

## QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 30 SEPTEMBER 2018

- **GregJo Prospect - Significant copper mineralisation discovered at the first drill target**
  - **Best drill intersections include (pXRF):**
    - 7m @ 1.3% Cu from 5 m (18RAB013)  
including 1m @ 5% Cu from 9m
    - 15m @ 0.57% Cu from 1m (18RAB009)  
including 4m @ 1.0% Cu from 6m
    - 4m @ 1.14% Cu from 12m (18RAB051)
    - 18m @ 0.5% Cu from 1m (18RAB020)  
including 1m @ 1.1% Cu from 13m  
and 1m @ 1.06% Cu from 18m
    - 11m @ 0.45% Cu from 16m (18RAB031)  
including 1m @ 1.22% Cu from 18m
- **Results from Running Creek Prospect reports copper from surface to the end of hole at 55m, highlights;**
  - 55m @ 0.72% Cu from 0m (hole 18RAB102, pXRF), including  
33m @ 1.0% Cu from 11m, and  
7m @ 2.1% Cu from 18m
- **Copper mineralisation now intersected over 400m along a newly interpreted north-east structure. Drilling will continue to target high grade copper mineralisation along the structure**

### CAPITAL STRUCTURE

**Ordinary Shares**  
Issued 50.8 M

**Options and rights**  
Listed options 6.3 M @ 20c  
Unlisted options 12.3 M @ 25c  
Unlisted rights 2.5 M

**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**

- Higher grade cobalt mineralisation in the western part of the prospect, highlights;
  - Best Co intersection includes (pXRF)
    - 8m @ 0.1% Co (18RAB106)
      - including 4m @ 0.15% Co
    - 1m @ 0.24% Co (18RAB108)
    - 2m @ 0.12% Co (18RAB109)
- Cobalt mineralisation now intersected over a large area (400m x 500m)
- Induced Polarisation survey to commenced to identify further copper and cobalt mineralisation at both the GregJo and Running Creek Prospects

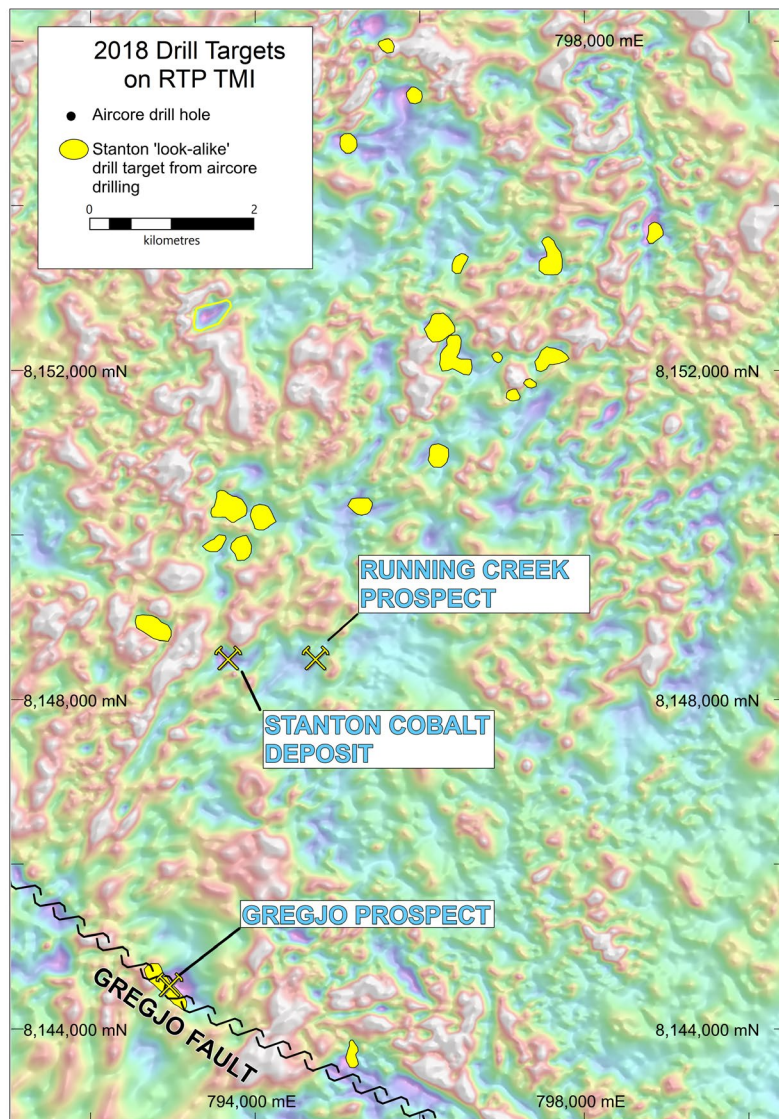


Figure 1. 2018 RTP magnetic image with aircore hole locations and high priority drill targets

## GregJo Prospect

Copper mineralisation is spatially associated with cobalt mineralisation at both the Stanton Cobalt Deposit and Running Creek Prospect, further to the north (Figure 1). However, at both these locations the copper and cobalt can be in slightly different parts of the system. Our aircore drilling has revealed what appears to be a copper rich region controlled by the regional scale Gregjo Fault (Figure 2) and a cobalt rich region controlled by a demagnetised zone to the east – south east.

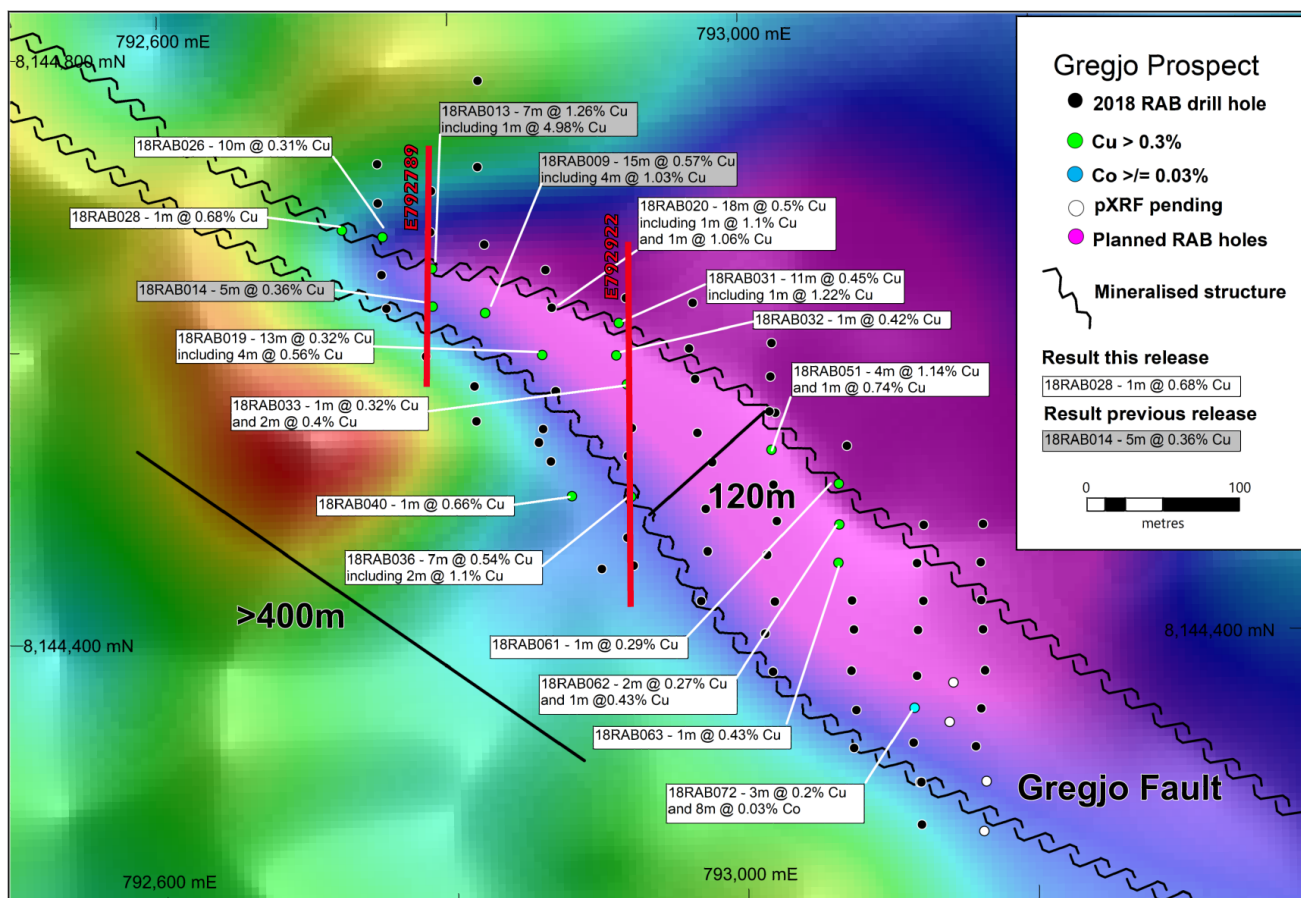
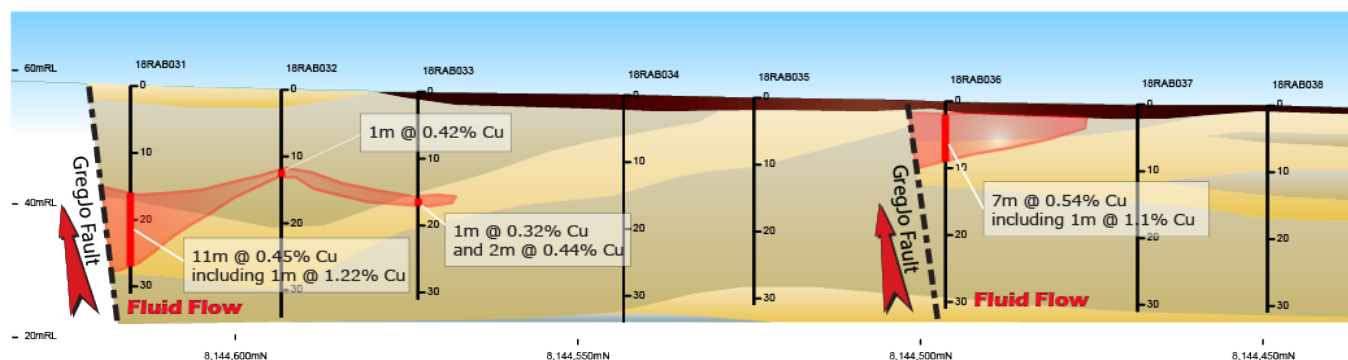


Figure 2. 2018 RTP magnetic image with RAB hole locations and copper and cobalt results at the GregJo Prospect

Copper mineralisation appears to be spatially associated with at least two structures within the GregJo Fault. Higher grade copper occurs adjacent to and within the interpreted fault structures which are steeply dipping. Vertical RAB drilling has difficulty intersecting these zones but once the lateral extent of mineralisation is defined, deeper angled slim-line RC drill holes will be used to target high-grade mineralisation in conjunction with results from the planned IP survey.

Lower grade mineralisation extends laterally from the fault structures within shallow dipping, pyritic sandstone and siltstones (Figure 4). This style of mineralisation has many similarities with Aeon Metals (ASX:AML) Walford Creek Cu-Co deposit approximately 90 km to the south-east.

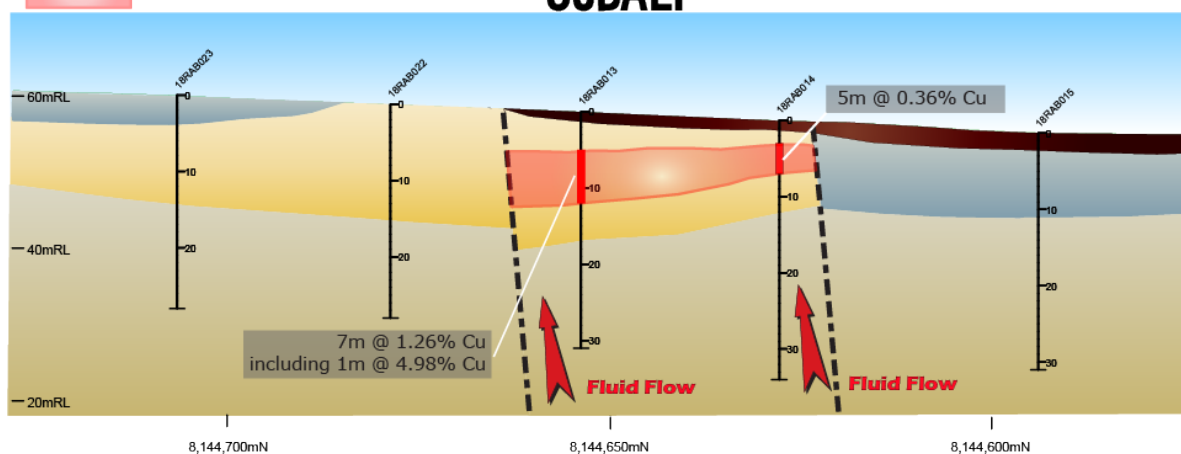
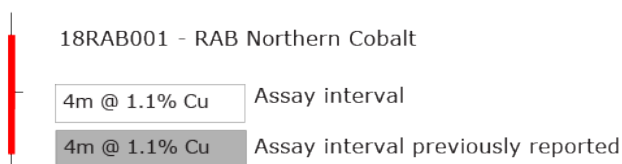
In the oxide zone, above the zone of weathering, the copper mineralisation takes the form of malachite and lesser azurite. Below the zone of weathering, in the primary zone copper mineralisation occurs as chalcopyrite within pyritic sediments. Only limited drilling has penetrated below the zone of weathering to date.



Gregjo Prospect  
Wollogorang Cobalt Project  
Section E792922



Drill hole



Gregjo Prospect  
Wollogorang Cobalt Project  
Section E792789



Drill hole

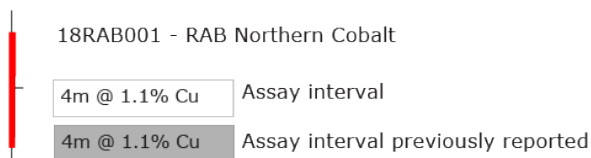


Figure 4. Cross sections through the GregJo Prospect



## Running Creek Prospect

Northern Cobalt Limited has confirmed a new geological model for copper mineralisation associated with a north-east trending structure at the Running Creek Prospect, located approximately 1.8 km east of the Stanton Cobalt Deposit (Figure 1). The Running Creek Prospect was originally identified by CRA in the 1990's as a group of small, individual copper and cobalt mineralised systems with limited extent. Reinterpretation of the main controls of mineralisation by Northern Cobalt along a north-east trending structure has linked the individual mineral systems and led to the outstanding copper intersection in drill hole 18RAB102 (Figure 5).

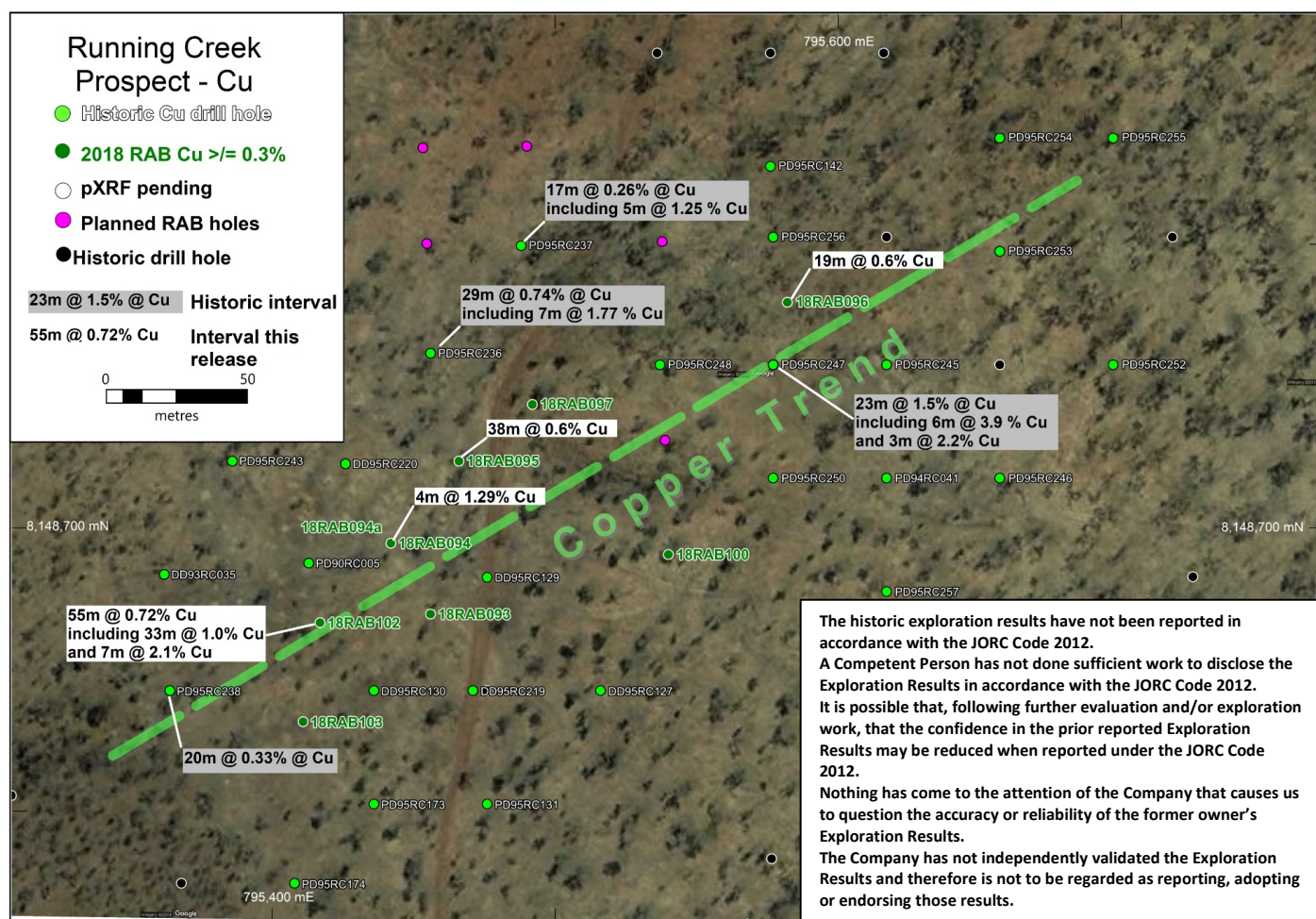


Figure 5. Running Creek Google Earth image with RAB hole locations and copper results

Copper and cobalt mineralisation appears to be spatially associated with several north-east and north-north-east trending structures interpreted from detailed magnetics flown in 2017 and from surficial linear features evident in satellite imagery (Figure 7). The new geological model has allowed Northern Cobalt to link a series of small copper-cobalt mineralised systems, with infill drilling, and extend the system to a cover large area of 500m x 400m.

An induced polarisation survey has commenced at the GregJo Prospect and will be expanded to the Running Creek Prospect to map the potential for further mineralisation at depth.

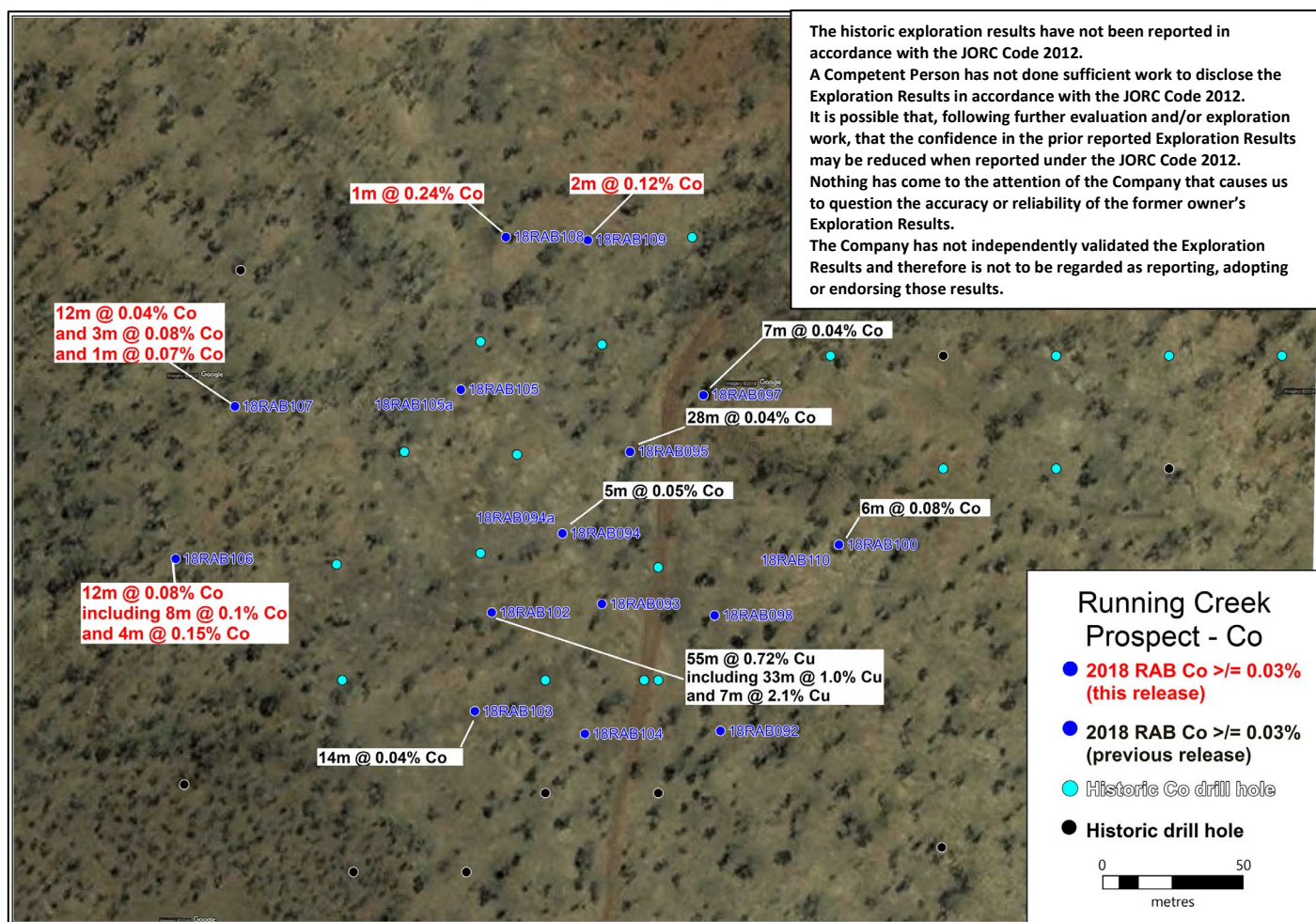


Figure 6. Running Creek Google Earth image with RAB hole locations and cobalt results



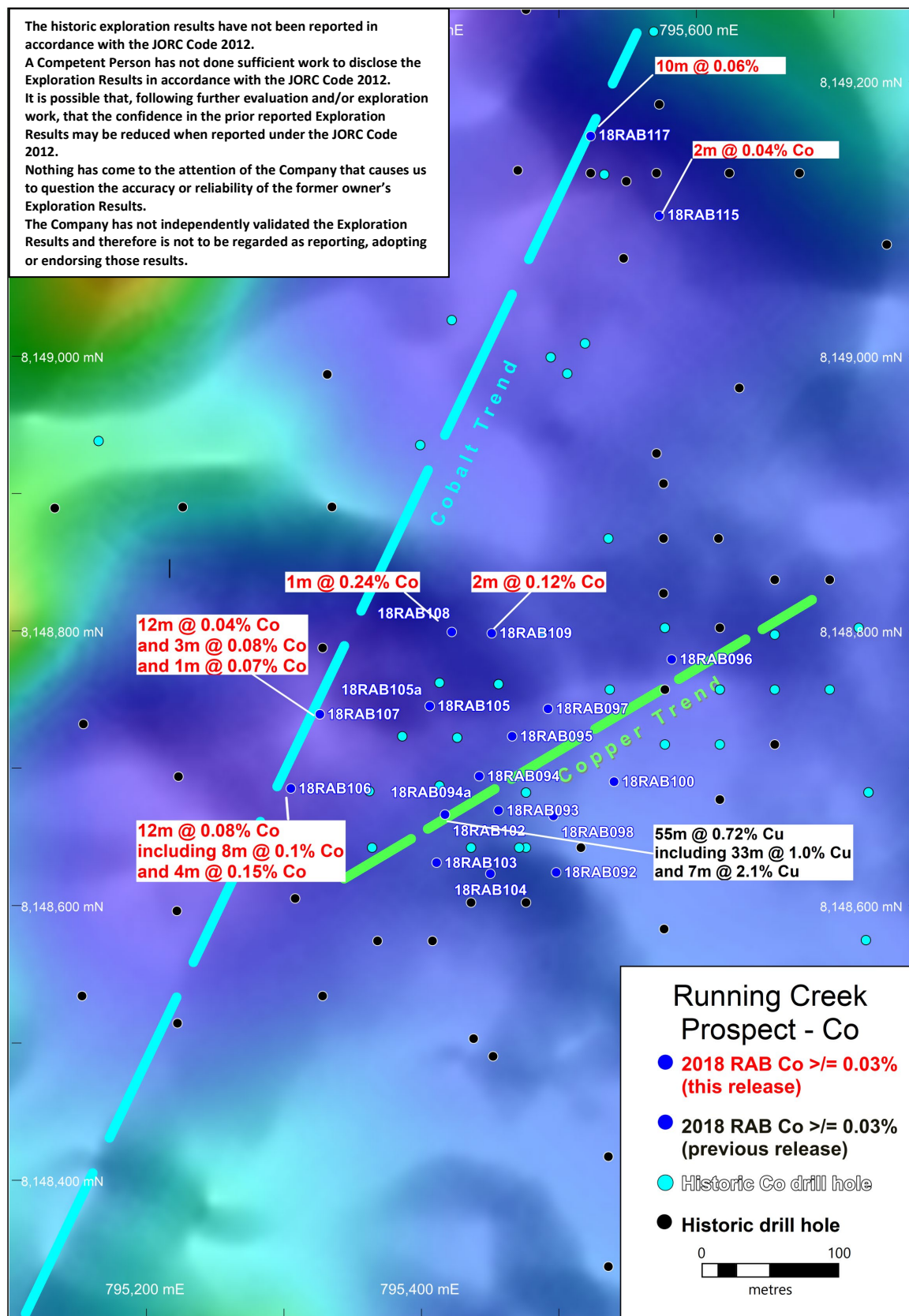


Figure 7. RTP TMI image with RAB hole locations and cobalt results at Running Creek

## Corporate

### Cash position

The Company had a cash position of \$2.22 million as of 30 September 2018.

### Share capital changes

On 28 September 2018, N27 issued 2,500,000 unquoted performance rights as officer remuneration; 2,000,000 rights were approved by shareholders at the 2018 AGM and 500,000 rights were issued under the Company's Performance Share Plan.

A summary of movements and balances of equity securities between 1 July 2018 and this report are listed:

	Ordinary shares	Quoted Options	Unquoted Options	Unquoted performance rights	Unquoted performance shares
On issue at start of the Quarter	50,813,406	6,323,337	12,250,000	-	13,175,000
Remuneration rights	-	-	-	2,500,000	-
Total securities on issue at the date of this report	50,813,406*	6,323,337	12,250,000	2,500,000	13,175,000

\* 8,510,000 ordinary shares are escrowed to 22 September 2019



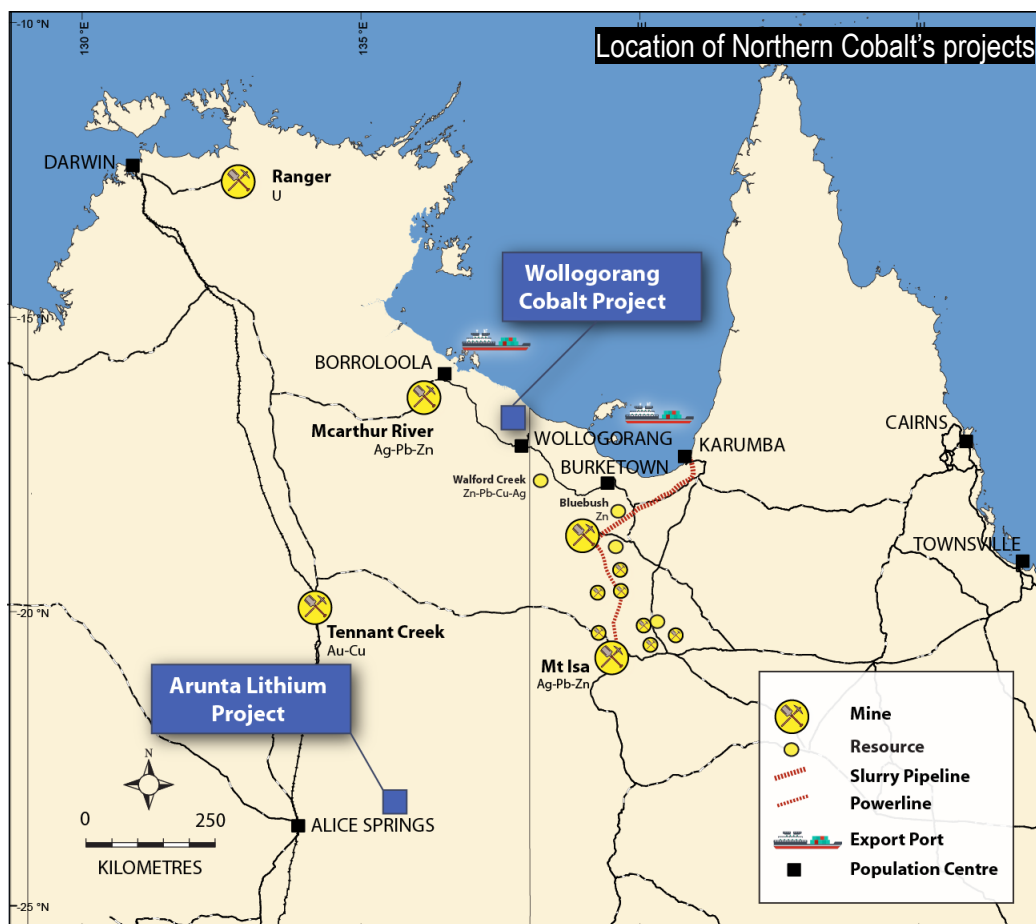
## Tenement table

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

## 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 been released under JORC 2012 by the Company as "Copper Discovered at First Drill Target" on 28 August 2018, "Copper Discovery grows at GregJo Prospect" on 19 September 2018, "Copper Intersection Confirms New Model at Running Creek" on 9 October 2018 and "Cobalt System Developing at Running Creek" on 19 October 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.

Historical results have been obtained from open file company report CR2002-0102 lodged with the Department of Primary Industries and Resources, NT. <https://geoscience.nt.gov.au/gemis/ntgsjsui/handle/1/3>



## Project Location

The Wollongorang 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 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")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,556)	(1,556)
(b) development	-	-
(c) production	-	-
(d) staff costs	(57)	(57)
(e) administration and corporate costs	(144)	(144)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	20	20
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,737)</b>	<b>(1,737)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(40)	(40)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(40)</b>	<b>(40)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,992	3,992
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,737)	(1,737)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(40)	(40)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,215</b>	<b>2,215</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	695	972
5.2 Call deposits	1,520	3,020
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,215</b>	<b>3,992</b>

**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

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	1,000
9.2 Development	-
9.3 Production	-
9.4 Staff costs	80
9.5 Administration and corporate costs	130
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>1,210</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
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		Not applicable		



### **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: 29 October 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.