



30th April 2020

Quarterly Activities Report for the Period Ending 31 March 2020

Corporate:

- *Evaluation of multiple Canadian gold project opportunities underway*
- *Appointment of highly experienced geologist, Mr Dale Ginn as non-executive director*
- *Extensive cost saving initiatives undertaken including reduction of Board size*
- *Cash balance at 31st March of \$>9.7M, well positioned to attain value accretionary transactions*
- *Eddie King and Don Carroll resign as Non-Executive Directors*

Cobalt Exploration Portfolio:

- *Exploration expenditure commitments reduced across portfolio - work programs to be undertaken aligned to minimum expenditure requirements to retain existing portfolio*

Defiance & Mt Howe Gold Projects, Western Australia:

- *Review of previous drilling undertaken and overall exploration potential*

European Cobalt Ltd ("EUC" or "the Company", ASX: EUC) is pleased to provide a review of the activities undertaken during the quarter ending 31 March 2020. During the quarter, the Company focussed primarily on the evaluation of gold project opportunities within Canada, restructuring of the board to align to this focus and implementation of cost cutting measures to preserve the present cash position of >\$9.7M.

BOARD RESTRUCTURE

In order to align the Company to the stated intention of acquiring a high quality Canadian based gold project, Mr Dale Ginn was appointed as a Non-Executive Director. Mr Ginn's extensive experience within the Canadian resource sector provides EUC with a competitive edge with respect to rapid identification and evaluation of opportunities. In addition, Mr Ginn's physical presence within Canada is particularly invaluable in the current period of travel restrictions.

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Appointment of Dale Ginn as Non-Executive Director

Mr Ginn is an experienced mining executive and geologist of over 30 years based in central Canada. He is the founder of numerous exploration and mining companies and has led and participated in a variety of gold and base metal discoveries, many of which have entered production. Mr Ginn has led or was part of the discovery teams for the Gladiator, Hinge, 007, 777, Trout Lake, Photo, Edleston and Tartan Lake deposits and received the Quebec Discovery of the Year Golden Hammer award in 2018 for the Gladiator high grade gold deposit. His contributions have led to approximately 10 million ounces in resource generation as well as over \$500 million in capital raised for exploration and development projects. His experience has included both senior and junior companies such as Goldcorp, Harmony Gold, Hudbay, Westmin, San Gold, Bonterra, Gatling Exploration and others. While specialising in complex, structurally controlled gold deposits, he also has extensive mine-operations, development and start-up experience. In addition to operations experience, Mr. Ginn has most recently been extremely active as a partner with RSD Capital of Vancouver in founding and creating startup exploration companies such as Pacton Gold, and successful spinoffs like Gatling Exploration. Dale is a registered professional Geologist (P.Geo.) in the provinces of Ontario and Manitoba.

Resignations of Eddie King and Don Carroll

Mr Eddie King and Mr Don Carroll have resigned as Non-Executive Directors of the Company in the interests of reducing corporate overheads. The Company wishes to thank both Mr King and Mr Carroll for their extensive contributions to the Company during their respective tenure.

EVALUATION OF CANADIAN GOLD OPPORTUNITIES

During the quarter a multitude of Canadian gold projects were evaluated. Through the process of this strategic evaluation, the Company has entered into advanced negotiations on a number of Canadian based Gold Projects. EUC intends on leveraging the skillset and knowledgebase of Mr Ginn to identify and, if warranted, acquire Canadian gold assets.



The selection criteria of the Company is to identify substantial moderate to high grade gold systems with significant previous exploration undertaken. The key value driver in terms of comparatively lower acquisition cost in Canada is a result of lack of capital raising capacity for Canadian junior explorers. This was primarily influenced by speculative investment into cannabis related investment.

In the event that the Company enters into an agreement to acquire a project, further releases will be provided to the market in due course. The Company notes that despite being in advanced negotiations, there is no certainty a transaction will be completed.

EXISTING PROJECT PORTFOLIO

The Company provides the following information on activities on the Company's Projects during the quarter and notes that a summary of the expenditure is set out in the Company's Appendix 5B for this period.

Slovak Cobalt-Nickel-Copper Portfolio

With the sustained subdued cobalt market and concerns regarding the safety of contractors and stakeholders, all non-essential work is being deferred indefinitely at the Dobsina Cobalt Project. The Company will continue to incur expenditure to ensure tenure remains in good standing for the foreseeable future.

Jouhineva Cobalt-Copper Gold Project, Finland

A minimum expenditure drilling campaign is proposed to be undertaken as a requirement of retaining the Project. It is envisaged that this program will be undertaken late in the second half of 2020 and only under the proviso that it meets all relevant Finnish government legislation and World Health Organisation guidance. Further updates will be provided to the market around the program and its respective timing upon finalisation of the work program.



Swedish Cobalt ± Copper ± Nickel ± Gold Project Portfolio

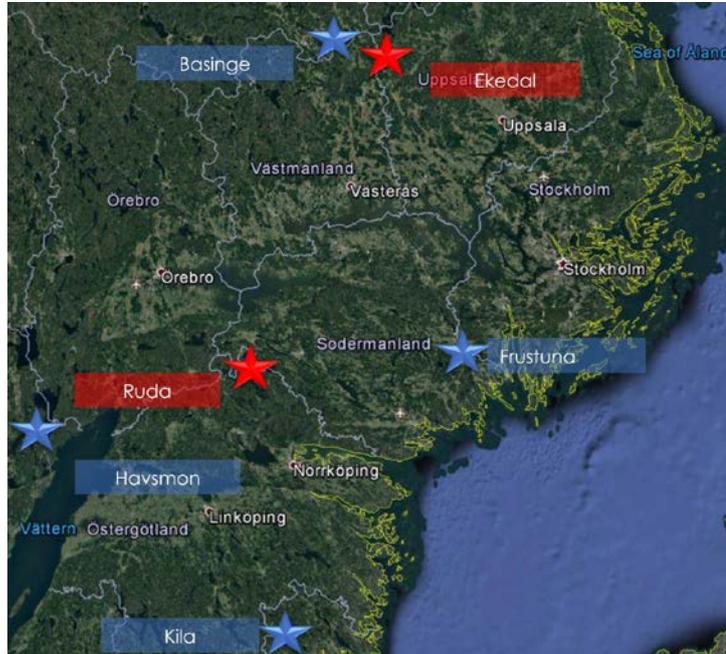


Figure 1: EUC Swedish Project Location Plan (Divestment Tenure in Red, Retained Projects in Blue)

EUC entered into an exclusive option agreement on the 10th December 2019 to divest two of its Swedish licences, Ekedal and Ruda (refer to ASX release on 10th December 2019 for further information). No work was conducted during the quarter.

An evaluation of the Company's remaining Swedish assets, Basinge, Frustuana, Havsmon and Kila Projects, is underway to determine the merit of retaining the Projects, and if so, appropriate work programs to progress the development of each Project.

Defiance & Mt Howe Gold Projects, Western Australia

A comprehensive review of the exploration potential of the Defiance and Mt Howe Gold Projects is underway based on the substantial increase in gold price from when the Projects were acquired in late 2016. A review of the drilling previously conducted across the Projects was undertaken and modelling based on the available drilling has commenced in order to understand the exploration potential. Further updates will be released to market upon completion of this analysis including an evaluation of whether to complete further work programs or divest the Projects in order to deliver shareholder value.

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COST SAVINGS INITIATIVES

Cognisant of the global uncertainty and considerable challenges being faced, EUC has implemented extensive cost savings initiatives. These initiatives include but are not limited to the reduction of board members from four to three, re-tendering where required of service providers and voluntary reduction of the Managing Director's and Non-Executive Chairman's salary by 30%. At present, the Company only utilises contractors and service providers on an as needed basis.

Expenditure going forward is to be incurred for the evaluation of value accretionary transactions with all non-essential expenditures deferred indefinitely or terminated.

This announcement has been authorised for release by Robert Jewson, Managing Director.

For further information, please contact:

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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.

**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 March 2020.

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 or dispose of any mining tenements.

APPENDIX 2: RELATED PARTY PAYMENTS

In line with obligations under ASX Listing Rule 5.3.5, European Cobalt Ltd notes that the only payments to related parties of the Company as advised in the Appendix 5B for the period ended 31 March 2020 pertain to payments to an executive director for salary and superannuation and non-executive director fees including an amount accrued from June 2017 to date for Tolga Kumova. The Company confirms there are no other payments or contracts for payment with related parties.