NORTHERN 27 CoBALT

ASX: N27, N27O

ASX RELEASE

9 April 2018

STANTON RESOURCE UPGRADE INCREASES CONTAINED COBALT

- **First resource upgrade reported from Northern Cobalt's drilling at the Stanton Cobalt Deposit, Northern Territory**
- **Contained cobalt has increased by 41% from 850t to 1,200t, with an increase in resource tonnes of 88%**
- **Drilling set to resume in coming weeks to test 37 newly identified targets**

Northern Cobalt (ASX: N27) is pleased to announce a resource upgrade for the Stanton Cobalt Deposit at its 100% owned Wollogorang Cobalt Project in the Northern Territory. The results for the JORC 2012 compliant Total Mineral Resource Estimate are reported as **942,000t @ 0.13% Co, 0.06% Ni and 0.12% Cu**.

Importantly the contained cobalt within the resource has increased and has been largely moved from inferred to indicated status indicating a greater degree of confidence. The previous Mineral Resource Estimate of 500,000t @ 0.17% Co, 0.09% Ni and 0.17% Cu, was reported by Northern Cobalt in its Prospectus in September 2017.

Northern Cobalt's Managing Director, Michael Schwarz said ***"The upgrade of the Stanton Resource is a positive start in understanding the cobalt potential of the Wollogorang Cobalt Project. Assay results from the diamond drilling completed last year will be included in the near future. In addition, metallurgical testing currently underway will provide a valuable insight into the possible processing options. Now the wet season is nearing the end, exploration drilling will commence in the coming weeks to test 37 newly identified targets, using lighter and less expensive drilling rigs in a busy 2018 field season for Northern Cobalt."***

Videos

See the video explainer and 3D model

WEBINAR Q&A with our Managing Director at 2PM TODAY (Melbourne time) – register here…

The Stanton Cobalt Deposit is a sediment hosted cobalt mineralisation system which has potential for low CAPEX and OPEX options due to:

- Non-refractory mineralisation (siegenite - a cobalt sulphide mineral)
- Cobalt dominant mineralisation which occurs from surface to 90m depth (shallow)
- Flat lying sediment hosted mineralisation - likely open pit operations
- Occurring in a supportive first-world mining jurisdiction

Results of the Total Mineral Resource Estimate

Mineral Resource Estimate for the Stanton Cobalt Deposit – 9th April 2018							
	Oxidation	**Tonnes**	**Co ppm**	**Ni ppm**	**Cu ppm**	**S ppm**	**Contained Co t**
Inferred	**Oxide**	8,000	500	300	2,100	100	5
	Transition	242,000	800	400	800	4,000	190
Indicated	**Oxide**	406,000	1,200	500	1,600	100	490
	Transition	286,000	1,800	900	900	4,200	520
Total		**942,000**	**1,300**	**600**	**1,200**	**2,400**	**1,200**

Table 1. Stanton Cobalt Deposit Mineral Resource, reported above a 300 ppm cut-off grade (subject to rounding) and a Top Cut-off grade of 10,000ppm Co (1%)

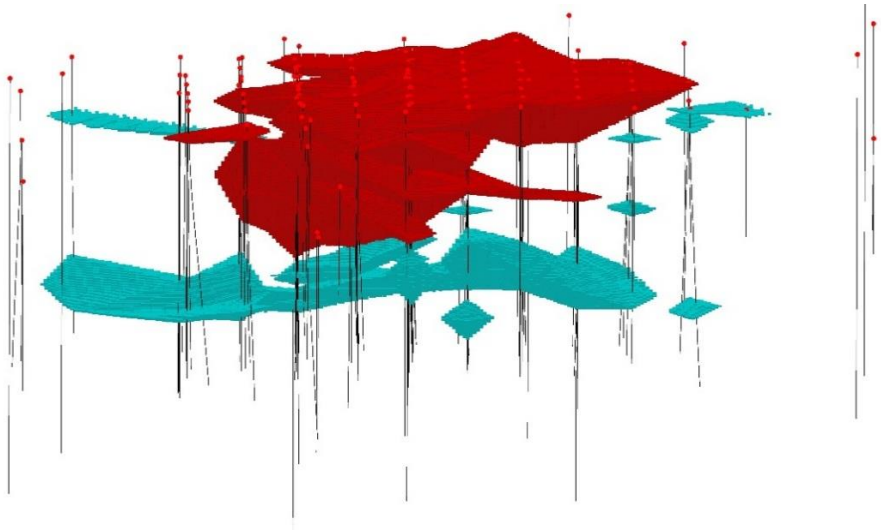

Figure 1. Stanton Mineral Resource Estimate coloured by resource category. Red is indicated (74%) and blue (26%) is inferred. View looking north.

Portions of the model that have drill spacing of 20m by 20m, and where the confidence in the estimation is considered high have been classified as **Indicated Mineral Resources**. Areas that have drill spacing of greater than 20m by 20m, and/or with lower levels of confidence in the estimation or potential impact of modifying factors have been classified as **Inferred Mineral Resources** (Figure 1).

The grade-tonnage curve for the Stanton Cobalt Deposit is shown below.

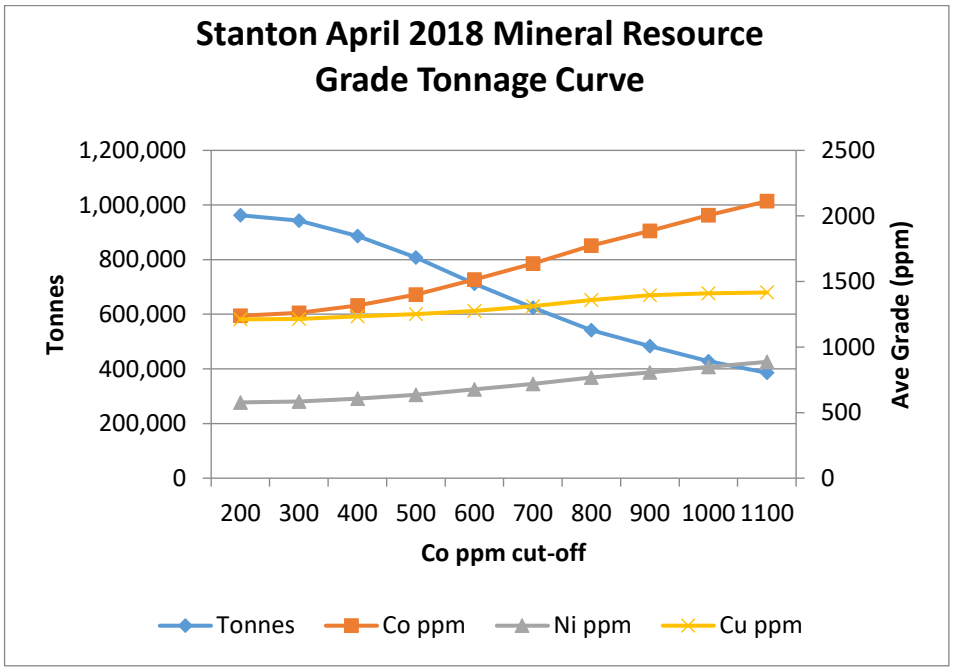

Figure 2. Grade tonnage (GT) curve for the Stanton Mineral Resource estimate.

Peer Review - AMC Executive summary

Northern Cobalt Limited (N27) commissioned AMC Consultants Pty Ltd (AMC) to undertake a peer review of the March 2018 Mineral Resource estimate (Mineral Resource estimate) at its Stanton Cobalt project (Stanton) in the Northern Territory completed by Dr Graeme McDonald.

AMC considers that the Mineral Resource estimate has been completed using industry-accepted practice with 2017 (recent) drillhole data supported by a quality assurance and quality control (QA/QC) protocol. The estimate has been appropriately classified as Indicated and Inferred Mineral Resources in accordance with the JORC Code[1]. AMC concurs with the Mineral Resource classification.

Some additional comments are provided in Appendix 2, below.

[1] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code 2012 Edition, Effective December 2012, Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists, and Minerals Council of Australia (JORC).

Exploration and Resource Growth Potential

Northern Cobalt is implementing a new exploration approach in its quest to rapidly discover and define additional cobalt resources within the Wollogorang region. The Company plans to

- Use light vehicle mounted air core rig for initial shallow drill testing to 40m. This will allow rapid testing of drill targets and will decrease time to test each target from 1 week to 1 day
- Get results immediately with pXRF. This will decrease the time for return of analytical results from 4-6 weeks to only minutes
- This technique will allow the Company to define the extent of new mineralisation prior to resource drilling with a larger reverse circulation drill rig
- It will allow rapid, low cost, target assessment

The Company aims to commence drilling early May, weather permitting.

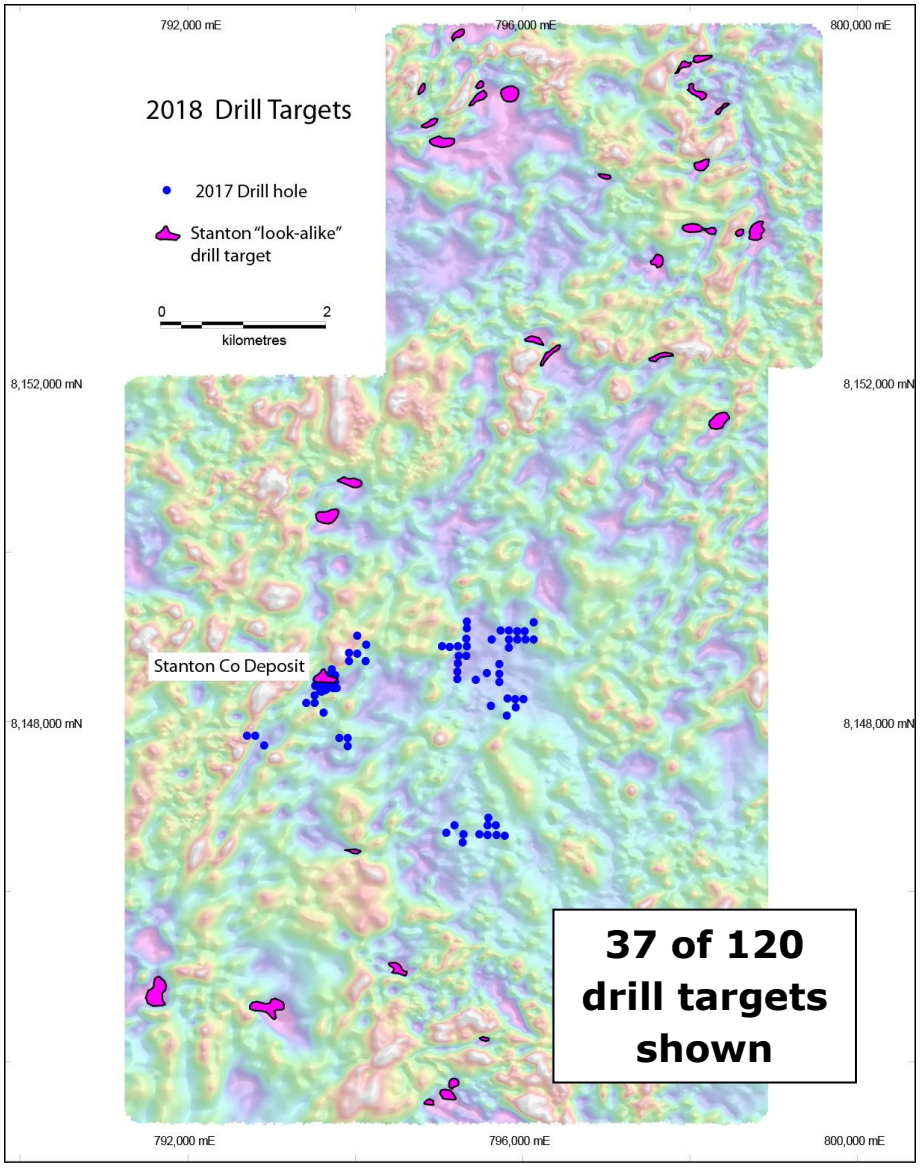

Figure 3. 2018 drill targets on 1VD magnetic image

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Project Location

The Stanton Deposit is in the Wollogorang region of the Northern Territory, adjacent to both the Queensland border and Gulf of Carpentaria. The project is located approximately 60km NNW of Wollogorang Station and 870km SE of Darwin (Figure 4).

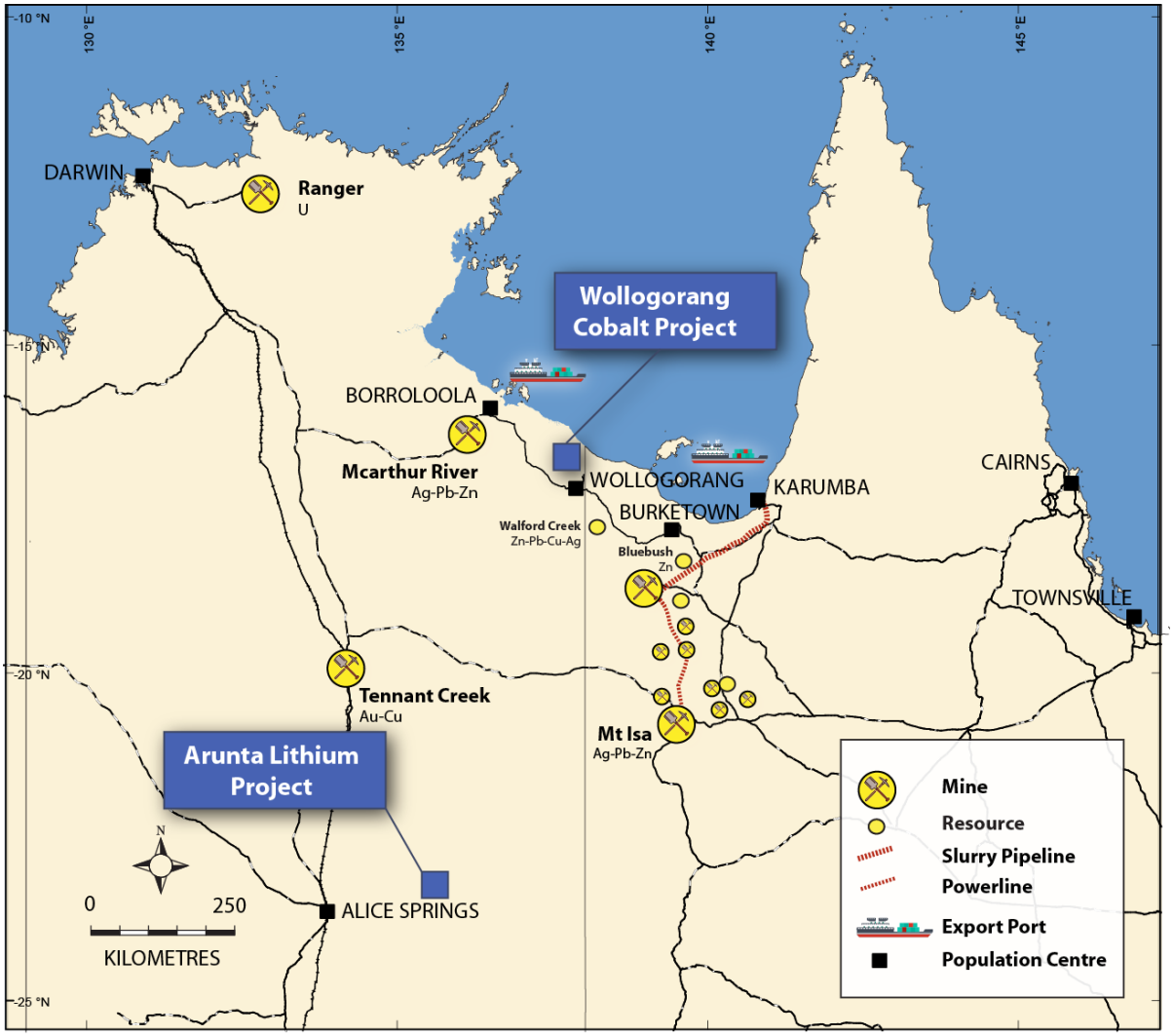

Figure 4. Regional location diagram

For further information please contact:
Michael Schwarz
Managing Director, Northern Cobalt Ltd
M: +61 402 101 790
E: mschwarz@northerncobalt.com.au
E: info@northerncobalt.com.au

Summary of Resource Estimate and Reporting Criteria

Geology and geological interpretation

The local geology is dominated by the mid Proterozoic Gold Creek Volcanics of the Tawallah Group. The Gold Creek Volcanics consist of a series of basaltic lavas and shallow intrusives, interlayered with oxidised sandstone, carbonate and siltstone units. The local geology is generally not well exposed due partly to the flat lying to gently dipping nature of the stratigraphy and the thin layer of eluvial cover.

Mineralisation within the Stanton Cobalt Deposit and surrounding Wollogorang Cobalt Project area is stratabound and mostly constrained within the oxidised upper dolomitic mudstone and sandstone unit of the Gold Creek Volcanics. Minor mineralisation also occurs in the interlayered basalt and sandstone units above and below the primary host unit to depths of about 100m as currently defined by drilling. The intensity and grade of mineralisation is greatest within a circular intensely brecciated zone interpreted to be a breccia pipe structure.

The mineralisation within the near surface oxidised zones is dominated by malachite, azurite, chalcocite, native copper and asbolane ($(Ni,Co)_{2-x}Mn^{4+}(O,OH)_4 \cdot nH_2O$). At depth the mineralisation is dominated by the sulphides chalcopyrite and siegenite ($(Co,Ni)_3S_4$). The sulphides occur as disseminated 1-5mm sized euhedral crystals in both coherent and brecciated mudstone and sandstone within the breccia pipe and in quartz-dolomite veins within altered basalt. The Co and Ni bearing mineralisation, although rare, has been confirmed by petrological and SEM investigations.

Drilling techniques and hole spacing

The Stanton drill hole dataset used for the MRE contains a total of 115 holes for 10,732.55m of drilling. Comprising 14 RC holes and 21 DD holes drilled by CRA between 1990 and 1995. A total of 70 RC and 10 DD holes were drilled by N27 in late 2017.

Portions of the model that have drill spacing of 20m by 20m, and where the confidence in the estimation is considered high have been classified as Indicated Mineral Resources. Areas that have drill spacing of greater than 20m by 20m, and/or with lower levels of confidence in the estimation or potential impact of modifying factors have been classified as Inferred Mineral Resources.

The majority of holes have been drilled vertically, with a small proportion (15) drilled with a dip of -60° either to the north or south. With the exception of the 2017 DD holes drilled by N27 all of the holes have assays associated with them. At the time of this report the assays for the 2017 DD holes were still pending, however, these holes were used as part of the geological interpretation.

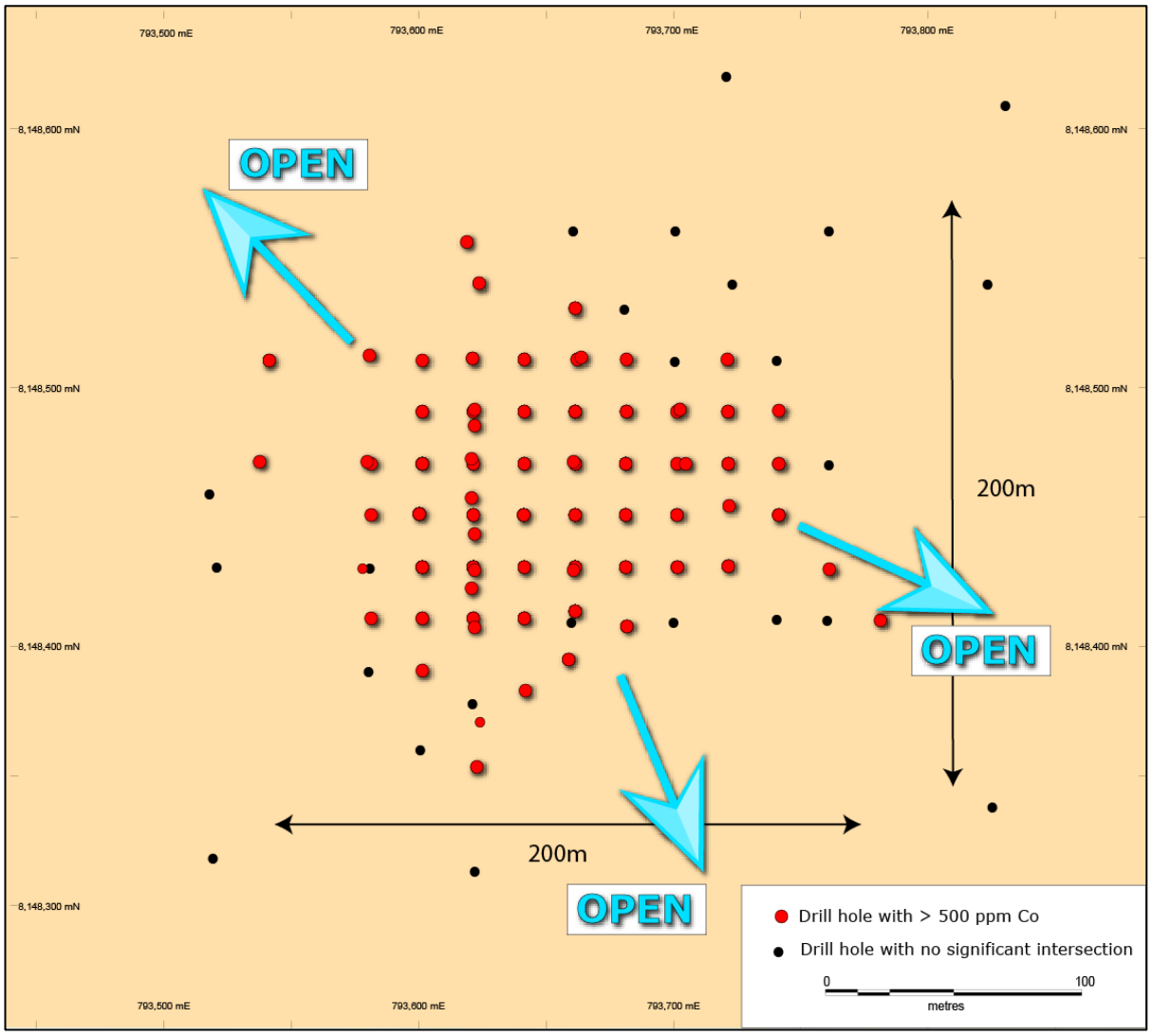

Figure 5. Drill hole location diagram

Not all of this drilling occurs within the interpreted mineralised zone. In total, of the historic CRA drilling, only 15 DD and 5 RC were used for the MRE. However, 61 RC holes from the N27 drilling have been included for use in the MRE. It is significant to note that only one hole (DD95RC156) has been disregarded completely due to uncertainty surrounding the collar location of this hole.

For the CRA drilling, downhole surveys were only conducted for 2 of the holes. All other holes are assumed to follow the initial set up direction. Given that the majority of holes are vertical together with the relatively flat lying stratigraphy and mineralisation this will have minimal impact on the interpretation.

Downhole surveys were conducted for all of the N27 drilling using a Reflex EZ-GYRO.

In terms of the RC drilling, there is no documentation that describes the sample quality for the historic CRA drilling. Reports of the RC drilling by N27 indicates that the majority of the samples are excellent with only minor cavities intersected that affect sample quality.

Sampling and sub-sampling

Samples were collected from RC drilling and when submitted for assay typically weighed 2-3kg over an average 1m interval. Sampling was undertaken at one metre intervals when mineralisation was visually identified and as four metre composites when not. RC samples were homogenised and subsampled by cone splitting at the drill rig to retain approximately 15% of the cuttings. Samples were then sent to Bureau Veritas laboratory in Perth for analysis.

Sample analysis method

Sample Preparation - The samples have been sorted and dried. Primary preparation has been by crushing the whole sample. The samples have been split with a riffle splitter to obtain a sub-fraction which has then been pulverised in a vibrating pulveriser.

Analytical Methods - Au, Pt, Pd determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry.

The samples have been analysed by Firing a 40 g (approx) portion of the sample. Lower sample weights may be employed for samples with very high sulphide and metal contents. This is the classical fire assay process and will give total separation of Gold, Platinum and Palladium in the sample.

Ca, Cr, Fe, K, Mg, Mn, Na, P, S, V, Co, Cu, Ni and Zn determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry. Ag, As, Ba, Bi, Cd, Li, Mo, Pb, U, Th have been determined by Inductively Coupled Plasma (ICP) Mass Spectrometry.

The sample(s) have been digested and refluxed with a mixture of acids including Hydrofluoric, Nitric, Hydrochloric and Perchloric Acids. This extended digest approaches a Total digest for many elements however some refractory minerals are not completely attacked.

Standards, blanks and duplicates have all been applied in the QAQC methodology. Sufficient accuracy and precision have been established for the type of mineralisation encountered and is appropriate for QAQC in the Resource Estimation.

Cut-off grades

A low cut-off of 300 ppm and high Cut-off of 10,000ppm was used in reporting the Mineral Resource Estimate. The low cut-off grade was established from the grade-tonnage curve and consultation with N27 and is reflective of current commodity prices.

Estimation methodology

Geology, mineralisation and weathering wireframes were generated in Micromine software using drill hole data supplied by N27. Resource data was flagged with unique weathering, lithology and mineralisation domain codes as defined by the wireframes and composited to 1m lengths. The composites were analysed and top-cuts applied. Top cuts applied were Co – 10,000ppm, Ni – 4,000ppm, Cu – 16,000ppm and S – 25,000ppm.

Grade continuity analysis was undertaken in Micromine software for Co, Ni, Cu and S for the mineralised domain and models were generated in all three directions. Parameters were used in the block model estimation. A block model with a parent block size of 5x5x2m with sub-blocks of 1.25 x 1.25 x 0.5m has been used to adequately represent the mineralised volume, with sub block estimated at the parent block scale.

Density data was supplied by N27 and is consistent with expected values for the lithologies present and the degree of weathering. Within the block model, density has been assigned based on lithology and weathering state.

Classification criteria
The resource classification has been applied to the Mineral Resource Estimate based on the drilling data spacing, grade and geological continuity, and data integrity. Portions of the model that have drill spacing of 20m by 20m, and where the confidence in the estimation is considered high have been classified as **Indicated Mineral Resources**. Areas that have drill spacing of greater than 20m by 20m, and/or with lower levels of confidence in the estimation or potential impact of modifying factors have been classified as **Inferred Mineral Resources.** The classification reflects the view of the Competent Person.

Mining and metallurgical methods and parameters
It has been assumed that the traditional open cut mining method of drill, blast, load and haul will be used. It is assumed that processing would occur at the nearby Redbank processing facility. It is also assumed that there is minimal internal dilution of up to 2m. No external dilution has been assumed. No other mining assumptions have been made.

Metallurgical factors or assumptions
No metallurgical recoveries have been applied to the Mineral Resource Estimate. Metallurgical test work is currently underway on drill core collected by Northern Cobalt to determine the metallurgical amenability of the mineralisation.

Eventual Economic Extraction
It is the view of the Competent Person that at the time of estimation there are no known issues that could materially impact on the eventual extraction of the Mineral Resource. The recent increases in cobalt metal prices in particular, provide further support for the eventual economic extraction of the Stanton Co, Ni, Cu Deposit.

MRE = Mineral Resource Estimate
N27 = Northern Cobalt Limited
RC = Reverse Circulation
DD = Diamond Drill hole

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Competent Person's Statement

The information in this report that relates to historical exploration results is based on, and fairly represents, information and supporting documentation 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 information in this announcement is an accurate representation of the available data and studies of the material mining project.

The information in this release that relates to the Estimation and Reporting of Mineral Resources has been compiled by Dr Graeme McDonald. Dr McDonald acts as an independent consultant to Northern Cobalt Limited on the Stanton Deposit Mineral Resource estimation. Dr McDonald is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience with the style of mineralisation, deposit type under consideration and to the activities 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" (The JORC Code). Dr McDonald consents to the inclusion in this report of the contained technical information relating to the Mineral Resource Estimation in the form and context in which it appears.

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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 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.*	• Reverse Circulation (RC) drilling using standard equipment. • Sampling was undertaken at one metre intervals when mineralisation was visually identified and as four metre composites when not. • Drilling was designed to intersect the mineralised ore zone based historical drilling
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) with a 137mm diameter hammer. • Diamond drilling (DD) HQ triple tube.

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. • Lithology, alteration and oxidation logged qualitatively. • Sulphide content and type logged quantitatively and qualitatively.
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 rig mounted cone splitter. • Sample duplicates collected, and standards used to confirm representivity of sampling. • DD samples were cut with an Almonte core saw, halved and quartered and quarter core sent for analysis on a single meter basis
Quality of assay data and	• *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,*	• Sample Preparation - The samples have been sorted and dried. Primary preparation has been by crushing the whole sample. The samples have been split with a riffle splitter to obtain a sub-fraction which has then

Criteria	JORC Code explanation	Commentary
laboratory tests	*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.*	been pulverised in a vibrating pulveriser. • Analytical Methods - The samples have been analysed by Firing a 40 g (approx) portion of the sample. Lower sample weights may be employed for samples with very high sulphide and metal contents. This is the classical fire assay process and will give total separation of Gold Platinum and Palladium in the sample. • Au, Pt, Pd determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry. • The sample(s) have been digested and refluxed with a mixture of acids, including Hydrofluoric, Nitric, Hydrochloric and Perchloric Acids. This extended digest approaches a Total digest for many elements, however, some refractory minerals are not completely attacked. • Ca, Cr, Fe, K, Mg, Mn, Na, P, S, V, Co, Cu, Ni and Zn determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry. The sample(s) have been digested and refluxed with a mixture of acids including Hydrofluoric, Nitric, Hydrochloric and Perchloric Acids. This extended digest approaches a Total digest for many elements however some refractory minerals are not completely attacked. • Ag, As, Ba, Bi, Cd, Li , Mo, Pb, U, Th • Standards (OREAS 181), blanks and duplicates have all been applied in the QAQC methodology. Sufficient accuracy and precision have been established for the type of mineralisation encountered.
Verification of sampling	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.*	• An electronic database containing collars, geological logging and assays is maintained by the

Criteria	JORC Code explanation	Commentary
and assaying	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Company.
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.*	• Holes have been surveyed using Differential GPS (DGPS). • UTM grid MGA94 Zone 53 was used • A majority of holes have had down hole surveys completed.
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.*	• RC drill hole spacing approximately every 20m on a grid across the existing mineral resource. • DD drill holes were drilled at 60 degrees to the south along traverses across the deposit from west to east. • Spacing and distribution is considered to be appropriate.
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.*	• Samples are bagged and sealed on pallets on site and transported to the analytical laboratories by commercial transport companies.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits undertaken at this stage as the drilling program has only recently commenced.

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 includes a rhyolitic rheoignimbrite sheet (Hobblechain Rhyolite), proximal

Criteria	JORC Code explanation	Commentary
		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.*	• This information was reported on 5 February 2018 as “Final Drilling Results 2017 Drilling Program”.
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*	• For exploration drill hole results, simple length weighted averages were used for reporting of significant drill intercepts with a cut-off grade of 0.05% (500ppm) Co and a maximum internal dilution of 1m. No high cut was applied to exploration drilling

Criteria	JORC Code explanation	Commentary
	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.*	results, however a high cut-off grade of 10,000ppm Co was applied the resource estimate calculation.
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.
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.*	• This information was reported on 5 February 2018 as "Final Drilling Results 2017 Drilling Program". • Also see attached 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*	• Planned further work detailed in this, and previous releases, and in figures.

Criteria	JORC Code explanation	Commentary
	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.*	This work includes comprises drill testing along a significant portion of the surface geochemical anomaly.

Section 3 - Estimation and Reporting of Mineral Resources

Criteria	Explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	• Drill data is currently stored in MS Excel spreadsheets. A random data check of source assay data and survey data has been undertaken and compared to the database. No translation issues have been identified. The data was validated during the interpretation of the mineralisation, with any drillholes containing dubious data excluded from the MRE. Only RC and DD holes have been included in the MRE.
	• *Data validation procedures used.*	• Data validation processes are in place and were run upon import into Micromine to be used for the MRE. Checks included: missing intervals, overlapping intervals and any depth errors.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	• No site visit has been undertaken by the CP.
	• *If no site visits have been undertaken indicate why this is the case.*	• The timing of the wet season and poor access to site, together with the lack of activity on site has meant that no visit has been undertaken.

Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	• The geological interpretation is considered robust due to the close spaced nature of the drilling. The mineralisation is hosted within sub horizontal interlayered basaltic lava flows and clastic sediments that have been well defined by the predominantly vertical drilling. The location and nature of the central breccia zone has also been well constrained by the current drilling.
	• *Nature of the data used and of any assumptions made.*	• Diamond drill core and reverse circulation drillholes have been used in the MRE. Lithology, structure and mineralisation data has been used to generate the mineralisation model.
	• *The effect, if any, of alternative interpretations on Mineral Resource estimation.*	• Due to the close spaced nature of the drilling data and the geological continuity conveyed by this dataset, no alternative interpretations have been considered. Previous estimates have considered slightly different interpretations with less data with negligible impacts on the MRE.
	• *The use of geology in guiding and controlling Mineral Resource estimation.*	• The mineralisation interpretation is based on a cobalt cut-off grade of 250ppm. The sub horizontal nature of the stratigraphy outside the breccia zone has helped to control the mineralised domain.
	• *The factors affecting continuity both of grade and geology.*	• The geology and mineralisation are dominated by a central breccia zone. This zone appears to be fault bound to the south by the Stanton Fault and to the east, west and north by less significant structures. The flat lying stratigraphy is considerably disrupted through this zone. Mineralisation within the upper

		zone is concentrated within the breccia but does extend beyond the faults. The lower zone
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource*	• The Co/Ni/Cu mineralisation is roughly circular in plan view with a diameter of approximately 250m. An upper zone occurs primarily within variably brecciated sandstone/siltstone and basalt lithologies. A lower zone is essentially stratabound within a flat lying sandstone unit. Mineralisation occurs from surface down to depths of 90m.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	• Grade estimation of Co, Ni, Cu and S has been completed using Ordinary Kriging (OK) into oxide and transitional mineralisation domains using Micromine software. Variography has been undertaken on the top-cut grade domain composites. Variogram orientations are largely controlled by the strike and dip of the mineralisation.
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	• Previous estimates are available for comparative analysis and have been used to inform the current Mineral Resource Estimate.
	• *The assumptions made regarding recovery of by-products.*	• No assumptions have been made regarding recovery of any by-products. Metallurgical test work is currently underway.
	• *Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).*	• The only deleterious element considered and therefore estimated for this deposit was sulphur. Sulphur was modelled and estimated within 2 separate domains within the cobalt mineralised domain. Due to significant differences between the

		oxide and transition zones for sulphur this was modelled as a hard boundary.
	• *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.*	• The data spacing is relatively close within the deposit ranging from an approximate spacing of 20m by 20m in the interior to spacings of approximately 40m by 40m on the fringes. A parent block size of 5m (X) by 5m (Y) by 2m (Z) with a sub-block size of 1.5m (X) by 1.5m (Y) by 0.5m (Z) has been used to define the mineralisation, with the estimation at the parent block scale. • Pass 1 estimation has been undertaken using a minimum of 4 samples into a search ellipse with a radius of 30m, with a minimum of 2 drillholes allowed. • Pass 2 estimation has been undertaken using a minimum of 4 samples into a search ellipse with a radius of 60m, with a minimum of two drillholes allowed. • Pass 3 estimation has been undertaken using a minimum of 4 samples into a search ellipse with a radius of 90m, with a minimum of two drillholes allowed. • All search criteria were relaxed to populate any remaining blocks.
	• *Any assumptions behind modelling of selective mining units.*	• No selective mining units are assumed in this estimate.
	• *Any assumptions about correlation between variables*	• Nickel, copper and sulphur have been estimated within the cobalt mineralised domain however, no correlation between variables has been assumed.
	• *Description of how the geological interpretation was used to control the resource estimates.*	• The mineralisation and geological wireframes have been used to flag the drillhole intercepts in the assay

		file. The flagged intercepts have then been used to create composites in Micromine. The composite length is 1m in all data.
	• *Discussion of basis for using or not using grade cutting or capping.*	• The influence of extreme sample distribution outliers in the composited data has been reduced by top-cutting where required. The top-cut levels have been determined using a combination of histograms and log probability plots. Top-cuts have been reviewed and applied for the estimation domain. The application of the top-cuts has not resulted in a significant decrease in the mean grade from the un-cut to top-cut data.
	• *The process of validation, the checking process used, the comparison of model data to drillhole data, and use of reconciliation data if available.*	• Model validation has been carried out, including visual comparison between composites and estimated blocks; statistical comparison against the input drillhole data and graphical plots.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• The tonnes have been estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied*	• For the reporting of the Mineral Resource Estimate, a 300ppm Co low cut-off has been used after consultation with Northern Cobalt Limited. A high cut-off grade of 10,000ppm Co was also applied.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when*	• It has been assumed that the traditional open cut mining method of drill, blast, load and haul will be used. It is assumed that processing would occur at the nearby Redbank processing facility. It is also assumed that there is minimal internal dilution of

	estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	up to 2m. No external dilution has been assumed. No other mining assumptions have been made.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• No metallurgical recoveries have been applied to the Mineral Resource Estimate. Metallurgical test work is currently underway on drill core collected by Northern Cobalt to determine the metallurgical amenability of the mineralisation.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made*	• No environmental assumptions have been made during the MRE.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and*	• Bulk density values have been assigned to the model based on the degree of oxidation and rock type. Water immersion density determinations have been undertaken by Northern Cobalt on 643 samples from 10 diamond core drillholes across a range of rock types and oxidation states.

	differences between rock and alteration zones within the deposit,	Analysis of this data resulted in using the oxide and transitional density determinations for assignment in the Mineral Resource estimate. A comparison was made using the assignment based on rock type and there was negligible difference between the two methods.
	• *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories*	• The resource classification has been applied to the MR estimate based on the drilling data spacing, grade and geological continuity, and data integrity.
	• *Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*	• The classification takes into account the relative contributions of geological and data quality and confidence, as well as grade confidence and continuity.
	• *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The classification reflects the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• This Mineral Resource estimate has been audited by an external party. An audit was undertaken by AMC Consultants and no significant errors or omissions were identified.
Discussion of relative accuracy/confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate*	• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code.

	• *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used*	• The statement relates to global estimates of tonnes and grade.
	• *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available*	• No production has been undertaken, so no comparison or reconciliation with previous production records has been made.

Appendix 2

Peer Review - AMC Executive Summary Comments

Northern Cobalt Limited (N27) commissioned AMC Consultants Pty Ltd (AMC) to undertake a peer review of the March 2018 Mineral Resource estimate (Mineral Resource estimate) at its Stanton Cobalt project (Stanton) in the Northern Territory completed by Dr Graeme McDonald.

AMC considers that the Mineral Resource estimate has been completed using industry-accepted practice with 2017 (recent) drillhole data supported by a quality assurance and quality control (QA/QC) protocol. The estimate has been appropriately classified as Indicated and Inferred Mineral Resources in accordance with the JORC Code[2]. AMC concurs with the Mineral Resource classification.

Some additional comments are provided below.

Data collection:

- Recent data collection and sampling was conducted following industry-accepted practice. No information was provided to AMC for pre-1996 (Historic) data collected by CRA Exploration.
- Reverse circulation (RC) drillhole and diamond drillhole (DD) data were used for the Mineral Resource estimate.
- The drillholes were designed to target orientation of mineralization. Drillhole spacing is to industry-accepted practice.
- Geological and structural data were collected from recent RC and DD using industry-accepted practice. Historic data was validated.
- Sample preparation methods were reasonable. Assays were performed by recognized laboratories and recent data management was controlled electronically.
- Differences between twinned drillholes results from recent RC drillholes and historic DD indicated a low bias in the historic DD assays. This bias was supported by secondary assay testing of the drill core in 1996. Further investigation is planned by N27. At this time, the bias is not considered material to the Mineral Resource estimate.
- Differential GPS was used to locate recent collars. Downhole surveys were performed at acceptable intervals. Historic collars were provided to AMC with coordinates that cannot be validated in the field.
- N27 used experienced personnel for drillcore logging and sample handling.
- The density determination procedure is consistent with industry-accepted practice.
- The recent drilling was well supported by QA/QC protocols, and any biases have little impact on the Mineral Resource estimate. QA/QC submission rate meets industry-accepted practice. No certified blank samples were submitted. This is not considered by AMC to be material to the Mineral Resource estimate.

[2] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code 2012 Edition, Effective December 2012, Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists, and Minerals Council of Australia (JORC).

Grade estimation:

- The geology is generally well understood and the geological interpretation and domaining is appropriate for the estimation of a Mineral Resource. Grade estimation used industry-accepted practice.
- Composite lengths are appropriate and block sizes are acceptable for the drillhole data spacing and style of mineralization. Block size should be extended laterally to between one-third to one-half the drill spacing. Although this is not considered by AMC to have a material effect on the Mineral Resource estimate.
- Variograms were calculated and modelled using Micromine software. Variogram models and ellipsoid parameters are suitable when compared with the interpreted domain solids.
- Swath plots provide reasonable confidence of the estimated grades between the block model and drillhole data.
- The use of ordinary kriging (OK) for grade estimation is appropriate for this project. Estimation used four passes with increasing radii. This approach is acceptable. However, the standard method is usually three passes with larger searches. A second estimation method such as ID2 is recommended by AMC to validate the OK estimate.
- The Mineral Resource estimate has been reported at a cut-off grade of 300 ppm Co based on a pit optimisation in 2017 and the current Co price.

Estimation checks:

- AMC has independently interrogated the block model provided by N27. Comparison of the results supports N27's reported Mineral Resource estimate.
- Assessment of the outputs, visual assessment, and validation plots from the block model against the equivalent drillhole data all indicate good conformance, validating the block model.
- The JORC Code requires that a Mineral Resource estimate has reasonable prospects for eventual economic extraction. A pit optimisation was carried out in 2017 using assumed mining, processing and associated costs and a 500 ppm cut-off grade. Although 500 ppm was used for previous reporting of the Mineral Resource estimate, recently increased Co prices support a lower cut-off grade. However, consideration should be given to the potential for oxide and sulphide processing costs to be different, resulting in different cut-off grades.

END AMC EXECUTIVE SUMMARY

END ASX Release