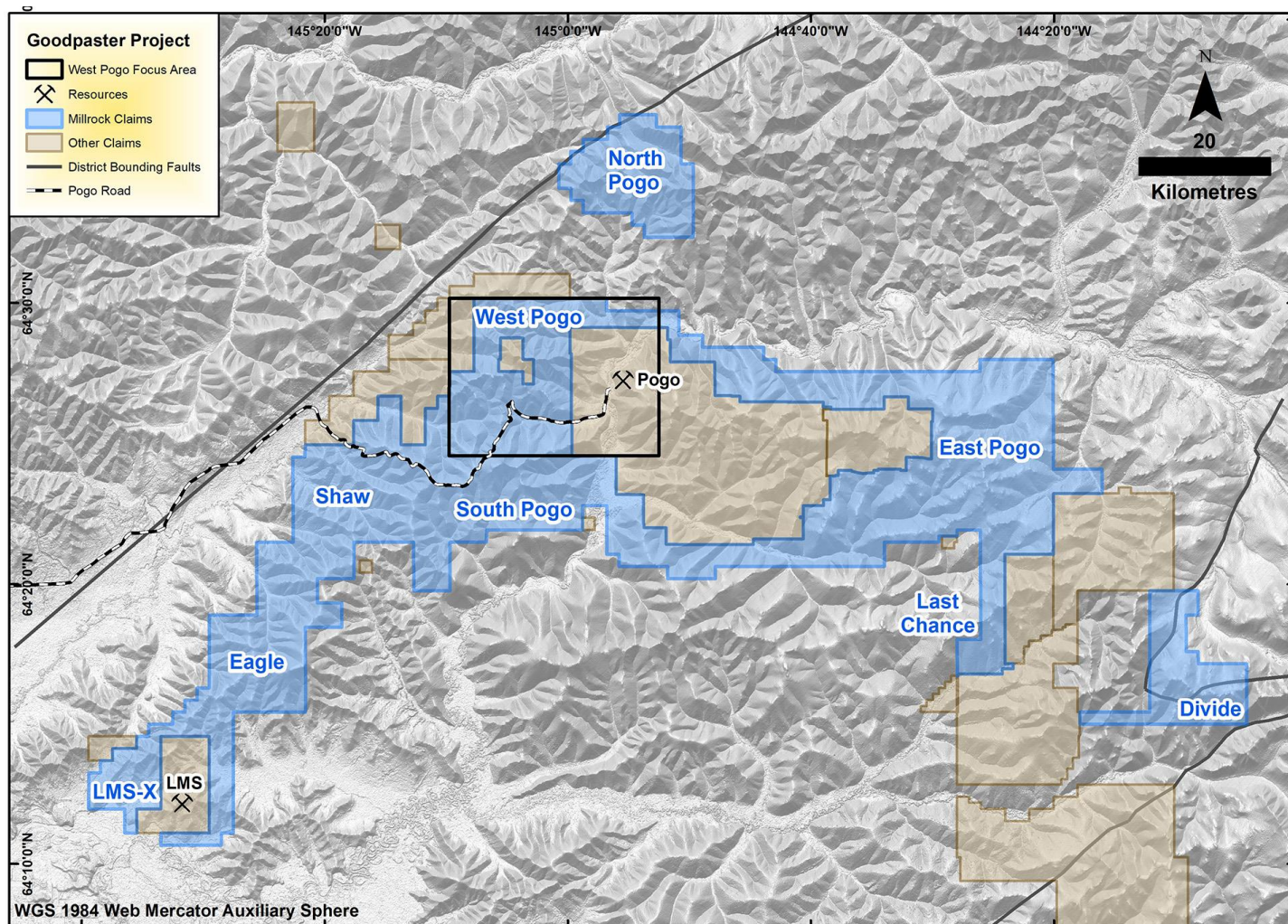


Figure 1 Goodpaster Project claim map with Northern Star's Pogo Gold Mine and West Pogo focus area of highlighted.

Proximity of Northern Stars' Goodpaster Prospect to Millrock Resources' West Pogo Prospect.

Figure 1 highlights the proximity of the recent NST Goodpaster discovery and exploration drilling conducted only 450m from Millrock's boundary. NST reports that the mineralisation at Goodpaster remains open in all directions. The proximity of the world class gold mineralisation, and similar geochemical and geophysical signatures evident on the Millrock tenements, reinforces the prospectivity of the tenements for N27.

CSAMT Surveys

In 2019 Millrock Resources commissioned Zonge Geophysics to undertake a Controlled Source Audio Magneto Telluric ("CSAMT") survey. The survey involved cutting lines through sparsely forested areas and deploying ground based geophysical transmitting and receiving instruments. The operating parameter design of this CSAMT survey is the same as deployed successfully on the adjacent Pogo Gold Mine. Further CSAMT work is planned for 2020 to refine targets. The results of the survey will allow estimation of resistivity at depth, with typical Pogo Style mineralisation being slightly more conductive and potentially detectable using this system. Unfortunately, the Pogo Mine survey data is confidential and not held by Millrock for comparison. Millrock proposes that, in this geological setting, <500 ohm-m resistivity is potentially evidence of conductive Pogo Style mineralisation and, as such, the results of the recent survey are highly encouraging.

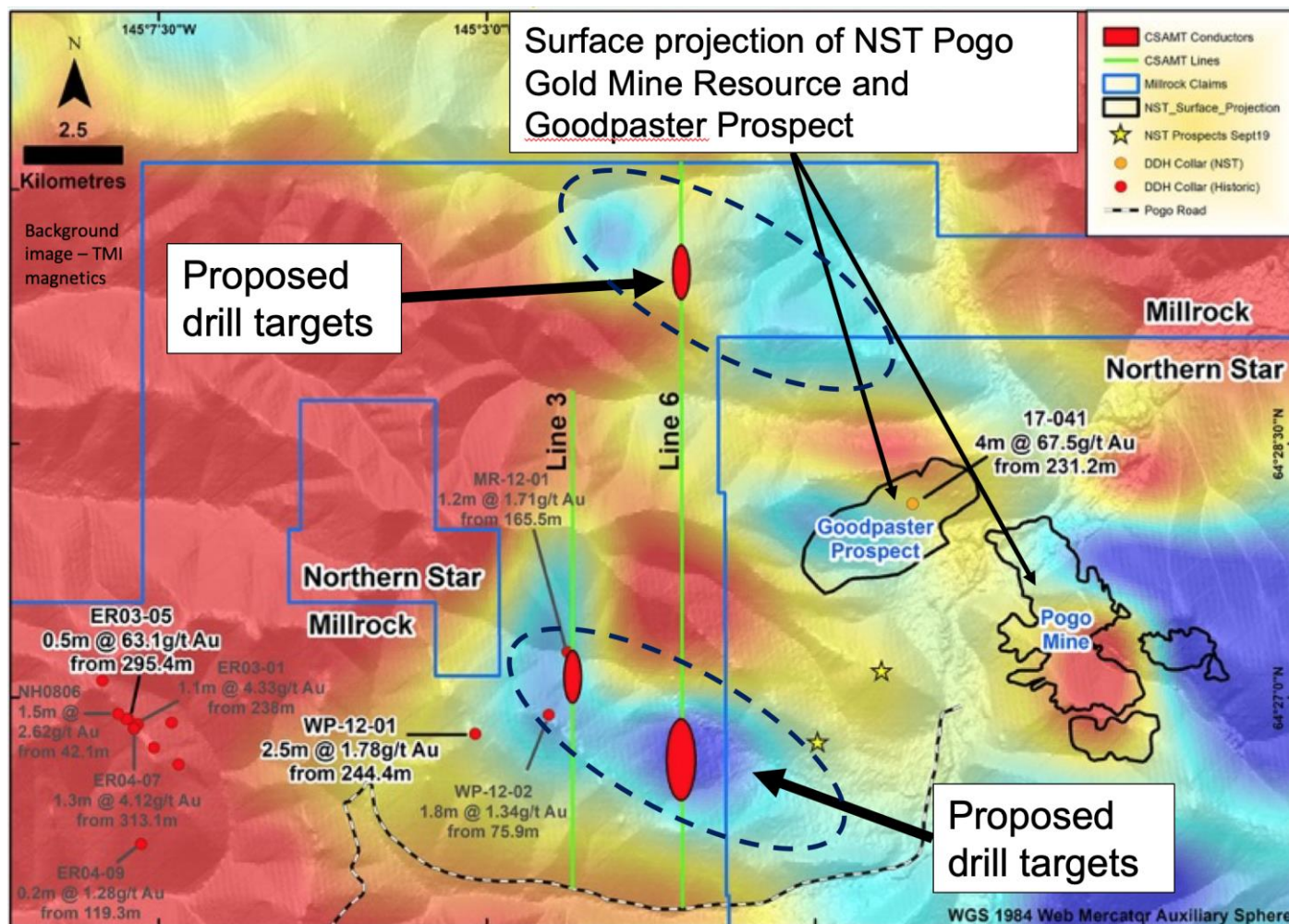


Figure 2 West Pogo Block (#1 area of focus) – note proposed drilling targets - areas of interest for intended 7,500m of DDH in 2020 with co-incident geophysics, magnetic and geochemical indicators of potential mineralisation. Proximity to NST Goodpaster Prospect surface projection and drilling rigs within 450m of the claim boundary.

The proposed drill target areas (Figure 2) have been designed to test geological and geophysical targets. The drilling results will be reviewed on an ongoing basis as drilling data from the initial holes is added to more CSAMT surveys and Lidar data capture, to improve the geological understanding of the prospects. Currently Millrock is commissioning the construction of a spur road from the main Pogo Gold Mine road out to the proposed drill sites to allow for drilling to commence in Q1, 2020 (announced by N27 on 17 October 2019).

Binding Agreement Terms

Exclusive Option Period for 50 days, extendable to 100 days

Under the binding terms of the initial agreement, N27 has agreed to pay Millrock US\$250,000 within 10 days to secure a 50 day exclusive option period – this payment has now been made by the Company. A further payment of US\$250,000 (at N27's election) will extend the option period for a further 50 days, to 100 days in total. These funds are to be used by Millrock for the Pogo West Project, in preparing drill access roads and other exploration activities and tenement rentals as agreed between MRO and N27 (Option Fee). The entire Option Fee contributes to the exploration earn-in expenditure commitment for year 1, however is non-refundable if N27 elects not to enter into an earn-in agreement.

N27 may, at its election and being satisfied with due diligence under the exclusive option period, enter into the earn in agreement within the 100 days of the exclusive option period. During the earn-in to the 60% level on the entire project, N27 has agreed to sole fund the activities with the terms as set out in the table below. While N27 is Manager throughout the sole funding period of the project, Millrock's Alaskan subsidiary Millrock Exploration Corp (MEC) will act as the Operator in year 1 with an 8% management fee and may be re-appointed at N27's discretion. If MEC is removed as the Operator, the annual cash fee that is payable to Millrock will double. If N27 fails to reach a 30% interest, no encumbrances will be recorded over the project by N27. If any party is diluted to less than a 10% interest, their interest will revert to a 1% NSR. N27 may elect to form a Joint Venture (JV) at the completion of any stage and co-funding conditions will commence.

Summary of the Earn-in agreement

Stage	N27 Expenditure US\$ (million)	% Earn in N27	Cash US\$ '000 to MRO	N27 Shares to MRO (million)
Commence	-	-	-	5
Drilling Target	7,500m Drilling (Diamond Core)			5
Year 1	\$5	30%	\$50	10
Year 2	\$5	42%	\$50	10
Year 3	\$5	51%	\$50	4
Year 4	\$5	60%	\$50	4
Totals	\$20	60%	\$200	38

Right to earn up to 80% on one block

N27 can earn up to 80% on one block			
Stage	N27 \$commitment	% Earn	Details
BFS	Fully Fund	70% earn-in	US\$3 million on decision to mine
First Production	Loan Carry	80% earn-in	Profit share 80/20

At N27's election, after completing a 60% earn-in on the entire project, a JV is formed over the entire project and N27 can elect to form a specific JV on one block of interest. N27 may earn to 70% by sole funding a BFS study on this ONE block. The other 8 blocks will remain in the original JV according to final interest achieved during the earn-in period and subsequent co-funding JV. On a positive BFS and N27's decision to mine, N27 must pay MRO US\$3m cash or shares (subject to shareholder approval). N27 may elect to loan carry MRO to first production and earn an 80% interest in the project on first production. A co-funding JV maybe formed at any stage of the earn in.

Corporate

Company Name Change

In line with a new trajectory the Company has proposed to shareholders for consideration at the upcoming AGM to change the company name to **Resolution Minerals Ltd.** HMS Resolution was the name of the ship commanded by Captain Cook on his second and third voyages, when mapping and naming much of the Alaskan coast in the late 1700's. Cook is regarded as the most ambitious explorer of all time and well known in both Australia and Alaska.

Management

On 17 October 2019, the Company announced that non-executive director, Mr Duncan Chessell, was appointed Managing Director of the Company. The appointment was made, following execution of the transaction with Millrock (announced on 17 October 2019), and has also resulted payment of non-executive director fees at full rates. The exploration team has been increased by addition of Christine Lawley (Exploration Manager) and Dr Justin Gum (Principal Geologist) both as contractors on an "as needs basis".

On 26 August 2019, the employment contract of the Company's former Managing Director, Mr Michael Schwarz was terminated, and Mr Schwarz retired as a director of the Company.

Share capital changes

On 24 October 2019, Northern Cobalt issued 9,901,470 shares under a share placement raising \$346,551. The share issue was undertaken as part of larger placement totalling \$1.5 million, announced on 17 October 2019, following the acquisition of the Goodpaster Project from Millrock. The remaining \$1.15 million announced under the placement has been committed and is subject to approval at the 2019 AGM.

The committed \$1.15 million placement, scheduled immediately after the AGM, will fund the expenditure forecast in the Appendix 5B as attached to this announcement.

On 14 September 2019, 6,323,337 quoted options (N27O) lapsed in accordance with the terms of those securities.

A summary of movements and balances of equity securities between 1 July 2019 and this report are listed (items marked with a * occurred after the end of the quarter):

	Quoted			Unquoted		
	Ordinary shares	Options N27O \$0.1993 14Sep19	Options N27OA \$0.10 30Jun22	Options	Performance rights	Performance shares
On issue at start of the Quarter	66,009,806	6,323,337	6,098,225	12,250,000	2,500,000	13,175,000
Lapse of quoted options (N27O)	-	(6,323,337)	-	-	-	-
Placement shares*	9,901,470	-	-			
Total securities on issue at the date of this report	75,911,276	-	6,098,225	12,250,000	2,500,000	13,175,000

Tenement table

Tenement number	Tenement name	Beneficial Interest at the end of the Quarter	Changes during Quarter
Northern Territory, Australia			
Wollogorang			
EL30496	Karns	100%	None
EL30590	Selby	100%	None
EL31272	Running Creek	100%	None
EL31546	Wollogorang	100%	None
EL31547	Wollogorang	100%	None
EL31548	Wollogorang	100%	None
EL31549	Wollogorang	100%	None
EL31550	Wollogorang	100%	None
Arunta			
EL28886	Alcoota Pegmatite Field	100%	None
EL31777	Alcoota Pegmatite Field	100%	Relinquished
EL31778	Undippa Pegmatite Field	100%	Relinquished
EL31779	Alcoota Pegmatite Field	100%	Relinquished
Alaska USA – Snettisham			
AKAA 095408 to AKAA 095408	Snettisham (48 contiguous blocks)	100%	None

Three Arunta tenements were relinquished following assessment of exploration potential. The board of the Company has made an assessment of its Arunta tenure and plans to relinquish the remaining Arunta tenement (EL28886) as it comes up for annual renewal.

Competent Person Statement

The information in this report that relates to exploration results is based on, and fairly represents, information and supporting documentation compiled by Mr Duncan Chessell who is a member of the Australian Institute of Geoscientists. Mr Duncan Chessell is an employee of Northern Cobalt and 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Duncan Chessell consents to the inclusion in the report of the matters based on his information in the form in which it appears and confirms that the data reported as foreign estimates are an accurate representation of the available data and studies of the material mining project. The Company is not aware of any new information or data that materially affects the information included in this announcement and all material assumptions and technical parameters underpinning the Mineral Resource and/or Exploration Target continue to apply and have not materially changed.

For further information please contact:

Duncan Chessell
Managing Director
Northern Cobalt Ltd
M: +61 414 804 055
E: duncan@n27.com.au

TINTINA GOLD PROVINCE – GOODPASTER GOLD DISTRICT

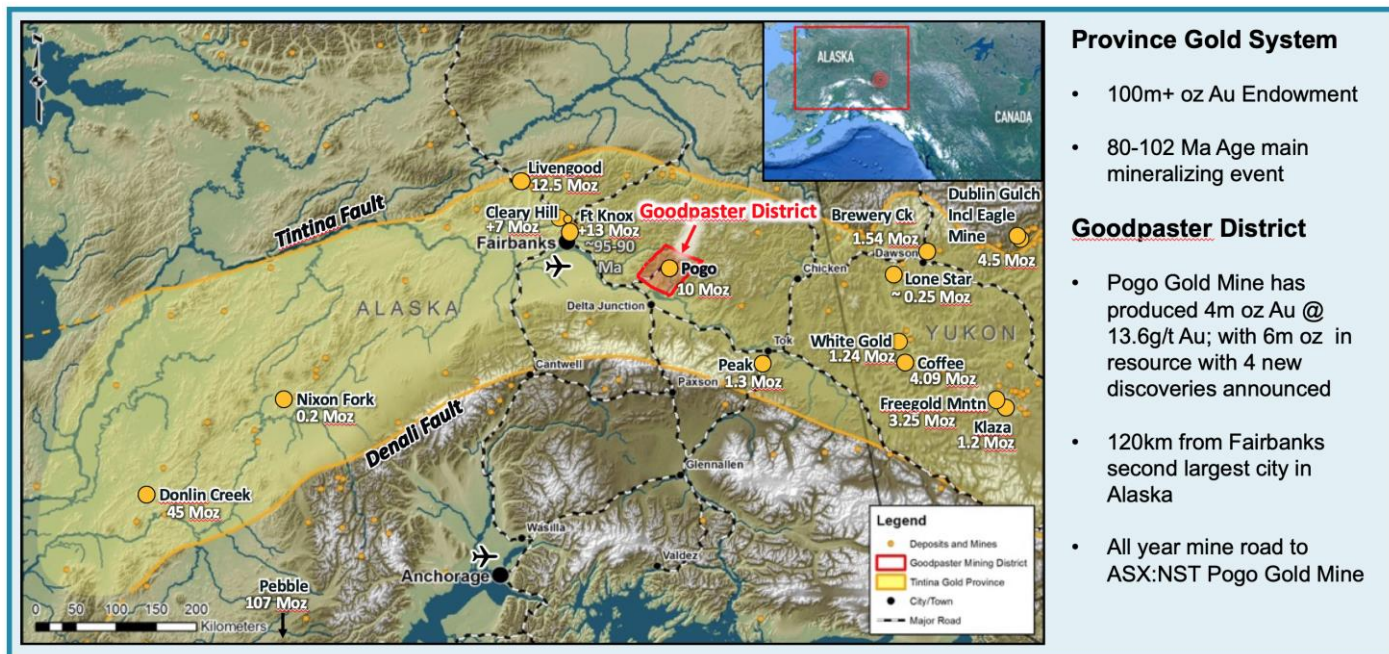
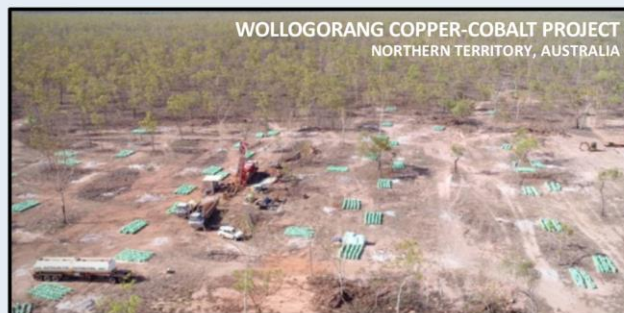


Figure 3 Goodpaster District Location Map, Tintina Gold Province

OTHER PROJECTS SUMMARY– USA & AUSTRALIA



- Three historic gold mines on the property
- Drilling approvals in place for - proof of concept drilling of Vanadium – Magnetite layered mafic targets
- Reviewing project for gold potential



- Stanton Cobalt Deposit Total Mineral Resource Estimate
 - 942,000t @ 0.13% Co, 0.06% Ni and 0.12% Cu
- Significant IP anomalies defined under both Running Creek and Gregjo Prospects potential for Cu-Co with copper and cobalt mineralisation in shallow drilling above the IP anomalies
- Drilling approvals in place (Dry season is May-Dec)

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Northern Cobalt Limited

ABN

99 617 789 732

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(110)	(110)
(b) development	-	-
(c) production	-	-
(d) staff costs	(148)	(148)
(e) administration and corporate costs	(146)	(146)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(404)	(404)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(10)	(10)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(10)	(10)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	742	742
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(404)	(404)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(10)	(10)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	328	328

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	308	722
5.2 Call deposits	20	20
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	328	742

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
156
-

The amount above includes all payments to Directors and also includes payments to entities associated with Leonard Dean. The payments relate to executive services and directors' fees on commercial terms.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

Not applicable

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Not applicable

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	840
9.2 Development	-
9.3 Production	-
9.4 Staff costs	80
9.5 Administration and corporate costs	200
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,120

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL31777 EL31778 EL31779 Arunta region Northern Territory	Beneficially held	100% 100% 100%	0% 0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased		Not applicable		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 30 October 2019

Print name: Jaroslaw (Jarek) Kopias

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.