NORTHERN 27 CoBALT

ASX: N27, N27O

ASX RELEASE

16 January 2018

NEW COBALT TARGETS IDENTIFIED AT THE SELBY PIPE CLUSTER

- Regional review of cobalt drill targets for the upcoming drilling campaign identifies Stanton style cobalt-copper mineralisation at the Selby Pipe Cluster, Wollogorang Cobalt Project, NT
- Historical drilling intersected cobalt and copper mineralisation, up to 0.14% Co and 0.19% Cu
- Historical rock chips up to 21% copper
- Historical exploration focussed on diamond and phosphate, **overlooking cobalt potential**

Northern Cobalt has examined results from historical rock chip sampling and drilling at the Selby Pipe Cluster, 16 km south-west of the Stanton Cobalt Deposit in the Northern Territory. Previous explorers have identified similarities between breccia "pipe-like" structures at the Stanton-Running Creek area and those at Selby. As part of a regional review of cobalt drill targets for the upcoming drilling campaign early this year, the Company has identified "Stanton-style" cobalt-copper mineralisation in several structures at Selby in addition to 21 prospects at the Running Creek Pipe Cluster (which includes the Stanton Cobalt Resource).

Co-Cu and pathfinder element concentrations have been encountered in the quartz-rich Echo Sandstone at levels 10-100 times background.

The Echo Sandstone and Karns Dolomite have the potential to act as good host rocks for mineralisation, similar to the sandstone host rocks encountered at Stanton. The Company plans to undertake a detailed airborne magnetic and soil sampling survey and over the region to further assess its potential.

Secondary copper mineral on a fracture surface in sandstone at Selby

CAPITAL STRUCTURE

Ordinary Shares
Issued 37.8M

Options
Listed 8.5 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)

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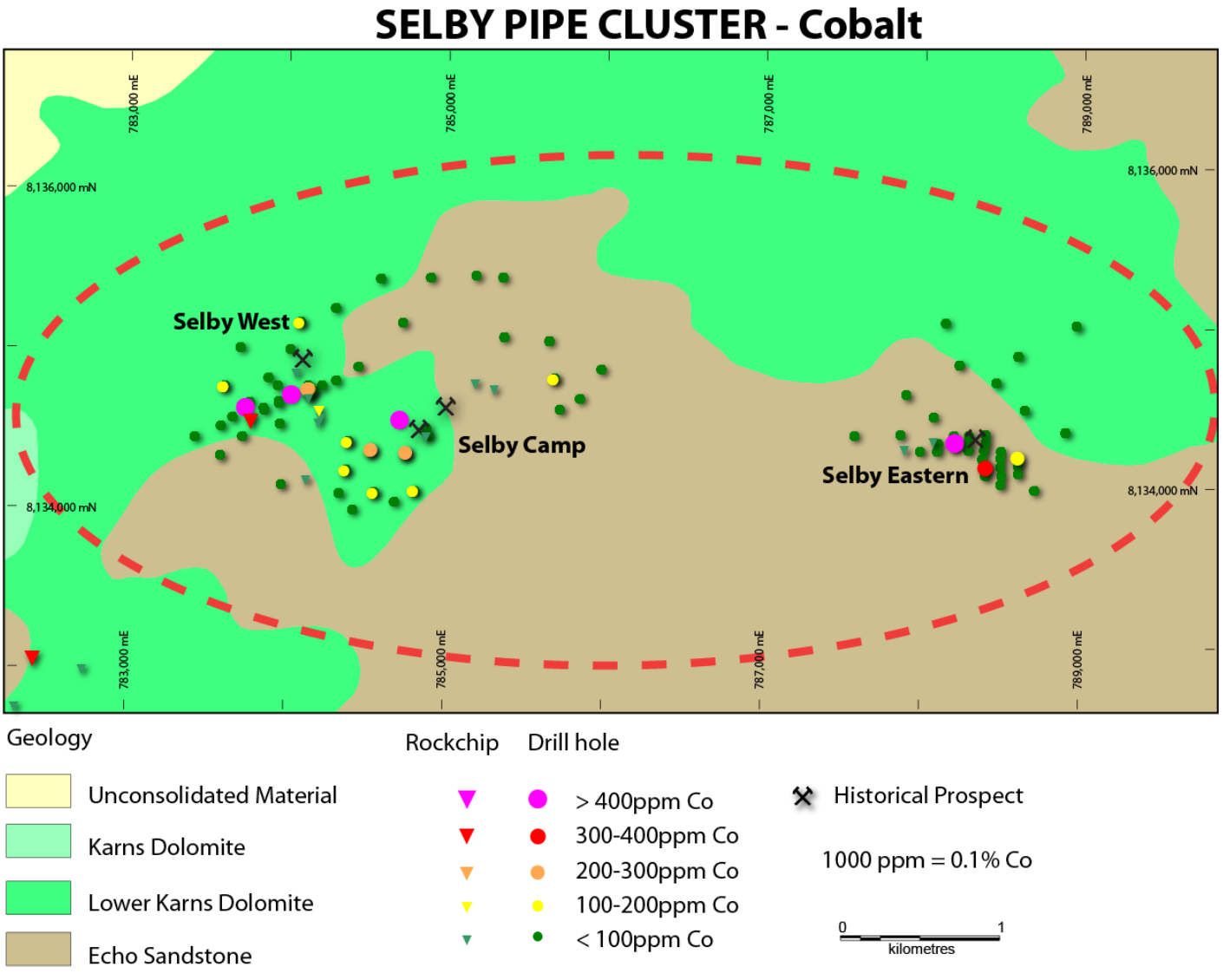
Cobalt Potential of the Selby Pipe Cluster

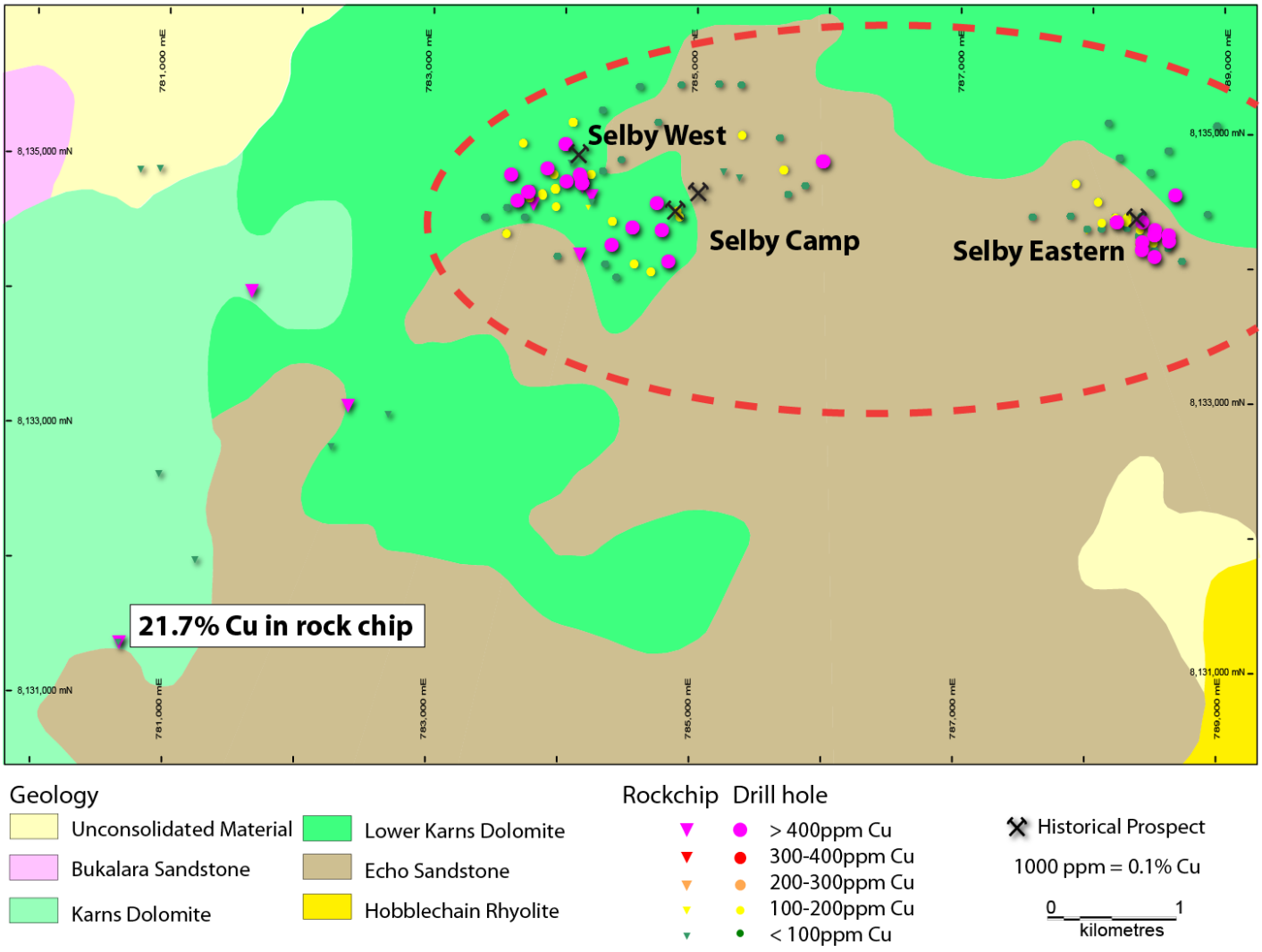
Previous explorers at Selby, largely focussed on diamond and phosphate exploration. Historic exploration comprised a frequency-domain electro-magnetic (EM) survey, followed up by loam sampling, rock chip and stream sediment sampling, and a focussed ground gravity survey. Interpreted kimberlite targets were drill tested, but failed to identify any ultramafic material, kimberlite indicators or microdiamonds.

Drilling comprised 102 holes with an average depth of 54 m (5 DDH, 97 RC). The holes were collared at or just above the Karns phosphatic sandstone horizon and then continued through into the underlying quartzose Echo Sandstone (Tawallah Group). Anomalous base metals were reported in numerous holes, **but no assays were considered economic or indicative of diamondiferous kimberlite**. Peak concentrations include 16% P_2O_5, **0.19% Cu, 0.14% Co**, 0.08% Pb, 0.07% Zn, 0.3% Ba, 246 ppm Ag and 260 ppm U (all over narrow intervals, but not the same interval for all of these element peaks).

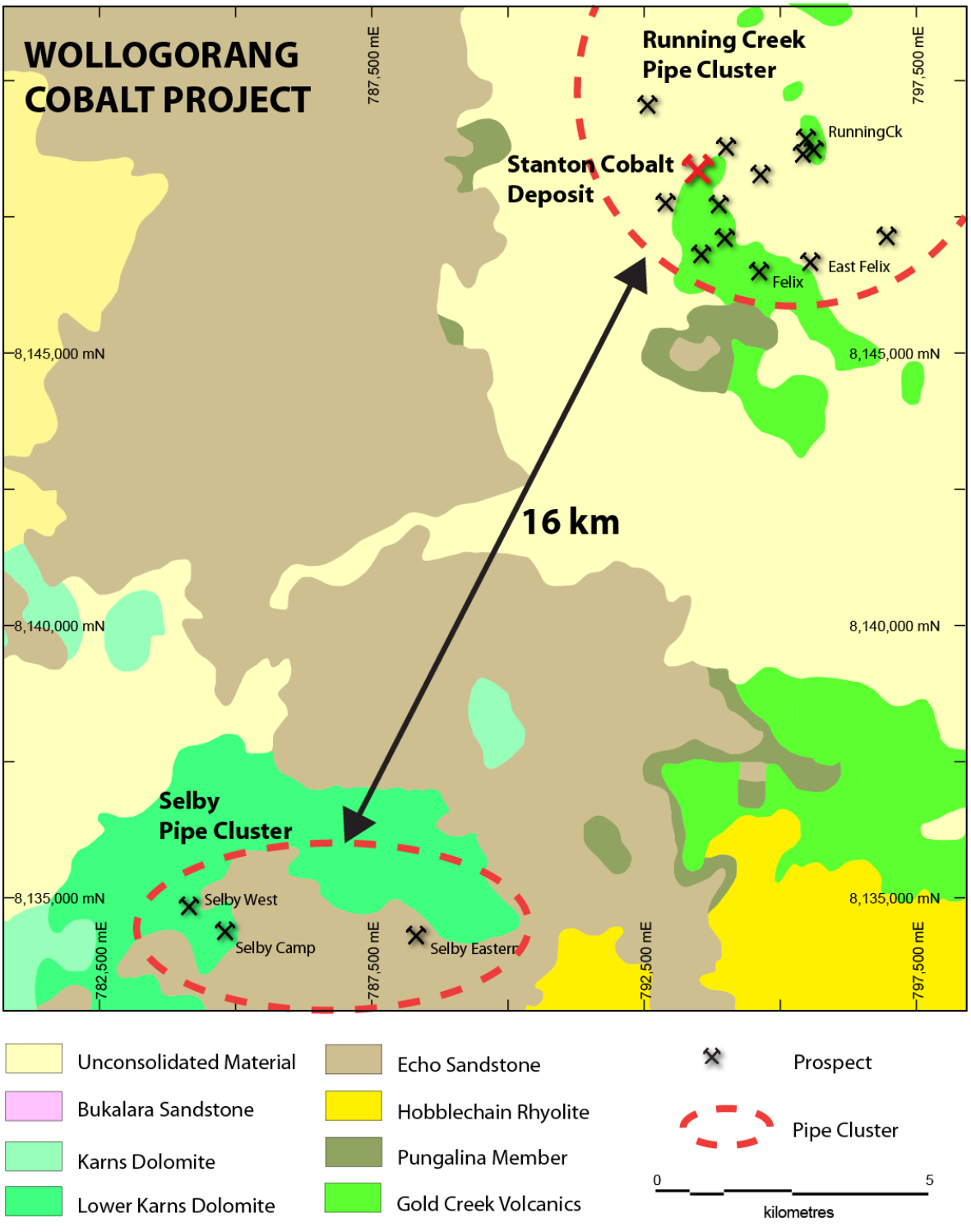


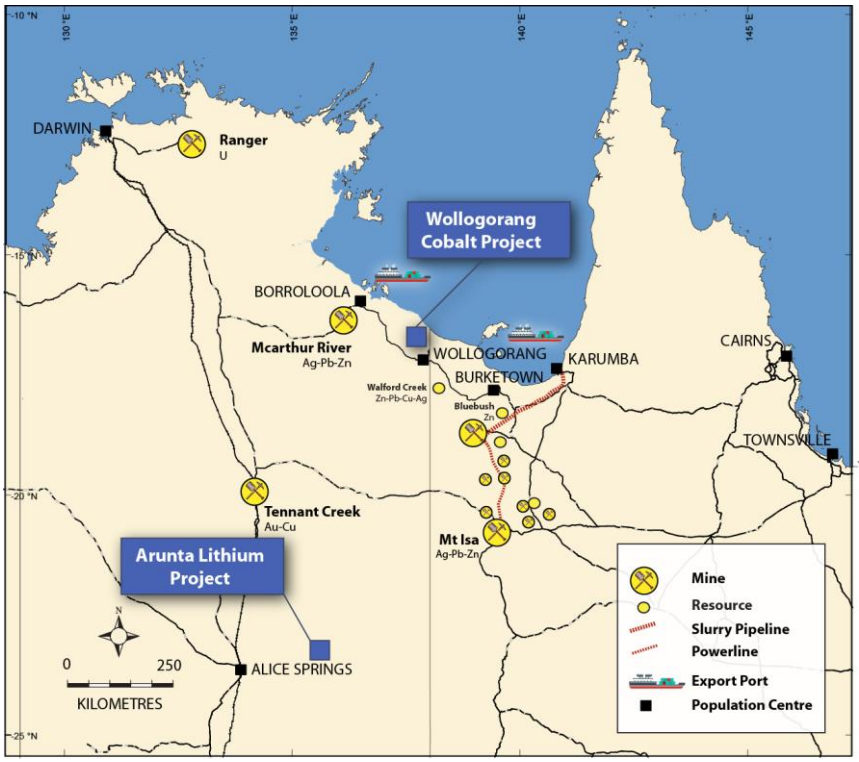
Notably, high Co and Cu values were obtained at various depths, not necessarily in the near surface phosphate horizons or layers that was targeted. Poor correlation between Co-Cu and P also points to separate mineral systems. There are no drill logs available and the assay strategy is unknown, so it is possible that sandstone-hosted base metal mineralisation in this area has not been properly tested, especially at depth. **Importantly, 10-100 times background Co-Cu and pathfinder element concentrations have been encountered in the quartz-rich Echo Sandstone.**

SELBY PIPE CLUSTER - Copper



SELBY PIPE CLUSTER LOCATION MAP





Project Location

The Wollogorang Cobalt Project is located 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.

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Competent Persons Statement

The information in this report that relates to historical exploration results, 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.

Appendix 1. Historical drilling at the Selby Pipe Cluster

	Easting (GDA94)	Northing (GDA94)	RL (m)	TD (m)	AZIM	INC	DRILL TYPE
SELDD2	781112	8132566	131	22.5	0	-90	DD
SGD01	789310	8136620		82.1	0	-90	DD
SGD02	789610	8136155		158.2	0	-90	DD
SGD02-1	787605	8138340		96.1	0	-90	DD
SGD-04	788915	8139100		65.2	0	-90	DD
SELRC01	783865	8134618	109	120	0	-90	RC
SELRC02	783775	8134669	108	111	0	-90	RC
SELRC03	784142	8134762	109	120	0	-90	RC
SELRC04	784182	8134727	115	120	0	-90	RC
SELRC05	784719	8134548	125	60	0	-90	RC
SELRC06	784720	8134545	125	60	0	-90	RC
SELRC07	784391	8134417	134	85	0	-90	RC
SELRC08	784374	8134240	135	60	0	-90	RC
SELRC09	784327	8134096	142	60	0	-90	RC
SELRC10	784410	8133998	145	60	0	-90	RC
SELRC11	784675	8134040	144	60	0	-90	RC
SELRC12	784551	8134100	144	70	0	-90	RC
SELRC13	784536	8134363	139	70	0	-90	RC
SELRC14	784899	8134443	109	50	0	-90	RC
SELRC15	784803	8134107	124	50	0	-90	RC
SELRC16	784755	8134342	123	50	0	-90	RC
SELRC17	784881	8134486	117	100	150	-60	RC
SELRC18	783618	8134771	107	100	0	-90	RC
SELRC19	783896	8134815	115	100	0	-90	RC
SELRC20	784036	8134990	112	100	0	-90	RC
SELRC21	783721	8135006	114	100	0	-90	RC
SELRC22	784103	8135157	119	79	0	-90	RC
SELRC23	784326	8135238	111	80	0	-90	RC
SELRC24	784612	8135413	107	80	0	-90	RC
SELRC25	784926	8135421	98	80	0	-90	RC
SELRC26	783966	8134156	117	70	0	-90	RC
SELRC27	783964	8134531	120	60	0	-90	RC
SELRC28	783724	8134456	108	55	0	-90	RC
SELRC30	783584	8134341	108	70	0	-90	RC
SELRC31	783424	8134460	106	70	0	-90	RC
SELRC32	784462	8134872	103	80	0	-90	RC
SELRC33	784747	8135142	109	97	0	-90	RC
SELRC34	785382	8135410	109	80	0	-90	RC
SELRC35	785213	8135424	107	80	0	-90	RC
SELRC36	785989	8134837	119	60	0	-90	RC
SELRC37	785854	8134657	112	60	0	-90	RC
SELRC38	785726	8134592	109	50	0	-90	RC
SELRC39	785697	8134784	117	60	0	-90	RC
SELRC40	785666	8135016	114	60	0	-90	RC
SELRC41	785382	8135046	109	60	0	-90	RC
SELRC42	787910	8134650	160	50	0	-90	RC
SELRC43	788076	8134511	165	50	0	-90	RC

SELRC44	787865	8134405	145	112	0	-90	RC
SELRC45	787577	8134403	155	80	0	-90	RC
SELRC46	788477	8134716	175	50	0	-90	RC
SELRC47	788245	8134831	168	31	0	-90	RC
SELRC48	788163	8135090	165	7	0	-90	RC
SELRC49	788655	8134545	168	80	0	-90	RC
SELRC51	788616	8134881	170	70	0	-90	RC
SELRC53	788985	8135056	184	70	0	-90	RC
SELRC54	788941	8135320	166	80	0	-90	RC
SELRC55	788905	8134405	155	73	0	-90	RC
SELRC57	787878	8135278	138	80	0	-90	RC
SELRC58	788204	8134393	156	30	0	-90	RC
SELRC59	788297	8134392	165	30	0	-90	RC
SELRC60	788405	8134399	165	13	0	-90	RC
SELRC61	788403	8134348	164	13	0	-90	RC
SELRC62	788292	8134353	163	21	0	-90	RC
SELRC63	788211	8134349	162	13	0	-90	RC
SELRC64	788103	8134350	238	13	0	-90	RC
SELRC65	787990	8134303	157	13	0	-90	RC
SELRC66	788097	8134301	164	13	0	-90	RC
SELRC68	788292	8134307	170	13	0	-90	RC
SELRC69	788391	8134300	158	13	0	-90	RC
SELRC70	788498	8134293	166	13	0	-90	RC
SELRC71	788494	8134250	231	13	0	-90	RC
SELRC72	788600	8134248	231	13	0	-90	RC
SELRC73	788605	8134204	169	13	0	-90	RC
SELRC74	788494	8134202	169	30	0	-90	RC
SELRC75	788401	8134202	163	13	0	-90	RC
SELRC77	788397	8134146	171	13	0	-90	RC
SELRC78	788499	8134144	171	13	0	-90	RC
SELRC79	788491	8134089	176	13	0	-90	RC
SELRC80	788603	8134155	173	13	0	-90	RC
SELRC82	788706	8134053	168	205	0	-90	RC
SELRC83	788378	8134251	231	13	0	-90	RC
SELRC84	788397	8134146	171	55	0	-90	RC
SELRC85	784321	8134791	112	13	0	-90	RC
SELRC86	784232	8134765	112	13	0	-90	RC
SELRC87	784146	8134742	114	19	0	-90	RC
SELRC88	784038	8134715	114	20	0	-90	RC
SELRC89	783952	8134769	113	13	0	-90	RC
SELRC90	783748	8134636	111	16	0	-90	RC
SELRC91	783589	8134527	110	10	0	-90	RC
SELRC92	783664	8134575	110	15	0	-90	RC
SELRC93	783765	8134598	112	10	0	-90	RC
SELRC94	783862	8134629	112	19	0	-90	RC
SELRC95	783958	8134659	117	13	0	-90	RC
SELRC96	783958	8134673	118	13	0	-90	RC
SELRC97	784156	8134700	119	61	0	-90	RC

DD = Diamond drill hole

RC = Reverse circulation drill hole

Appendix 2. Historical rock sampling at the Selby Pipe Cluster

SAMPLE_ID	SAMPLE_TYPE	COORDSYS	EASTING	NORTHING
81411	Rock chip	MGA_53S	768127	8161332
81412	Rock chip	MGA_53S	765152	8165946
81413	Rock chip	MGA_53S	766991	8164092
81414	Rock chip	MGA_53S	766920	8164217
81415	Rock chip	MGA_53S	766850	8164361
81416	Rock chip	MGA_53S	763775	8155076
81417	Rock chip	MGA_53S	763767	8155033
81418	Rock chip	MGA_53S	763309	8165395
81439	Rock chip	MGA_53S	768250	8133730
81440	Rock chip	MGA_53S	768250	8133730
81441	Rock chip	MGA_53S	768250	8133730
81442	Rock chip	MGA_53S	768655	8133793
81443	Rock chip	MGA_53S	775351	8129025
81445	Rock chip	MGA_53S	772527	8131813
81446	Rock chip	MGA_53S	790129	8136332
81447	Rock chip	MGA_53S	780964	8134851
81448	Rock chip	MGA_53S	780597	8131342
81449	Rock chip	MGA_53S	782212	8139247
81450	Rock chip	MGA_53S	762117	8139402
81451	Rock chip	MGA_53S	780597	8131342
81452	Rock chip	MGA_53S	781641	8133936
81453	Rock chip	MGA_53S	782212	8139247
81457	Rock chip	MGA_53S	780813	8134847
81458	Rock chip	MGA_53S	776017	8136123
IMC1	Rock chip	WGS84_53S	784233	8134558
IMC2	Rock chip	WGS84_53S	784220	8134530
IMC3	Rock chip	WGS84_53S	784228	8134609
IMC4	Rock chip	WGS84_53S	784160	8134683
IMC5	Rock chip	WGS84_53S	784080	8134847
IMC6	Rock chip	WGS84_53S	783787	8134552
IMC7	Rock chip	WGS84_53S	784132	8134173
SELR001	Rock chip	MGA_53S	785236	8134765
SELR002	Rock chip	MGA_53S	785236	8134765
SELR003	Rock chip	MGA_53S	784911	8134431
SELR004	Rock chip	MGA_53S	784911	8134431
SELR005	Rock chip	MGA_53S	785356	8134723
SELR006	Rock chip	MGA_53S	788000	8134300
SELR007	Rock chip	MGA_53S	788000	8134300
SELR008	Rock chip	MGA_53S	788189	8134353
SELR009	Rock chip	MGA_53S	782666	8133001
SELR010	Rock chip	MGA_53S	782230	8132770
SELR011	Rock chip	MGA_53S	782356	8133074
SELR012	Rock chip	MGA_53S	781186	8131941
SELR013	Rock chip	MGA_53S	789420	8138412
SELR014	Rock chip	MGA_53S	789420	8138412
SELR015	Rock chip	MGA_53S	789420	8138412
SELR016	Rock chip	MGA_53S	780920	8132587
SIM-4R	Rock chip	MGA_53S	789454	8130177

Appendix 3. The following tables are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of historical exploration data for the Selby Pipe Cluster

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.*	• Diamond drill hole were drilled with a helicopter borne diamond rig • RC Drilling - Vertical drill holes (-90 degree dip) completed to blade refusal, until the intersection of the underlying Echo Sandstone or, in the case of SELRC58-SELRC84, until phosphate was intersected. Drill material was collected every metre in a bucket and dumped on the ground in rows of 10. The drill-hole identification number was painted on a dumpy peg and placed at the start of the first row. • Samples were sent to ASL laboratories for multielement analysis. • Samples were frequently assayed at one metre interval for near surface section in many holes and also for those parts of the hole where intercepted lithology was visibly phosphatic to ensure capturing of maximum information particularly length of the mineralised zone and its grade. For all other depths, four metre riffle split composites were collected for geochemistry. Samples were analysed by XRF for phosphate as P_2O_5 and ICPMS for U, Cu, Pb, Zn and Ag using total acid digest 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).*	• Reverse circulation percussion (RC) • Diamond Drilling (DDH)

Criteria	JORC Code explanation	Commentary
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.*	• Recovery generally good, with poor recovery in a small number of samples due to groundwater.
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.*	• Drilling logged in detail on a metre by metre basis.
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 drill samples split using a riffle splitter. • No other information given
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.*	• Samples were sent to ALS Laboratories for multielement analysis. • Samples were analysed by XRF for phosphate as P_2O_5 and ICPMS for U, Cu, Pb, Zn and Ag using total acid digest method. • The quality of the analyses are assumed to be reasonable given the sampling methodology and laboratory used.

Criteria	JORC Code explanation	Commentary
	• *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.*	
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.*	• Not reported
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.*	• Not reported
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.*	• Data spacing and distribution is deemed appropriate for early exploration sampling and drilling.
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.*	• Sample relationship to mineralisation and structure is unknown at this stage.
Sample security	• *The measures taken to ensure sample security.*	• Not reported
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Not reported

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.*	• The Selby Pipe Cluster exploration area of the Wollogorang Cobalt Project occurs on EL 30950 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. • The majority of exploration work undertaken at the Selby Pipe Cluster was undertaken by Legend International Holdings Inc.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Wollogorang Project occurs on the "Wearyan Shelf" of the Proterozoic McArthur Basin, a 12km thick unmetamorphosed sedimentary succession containing dolostone, sandstone and shale units with minor felsic and mafic volcanics. The McArthur Basin unconformably overlies various Palaeoproterozoic terrains, such as the Pine Creek Orogen, and as outlined above, is highly endowed with world-class mineral deposits and is now the subject of exploration for hydrocarbons. The main geological units of interest in the project area are the Wollogorang Formation (carbonaceous shales and dolomite) and Gold Creek Volcanics (interlayered basalt lavas and sediments). In the west, these formations are overlain by the flat-lying 250m-thick Pungalina Member-Echo Sandstone couplet and, in turn, by the Karns Dolomite. The basal Karns sandstone is locally very phosphatic, especially at the Selby

Criteria	JORC Code explanation	Commentary
		prospects, where it is comprised of up to 24% P_2O_5. Soil and sand cover is widespread but very thin (<20 m).
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.*	• See Appendix 1 and 2.
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.*	• Not relevant as 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').*	• Any observations made are down hole length and true width is not known.

Criteria	JORC Code explanation	Commentary
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 report body
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 relevant results have been reported
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.*	• Further work has not been planned at this stage but will be considered at the companies next target ranking session.