NORTHERN 27 CoBALT

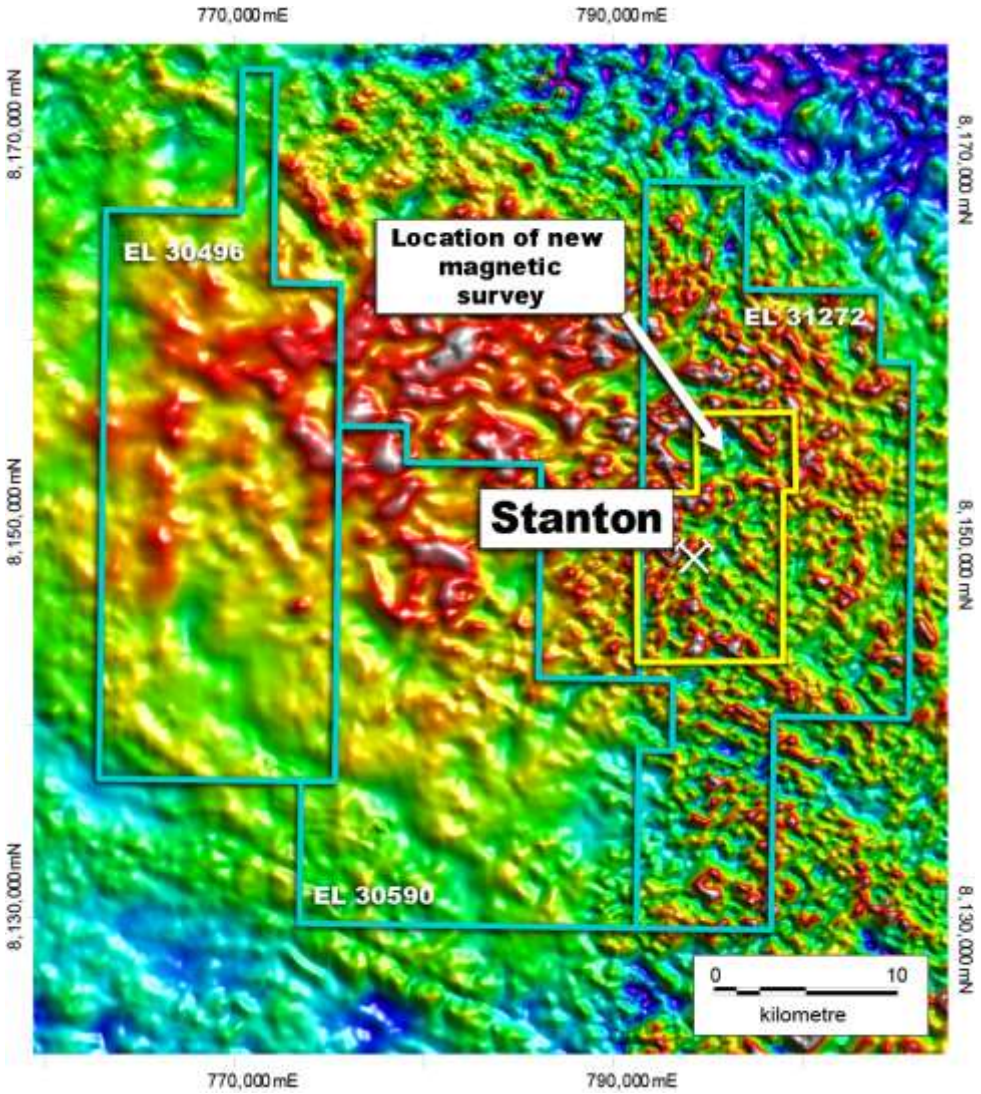
ASX: N27, N27O

ASX RELEASE

22 December 2017

DETAILED MAGNETIC SURVEY OVER STANTON COBALT DEPOSIT

- **Northern Cobalt has acquired a highly detailed magnetic survey over the Stanton Cobalt Deposit and surrounding prospects**
- **Survey identifies Stanton Cobalt Deposit as having a characteristic magnetic signature**
- **Multiple analogous signatures occur in the vicinity of Stanton**
- **Plan to drill test potential repetitions of Stanton in the new year**



CAPITAL STRUCTURE

Ordinary Shares
Issued 37.1M

Options
Listed 9.2 M @ 20c
Unlisted 12.3 M @ 25c

Performance Shares
Class A 9.6 M
Class B 3.6 M

Last Capital Raise
20 Sept 2017
$4.2M @ 20c (IPO)

BOARD

Len Dean - Chair
Michael Schwarz - MD
Duncan Chessell - ED
Andrew Shearer - NED
Jarek Kopias - Co Sec

WWW.NORTHERNCOBALT.COM.AU

EMAIL US

67 GOODWOOD ROAD WAYVILLE SA 5034 AUSTRALIA

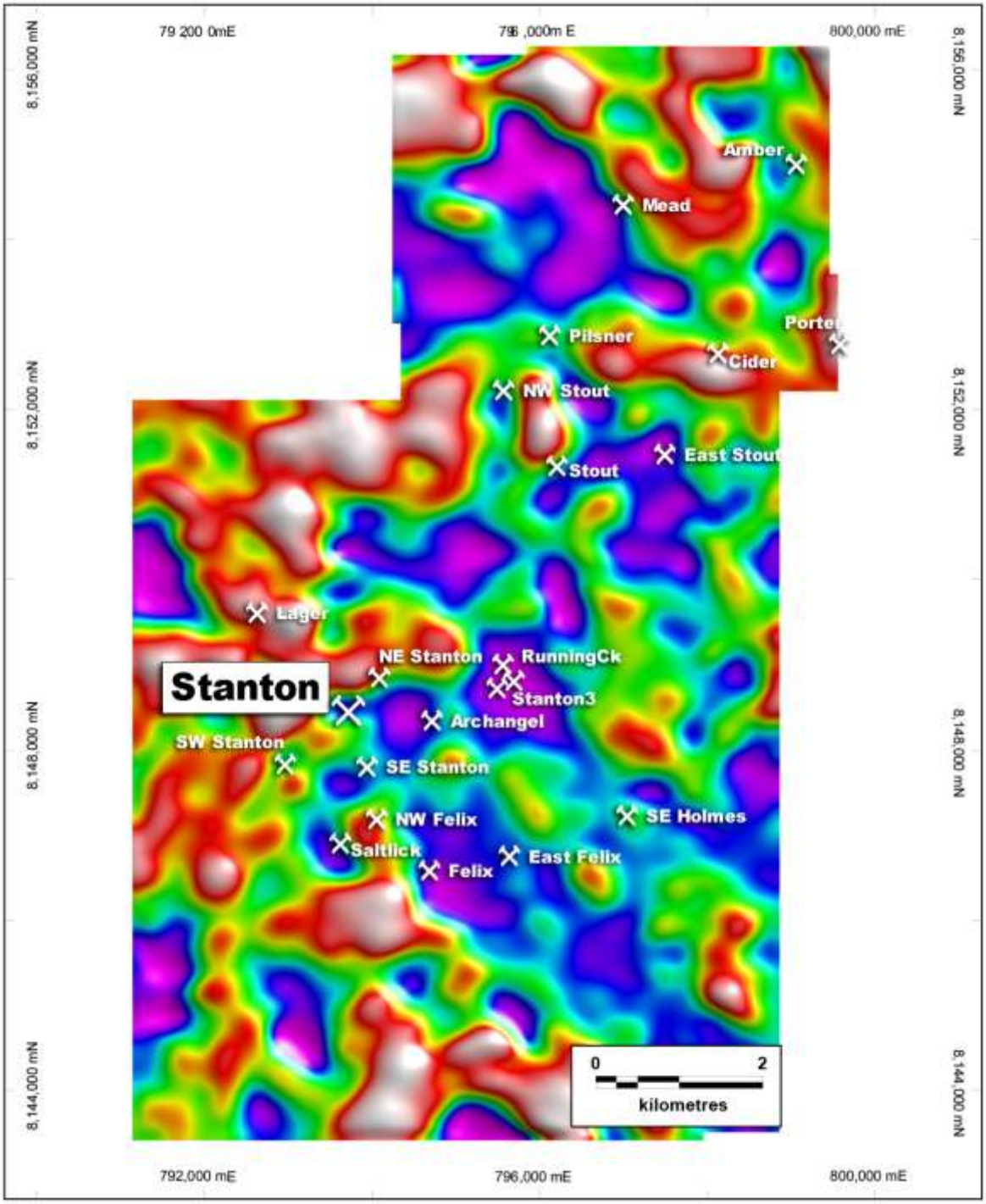


Figure 1. Historic total magnetic intensity image

The Exploration Results have not been reported in accordance with the JORC Code 2012;
a Competent Person has not done sufficient work to disclose the Exploration Results in accordance with the JORC Code 2012;
it is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012;
nothing has come to the attention of the Company that causes us to question the accuracy or reliability of the former owner's Exploration Results; and
the Company has not independently validated the Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results.

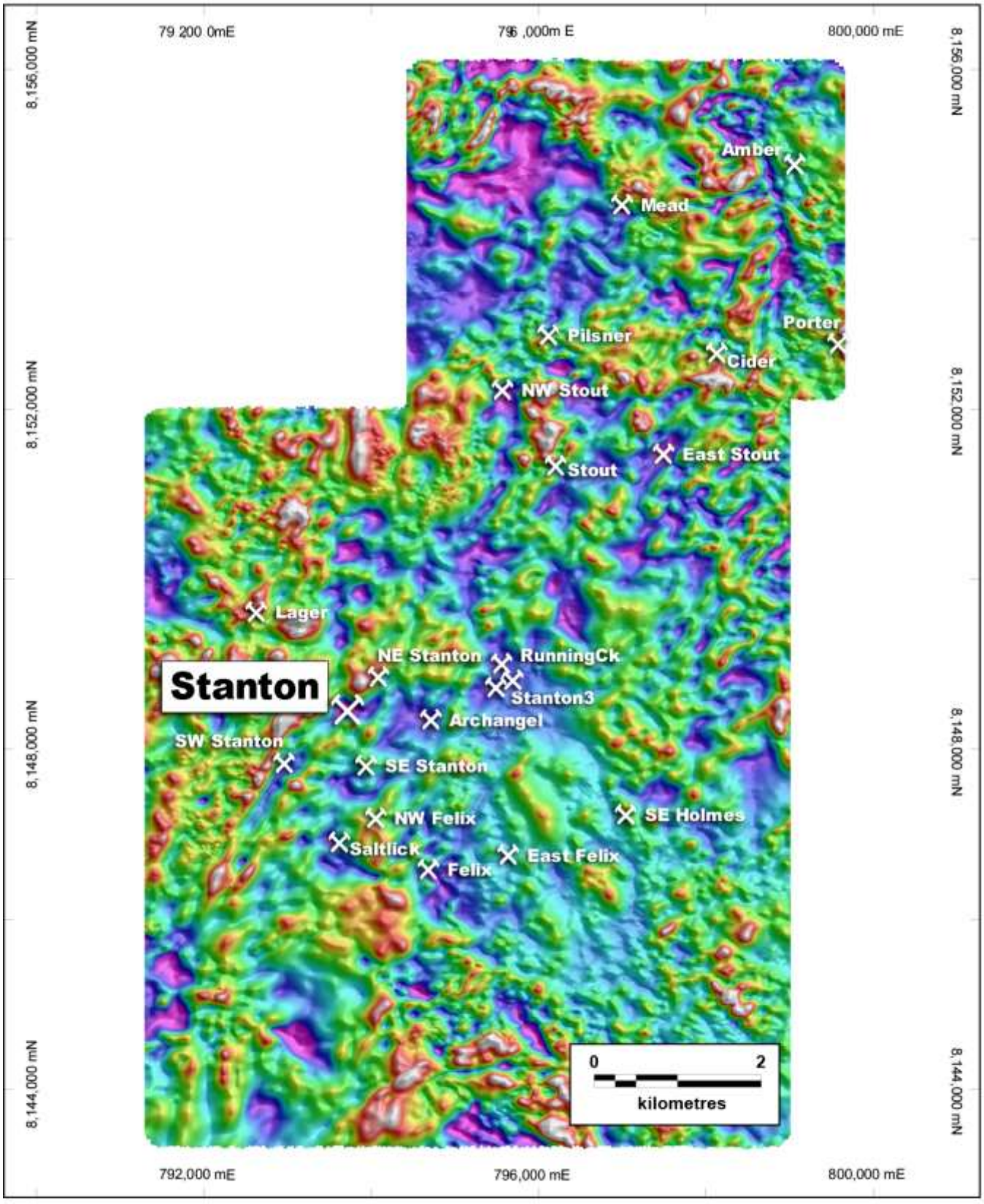


Figure 2. New total magnetic intensity image

Details of the new airborne magnetic survey

- The survey covers the Stanton Cobalt Deposit and surrounding cobalt prospects at a 25m flight line spacing in a N-S direction with a terrain clearance of 30m
- It covers over 90 square kilometres of ground, highly prospective for sedimentary hosted cobalt mineralisation
- A total of 3,685 line-km of high quality magnetic and radiometric data were acquired by helicopter by Aerosystems Australia Pty Ltd

Significant observations from initial interpretation of magnetic data

The Stanton Deposit appears to have a characteristic magnetic signature with the following characteristics

- The deposit overlies an anomalous magnetic low (blue-purple colour)
- The magnetic low appears to be controlled by a NE-SW trending regional structure
- The deposit looks like it occurs within a structural zone that has been pulled apart (dilatant)
- The magnetic low appears to cross cut a pre-existing magnetic fabric (Figure 3)

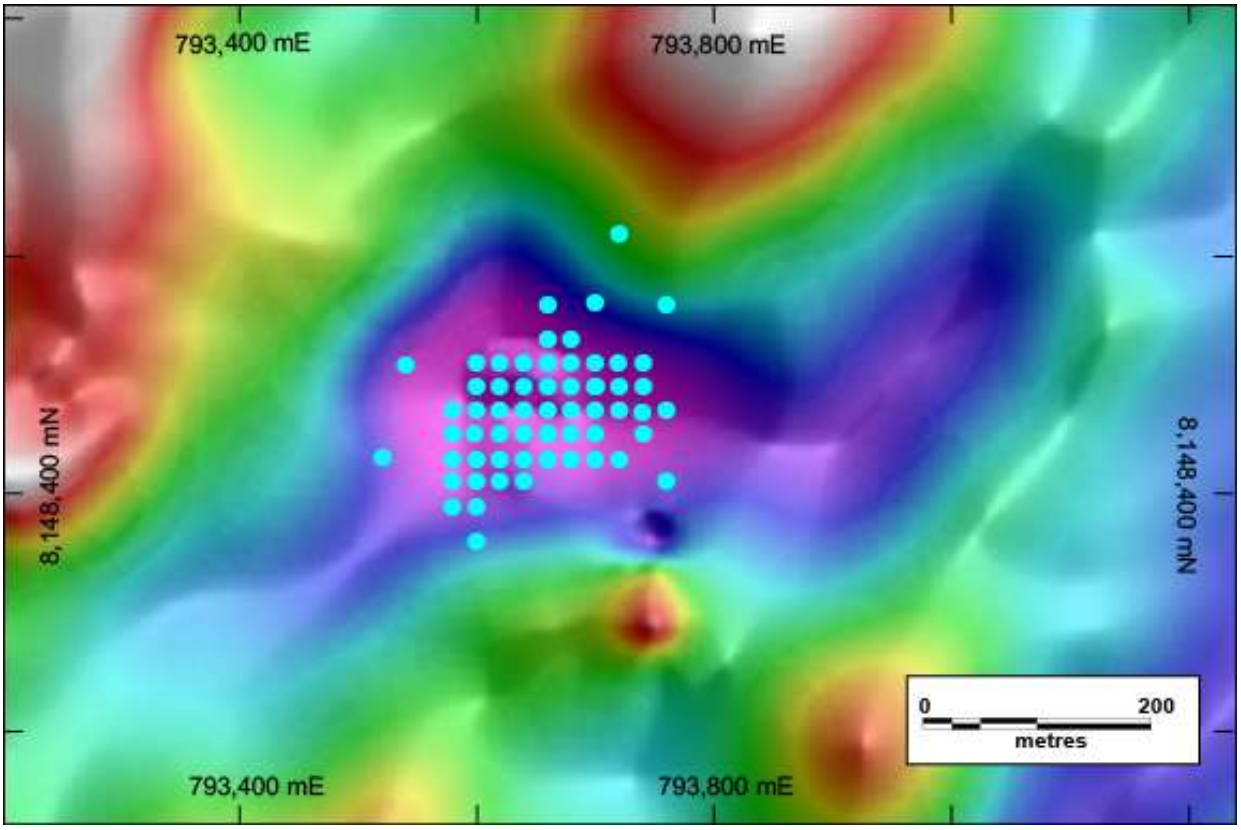


Figure 3. Stanton Cobalt deposit - total magnetic intensity image

These observations have significant implications for predicting the location of additional cobalt mineralising systems in the region. Initial analysis of the magnetic data has identified several magnetic anomalies with similar characteristics to those at Stanton (Figure 4). In interpreting regions of low magnetic intensity, it is important to distinguish between areas that have low magnetite content because of the underlying rock types and areas that have undergone magnetite destruction. Areas of magnetite destruction can be

identified by observing magnetic lows which cross cut the background magnetic fabric/structures. These areas are more prospective for cobalt mineralisation as they are likely to be caused by mineralising fluids interacting with the host rock and converting magnetite (highly magnetic) into iron oxides (less magnetic). A full analysis of the data in conjunction with the radiometric data, drill hole information and other geological datasets will be undertaken to locate further drill targets.

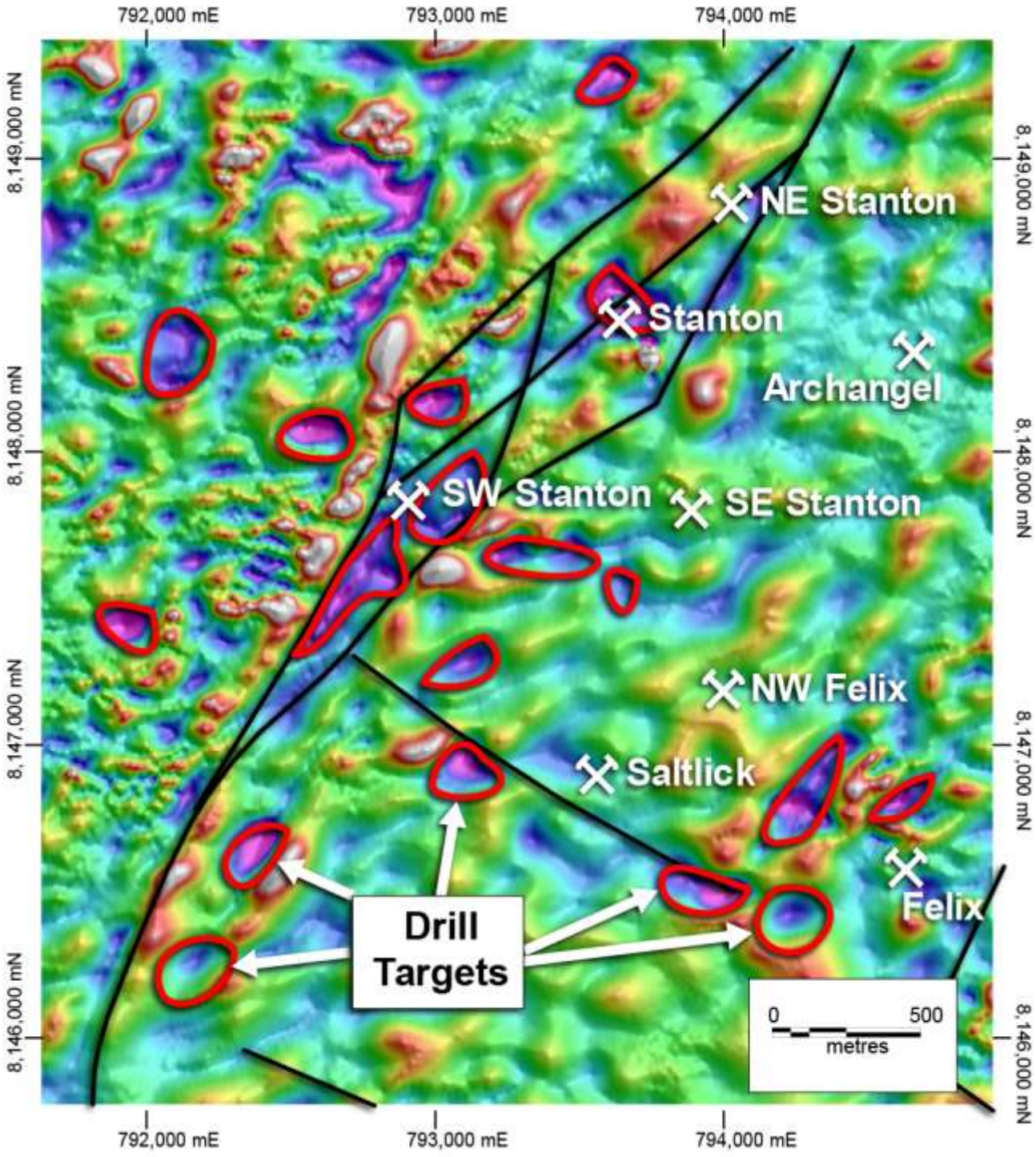


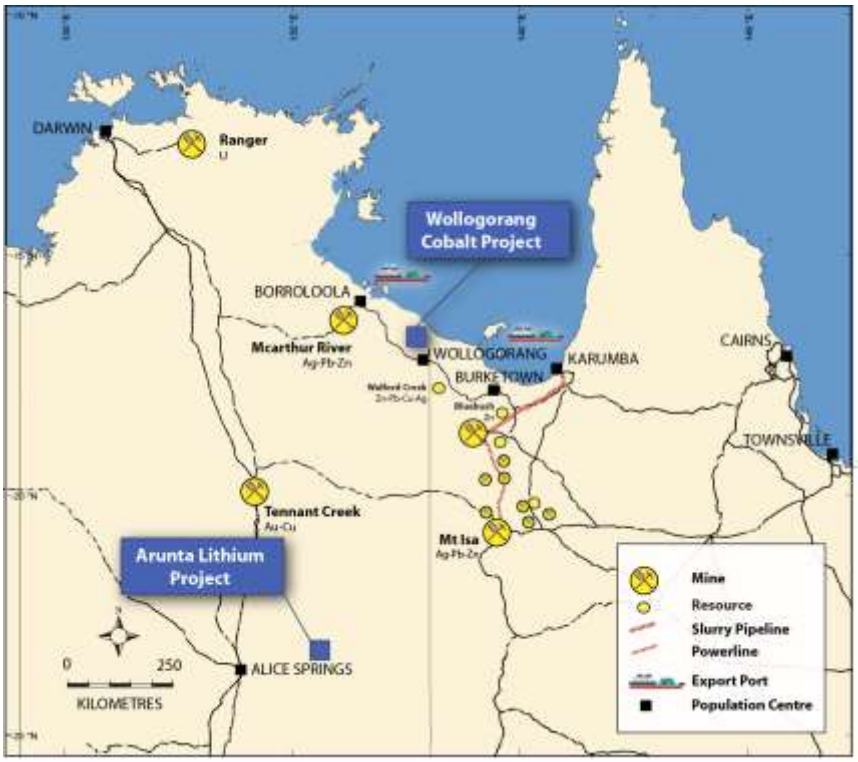
Figure 4. Location of drill targets identified from TMI RTP image

NORTHERN CoBALT

ASX: N27, N27O

ASX RELEASE

22 December 2017



Project Location

The Wollogorang Cobalt Project occurs in the far north-eastern corner of the Northern Territory, a mining friendly authority. The Project area is 180 km to the south-east of the population centre of Borroloola. The capital city of Darwin is 870 km to the north-west and the McArthur River Mine is approximately 150 km to the west-northwest.

For further information please contact:

Michael Schwarz

Managing Director, Northern Cobalt Ltd

M: +61 402 101 790

E: mschwarz@northerncobalt.com.au

Competent Person's Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Michael Schwarz who is a member of the Australian Institute of Geoscientists. Mr Michael Schwarz is a full-time employee of the company 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 Michael Schwarz consents to the inclusion in the report of the matters based on his information in the form in which it is appears. The historical exploration results reported in this announcement are publicly available and have been obtained from the geophysical datasets database at the Northern Territory Geological Survey. https://dpir.nt.gov.au/mining-and-energy/STRIKE/strike-help/nt-wide-geoscience-datasets. *This information is collated and maintained by a government department and is not reported under the JORC 2012 Code and are considered reliable by the Company.*

Appendix 1. The following tables are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of the exploration results for the Wollogorang Cobalt Project

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 30g 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.*	• The survey was undertaken by Aerosystems Pty Ltd with a stinger mounted piston engine Robinson R44 helicopter system equipped with a RS-500 Digital Airborne Gamma Ray Spectrometer and a Geometrics G-823 Caesium Vapor Magnetometer. • The survey specifications were as follows Line orientation: 0/180 Line Spacing: 25m Tie Spacing: 250m Terrain Clearance: 30m Survey Distance: 3,8650km
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).*	• The release refers to results from geophysical surveys; this section is not relevant to this release.
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.*	• The release refers to results from geophysical surveys; this section is not relevant to this release.
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*	• The release refers to results from geophysical surveys; this section is not relevant to this release.

Criteria	JORC Code explanation	Commentary
	quantitative in nature. Core (or costean, channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	
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.*	• The release refers to results from geophysical surveys; this section is not relevant to this release.
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.*	• RS-500 Digital Airborne Gamma Ray Spectrometer - roving (sampling every 1 second). • Geometrics G-823 Caesium Vapor Magnetometer – roving (sampling every 1 second). • Base station magnetometer sampling every 10 seconds.
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.*	• An electronic database containing the original data maintained by the Company and backed up to an offsite server. • The data was checked, and quality controlled by and independent geophysical consultant.
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.*	• DTM created using GPS located data with an average of 5 satellites • UTM grid MGA94 Zone 53 was used • Line spacing = 30m • Line direction – 0/180 degrees
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.*	• The survey specifications were as follows Line orientation: 0/180 Line Spacing: 25m Tie Spacing: 250m Terrain 30m

Criteria	JORC Code explanation	Commentary
	• *Whether sample compositing has been applied.*	Clearance: Survey Distance: 3,8650km
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.*	• Survey line orientation was undertaken at 0/180 degrees which is at a high angle to the regional geological structure
Sample security	• *The measures taken to ensure sample security.*	• The release refers to results from geophysical surveys; this section is not relevant to this release.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• An independent geophysical contractor audited the data

Section 2 Reporting of Exploration Results

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

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.*	• Wollogorang Cobalt Project exploration area occurs on EL 31272 which is 100% owned by Mangrove Resources Pty Ltd a wholly owned subsidiary to Northern Cobalt Ltd. • The licence is currently in good standing with the relevant authorities.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Stanton Cobalt deposit and surrounding prospects were discovered by CRA Exploration Pty Ltd in the period 1990-1996 period under a farm in arrangement with W J (Joe) Fisher.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The local geology is dominated by the Gold Creek Volcanics of the Tawallah Group. This formation is a series of basaltic lavas and shallow intrusives, interlayered with thin oxidised sandstone, carbonate and siltstone units. It is conformably underlain by reduced sedimentary facies of the Wollogorang Formation, which includes dolostones, sandstones and carbonaceous shales. A regional dolerite sill, the Settlement Creek Dolerite, was emplaced synchronous with effusion of the Gold Creek Volcanics. The Wollogorang Formation and Settlement Creek Dolerite do not outcrop on the Stanton prospect area, but are however intersected in a number of drill holes on the tenement. Within the district, the Gold Creek Volcanics are disconformably overlain by a felsic volcanic package that

Criteria	JORC Code explanation	Commentary
		includes a rhyolitic rheoignimbrite sheet (Hobblechain Rhyolite), proximal epiclastics (Pungalina Member) and distal reworked clastics (Echo Sandstone). • Mineralisation is interpreted to be largely controlled by stratigraphy within the flat lying interbedded sediment and volcanic rock units of the Proterozoic Gold Creek Volcanics. Brecciation and faulting has a strong control on the intensity and limits of mineralisation. In fresh rock the cobalt-nickel is located in disseminated siegenite (cobalt-nickel sulphide). Chalcocite and pyrite are also noted. Weathering to a variable depth of approximately 30m has resulted in cobalt oxide secondary mineralisation in a large proportion of the deposit.
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.*	• The release refers to results from geophysical surveys; this section is not relevant to 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.*	• The release refers to results from geophysical surveys; this section is not relevant to this release.
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*	• The release refers to results from geophysical surveys; this section is not relevant to this release.

Criteria	JORC Code explanation	Commentary
	hole length, true width not known').	
Diagrams	• *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.*	• See this release
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.*	• All significant drill intersections have been reported and it has been noted when no significant intersection has been encountered.
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.*	• No other relevant data to report.
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.*	• Planned further work detailed in this, and previous releases, and in figures. This work includes comprises drill of targets generated through this survey