

QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 31 MARCH 2019

Northern Cobalt has repositioned the company by

- **Pegging of the Snettisham Project (southern Alaska), low cost entry to known project**
 - Historic exploration highlights potential for gold, vanadium and iron ore.
 - The Snettisham project is located in the 7 Moz Juneau Gold Belt of SE Alaska, with associated mining services available in the area and is accessible all year round.
 - During the last quarter N27 completed a detailed magnetic survey to define drill targets, testing proposed for Q2 2019.
- **Exploration at the Wollogorang Project (Northern Territory) to focus on the promising copper hits.**
- **Identification and appraisal of new projects continuing with several new opportunities presented.**

Snettisham Project - Alaska

Northern Cobalt Limited (**ASX: N27**) has staked 48 mineral claims over the Snettisham Vanadium Project in south-western Alaska. In its global search for a new vanadium project, the company identified the potential for large scale mineralisation and its unique position regarding fundamental infrastructure requirements such as cheap electricity, transport options and proximity to the mining town of Juneau in southern Alaska. The Snettisham Vanadium Project occurs within titaniferous magnetite, concentrated within an Alaskan-style mafic-ultramafic intrusion, extending over 3.8 km along the coast of the Snettisham Peninsula and up to 1.5 km inland.

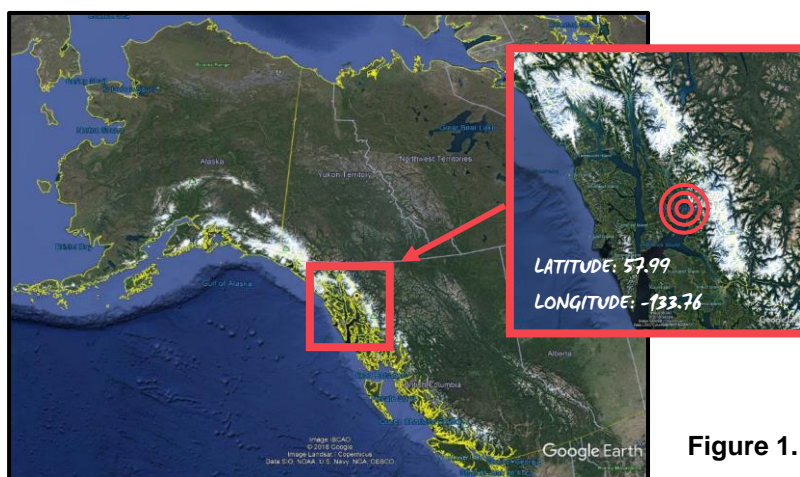


Figure 1. Snettisham Project Location

CAPITAL STRUCTURE

Ordinary Shares

Issued 53.8 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 - NED

Andrew Shearer - NED

Jarek Kopias - Co Sec

Snettisham – Vanadium and Iron Ore Potential

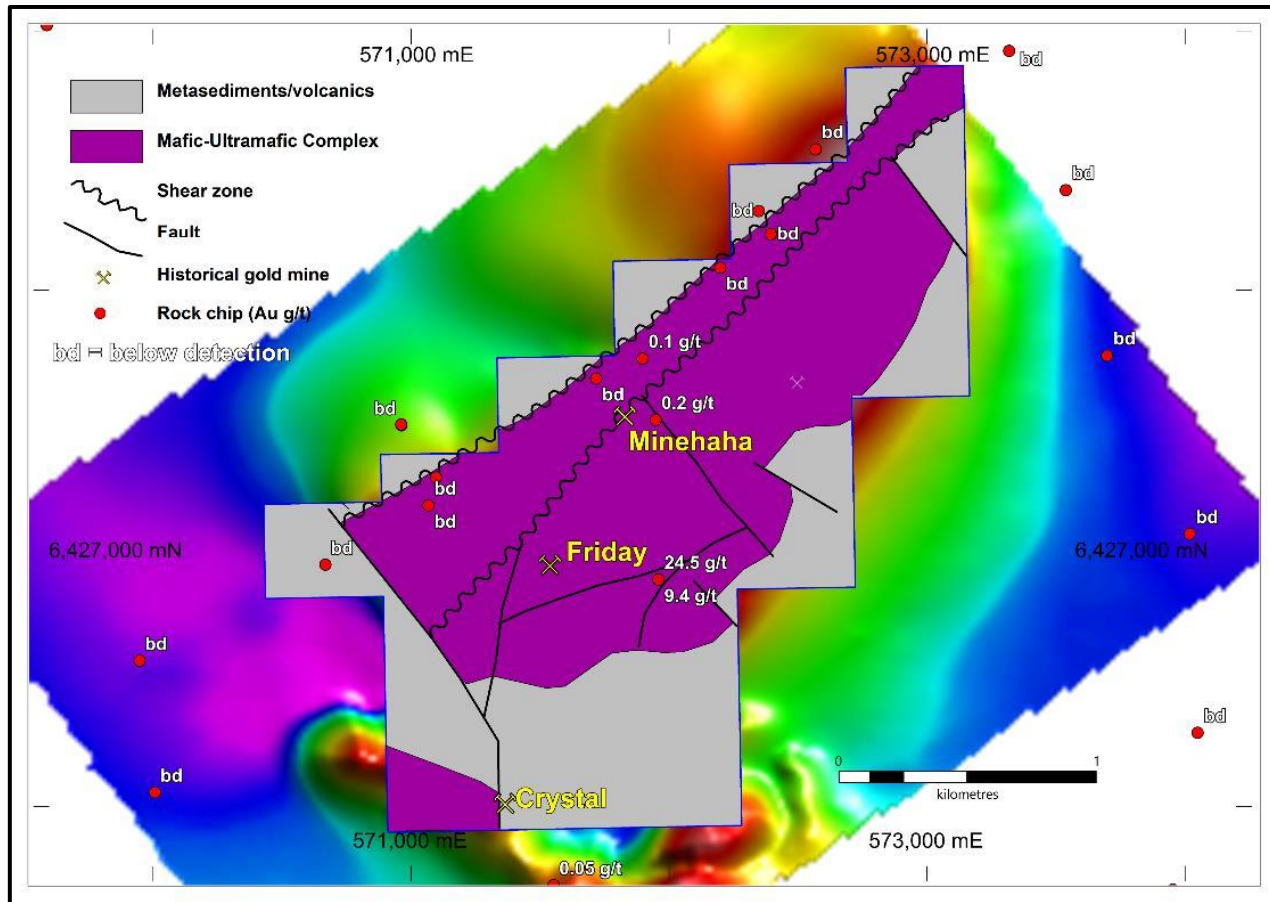


Figure 2. Snettisham Geology and Gold Rock Chip Values

- The local geology is well suited to hosting Juneau Gold Belt style mineralisation which occurs as lode gold within fault and shear structures in the host rocks
- Mafic-ultramafic intrusive complex and granite intrude layered metasediments and metavolcanics. when subjected to deformation and metamorphism during the gold producing event, produces an ideal environment for the deposition of gold mineralisation in space forming structures.
- These structures are produced as a result of the contrasting competency of the intrusive rocks and metasediments where deformation is focussed around the margins of the intrusive bodies and in discrete zones within them.
- The Crystal, Friday and Minehaha Gold Mines appear to occur on these types of structures.

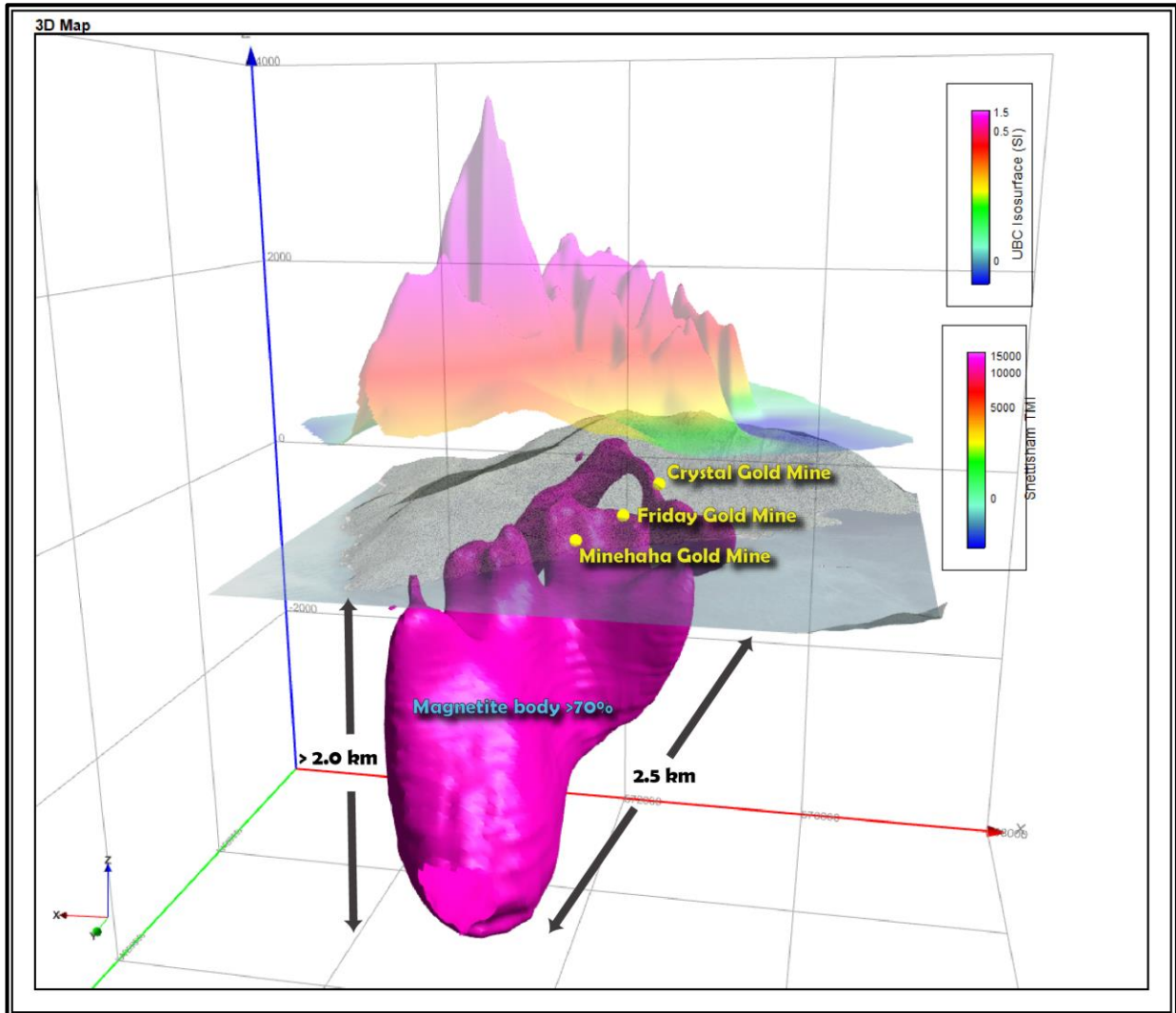


Figure 3. 3D Model (UBC Inversion) of the Snettisham Magnetic Anomaly

- Historical surface samples of magnetite rich rock chips showed the **vanadium potential**, with values up to 0.56% V_2O_5 , 35.9% Fe and 6.47% TiO_2
- Despite historical drilling by the USGS (United States Geological Survey) missing the main magnetic anomaly they did report an average grade of 20% Fe
- Modelling Results:
 - The top of the magnetite body modelled as being **close to surface** (~ 50m depth)
- Highlights where the magnetite content is 70% or greater (which equates to >40% contained Fe).
- Predicts a very large magnetite body, in the order of 2.5km long, up to 600m wide and over 2km total depth.
- **3 diamond drill holes are planned** to test the 3D model for vanadium, iron, gold and obtain metallurgy samples for beneficiation test work.
- The Crystal, Friday and Minehaha Gold Mines, within the project area, forms part of the Juneau Gold Belt of SE Alaska, which has **produced over 7 Moz of gold** and is analogous to the orogenic gold mineralisation style at Fosterville in Victoria (AUS)

Snettisham – Gold Potential



Figure 4. Juneau Gold Belt Mine Locations

- **The Juneau Gold Belt** has produced of 7 Moz of lode gold mineralisation and is analogous to the Fosterville Gold Mine in Australia
- Kensington Gold Mine – Active – Coeur Mining
 - **675,000 oz** measured and indicated reserves
- Eagle River Gold Mine – Historic
 - 19,451 oz Au mined
- Alaska Juneau and Treadwell Mines – Historic
 - 3 Moz Au mined
- Greens Creek VMS Mine – Active – Hecla Mining Company
 - 107.1 Moz Ag, 840,000 oz Au, 706,470 tons Zn, 262,940 tonnes Pb
- Sumdum Chief Gold Mine – Historic
 - 24,000 oz Au mined
- Marty Gold Mine – Historic
 - No production data
- Crystal, Friday and Minehaha Gold Mines – Historic
 - No production data

Running Creek Copper-Cobalt Prospect (Northern Territory)

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.

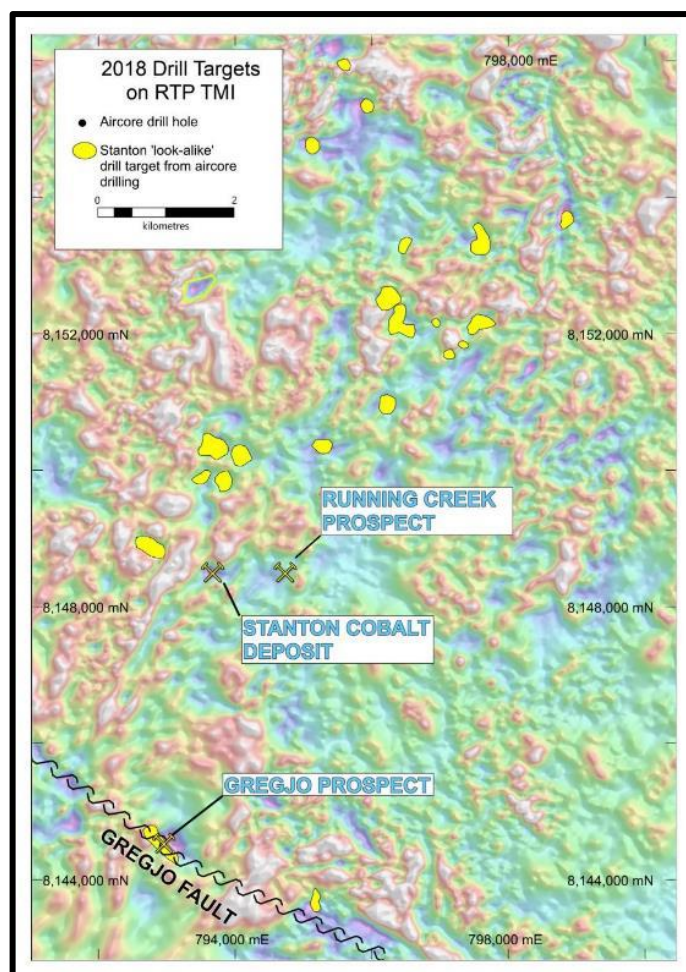


Figure 5. Wollongorang Copper-Cobalt Project Locations

- Much **higher cobalt values** reported from assays compared with pXRF field results (280%), including **5m @ 1604 ppm Co** from 20m (18RAB123)
- Assays at Running Creek Prospect **confirm copper from surface to the end of hole at 55m**, highlights;
 - 55m @ 0.78% Cu from 0m (hole 18RAB102),
 - including 33m @ 1.08% Cu from 11m,
 - including 13m @ 2.01% Cu from 11m
 - and 12m @ 380 ppm Co from 22m
- This **drill hole ends in mineralisation** with the last metre assaying 0.37% Cu and 450 ppm Co
- New **induced polarisation (IP) survey** at Running Creek **highlights a chargeable target** beneath mineralisation

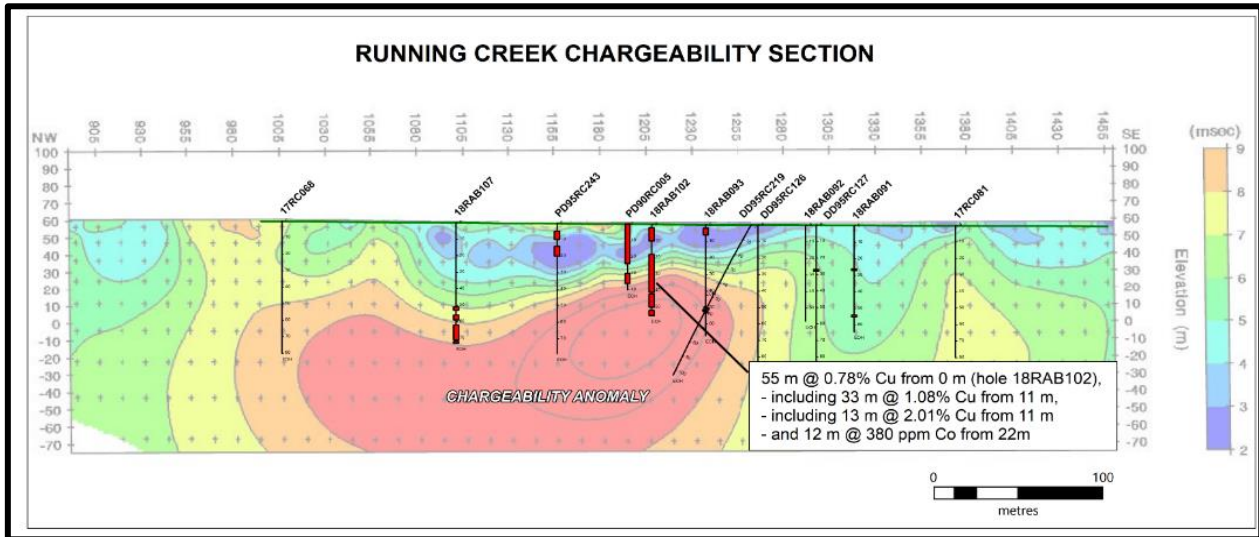


Figure 6. Running Creek IP Chargeability Section

Gregjo Copper-Cobalt Prospect (Northern Territory)

- **Large induced polarisation (IP) chargeability anomaly** identified in multiple traverses across the Gregjo Prospect
- The anomaly is directly below copper mineralisation intersected in recent shallow drilling, extending up to 200m out from the Gregjo Fault and 800m along the fault
- Geochemical results received from the laboratory reproduce the grades of copper mineralisation recorded using a pXRF in the field

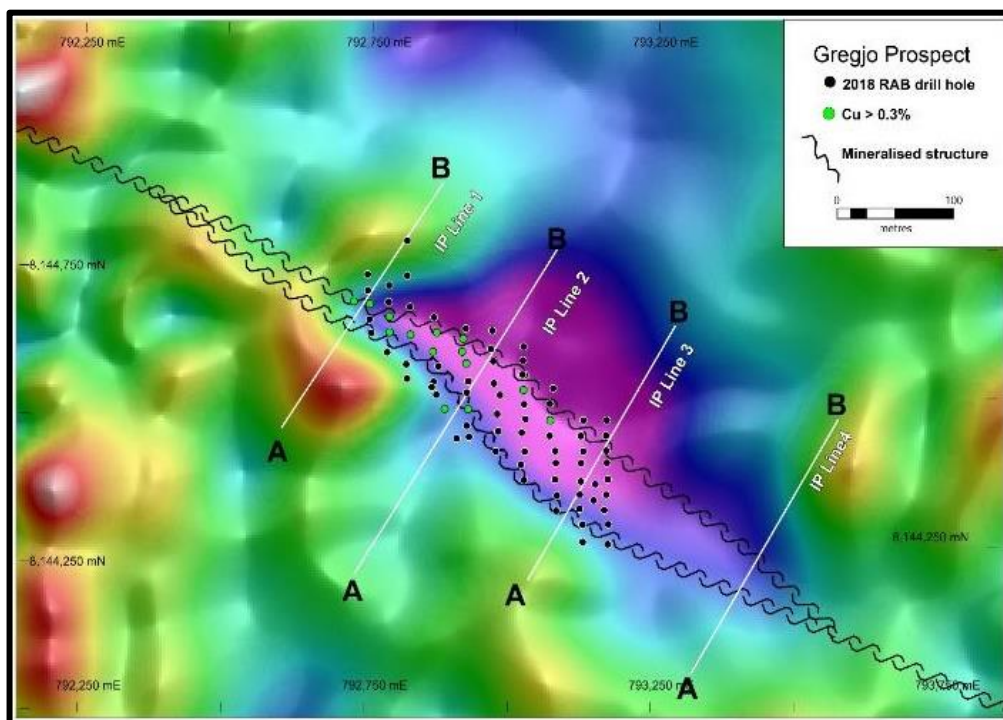


Figure 7. Gregjo IP Chargeability Section Locations on RTP TMI

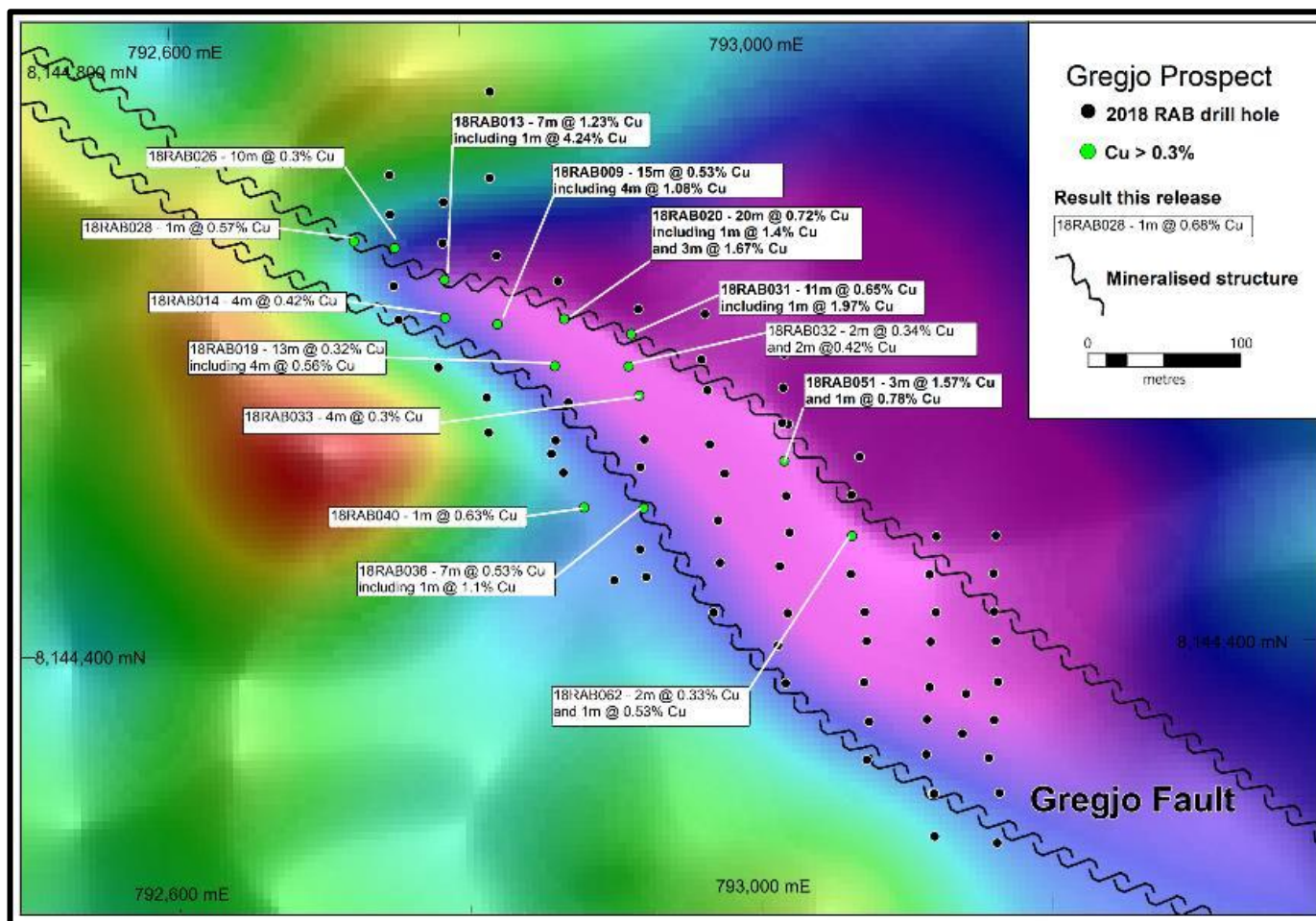
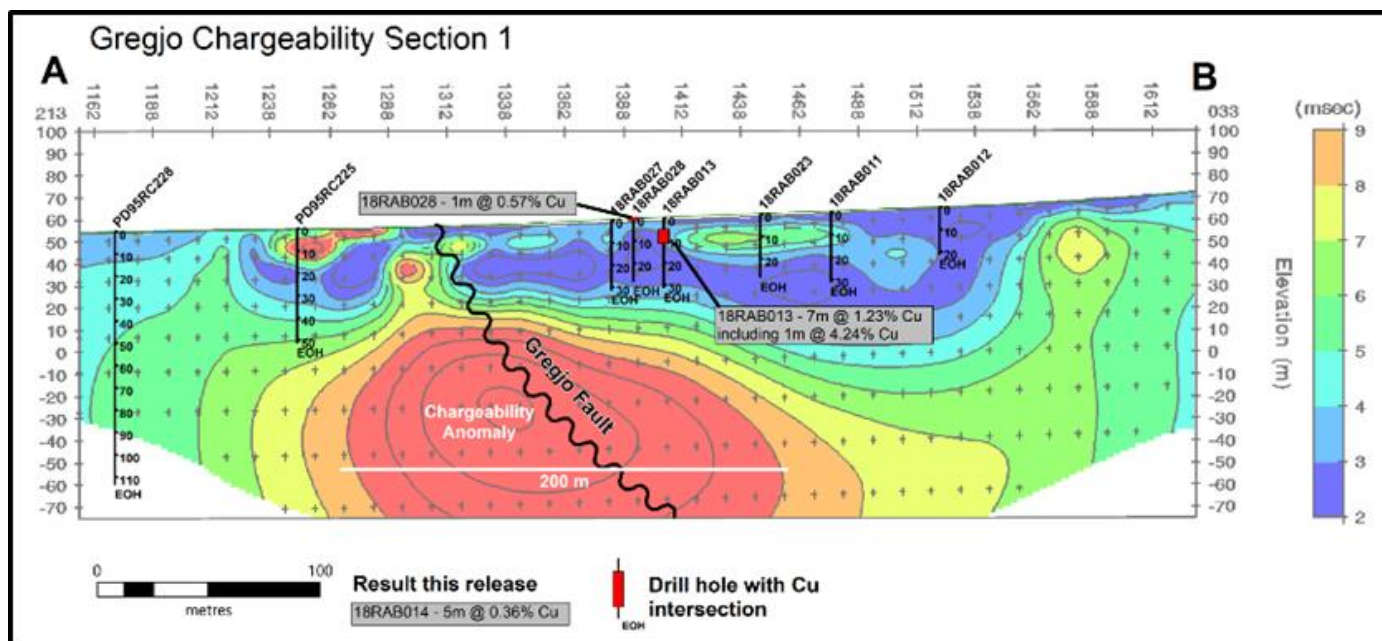
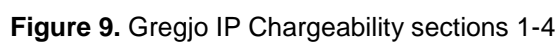


Figure 8. Gregjo drilling results on RTP TMI





Corporate

Share capital changes

On 15 March 2019, Northern Cobalt issued 2,500,000 shares as collateral for entering a controlled placement agreement with Acuity Capital.

A summary of movements and balances of equity securities between 1 January 2019 and this report are listed:

	Quoted		Unquoted		
	Ordinary shares	Options	Options	Performance rights	Performance shares
On issue at start of the Quarter	51,313,406	6,323,337	12,250,000	2,500,000	13,175,000
Collateral shares	2,500,000	-	-	-	-
Total securities on issue at the date of this report	53,813,406*	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
Northern Territory, Australia			
Wollogorang			
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
Arunta			
EL28837	Alcoota Pegmatite Field	0%	Relinquished
EL28886	Alcoota 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
EL31147	Harts Range Pegmatite Field	100%	None
EL31777	Alcoota Pegmatite Field	100%	Granted
EL31778	Undippa Pegmatite Field	100%	Granted
EL31779	Alcoota Pegmatite Field	100%	Granted
Alaska USA			
Akaa 095408 to Akaa 095408	Snettisham (48 contiguous blocks)	100%	None

Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information 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 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 an employee of Northern Cobalt 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 and confirms that the data reported as foreign estimates are 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, "Cobalt System Developing at Running Creek" on 19 October 2018, "Cobalt and Copper System Confirmed at Running Creek" on 14 December 2018, "Southern Alaska Vanadium Project Acquired" on 18 December 2018, "Geophysics highlights potential at GregJo" on 23 January 2019, "Magnetic Survey Identifies Vanadium and Iron Ore Potential" on 26 February 2019 and "3D Model confirms Vanadium and Gold Potential at Snettisham" on 14 March 2019. 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/ntgjsjpui/handle/1/3>

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")

31 March 2019

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	(441)	(2,822)
(b) development	-	-
(c) production	-	-
(d) staff costs	(89)	(301)
(e) administration and corporate costs	(71)	(318)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	30
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	(594)	(3,411)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(49)
(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	-	(49)

3.	Cash flows from financing activities		
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	(5)	(5)
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	(5)	(5)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,126	3,992
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(594)	(3,411)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(49)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	(5)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	527	527

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	507	106
5.2 Call deposits	20	1,020
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)	527	1,126

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
74
-

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

Mining exploration entity and oil and gas exploration entity quarterly report

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	210
9.2 Development	-
9.3 Production	-
9.4 Staff costs	60
9.5 Administration and corporate costs	120
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	390

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	Northern Territory EL28837	Beneficial interest – tenement not renewed.	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Northern Territory EL31777 EL31778 EL31779	Beneficial interest – granted on application.	0% 0% 0%	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: 26 April 2019

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.