NORTHERN 27 CoBALT

ASX: N27, N27O

ASX RELEASE

13 August 2018

AEROMAGNETIC SURVEY RESULTS - WOLLOGORANG COBALT PROJECT, NT

- **High resolution helicopter aeromagnetic and radiometric survey of 1,720km^2 was completed over prospective terrain surrounding the Stanton Cobalt Deposit in late July 2018**
- **Analysis of the survey data has identified multiple prospective Stanton look-a-like drill targets**
- **A co-funding geophysics grant of $100,000 was awarded by the NT government for this program**
- **Drill testing of these targets to be undertaken alongside existing targets until the end of the year**

2018 Survey Results

Northern Cobalt Limited (**ASX: N27**) is pleased to announce that the new high resolution aeromagnetic and radiometric survey over the Wollogorang Cobalt Project has been completed at a flight line spacing of 75m. The new 2018 survey (Area 2), covers approximately of 1720km^2 and expands the 2017 survey by almost twenty fold. The survey has significantly expanded the high resolution coverage of prospective geology, which is required to identify magnetic features similar to the Stanton Cobalt Deposit, thus producing multiple Stanton look-a-like drill targets. Drilling will continue until the end of the year testing these new targets alongside the existing program. Historic survey data was of too low a resolution to allow drill targeting.

"The geophysics program has been very successful in identifying multiple new targets similar or larger in scale to Northern Cobalt's existing Stanton Cobalt Deposit highlighting the prospectivity of large parts of the project area and the potential of this underexplored region", Michael Schwarz (MD).

CAPITAL STRUCTURE

Ordinary Shares
Issued 50.8 M

Options
Listed 6.3 M @ 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

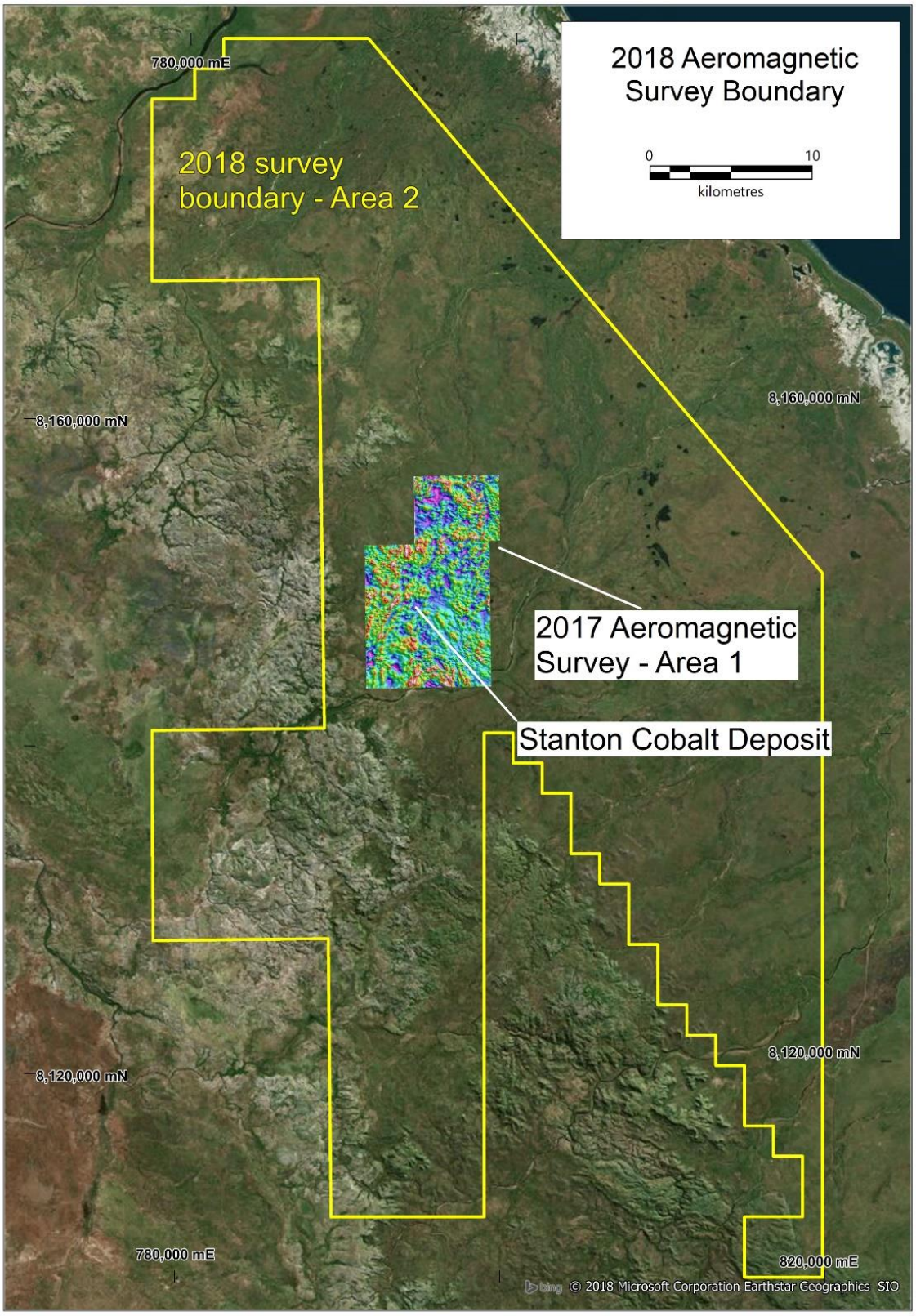


Figure 1. New 2018 aeromagnetic survey boundary with 2017 survey shown (ASX announcement 22 December 2017)

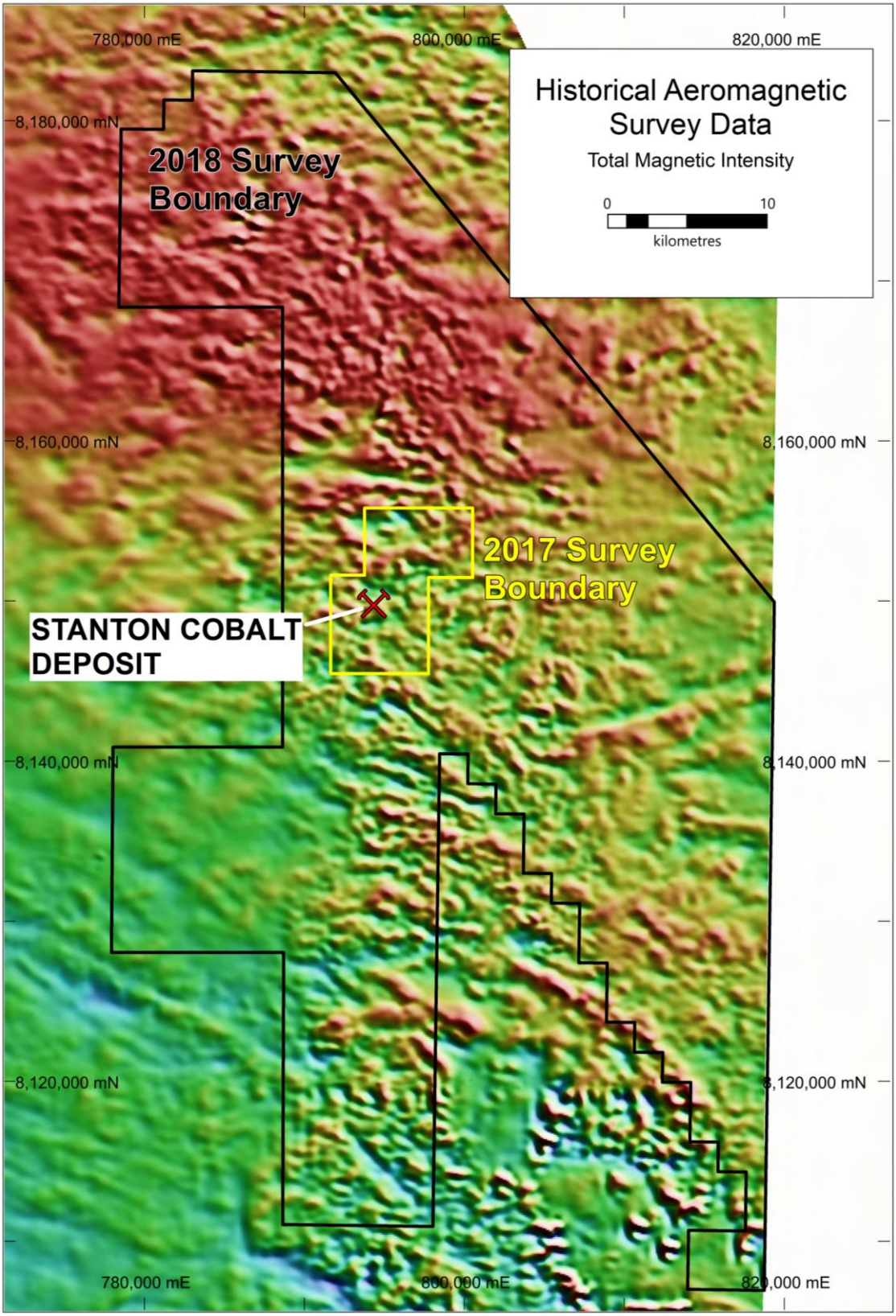


Figure 2. Historical aeromagnetic survey data - total magnetic intensity image

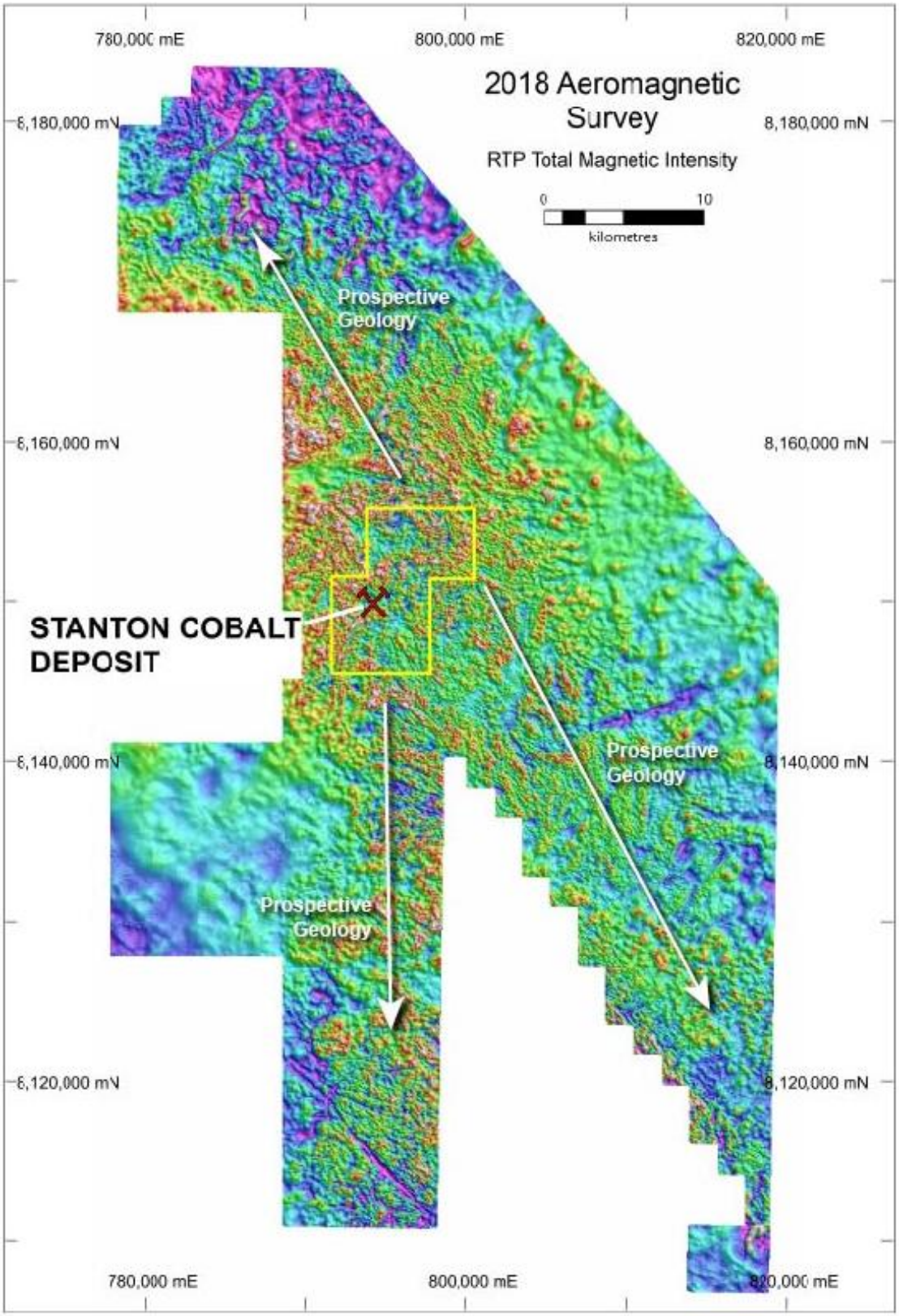
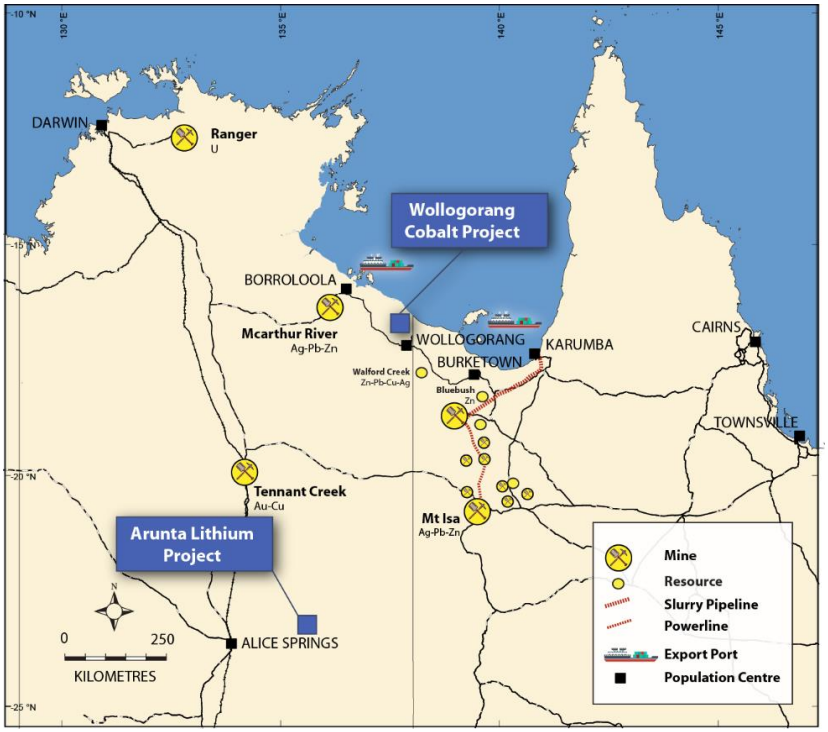


Figure 3. New aeromagnetic survey - RTP magnetic image



Project Location

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

Glossary

Radiometric Survey: or gamma-ray spectrometic survey measures concentrations of radio-elements potasium (K), uranium (U) and thorium (Th), specifically the gamma rays emitted by isotopes of these elements. All rocks and soils contain radioactive isotopes and almost all gamma-rays detected at surface are the results of radioactive decay of K, U and Th. Radiometrics is therefore capable of directly detecting Potassic alteration which is often associated with the hydrothermal processes and formation of some styles of deposits.

Magnetic Survey: Measures variations in the intensity of the earth's magnetic field caused by the contrasting content of rock-forming magnetic minerals in the Earths's crust. From this sub-surface mapping of structures can be interpreted and areas of demagnetised rock identified. Shearing and alteration can cause demagnetisation of rock due to replacemnt of more highly magnetised minerals and are both associated with various mineralisation styles.

Competent Persons 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. 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.

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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.*	**Aircraft Type:** R44 Helicopter (VH-APM). **Magnetometer:** Boom (stinger) mounted in a Robinson R44 helicopter - Geometrics Cs vapour magnetometer assembly, G823B with precision counter. - Billingsley TFM100G2 vector magnetometer. **Base Magnetometer:** 2 x Geometrics portable proton precession base magnetometers (SN 278172 & SN 278171). **Spectrometer:** Model RSX-4 16L integrated gamma detector & spectrometer. **Radar Altimeter:** Model PT200 allied signal (Bendix-King) KRA-405B radar altimeter and accessories. **Climatic Observations:** Vaisala barometric and temperature/humidity module. (SN D3250014) **Onboard Computers:** ZDAS Acquisition and navigational control module. **Date of Survey:** 18/06/2018 – 21/07/2018 **Survey Type:** Aeromagnetics /Radiometrics **Survey Height:** 30m **Line Spacing:** 75m **Line Direction:** 0/180 **Tie Line Spacing:** 750m **Total Line Kilometres:** 25,000 km **Area Surveyed:** Wollogorang **Datum:** Geocentric Datum of Australia (GDA94)
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*	This release relates to results from geophysical surveys; this section is not relevant to this release.

Criteria	JORC Code explanation	Commentary
	method, etc).	
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.*	This release relates to results from geophysical surveys; this section is not relevant to this release.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	This release relates to results from geophysical surveys; this section is not relevant to this release.
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.*	This release relates to results from geophysical surveys; this section is not relevant to this release.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the*	The airborne magnetic survey was undertaken by a boom (stinger) mounted in a Robinson R44 helicopter - Geometrics Cs vapour magnetometer assembly, G823B with precision counter. - Billingsley TFM100G2 vector magnetometer.

Criteria	JORC Code explanation	Commentary
	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.*	Altimeters and base station magnetometers were used as per industry standard.
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.*	This release relates to results from geophysical surveys; this section is not relevant to this release.
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.*	A global positioning system was used to determine accurate survey locations for all data points. (< 5m accuracy). All coordinates were recorded in GDA 94 (MGA) zone 53. Flight height was recorded by a radar altimeter and barometric sensor with the altimeter calibrated against the GPS height in a test flight prior to the survey.
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.*	Flight line spacing was 75m on North-South traverses. Flight height was 30m.
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*	Flight lines were oriented in a north-south direction which is at a high angle to the dominant regional magnetic structures.

Criteria	JORC Code explanation	Commentary
	should be assessed and reported if material.	
Sample security	• *The measures taken to ensure sample security.*	This release relates to results from geophysical surveys; this section is not relevant to this release.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No audits or reviews have been undertaken at this stage.

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, EL31548, EL30590, EL31550 and EL31549 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

Criteria	JORC Code explanation	Commentary
		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 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*	• Not applicable as this release relates to geophysics survey information and no drilling data is discussed.

Criteria	JORC Code explanation	Commentary
	understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not applicable as this release relates to geophysics survey information and no drilling data is discussed.
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').*	• Not applicable as this release relates to geophysics survey information and no drilling data is discussed.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See 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 relevent data has been reported in its entirety
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,*	• No other relevant data to report.

Criteria	JORC Code explanation	Commentary
	geotechnical and rock characteristics; potential deleterious or contaminating substances.	
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 further drill targets and follow up drilling of mineralised prospects.