ASX Release

24 November 2017

Northern Cobalt Ltd ASX: N27, N27O

High grade first drill results from the Stanton Cobalt Deposit, Northern Territory – Wollogorang Cobalt Project

- Assays received for first five (5) drill holes of 57 RC holes drilled on the Stanton Cobalt resource. A total of 104 holes completed at the Wollogorang Project, with drilling ongoing
- Highlights include **37 metres at 0.28% cobalt (Co), 18 metres at 0.33% Co** and individual metre grades of up to **2.13% Co**
- Next assay results expected early next week with results to continue into January and resource upgrade expected Q1 2018

Northern Cobalt has to date drilled 57 RC and 4 diamond core holes on our existing Stanton Cobalt resource, aiming to upgrade the existing inferred resource of 500,000 tonnes of 0.17% Co, 0.09% Ni, 0.11% Cu to indicated and obtain material for metallurgy studies and potential use in scoping studies.

Significant intersections from the first 5 holes at the Stanton Cobalt Deposit include:

- **37 metres of 0.28% Co from 25 metres (Drill hole NC17RC003)**
- **14 metres of 0.11% Co from surface (Drill hole NC17RC004); and**
- **30 metres of 0.17% Co of from 20 metres (Drill hole NC17RC004); including**
    - **10 metres of 0.33% Co**
- **6 metres of 0.11% Co from 22m, (Drill hole NC17RC005); and**
- **18 metres of 0.33% Co of from 32 metres (Drill hole NC17RC005); including**
    - **1 metre of 2.13% Co at 32 metres; and**
    - **1 metre of 1.5% Co at 44 metres**

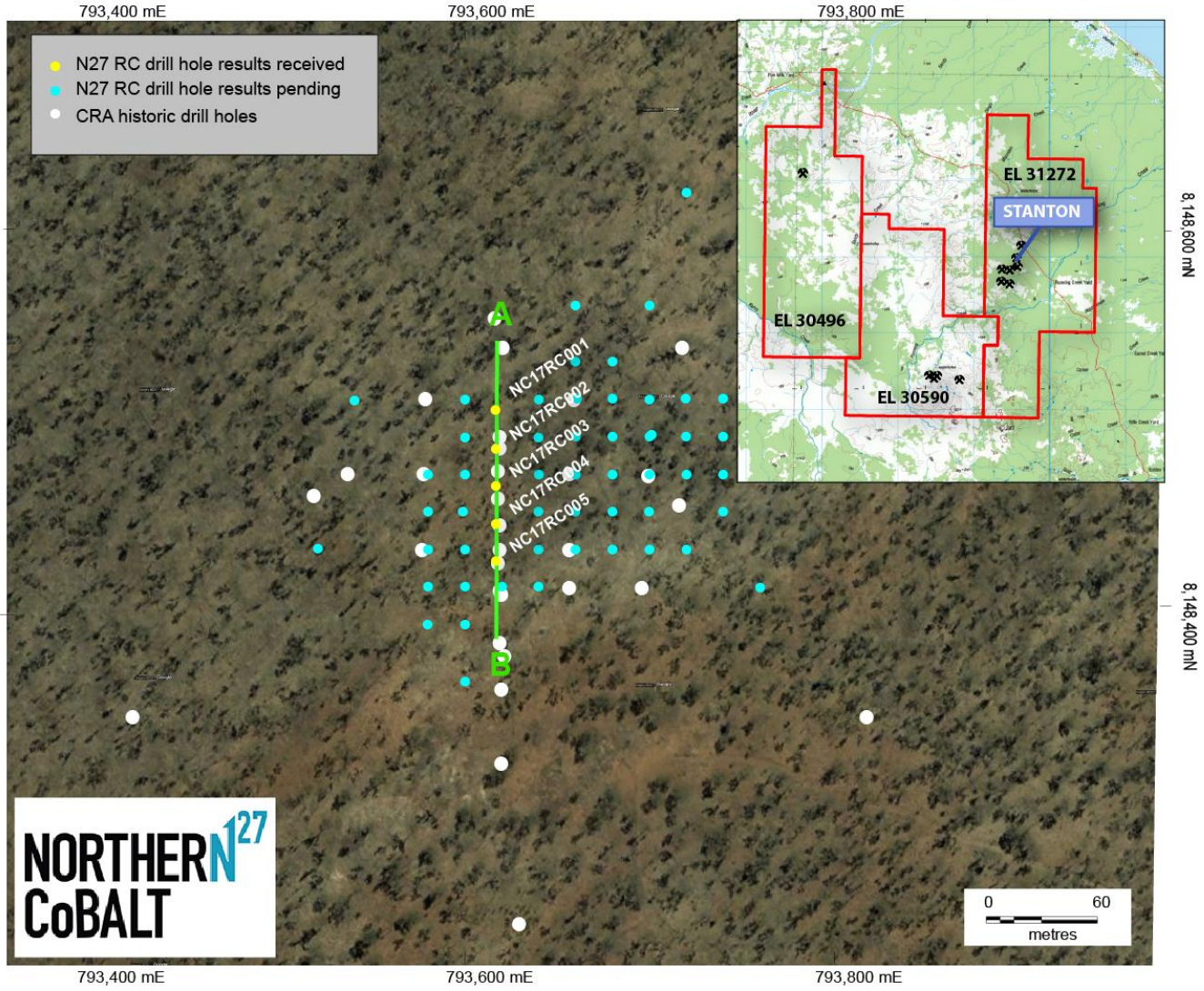
We are pleased to present the first drilling results for Northern Cobalt as a company; and even more pleased that this initial set of five drill hole results are equal to or better than expected from nearby historic drilling at our Wollogorang Cobalt Project in the Northern Territory. Further results to come as received from the laboratory, with drilling ongoing.

Wollogorang Cobalt Project Operations Update

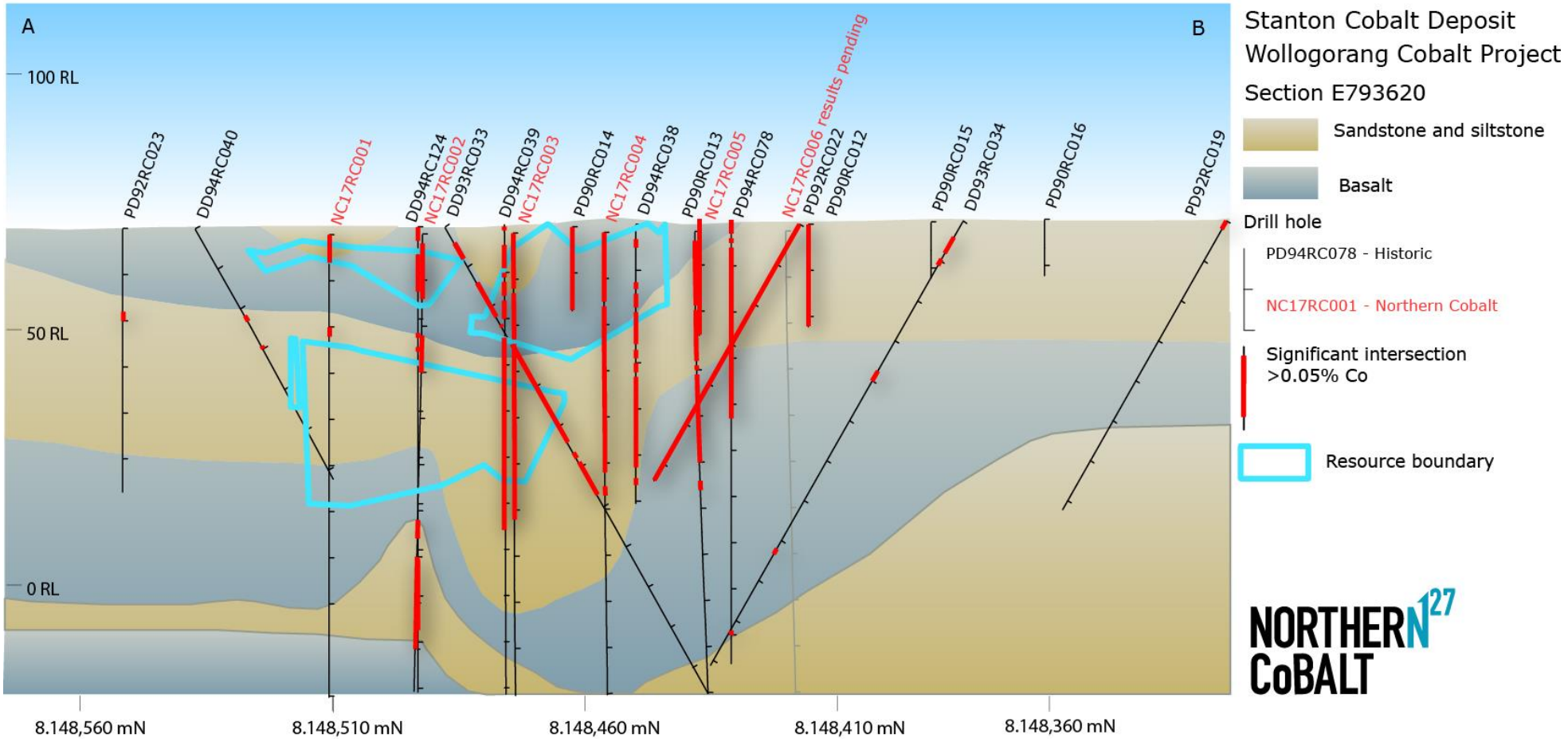
- 57 RC and four (4) diamond core holes completed on Stanton Cobalt resource. In addition, six (6) extra RC holes outside the resource envelope will be completed this week to test mineralisation discovered to the SE.
- Two (2) further diamond holes for metallurgy are to be completed in the next week
- A maiden airborne magnetic & radiometric survey was completed earlier this week
- Two RC drilling rigs to continue drilling until mid-December, weather dependant, to test 21 other priority targets in the area
- Further assays expected in batches through to the end of January
- 50% assays due before the end of November for the Stanton Cobalt resource
- New Stanton Cobalt Resource calculation in Q1 2018
- For 3D video explainer please see our website…

Northern Cobalt has to date drilled 63 RC and 4 diamond core holes on our existing Stanton Cobalt resource. The following diagrams show the locations of the first five (5) drill holes for which assays have been received. The cross sections show the geological context for the assayed drill holes and comparisons with historical drilling undertaken by CRA.

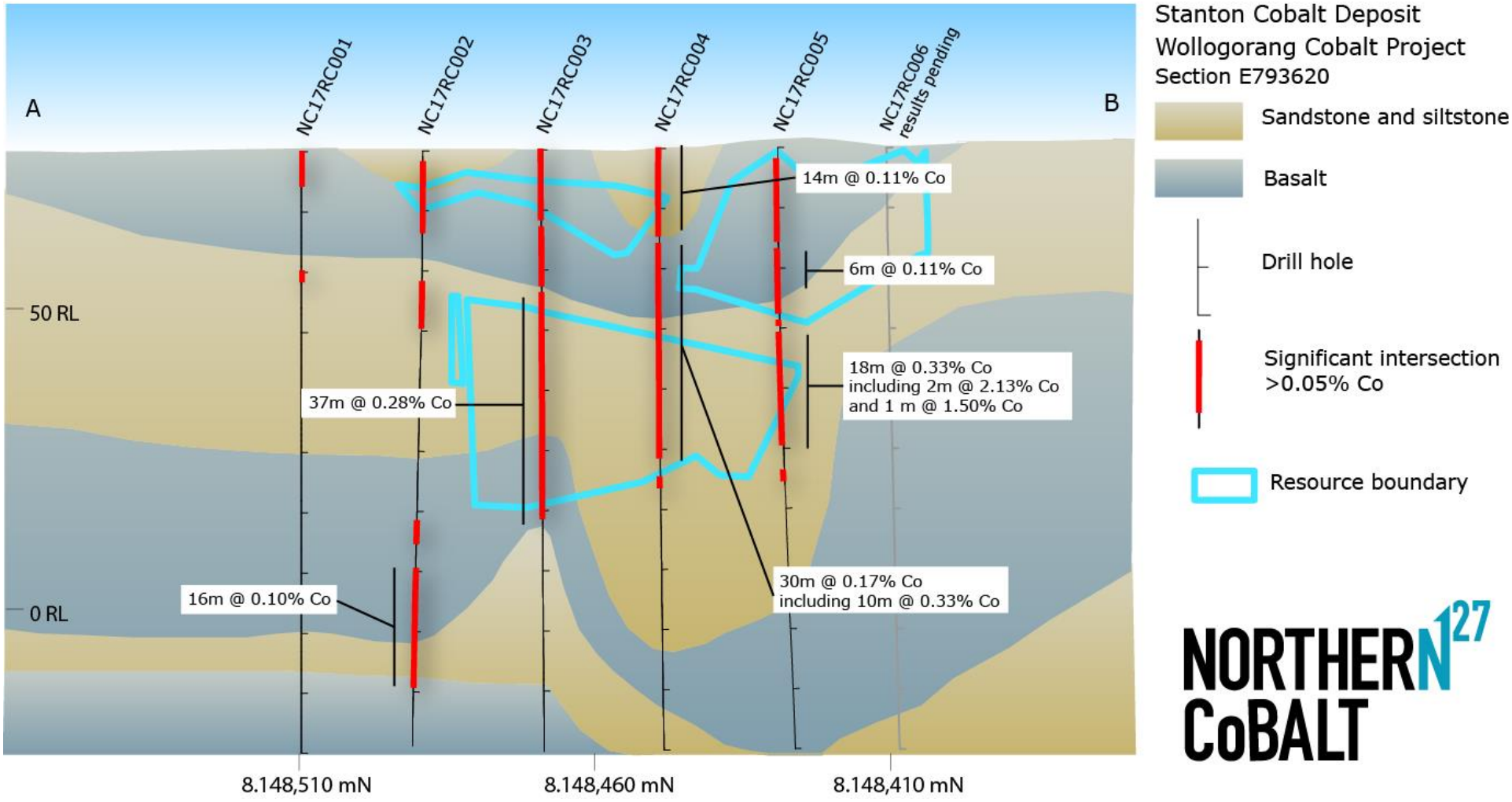
Stanton Cobalt Deposit Northern Cobalt and historic drill hole locations



Cross section showing Northern Cobalt drill holes with historic CRA drill holes



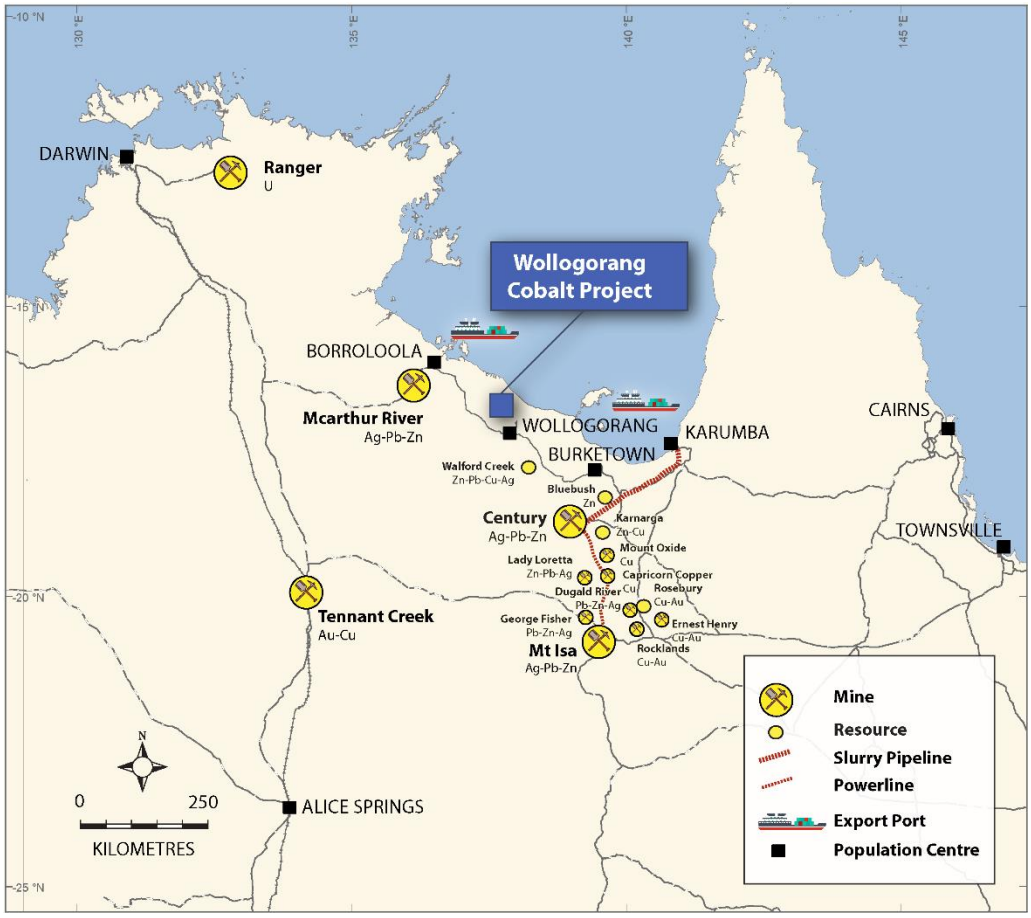
Cross section showing Northern Cobalt drill holes without historic drill holes



Competent Person's 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 is appears.

This report contains historical exploration results announced on 20 September 2017 as "Prospectus" (historical estimate). The Company confirms it is not in possession of any new information or data relating to the historical estimate that materially impacts on the reliability of the estimates or the Company's ability to verify the historical estimate. Supporting information provided in the announcement of 20 September 2017 continues to apply and has not materially changed.



Project Location

The Wollogorang 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.

Appendix 1. Significant intersections from first five (5) drill holes – Stanton Cobalt Resource

Note: Significant intercepts reported using a cut-off grade of 0.05 % Co (500ppm)

Hole_ID	Easting (MGAZ53)	Northing (MGAZ53)	RL (MGAZ53)	Dip	Azimuth (mag)	Total depth (m)	Intercept From (m)	Intercept To (m)	Interval (m)	Co (%)	Cu (%)	Ni (%)
NC17RC001	793620	8148511	75.7	-90	360	100	2	6	4	0.05	0.05	0.03
NC17RC001	793620	8148511	75.7	-90	360	100	20	22	2	0.05	0.33	0.03
NC17RC002	793620	8148490	75.9	-90	360	100	10	14	4	0.05	0.06	0.03
NC17RC002	793620	8148490	75.9	-90	360	100	70	86	**16**	**0.10**	**0.09**	**0.06**
NC17RC003	793620	8148470	76.1	-90	360	100	5	12	7	0.15	0.24	0.10
NC17RC003	793620	8148470	76.1	-90	360	100	15	16	1	0.19	0.24	0.11
NC17RC003	793620	8148470	76.1	-90	360	100	19	20	1	0.12	0.27	0.17
NC17RC003	793620	8148470	76.1	-90	360	100	22	23	1	0.05	0.13	0.03
NC17RC003	793620	8148470	76.1	-90	360	100	25	62	**37**	**0.28**	**0.12**	**0.16**
NC17RC004	793620	8148450	76.3	-90	360	100	0	14	**14**	**0.11**	**0.18**	**0.06**
NC17RC004	793620	8148450	76.3	-90	360	100	20	50	**30**	**0.17**	**0.07**	**0.11**
including							34	44	**10**	**0.33**	**0.10**	**0.17**
NC17RC004	793620	8148450	76.3	-90	360	100	55	56	1	0.18	0.00	0.01
NC17RC005	793620	8148430	76.4	-90	360	100	5	9	4	0.08	0.27	0.04
NC17RC005	793620	8148430	76.4	-90	360	100	13	15	2	0.14	0.41	0.05
NC17RC005	793620	8148430	76.4	-90	360	100	17	20	3	0.08	0.10	0.06
NC17RC005	793620	8148430	76.4	-90	360	100	22	28	**6**	**0.11**	**0.09**	**0.06**
NC17RC005	793620	8148430	76.4	-90	360	100	32	50	**18**	**0.33**	**0.07**	**0.08**
including							32	33	**1**	**2.13**	**0.15**	**0.18**
and							44	45	**1**	**1.50**	**0.15**	**0.17**
NC17RC005	793620	8148430	76.4	-90	360	100	54	55	1	0.08	0.00	0.01

Appendix 2. The following tables are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of the Exploration Target for the Wollogorang Cobalt Project

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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.*	• Reverse Circulation (RC) drilling using standard equipment. • Sampling was undertaken at one metre intervals when mineralisation was visually identified and as four metre composites when not. • Drilling was designed to intersect the mineralised ore zone based historical drilling
Drilling techniques	• *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).*	• Reverse circulation percussion (RC)
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether*	• Recovery generally good, with poor recovery in a small number of samples due to groundwater.

Criteria	JORC Code explanation	Commentary
	sample bias may have occurred due to preferential loss/gain of fine/coarse material.	
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Drilling logged in detail on a metre by metre basis. • Lithology, alteration and oxidation logged qualitatively. • Sulphide content and type logged quantitatively and qualitatively.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• RC drill samples split using a rig mounted cone splitter. • Sample duplicates collected, and standards used to confirm representivity of sampling.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *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.*	• Sample Preparation - The samples have been sorted and dried. Primary preparation has been by crushing the whole sample. The samples have been split with a riffle splitter to obtain a sub-fraction which has then been pulverised in a vibrating pulveriser. • Analytical Methods - The samples have been analysed by Firing a 40 g (approx) portion of the sample. Lower sample weights may be employed for samples with very high sulphide and metal contents. This is the classical fire assay process and will give total separation of Gold Platinum and Palladium in the sample. • Au, Pt, Pd determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry. • The sample(s) have been digested and refluxed with a mixture of acids, including Hydrofluoric, Nitric,

Criteria	JORC Code explanation	Commentary
		Hydrochloric and Perchloric Acids. This extended digest approaches a Total digest for many elements, however, some refractory minerals are not completely attacked. • Ca, Cr, Fe, K, Mg, Mn, Na, P, S, V, Co, Cu, Ni and Zn determined by Inductively Coupled Plasma (ICP) Optical Emission Spectrometry. The sample(s) have been digested and refluxed with a mixture of acids including Hydrofluoric, Nitric, Hydrochloric and Perchloric Acids. This extended digest approaches a Total digest for many elements however some refractory minerals are not completely attacked. • Ag, As, Ba, Bi, Cd, Li, Mo, Pb, U, Th • Standards (OREAS 181), blanks and duplicates have all been applied in the QAQC methodology. Sufficient accuracy and precision have been establish for the type of mineralisation encountered.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• An electronic database containing collars, geological logging and assays is maintained by the Company
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Holes have been surveyed using Differential GPS (DGPS). • UTM grid MGA94 Zone 53 was used • A majority of holes have had down hole surveys completed.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Drill hole spacing approximately every 20m on a grid across the existing mineral resource. • Spacing and distribution is considered to be appropriate.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling*	• Sample relationship to mineralisation and structure is unknown at this stage.

Criteria	JORC Code explanation	Commentary
	orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	
Sample security	• *The measures taken to ensure sample security.*	• Samples are bagged and sealed on pallets on site and transported to the analytical laboratories by commercial transport companies.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits undertaken at this stage as the drilling program has only recently commenced.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	• Wollogorang Cobalt Project exploration area occurs on EL 31272 which is 100% owned by Mangrove Resources Pty Ltd a wholly owned subsidiary to Northern Cobalt Ltd. • The licence is currently in good standing with the relevant authorities.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Stanton Cobalt deposit and surrounding prospects were discovered by CRA Exploration Pty Ltd in the period 1990-1996 period under a farm in arrangement with W J (Joe) Fisher.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The local geology is dominated by the Gold Creek Volcanics of the Tawallah Group. This formation is a series of basaltic lavas and shallow intrusives, interlayered with thin oxidised sandstone, carbonate and siltstone units. It is conformably underlain by reduced sedimentary facies of the Wollogorang Formation, which includes dolostones, sandstones and carbonaceous shales. A regional dolerite sill, the Settlement Creek Dolerite, was emplaced synchronous with effusion of the Gold Creek Volcanics. The Wollogorang Formation and Settlement Creek Dolerite do not outcrop on the Stanton prospect area, but are however intersected in a number of drill holes on the tenement. Within the district, the Gold

Criteria	JORC Code explanation	Commentary
		Creek Volcanics are disconformably overlain by a felsic volcanic package that includes a rhyolitic rheoignimbrite sheet (Hobblechain Rhyolite), proximal epiclastics (Pungalina Member) and distal reworked clastics (Echo Sandstone). • Mineralisation is interpreted to be largely controlled by stratigraphy within the flat lying interbedded sediment and volcanic rock units of the Proterozoic Gold Creek Volcanics. Brecciation and faulting has a strong control on the intensity and limits of mineralisation. In fresh rock the cobalt-nickel is located in disseminated siegenite (cobalt-nickel sulphide). Chalcocite and pyrite are also noted. Weathering to a variable depth of approximately 30m has resulted in cobalt oxide secondary mineralisation in a large proportion of the deposit.
Drill hole Information	• *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:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *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.*	• See Appendix 1.
Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of*	• Simple length weighted averages were used for reporting of significant drill intercepts with a cut-off grade of 0.05% (500ppm) Co and a maximum internal dilution of 1m.

Criteria	JORC Code explanation	Commentary
	metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• Any observations made are down hole length and true width is not known.
Diagrams	• *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.*	• See this release and Appendix 1.
Balanced reporting	• *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 drill results comprehensively reported
Other substantive exploration data	• *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 relevant data to report
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Planned further work detailed in this, and previous releases, and in figures. This work includes comprises drill testing along a significant portion of the surface geochemical anomaly.