

Highlights

Cairn Hill Gold Project

- Cairn Hill induced polarisation (IP) survey completed.
- IP survey extends strike potential of resistive zone associated with high grade mineralisation (20m @ 29g/t gold from 30 metres)¹ by 600 metres and demonstrates depth potential.
- Program of works approval received from Department of Mining and Energy for initial diamond drilling at Cairn Hill which is expected to commence in late October 2016.

Corporate

- Berkut Minerals Limited (ASX: BMT) was successfully admitted to the Official List of ASX Limited on 26 August 2016 with official quotation commencing on 30 August 2016.
- Listing was well supported with Berkut raising \$3.5m (before costs) whilst maintaining a tight capital structure.
- At 30 September 2016, Berkut held approximately \$3.4m of cash.

Fast Facts

Shares on Issue: 32.67M
Market Cap: \$8.3M @ \$0.255
Cash in Bank: \$3.5M

Board and Management

Michael Bohm, Non Exec Chairman
Paul Payne, Non-Exec Director
Justin Tremain, Non-Exec Director

Ben Cairns, Chief Executive Officer
Melanie Li, Company Secretary

Company Highlights

- Earning 70% of the Cairn Hill project 40km WNW of Paraburdoo. Significant gold intersections include 20m @ 29g/t Au from 30m¹
- 100% owned Mt Clement Project (under application) prospective for gold and base metals 35km SW of Paulsens Gold Mine
- 100% owned Capricorn Li Project (under application) Historic exploration has identified Li anomalism in lag sampling over an area 18km x 4km

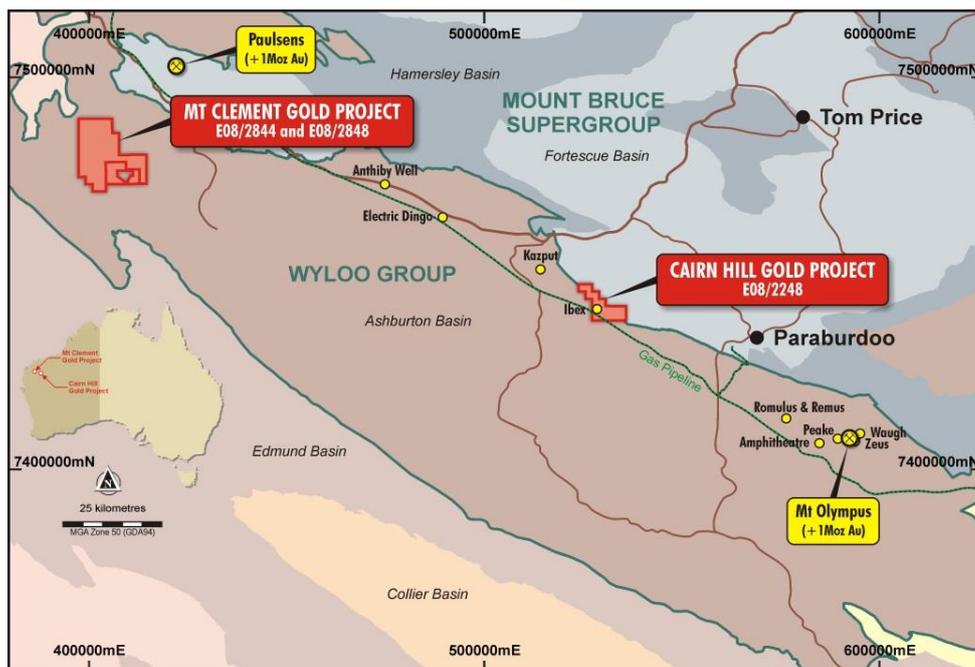


Figure 1 | Berkut Minerals Project Locations

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Cairn Hill (Earning a 70% Interest)

In September 2016, Berkut Minerals Limited (Berkut) completed an induced polarisation (IP) survey at the Cairn Hill Project.² The Cairn Hill Project has not previously been the subject of electrical survey techniques and given the extensive alluvial and colluvial cover the company viewed the potential to see through the surface material as a key to advancing the exploration potential of the Project. Berkut completed a 2km by 1km gradient array induced polarisation (GAIP) survey centred on historic drilling along with two dipole-dipole (DDIP) survey lines over significant historic drill intersections to test the depth response in areas of known mineralisation. The IP survey was designed to:

- Define the resistivity / chargeability associated with known mineralisation;
- Define potential targets for mineralisation;
- Define geology and structures largely hidden by alluvium and colluvium; and
- Facilitate a rapid evaluation of the Cairn Hill Project.

The IP survey was undertaken by Vortex Geophysics and supervised by Southern Geoscience Consultants (SGC).

Within the survey area, SGC identified 17 geophysical features that require further examination. Of these, Berkut has identified four priority targets of which the most significant are associated with anomalous results identified by the historic drilling.

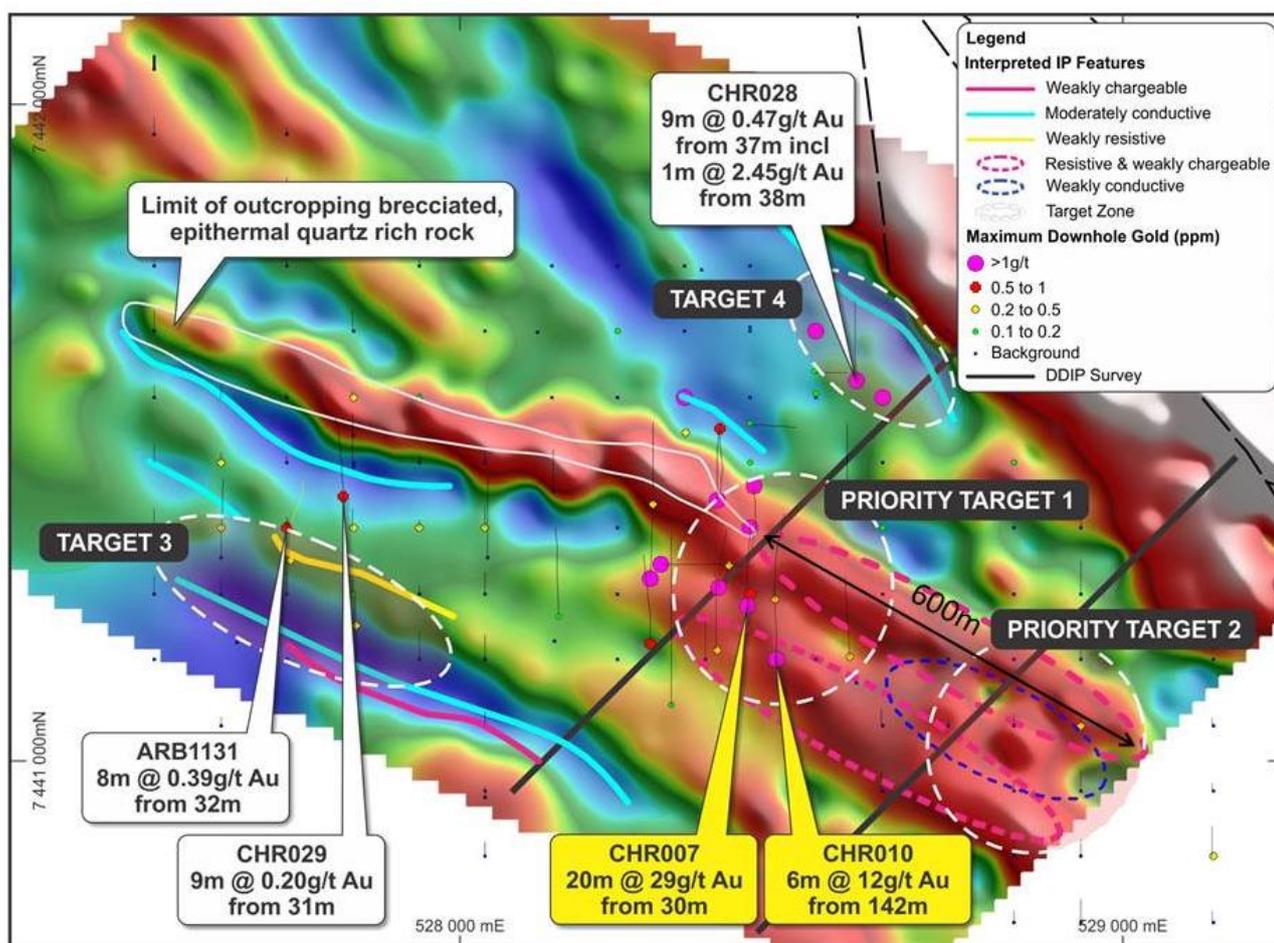


Figure 2 | GAIP resistivity image NE shade with historic drill locations

Priority Target 1

Historic drilling (CHR007 20m @ 29g/t Au from 30m)¹ identified mineralisation in association with a south-east trending brecciated, quartz carbonate (sulphide poor) vein with epithermal textures. Outcrop of this vein is limited due to extensive colluvial cover which has been an impediment to exploration in the past. The GAIP survey has identified a large resistive and weakly chargeable anomaly coincident with the outcropping quartz vein which importantly extends the strike of this zone by +600 metres to the south east under colluvium where it appears to widen (Refer to Figure 2). This strike extension has been the subject of shallow RAB drilling only, typically less than ~30m and remains largely untested.

A DDIP survey line over the collar of CHR007 identified a chargeability anomaly at depth below the mineralised intersection in CHR007. Mineralisation in CHR007 is oxide and not chargeable and the presence of a chargeability anomaly below it presents an exciting target.

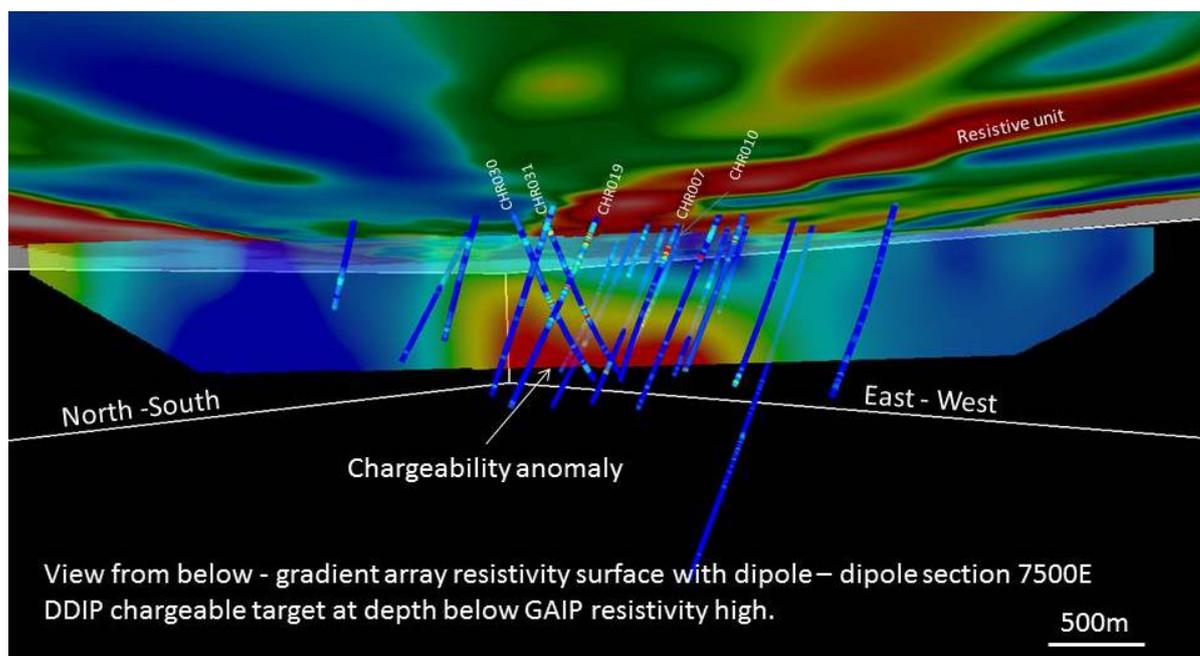


Figure 3 | View from below GAIP resistivity with modelled dipole - dipole line 7500mE

Priority Target 2

A weakly chargeable response in the centre of the GAIP resistivity anomaly identified as Priority Target 2 is noted at the eastern edge of the survey grid and may indicate the presence of sulphide mineralogy at depth within the quartz vein. The second DDIP line, completed 400m east of line 1, confirmed this weakly chargeable GAIP anomaly at depth. This area has been subject to shallow RAB drilling only and remains largely untested.

Target 3

A series of moderately resistive and weakly chargeable anomalies can be seen in the data, subparallel to and south of, the main quartz vein in a zone of extensive colluvium. Historic RAB drilling identified anomalous gold values to 0.54g/t Au (ARB1131) and this area requires further dill testing.

Target 4

A weakly chargeable feature in the north-east of the IP survey grid adjacent to the contact with the Mt McGrath Formation is coincident with a number of anomalous gold in drill results and requires further drill testing.

The IP survey details are tabulated below.

Surveyed By	Vortex Geophysics Pty. Ltd.
Survey Date	26 th July - 10 th August, 2016
Survey Type	Gradient Array and Dipole-Dipole
Transmitter	Vortex VIP-30 (15kVA)
Base Frequency	0.125Hz (2sec ON / 2sec OFF)
Rx-Tx Dipole Spacing	50m (overlapped to 25m stations for gradient array)
Current	14-18 Amps
Receiver	GDD 16 channel
DDIP - Max Effective N Level	8 - 10
Integration Time	1000 - 1960ms

Proposed work program

The proposed work program for the Cairn Hill Project will include a drilling program to commence during October 2016 which will be in two parts. Initially diamond drilling will be undertaken in the area of the significant intersections identified in historic drill holes CHR007 (20m @ 29g/t gold from 30m)¹ and CHR010 (6m @ 12g/t gold from 142m)¹ to provide physical sample for further geophysical and geological characterisation work and to verify historic work.

The second part of the program will be to use RC drilling to test a number of the targets identified by the GAIP survey. In the first instance Targets 1 and 2 as defined above, and then with consideration of the geophysical and geological characteristics defined from the core drilling, test the remaining GAIP targets as ranked by the results from the test work.

Mt Clement / Capricorn Projects

The 100% owned Mt Clement and Capricorn Projects remain as tenement applications and are moving through the grant process. Berkut plans to undertake preliminary geological mapping and hammer prospecting at Mt Clement in October with a reconnaissance field trip planned to the Capricorn Project in November.

Berkut is progressing the Mt Clement and Capricorn Project tenements through the grant process and has not undertaken on ground works during this quarter.

Corporate

Cash

As at 30 September 2016, Berkut held \$3.4 million in cash. Refer to Appendix 5B (ASX website) for principal movements in cash for the quarter.

The Company raised \$3.5m before costs at an issue price \$0.20 per share pursuant to a prospectus dated 22 July 2016.

Admission to the Australian Securities Exchange

Berkut Minerals Limited (ASX: BMT) was successfully admitted to the Official List of ASX Limited on 26 August 2016 with official quotation commencing on 30 August 2016.

The Company has a tight capital structure with only 32,666,666 shares on issue of which only 19,250,001 are tradable and not subject to escrow.

Appendix 1 | Berkut Minerals Limited Tenements

Tenement	Location	Structure
Cairn Hill Gold Project		
E08/2248	Western Australia	0%, earning a 70% interest from Coccinella Pty Ltd
Mount Clement Gold Project		
E08/2848	Western Australia	Application
E08/2844	Western Australia	Application
Capricorn Lithium Project		
E69/3435	Western Australia	Application

Mining Tenements disposed: Nil

Beneficial percentage interests held in farm-in or farm-out agreements: Nil

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed: Nil

Competent Persons Statement

The information in this document that relates to exploration results is based upon information compiled by Mr Ben Cairns, a full-time employee and shareholder of Berkut Minerals Limited. Mr Cairns is a Member of the Australian Institute of Geoscientists (AIG) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Cairns consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

Geophysical information in this report is based on data compiled by Ms Karen Gilgallon who is employed by Southern Geoscience Consultants (SGC) which provides consulting services to the Company. Ms Gilgallon is a member of the Australian Society of Exploration Geophysicists and of the Australian Institute of Geoscientists with sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results. Ms Gilgallon consents to the inclusion in the report of matters based on information in the form and context in which it appears.

Notes

¹ For full details of exploration results refer to ASX announcement on 29 August 2016 (Berkut Minerals Limited Prospectus). Berkut Minerals is not aware of any new information or data that materially effects this information.

² For full details of exploration results refer to ASX announcement on 8 September 2016. Berkut Minerals is not aware of any new information or data that materially effects this information.