

31st January 2020

Quarterly Activities Report

For Period Ended 31 December 2019

Highlights:

- *Divestment of two Swedish Exploration Licences*
- *Evaluated the acquisition of Maroon Gold Pty Ltd and elected not to proceed*
- *Evaluated multiple project opportunities across a broad range of commodities and jurisdictions*

European Cobalt Ltd ("EUC" or "the Company", ASX: EUC) is pleased to announce the activities undertaken during the quarter ending 31 December 2019.

DIVESTMENT OF TWO SWEDISH LICENCES

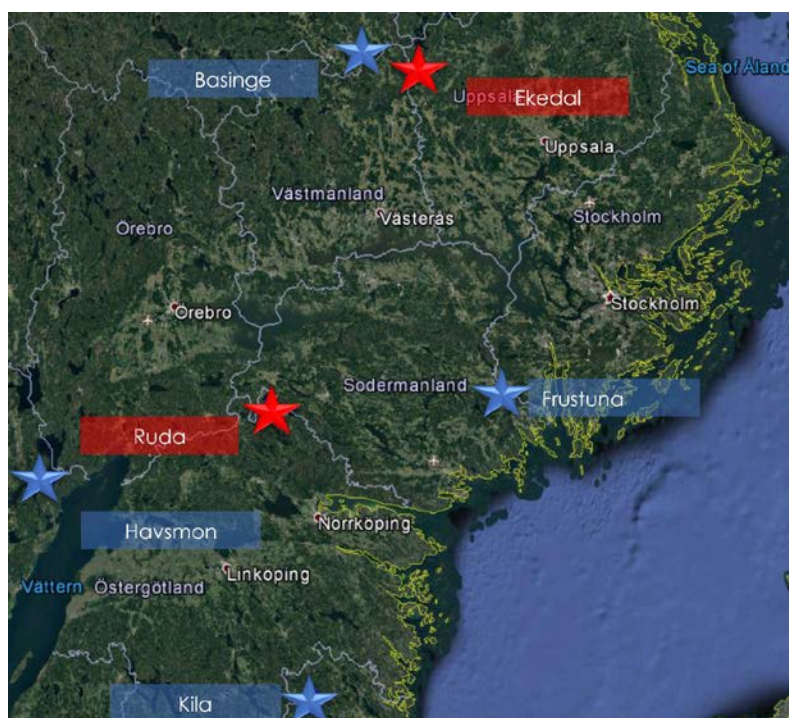


Figure 1: EUC Swedish Project Location Plan (Divestment Tenure in Red, Retained Projects in Blue)

EUC Entered into an exclusive option agreement to divest the Ruda and Ekedal Licences to 2617818 Ontario Inc. ("2617818") subject to the following commercial terms:

- EUR20,000 (~AUD\$32,250) non-refundable option fee to secure exclusive right to acquire both of the Projects;
- Expenditure commitments for each of the individual projects of:
 - EUR30,000 (~AUD\$48,380) in the first year upon approval of work program
 - EUR150,000 (~AUD\$241,935) in the second year
 - EUR200,000 (~AUD\$322,580) in the third year
 - EUR400,000 (~AUD\$645,160) in the fourth year
- Cash consideration for each of the individual projects of:
 - EUR25,000 (~AUD\$40,320) in first year
 - EUR30,000 (~AUD\$48,390) in the second year
 - EUR50,000 in the third year
 - EUR2,000,000 in the fourth year
- A Net Smelter Return Royalty (NSR) of 1.5% applies to both of the Projects. At any point prior to the decision to mine, 0.5% of the NSR can be purchased from one of the Projects for EUR500,000 and the remaining 1% of the NSR can be purchased back prior to decision to mine for EUR1,000,000.
- 2617818 may elect to withdraw from one or both of the Projects at any point during the four year period by providing 30 days written notice. The total expenditure commitment by 2617818 on an individual Project basis is EUR780,000 and total cash consideration on an individual Project basis is EUR2,105,000.

Through the strategic divestment, the holding costs associated with the retaining of tenure in Sweden has been reduced and further potential upside can be captured through future cash consideration and production royalties.

EVALUATION OF MAROON GOLD ACQUISITION

EUC entered into exclusive option agreements with the shareholders of Maroon Gold Pty Ltd to acquire 100% of its issued capital. EUC elected not to proceed with the acquisition by mutual agreement between the Company and Maroon.

EVALUATION OF PROJECT OPPORTUNITIES

A strategic evaluation of opportunities within EUC's existing portfolio and additional resource opportunities was undertaken during the quarter. With the significant cash reserves, EUC is positioned to create shareholder value through value accretive transactions.



APPENDIX 1: TENEMENT SCHEDULE

In line with obligations under ASX Listing Rule 5.3.3, European Cobalt Ltd provides the following information with respect to its Mining Tenement holdings as at 31 December 2019.

Project	Country	Tenement	Status	% Held	Change During Quarter	Comments
Dobsina	Slovakia	2466/2017-5.3	Granted	100%	-	
Rejdova	Slovakia	7007/2017-5.3	Granted	100%	-	
Rakovec	Slovakia	7586/2017-5.3	Granted	100%	-	
Gapel	Slovakia	7926/2017-5.3	Granted	100%	-	
Kolba	Slovakia	4207/2017-5.3	Granted	100%	-	
Kotlinec	Slovakia	4314/2018-5.3	Granted	100%	-	
Medzev	Slovakia	4316/2018-5.3	Granted	100%	-	
Fabianka	Slovakia	10240/20185.3	Granted	100%	-	
Jouhineva	Finland	ML2017:0030	Granted	100%	-	
Basinge	Sweden	Basinge nr 1	Granted	100%	-	
Ekedalsgruvan	Sweden	Ekedalsgruvan nr 1	Granted	100%	-	Option to divest announced 10/12/19
Frustuna	Sweden	Frustuna nr 1	Granted	100%	-	
Ruda	Sweden	Ruda nr 3	Granted	100%	-	Option to divest announced 10/12/19
Havsmon	Sweden	Havsmon nr 1	Granted	100%	-	
Kila	Sweden	Kila nr 1	Granted	100%	-	
Mt Howe	Australia, WA	E39/1878	Granted	100%	-	
Mt Howe	Australia, WA	E39/1879	Granted	100%	-	
Defiance	Australia, WA	E38/3062	Granted	100%	-	

During the quarter, the Company did not acquire any mining tenements. The Company entered into an agreement to divest the Ekedalsgruvan and Ruda tenements during the quarter.