BERKUT
MINERALS LIMITED

Company Update

ASX Announcement
15 March 2017

European Cobalt Projects

Berkut Minerals Limited ("Berkut" or "Company") continues to advance due diligence with respect to the acquisition of the European Cobalt Projects as announced on 9 February 2017. As part of the 60 day diligence option period, the Company has now undertaken site visits and is well advanced with its legal due diligence. The potential acquisition of the European Cobalt Projects is an exciting opportunity for Berkut to enter the growing market for ethically sourced cobalt in politically stable jurisdictions close to major markets. The Company anticipates completion of the due diligence process in early April 2017.

Cairn Hill Gold Project

Further to the ASX announcement dated 27 February 2017, no significant results were returned from the small six hole drilling program at Cairn Hill. Several targets remain untested at Cairn Hill which will be subject to ongoing review.

Competent Persons Statement

The information in this document that relates to exploration results is based upon information compiled by Mr Ben Cairns, a full-time employee and shareholder of Berkut Minerals Limited. Mr Cairns is a Member of the Australian Institute of Geoscientists (AIG) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Cairns consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

Fast Facts

Shares on Issue: 37.6M[1]
Share Price: $0.29
Market Cap: $10.9M
Cash in Bank: $~4.0M[1]

[1] Excludes $1.0M Tranche 2 placement announced 9 Feb 2017 (subject to shareholder approval)

Board and Management

Michael Bohm, Non Exec Chairman
Paul Payne, Non-Exec Director
Justin Tremain, Non-Exec Director

Ben Cairns, Chief Executive Officer
Melanie Li, Company Secretary

Company Highlights

- Option to acquire 100% interest in European cobalt projects (refer ASX announcement 9 Feb 2017)
- Earning 70% of the Cairn Hill project 40km WNW of Paraburdoo.
- 100% owned Mt Clement Project (under application) prospective for gold and base metals 35km SW of Paulsens Gold Mine
- 100% owned Capricorn Li Project (under application) Historic exploration has identified Li anomalism in lag sampling over an area 18km x 4km

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JORC Code, 2012 Edition – Table 1 report template

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.*	• From every 1 metre drilled three samples were collected through a cone splitter attached directly to the sample hose. • The sample was split through a cone splitter at the ratio 43.75:43.75:12.5. A bulk sample (43.75%) was collected into a plastic sample bag and stored onsite with the drill hole. A second 43.75 split was collected into a calico bag to be used as required for single metre assays. The 12.5% split sample was composited into 4m intervals which formed the basis for routine sampling during the program. • 4m composites were routinely sent for assay unless geology or mineralisation indicated single metre samples were required. •
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).*	• Drilling was undertaken using a slim line reverse circulation drill rig. Hole diameter is 4.5inches using a face sampling bit on 2.95 inch diameter drill rod.
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.* • *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.*	• Sample intervals are measured from metre marks on the drill mast as per industry convention. • Sample recovery is maximized through selection of appropriate back end equipment (shrouds), use of drilling muds as appropriate to prevent deterioration of the drill hole and by maintaining a dry hole. • Sample volume is measured empirically and is considered appropriate for the current stage of investigation. • Given the limited grade distribution and limited number of drill holes in the current program no relationship between recovery and grade can established.

Criteria	JORC Code explanation	Commentary
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.*	• All drill holes are geologically logged. A portion of every 1m interval is sieved onsite and collected into chip trays for future reference. Geological logging of drill holes is based on these 1 metre chip samples. Geologic intervals are recorded based on changes in the observed geology and are not necessarily recorded by the metre. This technique is considered sufficient for the type of drilling and to define broad stratigraphic units and is considered appropriate for the current level of investigation. • .

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.*
		• RC samples were split through a cone splitter attached directly to the sample return. Sample was collected above the cone as the interval was drilled and then released through the cone at the end of the interval.
		• Single metre samples were removed at every metre and composites after 4m.
		• QA/QC samples were inserted at a rate of 1:25 based on continuously numbered sample bags and were variably, blanks, duplicate and certified reference materials
		  • Sample ending 00 – Blank
		  • Sample ending 25 – Duplicate interval (sample 27 duplicate sample)
		  • Sample ending 50 – Certified reference material
		  • Sample ending 75 – Duplicate interval (sample 77 duplicate sample)
		• All samples were freighted to ALS facilities in Perth for assay.
		• Samples > 3.5kg were riffle split to <3.5kg and then crushed to <6mm
		• Coarse crushed material was pulverised in an LM5 pulveriser
		• All coarse rejects and pulverised material have been retained.
		• Gold has been determined by lead collection fire assay (30g charge) with ICP-AES finish (ALS code Au-ICP21)
		• Multi element assay has been undertaken on a mixed four acid digest (Geo-4ACID) with an ICP-AES finish (ME-ICP61)
		• Sample size is considered appropriate for the material sampled and elements targeted

Quality of assay data	• *The nature, quality and appropriateness of the assaying and*	• All assaying has been undertaken at the ALS Global Perth facility.

Criteria	JORC Code explanation	Commentary
and laboratory tests	*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.*	• Fire assay is considered a total digestion and is appropriate for the target commodity. • Mixed acid digest is considered an appropriate technique for multi-element geochemistry. • Berkut has included QA/QC samples in the sample stream at the rate of 1:25. Exceptions to this were for mineralised intervals that were able to be identified in the field. In these instances, a sample of CRM was inserted at the start of the interpreted mineralised interval. • ALS Perth is certified to ISO 9001:2008 “Quality Management Systems – Requirements and ISO 17025:2005 “General requirements for the competence of calibration and testing laboratories.
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.*	• All Au results greater than 10g/t are, without discrimination, re-run by ALS • There has been no further verification of the assay results • Sample data is collected on data entry sheets and cross checked against samples as they are collected from the drill rig. • Data is entered into GIS software and validated to mitigate against errors in data entry
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.*	• Drill collars were located using a hand held Garmin Montana GPS and plotted in hard copy to ensure relative accuracy. • Given the length of the holes downhole surveys were not undertaken. • Drill rigs were aligned using hand held compass and dip was determined using a calibrated spirit level. • Dill holes were located using the GDA94 datum in MGA Zone 50
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.*	• Every metre drilled in the program has been assayed as either a 4m composite or as a single metre interval. • Data spacing is appropriate for the level of investigation being undertaken.
Orientation of data in relation to geological	• *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*	• Drill holes were orientated approximately perpendicular (030°) to the strike of the regional geological trend. A single hole (CHR047) was orientated to 300° to examine the potential influence of cross cutting geological features.

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structure	*of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The purpose of the current program was in part to determine the orientation of mineralised structures. Given the geological observations made during the drill program there does not appear to be any bias arising from the orientation of drill holes.
Sample security	• *The measures taken to ensure sample security.*	• Samples were stored securely onsite prior to being freighted to ALS Global facilities in Perth via reputable freight forwarding agency.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Not undertaken

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.*	• Drilling was undertaken on E08/2248 which is owned by Coccinella Pty Ltd. Berkut Minerals has entered into a Farm-In agreement with Coccinella with respect to E08/2248. • The tenement is in good standing and there is no reason to question security of tenure. • The tenement is subject to a registered Native Title Claim lodged with the Federal Court on behalf of the Yinhawangka Claim Group and represented by the Yamatji Marlpa Aboriginal Corporation.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The tenement has been subject to previous exploration, which included surface sampling and RC drilling. The majority of the drilling was undertaken in joint venture between Newcrest – Sipa Resources and Bacome in the period 1999-2006. The work completed was of industry standard for the time. • A short validation program was undertaken by Berkut Minerals in 2016 and reported to the ASX on 19 December 2016.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The geology of E08/2248 is dominated rocks of the Wyloo Group, in particular clastic sediments of the Mt McGrath Formation and clastic sediments and dolomites of the Duck Creek Dolomite. •
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information*	• All information relative to the location of drill collars is included in Table 2 of this release. Note that the RL as recorded by GPS is

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>for all Material drill holes:
o easting and northing of the drill hole collar
o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
o dip and azimuth of the hole
o down hole length and interception depth
o 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.</td><td>considered unreliable and given the relatively flat topography of the drill location, and the purpose of the drilling (twining historic holes) RL is considered to be an arbitrary zero. For future drilling, reliable elevation data will be collected with advanced equipment.
<table><tr><th colspan="6">Collar Location and Orientation (GDA grid)</th></tr><tr><th>Hole</th><th>East</th><th>North</th><th>Depth</th><th>Dip</th><th>Az</th></tr><tr><td>CHR043</td><td>528372</td><td>7441258</td><td>42m</td><td>-60</td><td>30</td></tr><tr><td>CHR044</td><td>528358</td><td>7441236</td><td>51m</td><td>-60</td><td>30</td></tr><tr><td>CHR045</td><td>528398</td><td>7441261</td><td>39m</td><td>-60</td><td>30</td></tr><tr><td>CHR046</td><td>528359</td><td>7441277</td><td>52m</td><td>-60</td><td>30</td></tr><tr><td>CHR047</td><td>528384</td><td>7441259</td><td>39m</td><td>-60</td><td>300</td></tr><tr><td>CHR048</td><td>528386</td><td>7441239</td><td>40m</td><td>-60</td><td>30</td></tr></table></td></tr>
<tr><td>Data aggregation methods</td><td>• 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.</td><td>• With only 1 exception gold assay results were less than 0.5g/t Au.
• Based on the above there were no significant results arising from the drill program.</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>• 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’).</td><td>• The geometry of mineralisation is not fully understood and therefore the relationship between true width and downhole length is not known.</td></tr>
<tr><td>Diagrams</td><td>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</td><td>• No significant results were recorded.</td></tr>
<tr><td>Balanced reporting</td><td>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades</td><td>• No significant results were recorded</td></tr>
</table>

Criteria	JORC Code explanation	Commentary
	and/or widths should be practiced to avoid misleading reporting of Exploration Results.	
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.*	• Exploration undertaken by Berkut Minerals on the project includes an Induced Polarisation Survey, the results of this survey were previously released to the market on 8th September 2016. • Exploration reports on work undertaken by previous explorers is public information and can be found at the Department of Mines and Energy website.
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.*	• Future exploration at Cairn Hill will likely focus on green fields targets generated from assessment of available geophysical and geological data.