

QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 31 MARCH 2018

- **Step out drilling at Stanton cobalt resource confirms mineralisation open to south-east and north-west**
- **Highlights include**
 - **19 metres at 0.29% cobalt (Co) on southern extension to Stanton Resource**
 - **Including 1 metre @ 1.31% Co**
 - **5 metres at 0.19% Co**
 - **2 metres at 0.19% Co**

N27's Wollongorang Cobalt Project is a sediment hosted cobalt mineralisation system which has potential for low CAPEX and OPEX options due to:

- Non-refractory mineralisation (predominantly siegenite - a cobalt sulphide mineral)
- Cobalt dominant mineralisation occurs from surface
- Flat lying sediment hosted mineralisation - likely suitable for open pit operations

Stanton Cobalt Deposit

Northern Cobalt has completed drilling of 70 RC and 10 diamond core holes on our existing Stanton Cobalt Deposit, aiming to upgrade the existing inferred Mineral Resource and obtain material for metallurgy studies and use in scoping studies.

CAPITAL STRUCTURE

Ordinary Shares
Issued 48.5

Options
Listed 7.0M @ 20c
Unlisted 12.3 M @ 25c

Performance Shares

Class A 9.6 M
Class B 3.6 M

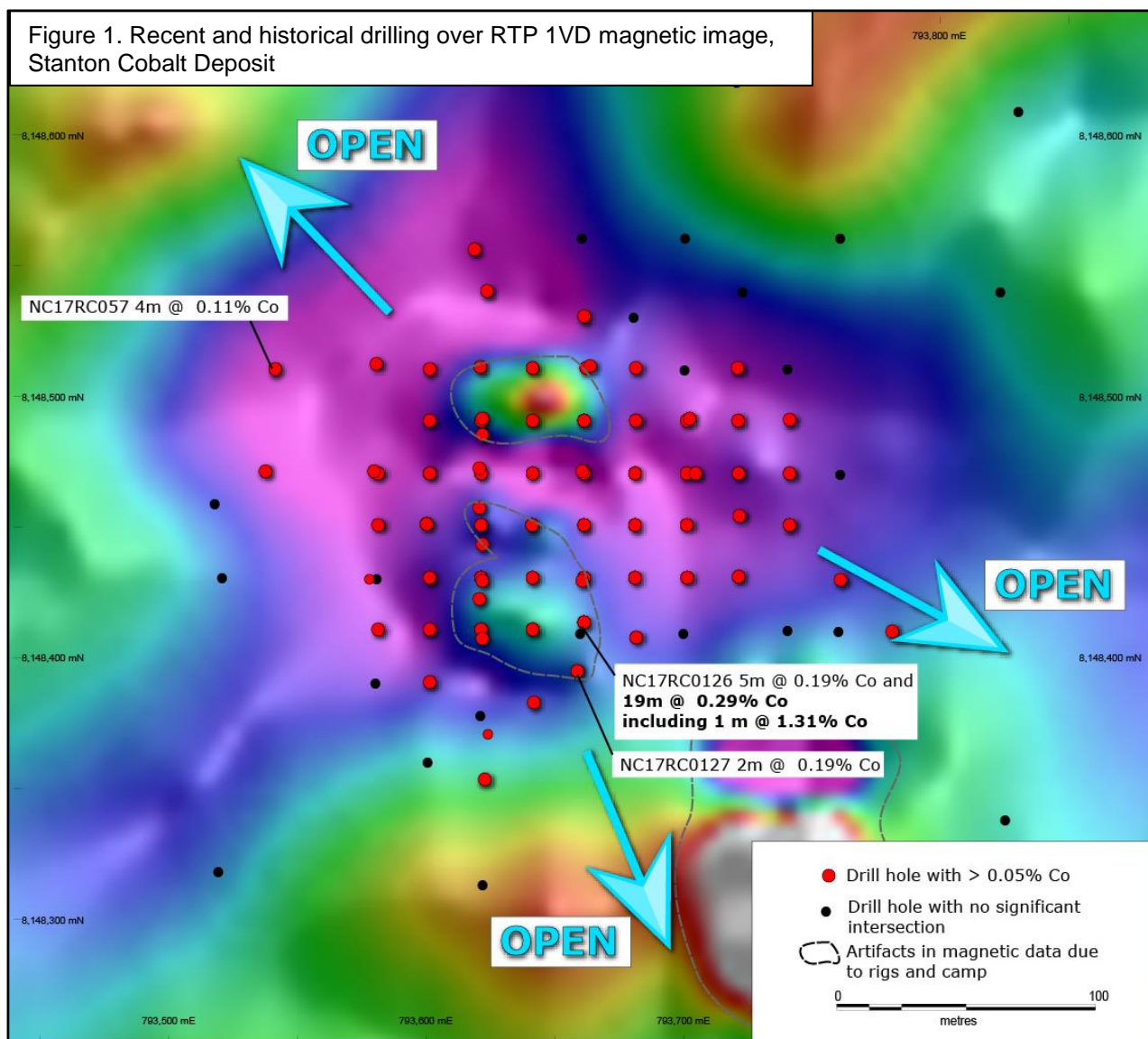
Last Capital Raise

21 March 2018
\$3.0M @ 35c

BOARD

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

Figure 1. Recent and historical drilling over RTP 1VD magnetic image, Stanton Cobalt Deposit



Significant intersections from drilling at the Stanton Cobalt Deposit include:

- 4 metres at 0.11% Co from 80 metres (Drill hole NC17RC057)
- 5 metres at 0.19% Co from 5 metres (Drill hole NC17RC126) and
- 19 metres at 0.29% Co from 11 metres (Drill hole NC17RC126); including
 - 1 metre of 1.31% Co
- 2 metres at 0.19% Co from 1m, (Drill hole NC17RC127)

Importantly these results confirm that the Stanton Cobalt Deposit remains open to the south-east and north-west. A significant continuation of the magnetic low (purple area, Figure 1) occurs to the north-east of the currently defined mineralisation. This signature is associated with mineralisation at Stanton and indicates the significant potential for extensions of the resource in this direction. This information was first released to the ASX in the announcement "Final Drilling Results from 2017 Drilling Program" on 5 February 2018.

Stanton Cobalt Deposit Resource Upgrade

Subsequent to the end of the quarter, Northern Cobalt announced a resource upgrade for the Stanton Cobalt Deposit at its 100% owned Wollongorang 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.

Results of the Total Mineral Resource Estimate

Mineral Resource Estimate for the Stanton Cobalt Deposit – 9 th 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%)

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 2).

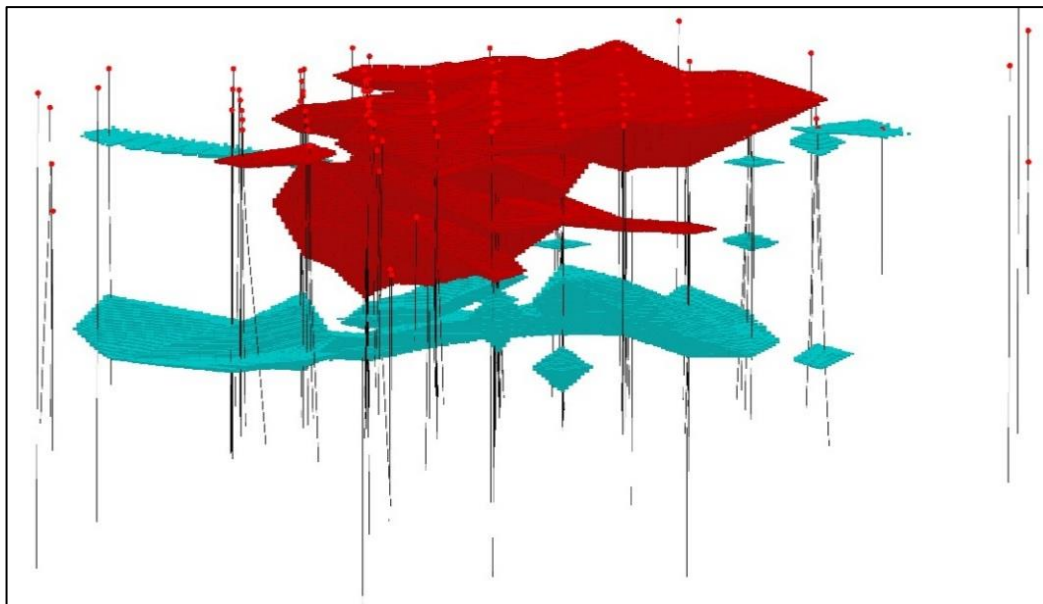


Figure 2. Stanton Mineral Resource Estimate coloured by resource category. Red is indicated (74%) and blue (26%) is inferred. View looking north.

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

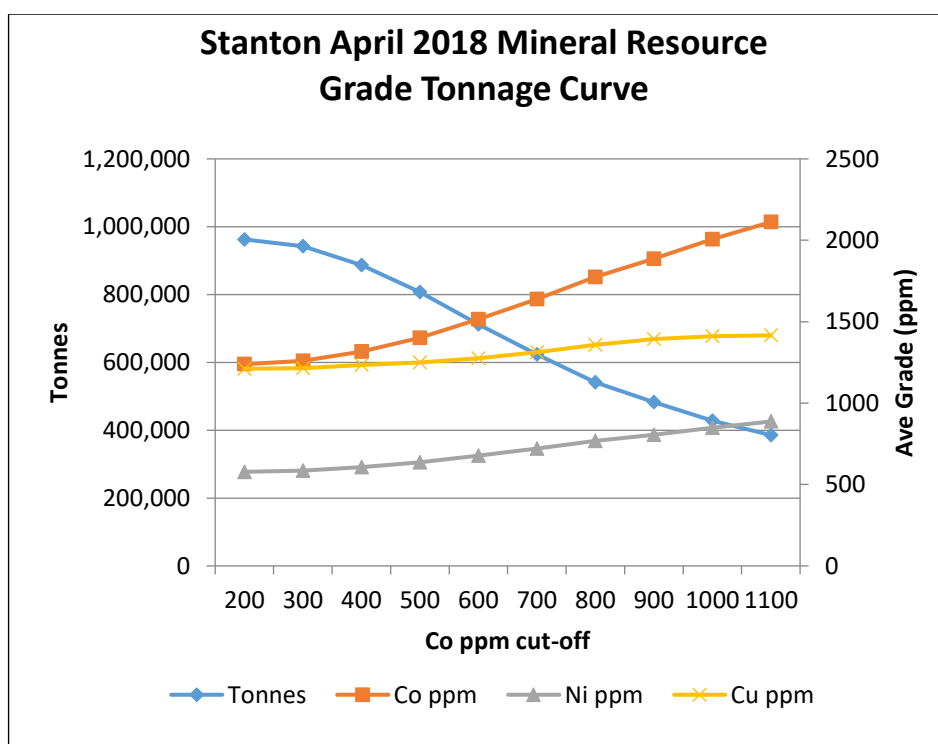


Figure 3. Grade tonnage (GT) curve for the Stanton Mineral Resource estimate.

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 Wollongorang 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.

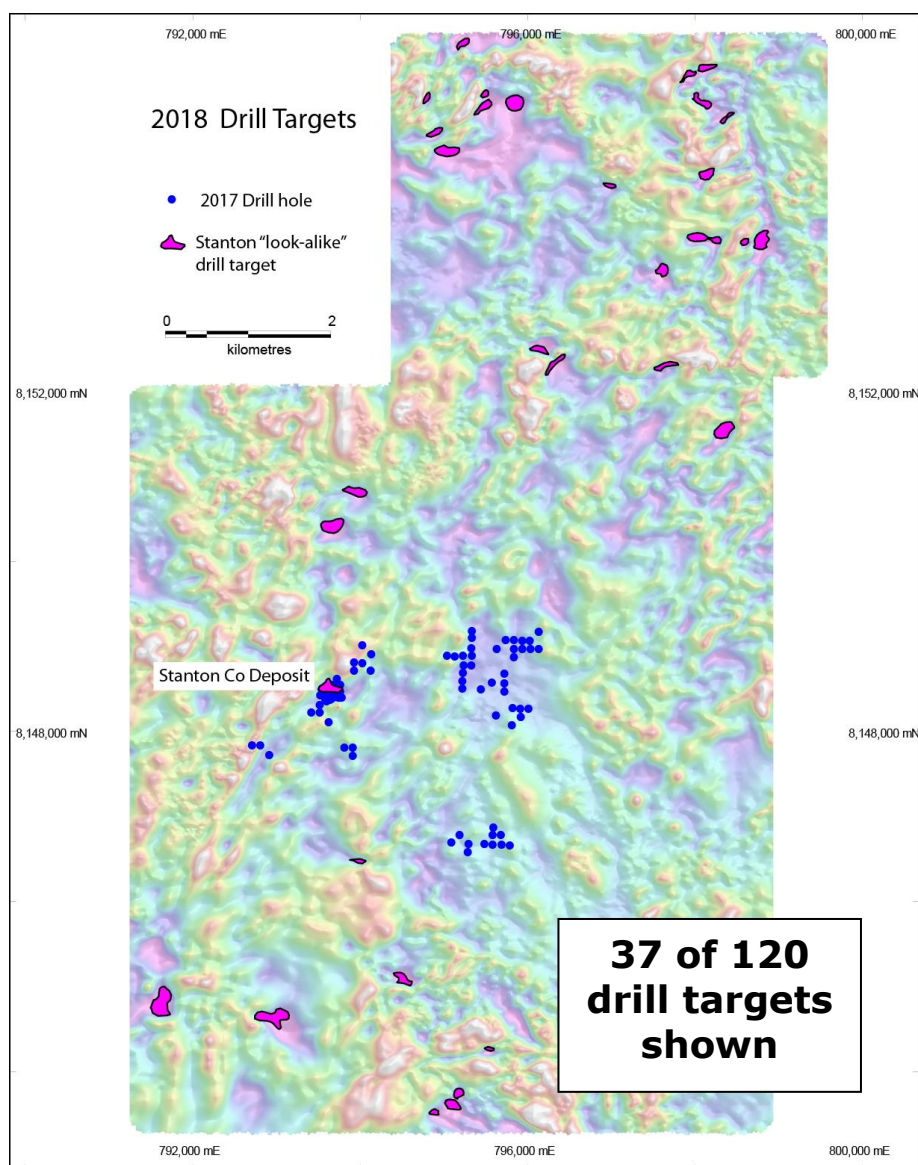


Figure 4. 2018 drill targets on 1VD magnetic image

Project Location

The Stanton Deposit is in the Wollongorang region of the Northern Territory, adjacent to both the Queensland border and Gulf of Carpentaria. The project is located approximately 60km NNW of Wollongorang Station and 870km SE of Darwin (Figure 5).

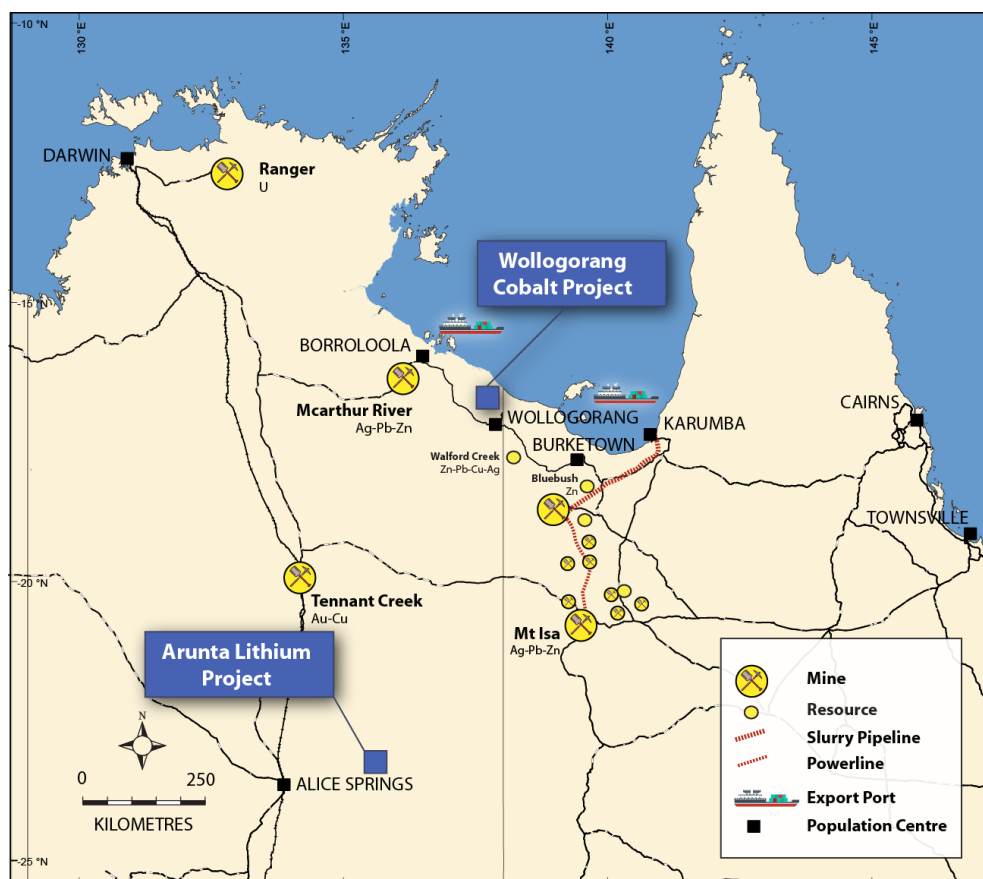


Figure 5. Regional location diagram

Competent Person Statement

The information in this report that relates to exploration results is based on, and fairly represents, information and supporting documentation compiled by Mr 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 appears. The information in this announcement is an accurate representation of the available data and studies of the material mining project. This report includes results that have previously recently been released under JORC 2012 by the Company as "Stanton Resource Upgrade Increases Contained Cobalt" on 9 April 2018 and "Final Drilling Results from 2017 Drilling Program" on 5 February 2018. The Company is not aware of any new information or data that materially affects the information included in this announcement and all material assumptions and technical parameters underpinning the Mineral Resource continue to apply and have not materially changed.

Corporate

Cash position

The Company had a cash position of \$4.67 million as of 31 March 2018.

Exploration and evaluation expenditure by the Company during the March 2018 Quarter was \$0.75 million.

Exploration Tenements

On 18 December 2017 Northern Cobalt acquired nine exploration licences in the Northern Arunta Pegmatite Province. Completion of the acquisition is subject to ministerial approval and issue of 600,000 shares as consideration for the acquisition.

Share capital changes

The Company issued 600,000 shares as consideration for the purchase of Arunta tenements in the Northern Territory as announced on 15 December 2017.

On 21 March 2018, the Company issued 8,568,674 shares to raise \$2,999,035 (before costs) under a share placement.

During the quarter, 1,556,500 quoted options were exercised by option holders.

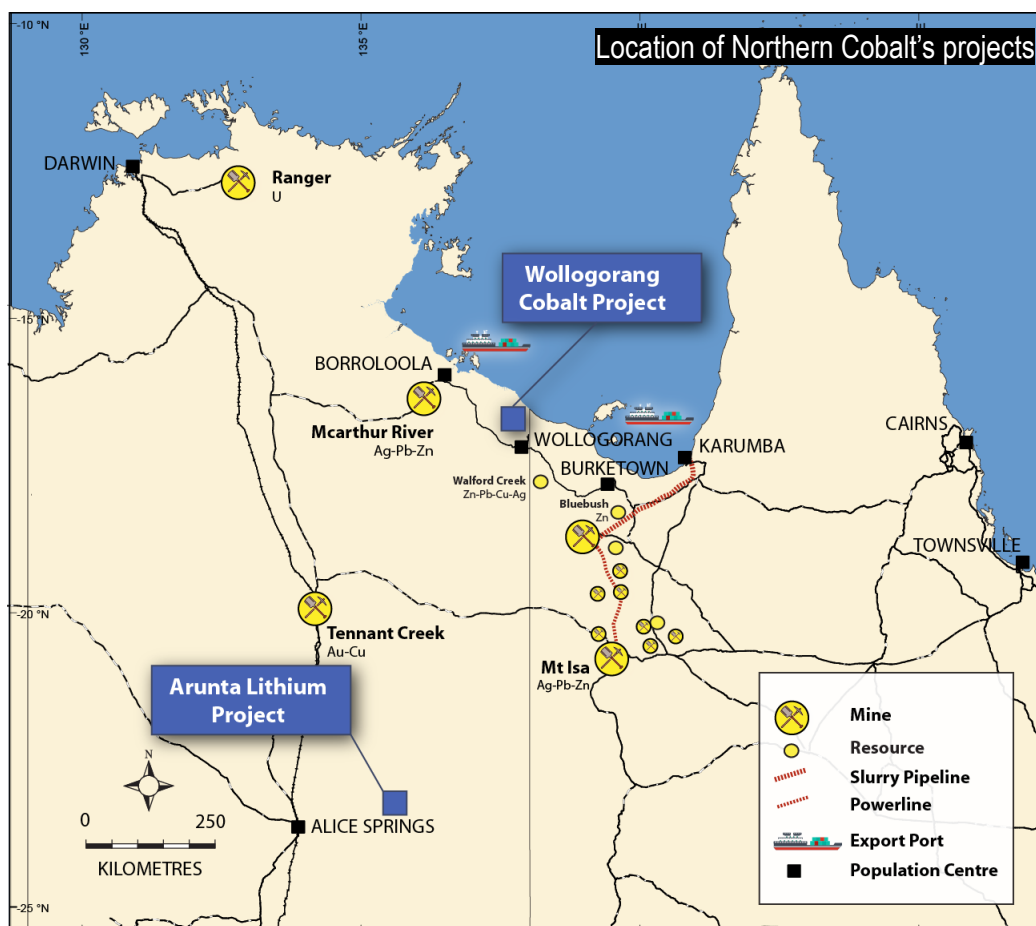
A summary of movements and balances of equity securities between 1 January 2018 and this report are listed below (* issued subsequent to the end of the quarter):

	Ordinary shares	Quoted Options	Unquoted Options	Unquoted performance shares
On issue at start of the Quarter	37,796,343	8,507,407	12,250,000	13,175,000
Acquisition of Arunta tenements	600,000	-	-	-
Share placement	8,568,674	-	-	-
Exercise of options	1,556,500	(1,556,500)	-	-
Total securities on issue at the date of this report	48,521,517	6,950,907	12,250,000	13,175,000

Tenement table

Tenement number	Tenement name	Beneficial Interest at the end of the Quarter	Changes during Quarter
Northern Territory			
Wollogorang			
EL30496	Karns	100%	None
EL30590	Selby	100%	None
EL31272	Running Creek	100%	None
EL31546	Wollogorang	100%	Granted
EL31547	Wollogorang	100%	Granted
EL31548	Wollogorang	100%	Granted
EL31549	Wollogorang	100%	Granted
EL31550	Wollogorang	100%	Granted
Arunta			
EL28837	Alcoota Pegmatite Field	100%	Purchased*
EL28838	Alcoota Pegmatite Field	100%	Purchased*
EL28886	Alcoota Pegmatite Field	100%	Purchased*
EL29470	Plenty River Pegmatite Field	100%	Purchased*
EL29481	Harts Range Pegmatite Field	100%	Purchased*
EL29511	Harts Range Pegmatite Field	100%	Purchased*
EL29851	Harts Range Pegmatite Field	100%	Purchased*
EL30007	Harts Range Pegmatite Field	100%	Purchased*
EL31147	Harts Range Pegmatite Field	100%	Purchased*

* Ministerial approval received and shares issued during the quarter to acquire tenements.



Project Location

The Wollogorang Cobalt Project occurs in the far north-eastern corner of the Northern Territory, a mining friendly jurisdiction. 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.

The Arunta Lithium Project occurs in the south-east of the Northern Territory, a mining friendly authority. The Project area is 180 km to the north-east of the population centre of Alice Springs. The capital city of Darwin is 1250 km to the north-west.

For further information please contact:

Michael Schwarz

Managing Director, Northern Cobalt Ltd

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

Northern Cobalt Limited

ABN

99 617 789 732

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(748)	(2,442)
(b) development	-	-
(c) production	-	-
(d) staff costs	(98)	(247)
(e) administration and corporate costs	(137)	(319)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	15
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(972)	(2,973)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(79)	(150)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(79)	(150)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2,999	7,213
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	312	717
3.4	Transaction costs related to issues of shares, convertible notes or options	(7)	(468)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	3,304	7,462

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,414	328
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(972)	(2,973)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(79)	(150)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,304	7,462
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,667	4,667

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	147	894
5.2 Call deposits	4,520	1,520
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,667	2,414

6. Payments to directors of the entity and their associates

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

Current quarter \$A'000
120
-

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

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

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

Current quarter \$A'000
-
-

Not applicable

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Not applicable

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	1,500
9.2 Development	-
9.3 Production	-
9.4 Staff costs	100
9.5 Administration and corporate costs	150
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,750

Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Not applicable		
10.2	Interests in mining tenements and petroleum tenements acquired or increased	<u>Wollogorang</u> EL31546 EL31547 EL31548 EL31549 EL31550 <u>Arunta</u> EL28837 EL28838 EL28886 EL29470 EL29481 EL29511 EL29851 EL30007 EL31147	All mining tenements beneficially held.	0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0%	100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100%

Compliance statement

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

Sign here:



Company secretary

Date: 20 April 2018

Print name: Jaroslaw (Jarek) Kopias

Notes

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