NORTHERN 27 CoBALT

ASX: N27, N27O

ASX RELEASE

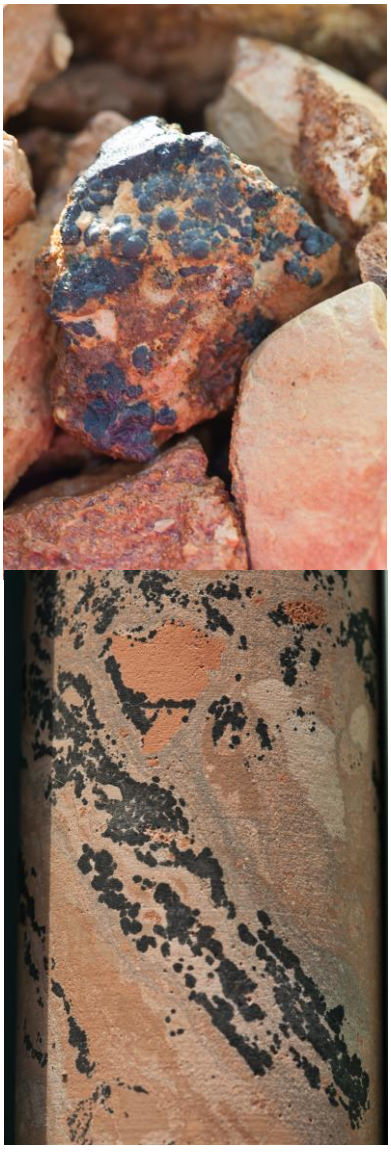
7 May 2018

STANTON COBALT RESOURCE DIAMOND DRILL HOLE ASSAYS

Final 2017 Results

Highlights include

- **25.4 metres at 0.24% cobalt (Co)**
- **20.8 metres a 0.31% Co**
- **13 metres at 0.33% Co**
- **13 metres at 0.25% Co**
- **11 metres at 0.21% Co**
- **9.6 metres at 0.22% Co**
- **7.9 metres at 0.26% Co**
- **1m @ 2.51% Co**



Cobalt oxide mineralisation (black) in diamond drill core

2017 Diamond Drilling Results

The final assay results from the 2017 diamond drilling within the Stanton Cobalt Deposit have been received.

- The results are reinforce the significant thick, high grade intersections of cobalt mineralisation that support the results obtained from reverse circulation drilling
- The diamond holes confirm the shallow high-grade nature of cobalt mineralisation and the potential for low cost concentrate production
- Metallurgical samples have been selected from the diamond core and are currently being prepared to be sent to Germany for metallurgical testing, these results are expected in Q3 2018
- The diamond holes have provided valuable information on the mineralisation style, geology and structure that will assist in targeting new cobalt deposits
- Preparation for this field season has commenced with geologists heading to site ahead of drilling planned to commence in late May

CAPITAL STRUCTURE

Ordinary Shares
Issued 50.2 M

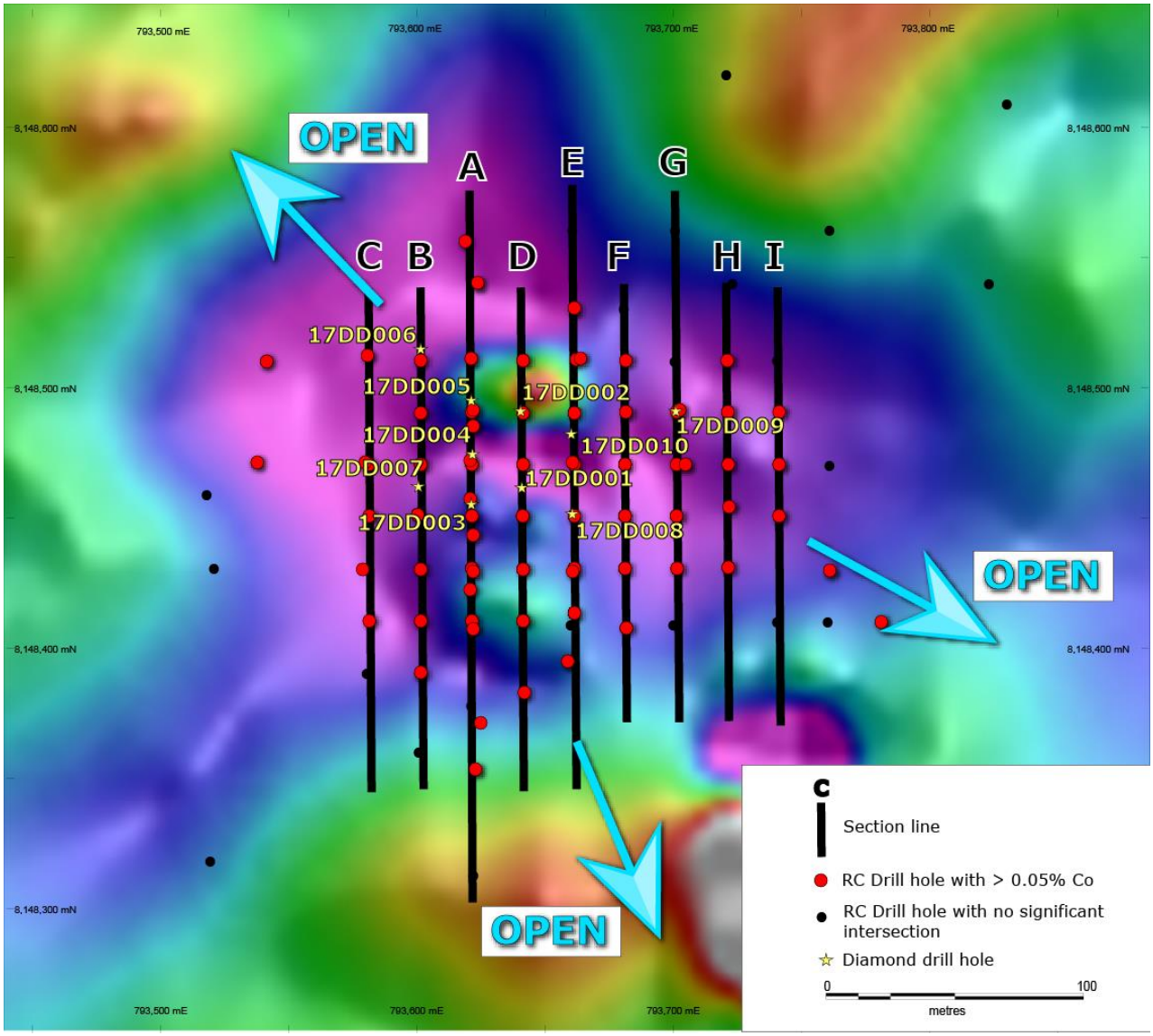
Options
Listed 7.0M @ 20c
Unlisted 12.3 M @ 25c

Performance Shares
Class A 9.6 M
Class B 3.6 M

Last Capital Raise
24 April 2018 - SPP
$0.6M @ 35c

BOARD

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



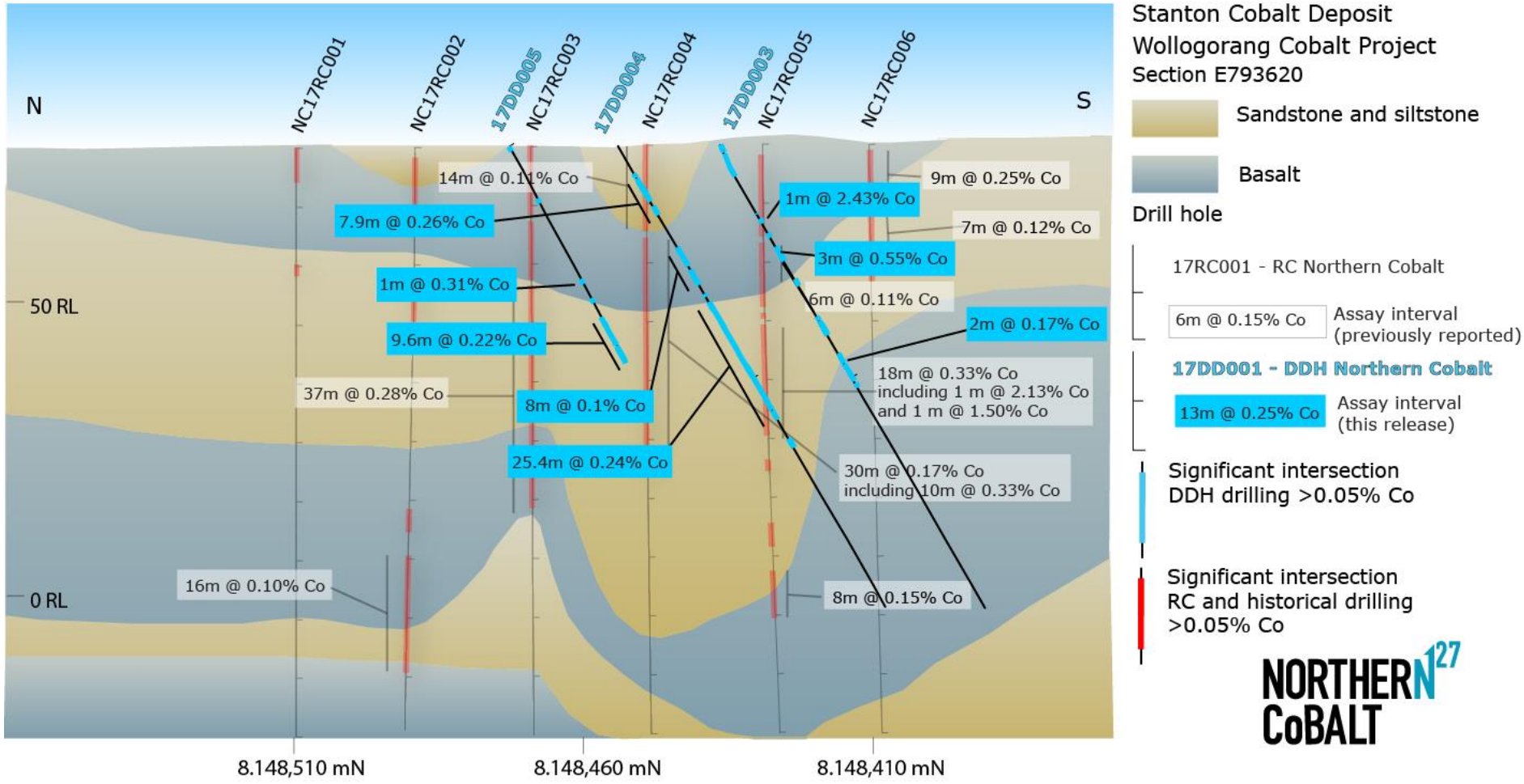
Drill hole Location Plan – Stanton Cobalt Deposit

In December 2017, Northern Cobalt competed approximately 774m of diamond drilling into the Stanton Cobalt Deposit. The primary purpose of this drilling was to obtain representative samples of mineralisation for metallurgical testing and petrophysical information for resource calculation. Ten (10) diamond holes were successfully completed before the end of the year and the drill core was sent to Adelaide, South Australia to be processed for geochemical analysis. The results of this analysis have now been received and reported in this release.

Drill Sections

A number of drill sections have been prepared to show the distibution of cobalt mineralisation subsurface. The results are very pleasing and confirm the nature, distribution and grade of mineralisation encountered in the reverse circulation (RC) resource drill holes.

Section A - showing Northern Cobalt drill holes without historic drill holes



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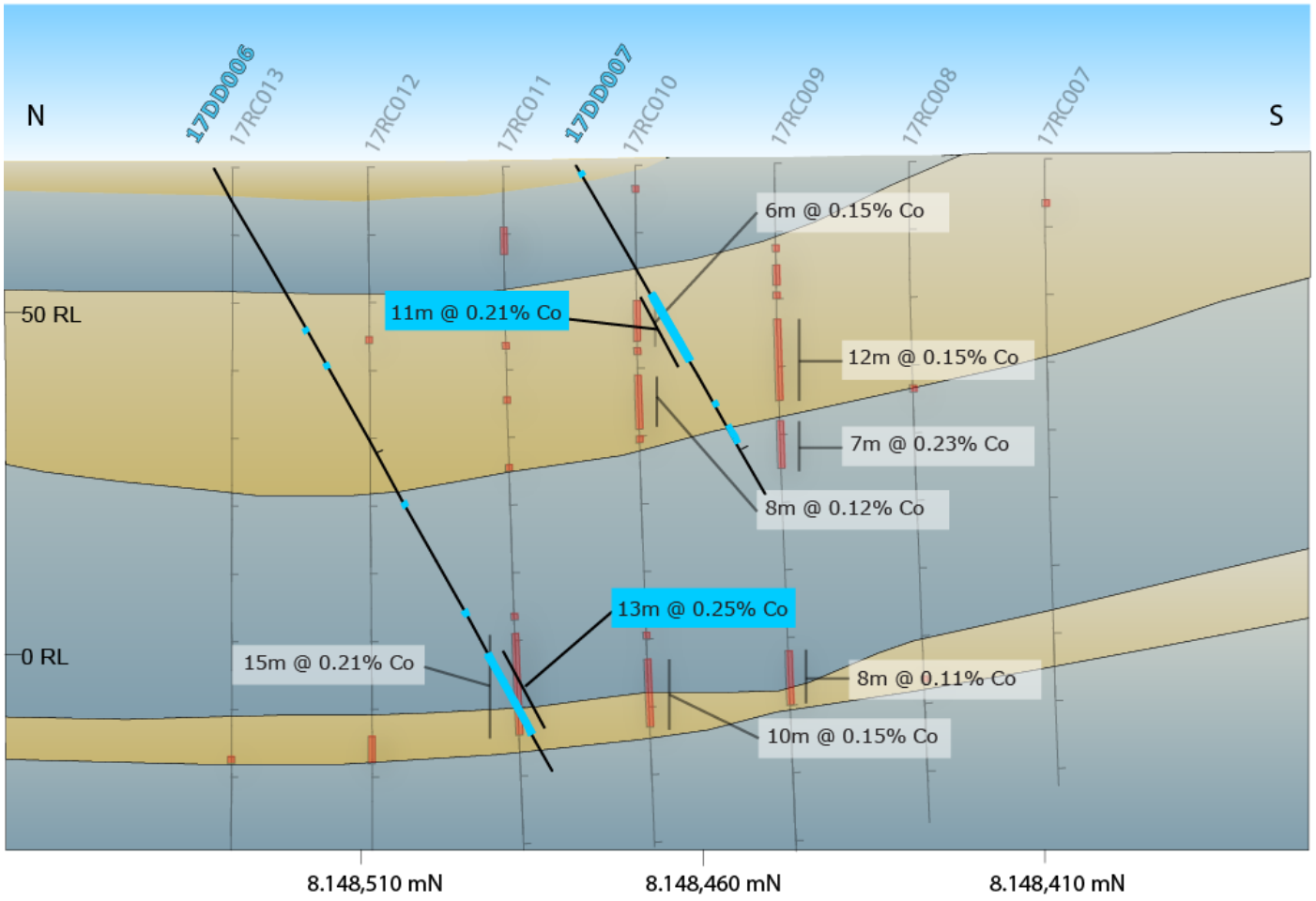
Section B - showing Northern Cobalt drill holes



Stanton Cobalt Deposit
Wollogorang Cobalt Project
Section E793600

Sandstone and siltstone

Basalt

Drill hole

17RC001 - RC Northern Cobalt

6m @ 0.15% Co — Assay interval (previously reported)

17DD001 - DDH Northern Cobalt

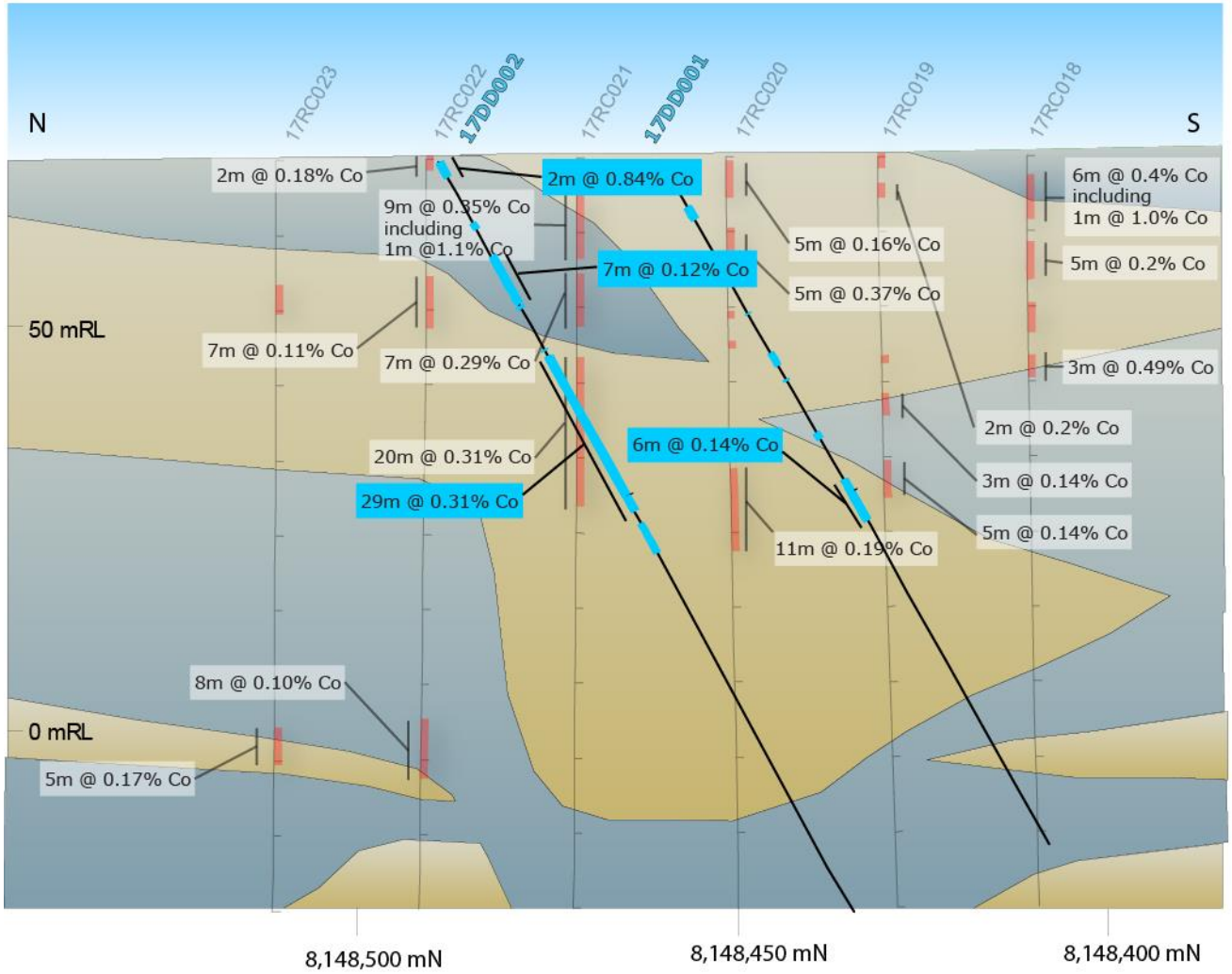
13m @ 0.25% Co — Assay interval (this release)

Significant intersection DDH drilling >0.05% Co

Significant intersection RC and historical drilling >0.05% Co

NORTHERN 27 CoBALT

Section D - showing Northern Cobalt drill holes



Stanton Cobalt Deposit
Wollogorang Cobalt Project
Section E793620

Sandstone and siltstone

Basalt

Drill hole

17RC001 - RC Northern Cobalt

6m @ 0.15% Co — Assay interval (previously reported)

17DD001 - DDH Northern Cobalt

13m @ 0.25% Co — Assay interval (this release)

Significant intersection DDH drilling >0.05% Co

Significant intersection RC and historical drilling >0.05% Co

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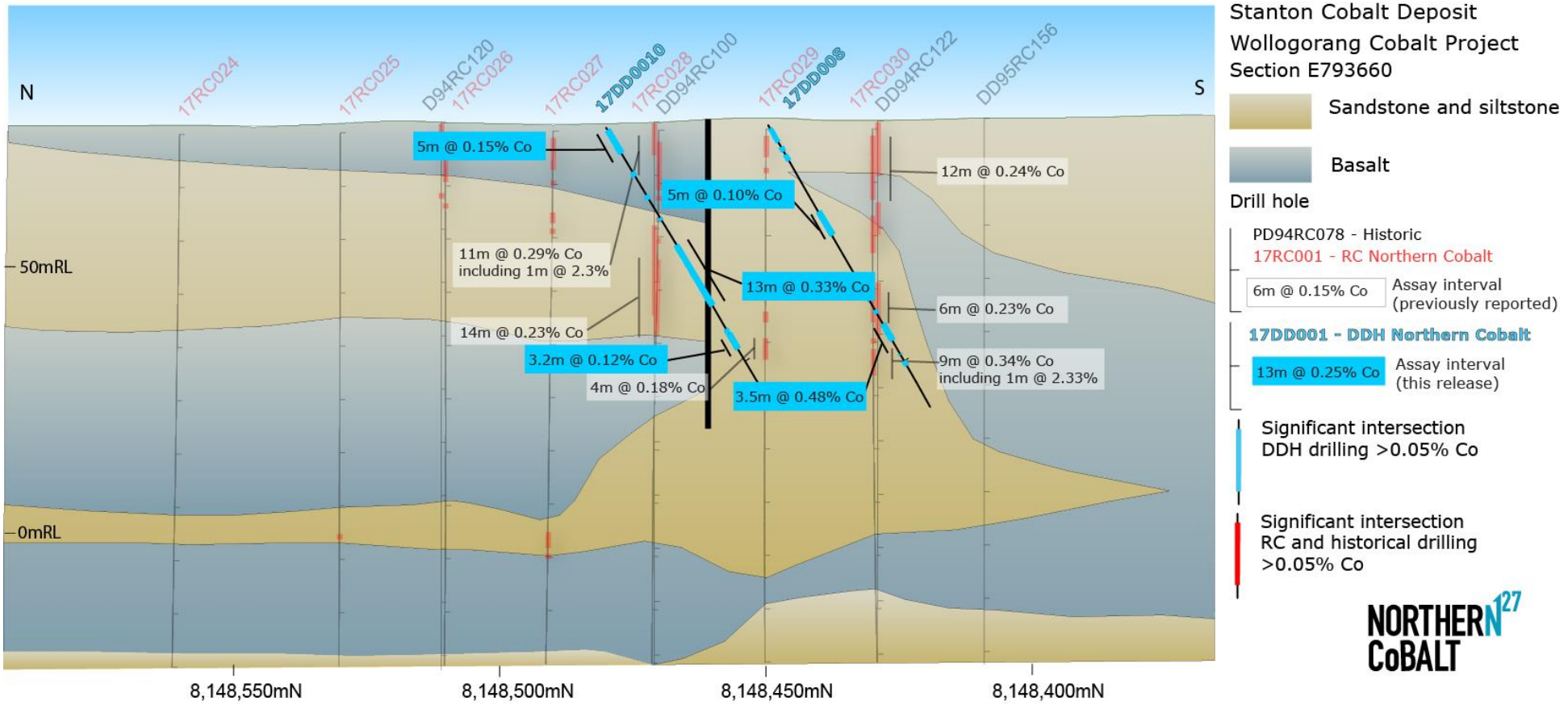
Section E - showing Northern Cobalt drill holes with historic drill holes

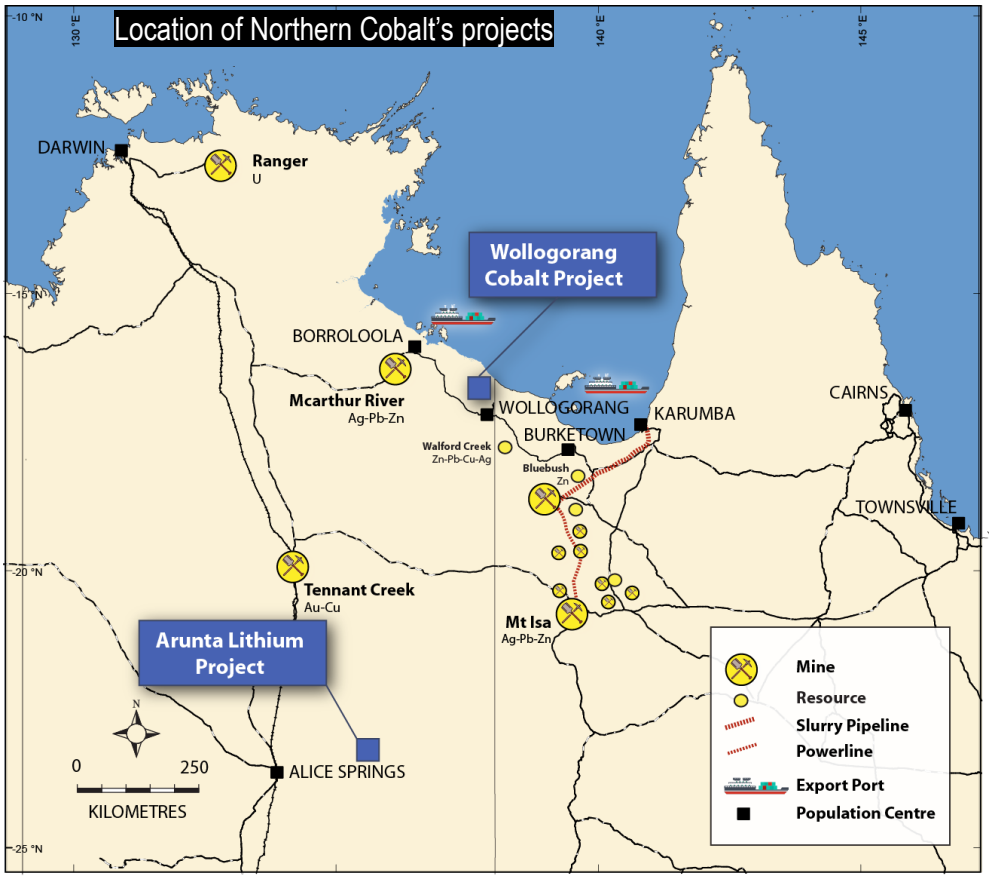


Junior Minerals Exploration Incentive (JMEI) update

Further to the release of 24 April 2018 the Company would like to advise that the JMEI tax credits will be granted to all new shares issued during the period Monday 23 April 2018 to 30 June 2018. This includes options exercised during this period.

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 is 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.



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:

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Appendix 1. Assay results from Stanton Diamond Drilling

Hole_ID	Easting (MGAZ53)	Northing (MGAZ53)	RL (MGAZ53)	Dip	Azimuth (mag)	Total depth (m)	Intercept From (m)	Intercept To (m)	Interval (m)	Co (%)	Cu (%)	Ni (%)
17DD001	793640	8148459	76.2	-60	180	102.6	7	8.75	1.75	0.36	0.42	0.05
17DD001							48	54	6	0.14	0.13	0.19
17DD002	793640	8148489	75.9	-60	180	129.7	0	2	2	0.84	0.19	0.05
17DD002							14	21	7	0.12	0.18	0.07
17DD002							29	49.8	**20.8**	**0.31**	**0.10**	**0.17**
17DD002							50	52	2	0.27	0.07	0.05
17DD003	793621	8148453	76.4	-60	180	100	0	1.7	1.7	0.12	0.20	0.03
17DD003							16	17	1	0.26	0.13	0.06
17DD003							19	20	**1**	**2.51**	**0.36**	**0.18**
17DD003							22	25	3	0.55	0.10	0.05
17DD003							38	41	3	0.10	0.01	0.06
17DD003							45	47	2	0.17	0.09	0.05
17DD004	793621	8148472	76.2	-60	180	99.6	7.1	15	**7.9**	**0.26**	**0.19**	**0.14**
17DD004							22	30	8	0.10	0.28	0.08
17DD004	793621	8148493	76.0				33.6	59	**25.4**	**0.24**	**0.11**	**0.13**
17DD005				-60	180	45.6	28	29	1	0.32	1.12	0.18
17DD005							36	45.6	**9.6**	**0.22**	**0.03**	**0.15**
17DD006	793601	8148513	76.1	-60	180	99.6	83	96	**13**	**0.25**	**0.11**	**0.15**
17DD007	793600	8148460	76.5	-60	180	54.6	24	35	**11**	**0.21**	**0.11**	**0.14**
17DD008	793660	8148449	76.0	-60	180	60.6	18	23	5	0.10	0.08	0.05
17DD008							42.1	45.6	**3.5**	**0.48**	**0.64**	**0.67**
17DD009	793701	8148489	75.0	-60	180	20.4	No significant assay					
17DD010	793660	8148480	75.5	-60	180	60.7	0	5	**5**	**0.15**	**0.26**	**0.14**
17DD010							25	38	**13**	**0.33**	**0.09**	**0.14**
17DD010							44.2	47.4	**3.2**	**0.12**	**0.07**	**0.06**

Appendix 2. 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. • RC 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 • Diamond Drill holes were drilled using HQ diameter triple tubed to minimise core loss and ensure sufficient sample size for metallurgy work, standard industry practice of crush and pulverise and split quarter core to produce a representative charge for fire assay and ICP-AES and ICP-MS using a multi-acid digest
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 producing a 63.5mm diameter core
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*	• Recovery generally good, with poor recovery in a small number of samples due to groundwater.

Criteria	JORC Code explanation	Commentary
	sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
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 maximum length, with sub-sampling to a minimum of 10cm lengths based on geological boundaries
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• 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 - 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

Criteria	JORC Code explanation	Commentary
		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, OREAS 165), 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 and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• An electronic database containing collars, geological logging and assays is maintained by the 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.

Criteria	JORC Code explanation	Commentary
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 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

Criteria	JORC Code explanation	Commentary
		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 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.*	• 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.
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*	• Any observations made are down hole length and true width is not known.

Criteria	JORC Code explanation	Commentary
	hole length, true width not known').	
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• 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 extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Planned further work detailed in this, and previous releases, and in figures. This work includes comprises drill testing along a significant portion of the surface geochemical anomaly.