



Appointment of Managing Director of Berkut Minerals

Highlights

- **Neil Inwood appointed as Managing Director to lead the strategic growth of Berkut including the Norwegian and Swedish cobalt assets**
- **Strong technical capability with proven project generation and advancement skills**

Berkut Minerals Limited ('Berkut' or 'Company') is pleased to announce the appointment of Mr Neil Inwood as Managing Director to lead the strategic growth of the Company and to advance the Company's Scandinavian Cobalt projects.

Mr Inwood is a highly experienced geologist with over 22 years' international experience in gold, base metal, and specialty metals. Mr Inwood has worked in consulting and venture capital for the last 13 years, was previously the Executive Geologist with Verona Capital and prior to that a Principal Resource Geologist with the international mining consultancy Coffey Mining. Most recently Mr Inwood led the geological team that established the world-class endowment of the Panda Hill Niobium Project in Tanzania for Cradle Resources, and has been performing the role of Geology Manager for Boss Resources following his involvement in the acquisition phase of the Honeymoon Uranium Mine. Mr Inwood holds a Master's Degree in Geology and is a Fellow of the AusIMM.

Mr Inwood commented:

"I'm excited to be joining the Berkut team as we push forward with the Scandinavian Cobalt projects. There is a long history of cobalt mining in and around the Skutterud Project and I look forward to unlocking the value of these underexplored assets."

The material terms of Mr Inwood's executive agreement with Berkut are set out in Appendix One.

Fast Facts

Shares on Issue: 47.3M¹

Market Cap: \$10M¹

Cash in Bank: \$4.5M^{1,2}

¹ Based on completion of the acquisition of Kobald and Tranche 2 of Placement

² Estimated current cash (30 March 2017) assuming completion of acquisition of Kobald and Tranche 2 of Placement

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

- Proposed acquisition of 100% of cobalt projects in Norway and Sweden
- Earning 70% of the Cairn Hill project 40km WNW of Paraburdoo.
- 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)

Registered Office

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Background on Berkut's Scandinavian Cobalt Projects

Subject to shareholder approval (pursuant to ASX Listing Rule 11.1.2), Berkut is acquiring 100% of the Skutterud Project in Norway and the Tunaberg and Gladhammar Projects in Sweden ('Acquisition'). The Projects are well located with excellent infrastructure and proximity to an operating cobalt refinery and are well placed to benefit from growing demand for ethically sourced cobalt (refer to Figure 1).

It is expected a Notice of Meeting will be mailed to Berkut shareholders this week to seek the approval of the Acquisition (and other matters contemplated by the Acquisition) and for Tranche 2 of the Placement (as announced on 9 February 2017). Berkut anticipates the shareholder meeting to be held on 22 May 2017.

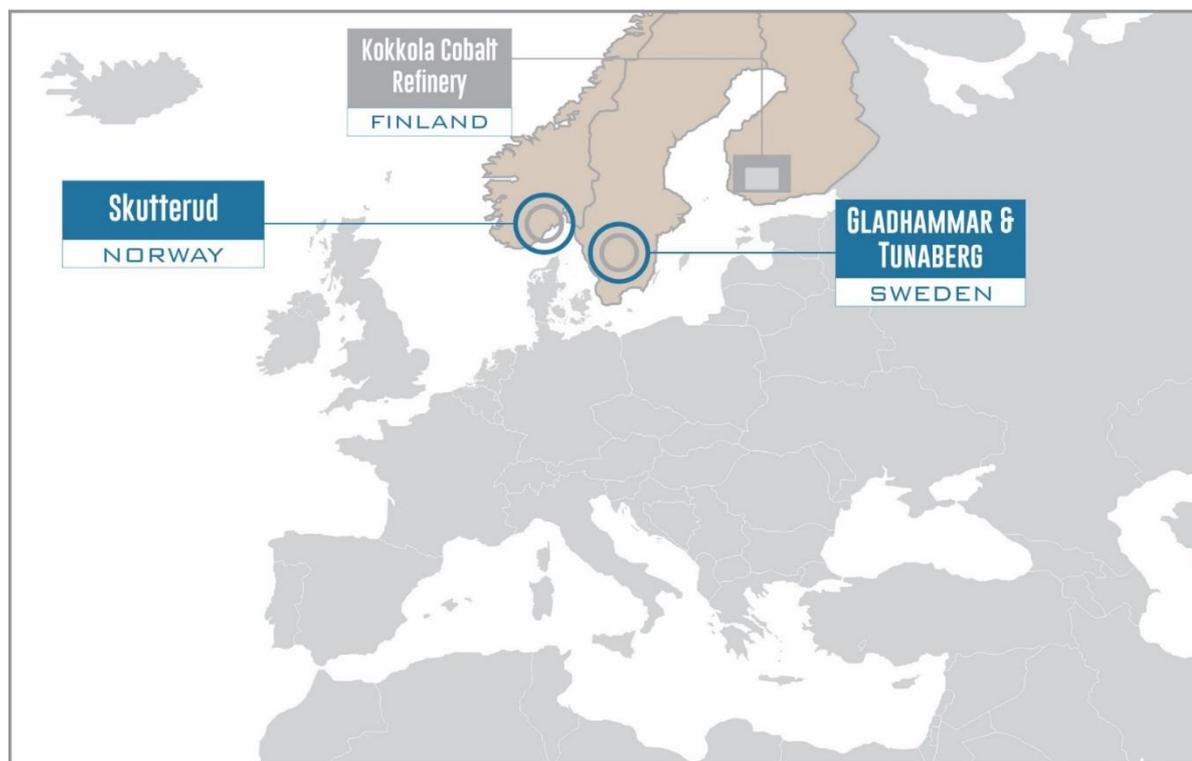


Figure 1 | Project locations

Skutterud Project¹ | Norway

- Region lends its name to one of the main cobalt minerals, Skutterudite
- Granted licences over 1,250 hectares
- Extensive historical workings over a NNW strike length of over 9 kilometres
- Majority of strike extent covered by Kobald tenure

The Skutterud Project consists of four granted licences covering approximately 1,250 hectares (refer Figure 2) in southern Norway, within 100km of the Oslo port. The area contains one of the most famous, historic cobalt mines in the world, which lends its name to one of the main cobalt ore minerals, Skutterudite. The Project was mined throughout the 18th and 19th Centuries, during which time it supplied much of the world's cobalt, employed thousands of people, and the operator was reported to be the most profitable company in Norway.

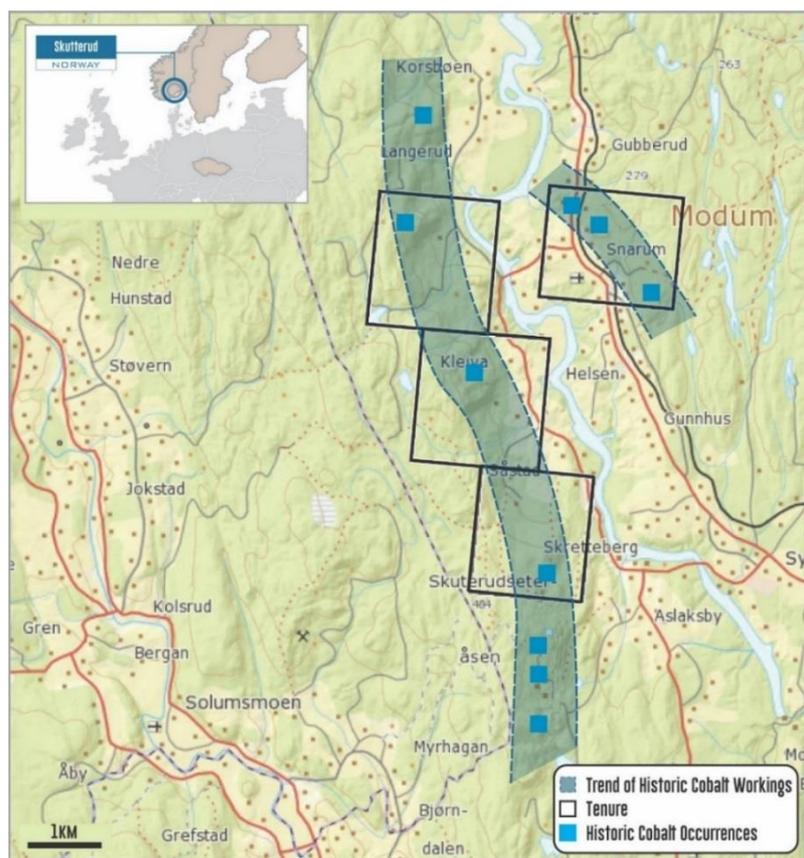


Figure 2 | Skutterud Project area and historic cobalt occurrences

The cobalt occurrences are related to meta-sedimentary, sulphide-rich schist zones, so-called ‘fahlbands’. The most extensive sulphide-rich zone has a length of 12km along strike, and is up to 100-200m wide. The cobalt mineralisation is, to a large degree, characterised by impregnation of cobaltite, glaucodote, safflorite and skutterudite, which partly occur as enrichments in quartz-rich zones and lenses.

The vast majority of the strike of old workings remains open and untested by modern exploration methods. Kobald has secured granted exploration licences over the majority of the strike extent of the old workings.

Tunaberg and Gladhammar Projects¹ | Sweden

- Granted licences over 300 hectares
- Historic, cobalt-dominant mine workings from the 15th to 19th centuries untested by modern exploration

The Tunaberg and Gladhammar Projects cover a combined area of just over 300 hectares under two granted licences. The Tunaberg and Gladhammar mining districts are located in southern Sweden, south of Stockholm. Both districts contain historic, cobalt-dominant mine workings from the 15th to 19th centuries, untested by modern exploration methods. Tunaberg was mined for copper from the 15th century and cobalt from the 18th century. The mineralisation type is Co-Cu and Cu-Co skarns, hosted in an Early Proterozoic metatuffite formation with intercalated skarn-altered marbles.

Gladhammar was mined for cobalt and copper from the 16th to 19th centuries. Mineralisation consists mainly of cobaltite, chalcopyrite, pyrite and magnetite.

¹ Relevant historic results have been reported in the announcement dated 9th February 2017. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcement and that all material assumptions and technical parameters continue to apply and have not materially changed.

Competent Persons Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves for the European cobalt projects is based on information compiled by Dr Francis Wedin, who is a member of the Australasian Institute of Mining and Metallurgy. Dr Wedin acts as a consultant to Kobald and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the “Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves” (JORC Code). Dr Wedin consents to the inclusion in this announcement of the matters based upon the information in the form and context in which it appears.

Appendix One

The keys terms of the Managing Directors remuneration are as follows:

- a. Base salary of A\$230,000 per annum, exclusive of statutory superannuation;
- b. Opportunity to participate in Short Term and Long Term Incentive Schemes that the Company may put in place;
- c. Unquoted options over shares in the Company with an expiry date of 31 December 2019;
 - i. 1,000,000 options exercisable at 25 cents; and
 - ii. 1,000,000 options exercisable at 30 cents, vesting following 12 months of employment.

The Company will seek shareholder approval of these options.

- d. A termination notice period of 3 months following an initial period of 12 months.