

16th October 2017

Co-Ni MASSIVE SULPHIDE MINERALISATION IDENTIFIED AT SURFACE, DOBSINA PROJECT

- *Co-Ni-Cu mineralisation defined in three trenches and roadside cutting*
 - *Gersdorffite (Co-Ni) massive sulphide mineralisation identified at surface within roadside cutting*
 - *Style of mineralisation characteristic of Zemberg Vein System which produced at an average grade of 4% Co and 16% Ni*
- *All trenches completed support targeting model applied with respect to location of mineralisation*
- *Further reconnaissance underway throughout Project*



Figure 1: Roadside Cutting Exposing Gersdorffite (Co-Ni) Massive Sulphide Mineralisation within Mineralised Zone



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European Cobalt Ltd ("EUC" or "the Company", ASX: EUC) is pleased to provide an update with respect to trenching underway across the Joremeny Target. Channel sampling of the mineralisation has been completed and samples have been sent for analysis. Three trenches and a road side cutting have been completed with all having cobalt-copper-nickel sulphides identified. T-02 trench is still currently underway.

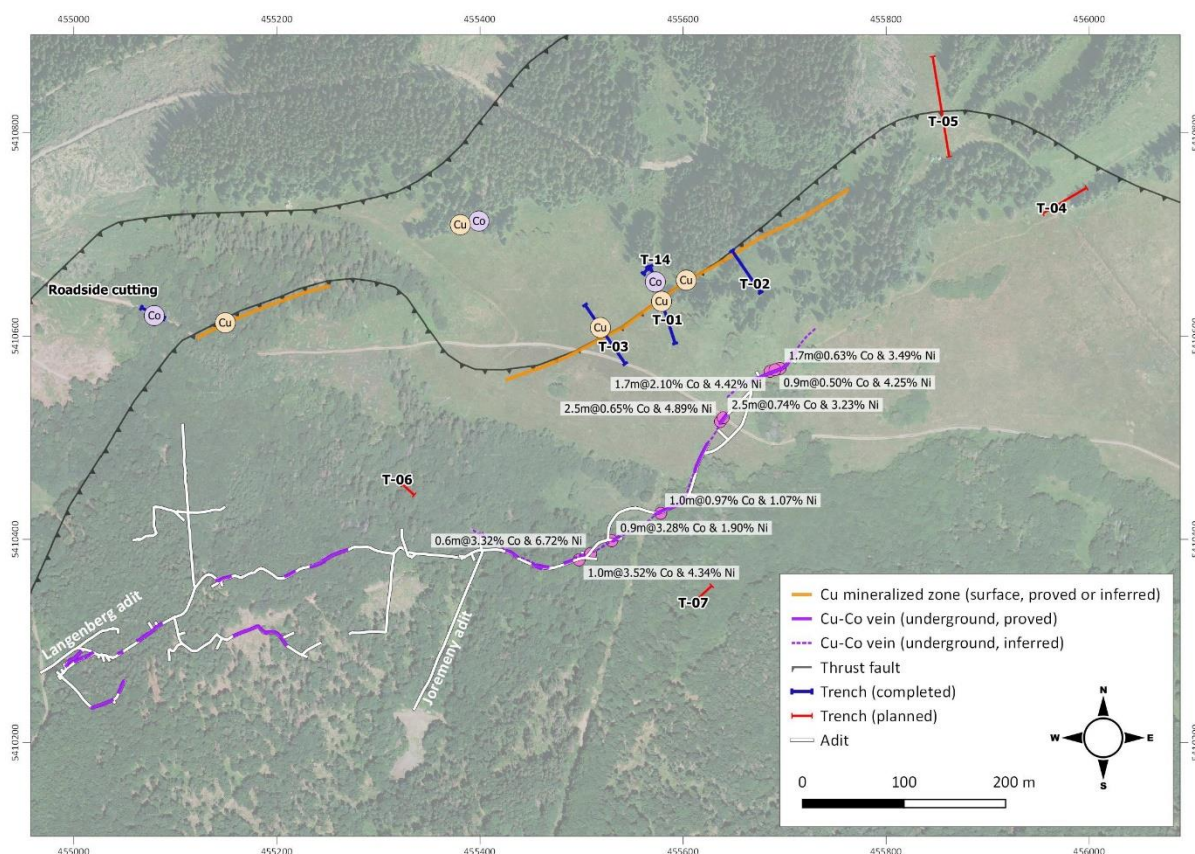


Figure 2: Location Plan of Joremeny Target Trenches and Mineralised Zones

The gersdorffite massive sulphide mineralisation identified in the roadside cutting has an average thickness of 45cm within a broader mineralised zone of 1.4m. Approximately 300kg of this gersdorffite massive sulphide mineralisation has been retained for metallurgical testing.

Managing Director, Rob Jewson commented, "In the process of conducting trenching activities across the Joremeny Target, the Company has considerably refined its understanding towards the extent of mineralisation. The 100% success rate of identifying the prospective zones with visible cobalt-nickel-copper mineralisation is testimony to the prolific nature of mineralisation within the Project.

The identification of nickel-cobalt massive sulphide mineralisation through cleaning up a road cutting highlights the potential of significant additional exploration success through field based reconnaissance."

ZEMBERG-TEREZIAN VEIN SYSTEM TARGET OVERVIEW

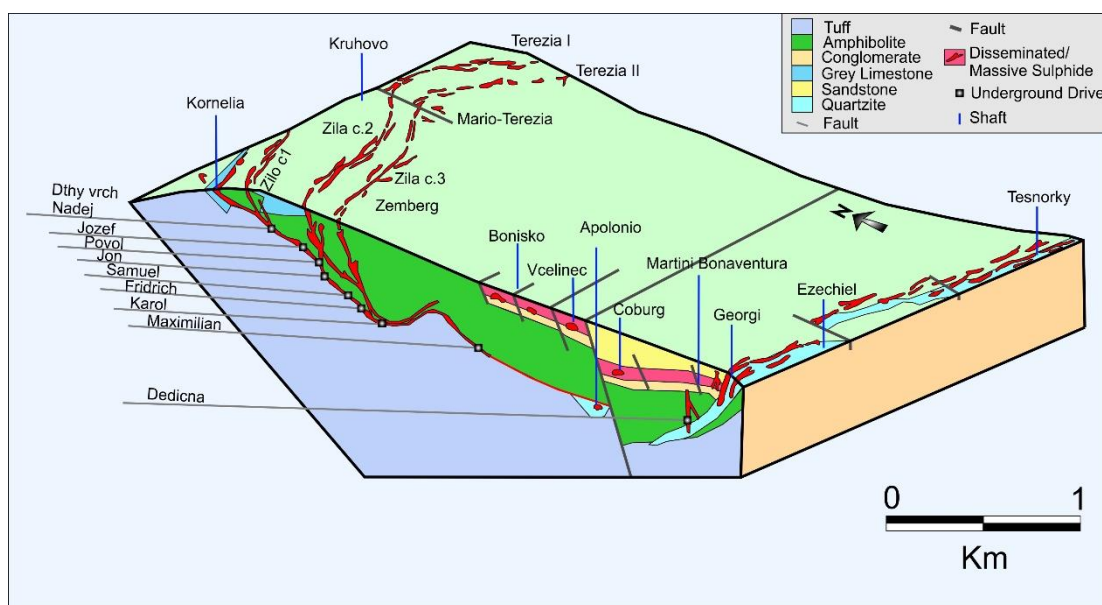


Figure 3: Dobsina Vein System

The Joremeny Target represents part of the Zemberg-Terezian Vein System. The Zemberg-Terezian Vein System extends over a 1,500m strike, 300m depth and 0.7-1.5m wide mineralisation. Distinct metal zonation is evident with more copper abundant mineralisation in the upper parts whereas nickel-cobalt dominant mineralisation occurs in the lower part of the vein system. Lower extents veins exploited at grades of up to 8% Co and 17% Ni. Upper levels reported grade of 1-7% Cu, 200-900 g/t Ag, 0.6-5.9% Sb, 0.1-0.3% Co and 0.1-0.6% Ni.

The Zemberg Vein system consists of three discrete vein sets, Severna, Hlavna and Juzna. The mineral assemblage of the veins consists of siderite, ankerite, quartz, sulphides and abundant nickel-cobalt sulphide minerals. Minor siderite-barite and copper minerals are also present. Veins commonly display crack seal texture. Rozloznika, 1935 commented "Zemberg ore contained an average of 4% Cobalt and 16% Ni"



DISCLAIMER

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

COMPETENT PERSONS STATEMENT:

The information in this announcement that relates to the Exploration Results for Dobsina is based on information compiled and fairly represented by Mr Robert Jewson, who is a Member of the Australian Institute of Geoscientists and Managing Director of European Cobalt Ltd. Mr Jewson has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he has 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, Mineral Resources and Ore Reserves. Mr Jewson consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

For further information with respect to underground channel sampling results from Joremeny please refer to ASX Announcement “High Grade Cobalt and Nickel Results at Dobsina” released on 26th June 2017

APPENDIX 1: TRENCH LOCATION INFORMATION

Trench	Easting Start	Northing Start	Easting End	Northing End	Average Depth
T-01	455,592	5,410,593	455,568	5,410,669	2m
T-02	455,676	5,410,643	455,648	5,410,684	2m
T-03	455,543	5,410,573	455,503	5,410,631	2m
Roadside cutting	455,074	5,410,617	455,075	5,410,618	1m

JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Comments
Sampling techniques	<ul style="list-style-type: none"> 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. 	<p>Trenches were excavated to a depth of approximately 2m. Channel sampling was conducted across 1m intervals.</p> <p>A road cutting was exposed with approximately 1m of overburden covering the underlying bedrock. Channel sampling of the exposure was completed on 1m intervals.</p> <p>Additionally, grab samples of mineralisation were taken.</p>
	<ul style="list-style-type: none"> Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 	<p>1:25 field duplicate samples were taken in order to ensure representivity of sampling completed. Standard reference materials and blanks were inserted every 25th sample.</p>
	<ul style="list-style-type: none"> 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. 	<p>A trench was excavated to a depth of 2m. Channel sampling was conducted across 1m interval. A minimum of 2kg sample was taken. Samples have been sent to ALS Romania for analysis. Results are pending.</p> <p>Channel sampling of the road cuttings at an approximate 1m depth was completed across 1m intervals. A minimum of 2kg sample was taken. Representative samples have been sent to ALS Romania for analysis. Results are presently pending.</p>
Drilling techniques	<ul style="list-style-type: none"> 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 method, etc). 	<p>No drilling results have been included this release.</p>
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. 	<p>No drilling results have been included this release.</p>
	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<p>No drilling results have been included this release.</p>



Criteria	JORC Code explanation	Comments
	<ul style="list-style-type: none"> 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. 	No drilling results have been included this release.
Logging	<ul style="list-style-type: none"> 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. 	Detailed geological logging has been completed on the selected samples. The information captured has been recorded in sufficient detail and of sufficient quality to be incorporated into a mineral resource estimation. There is presently insufficient information to report a mineral resource estimate.
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. 	Logging of rock chips was completed both on a qualitative and quantitative basis.
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	The whole length of the trench was logged.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. 	No drilling, rock chip sampling only.
	<ul style="list-style-type: none"> If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. 	No drilling, rock chip sampling only.
	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. 	Samples have been sent for analysis, no analysis results are yet available.
	<ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 	Samples have been sent for analysis, no analysis results are yet available.
	<ul style="list-style-type: none"> 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. 	Field duplicate samples were taken at the rate of 1:25 samples. Standard reference materials and blanks were similarly included at the rate of 1:25 samples.
	<ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled. 	The minimum sample size of 2kg is considered industry standard.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 	No analytical process has been utilised as results are presently pending.
	<ul style="list-style-type: none"> For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. 	No geophysical tools were used.



Criteria	JORC Code explanation	Comments
	<ul style="list-style-type: none"> 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. 	Standard reference materials and blanks were inserted at the rate of 1:25 samples. Analytical results are presently pending.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. 	Analytical results are presently pending.
	<ul style="list-style-type: none"> The use of twinned holes. 	No drilling, channel sampling only.
	<ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. 	Information is initially recorded by digital logging tablets. Information is validated and subsequently stored in an access database. Further validation is conducted through the importation and validation in Micromine.
	<ul style="list-style-type: none"> Discuss any adjustment to assay data. 	No adjustments completed.
Location of data points	<ul style="list-style-type: none"> 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. 	Hand held GPS was utilised to locate trenches.
	<ul style="list-style-type: none"> Specification of the grid system used. 	UTM-WGS84- zone 34N
	<ul style="list-style-type: none"> Quality and adequacy of topographic control. 	A digital terrain model was generated from 1:50,000 topographic map. The quality of the DTM is sufficient for the stage of exploration for the Project.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. 	The trenching program is on a relatively regular spacing with orientation of the trenches aiming to be perpendicular to the mapped mineralised strike. A map illustrating the completed and planned trenching locations has been included.
	<ul style="list-style-type: none"> 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. 	The trenching information on its own is insufficient to complete a mineral resource estimation.
	<ul style="list-style-type: none"> Whether sample compositing has been applied. 	No sample compositing is completed.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 	The trenching completed is orientated to be perpendicular to the trend of mineralisation based on mapping. Confirmatory mapping of the trench has validated that this is the case.
	<ul style="list-style-type: none"> If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	No drilling, channel sampling only.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	Sampling was completed by EUC staff in collaboration with contractors. Samples were transported by EUC staff to a secure sample storage facility prior to be transported by courier to ALS laboratories in Romania.



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Criteria		JORC Code explanation	Comments
Audits reviews	or	· The results of any audits or reviews of sampling techniques and data.	None conducted



SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<p>Dobsina consists of a granted Licence (License number 2466/2017-5.3) covering a land area of 6.97km², held by CE Metals s.r.o, a 100% wholly owned subsidiary of NiCo Minerals Pty Ltd, a 100% wholly owned subsidiary of European Cobalt Ltd. Further conditional payment consideration includes:</p> <ul style="list-style-type: none"> - 73,333,334 Performance Shares (subject to ASX approval per Listing Rule 6.1) on the following terms and conditions being: <ul style="list-style-type: none"> o 36,666,667 Class A Performance Shares for the achievement of an Inferred Mineral Resource in accordance with the JORC 2012 Edition Guidelines of not less than 500,000 tonnes at a minimum grade of 0.5% Cobalt equivalence within the Dobsina Licence or the sale/processing of a minimum of 50,000t of ore sold/processed at a minimum grade of 0.5% Cobalt equivalence (Performance Shares Milestone 1) o 36,666,667 Class B Performance Shares for the achievement of an Inferred Mineral Resource in accordance with the JORC 2012 Edition Guidelines of not less than 1,000,000 tonnes at a minimum grade of 0.5% Cobalt equivalence within the Dobsina Licence or the sale/processing of a minimum of 100,000t of ore sold/processed at a minimum grade of 0.5% Cobalt equivalence (Performance Shares Milestone 1) - Payment of a 2% Net Smelter Royalty ("NSR") on the production of any minerals from the Dobsina Licence
	<ul style="list-style-type: none"> 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. 	<p>No known impediments exist with respect to the exploration or development of Dobsina Project.</p>
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<p>At present the information utilised within this release is sourced from "Geologický prieskump s.p., Spisska Nova Ves Geologica oblasť Roznava, Zavererna sprava Dobsina- Ni-Co- VP nickel Kobalt" 1992 and "Bankse Mestro Dobsina" a publication prepared by the Slovak Ministry of Interior, published in Kosice 2013 (ISBN 978-80-97005-7-8).</p>



Criteria	JORC Code explanation	Commentary
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<p>The Dobsina Project lies at a major thrust contact between two regional tectonostratigraphic units called Veporicum and Gemericum.</p> <p>Mineralisation at Dobsina is characterised by the following styles:</p> <ul style="list-style-type: none"> - Siderite hydrothermal veins (siderite-ankerite, quartz sulphide) - Metasomatic Fe-Carbonate replacement - Stratiform sediment hosted Ag-Au - Stratiform sediment hosted magnetite-hematite <p>Siderite hydrothermal veins prospective for Co-Ni veins are located in two main east-west tectonic zones along a fault contact between gneiss-amphibole and underlying phyllite green schist.</p>
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. 	No drilling performed
		No drilling performed
		No drilling performed
		No drilling performed
		No drilling performed
		No drilling performed
	<ul style="list-style-type: none"> 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 understanding of the report, the Competent Person should clearly explain why this is the case. 	All available information has been released.
Data aggregation methods	<ul style="list-style-type: none"> 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. 	No weighted sampling was completed.



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> 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. 	No interval aggregation methods were applied.
	<ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	No metal equivalence are reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. 	The orientation of the channel appears to be perpendicular to the mineralised trend, thus based on present information appears to approximate a true width interval..
	<ul style="list-style-type: none"> If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. 	No drilling performed
	<ul style="list-style-type: none"> 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'). 	No drilling performed
Diagrams	<ul style="list-style-type: none"> 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. 	Maps and plans have been included in body of the announcement.
Balanced reporting	<ul style="list-style-type: none"> 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 results including those with no significant results have been reported.



Criteria	JORC Code explanation	Commentary
Other substantive exploration data	<ul style="list-style-type: none"> 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, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	No other exploration data is considered meaningful and material to this announcement.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). 	Drill testing to test the mineralisation potential at depth is planned. Other planned activities are further documented in the ASX Release "Significant Exploration Program Commencing at Dobsina", 28 th September 2017.
	<ul style="list-style-type: none"> Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	Drilling program presently being defined. Further announcements will be provided with respect to the location of drill holes and extent of program planned.