

Diamond Drilling Commences at Cairn Hill

Highlights

- **Initial drilling program at Cairn Hill has commenced**
- **Diamond drilling to target the immediate area of historic high grade drill intercepts**
- **Heritage survey for proposed Phase 2 works scheduled to commence in November**

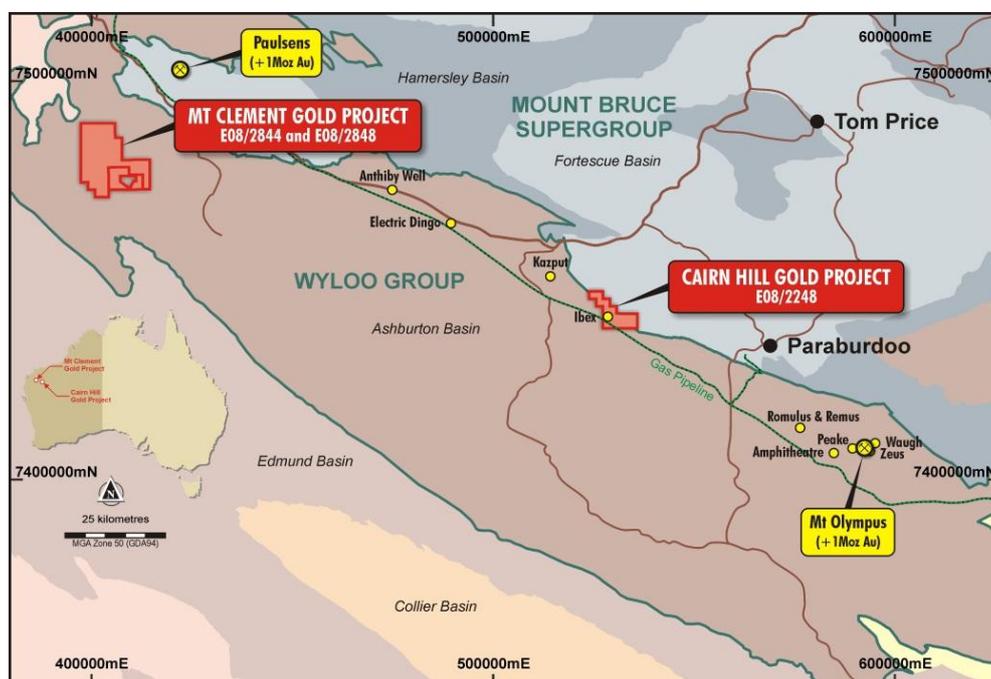


Figure 1 | Berkut Minerals Project locations

Cairn Hill

Berkut Minerals Limited (Berkut) is pleased to announce the commencement of a diamond drilling program at the Cairn Hill Project. The Cairn Hill Project was last drilled by Newcrest during the period 2000 - 2004 with assay results from this RC drilling including;

- CHR007 - 20m @ 29g/t Au from 30m¹
- CHR010 - 6m @ 12g/t Au from 142m¹

The work completed by Newcrest, whilst to a high standard, was not targeting the same style of mineralisation and these significant results have been left unexplained, providing an excellent opportunity for Berkut to potentially exploit. The proposed program has two facets; firstly to validate with diamond core the results from the RC drilling completed 16 years ago; and secondly to provide a physical sample of the mineralisation on which further geological, geophysical and metallurgical testwork can be undertaken. The current proposal will see the drilling of four diamond core holes, two from each of the CHR007 and CHR010 drill pads. The first hole on each pad will be to verify the original RC work while the second hole from each pad will be drilled at a different azimuth and/or dip reflecting the interpreted geology and will be aimed at creating a spread of intersections on the mineralised feature. This will provide Berkut geologists with a better insight into the nature of the mineralisation and allow for more effective drill targeting going forward.

Fast Facts

Shares on Issue: 32.67M
Market Cap: \$8.3M @ \$0.255
Cash in Bank: \$3.4M

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

- Earning 70% of the Cairn Hill project 40km WNW of Paraburdoo. Significant gold intersections include 20m @ 29g/t Au from 30m¹
- 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) Historic exploration has identified Li anomalism in lag sampling over an area 18km x 4km

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The drilling is expected to take two weeks to complete and the company anticipates results from the program will be available in December.



Figure 2 - Drilling CHD001 at Cairn Hill

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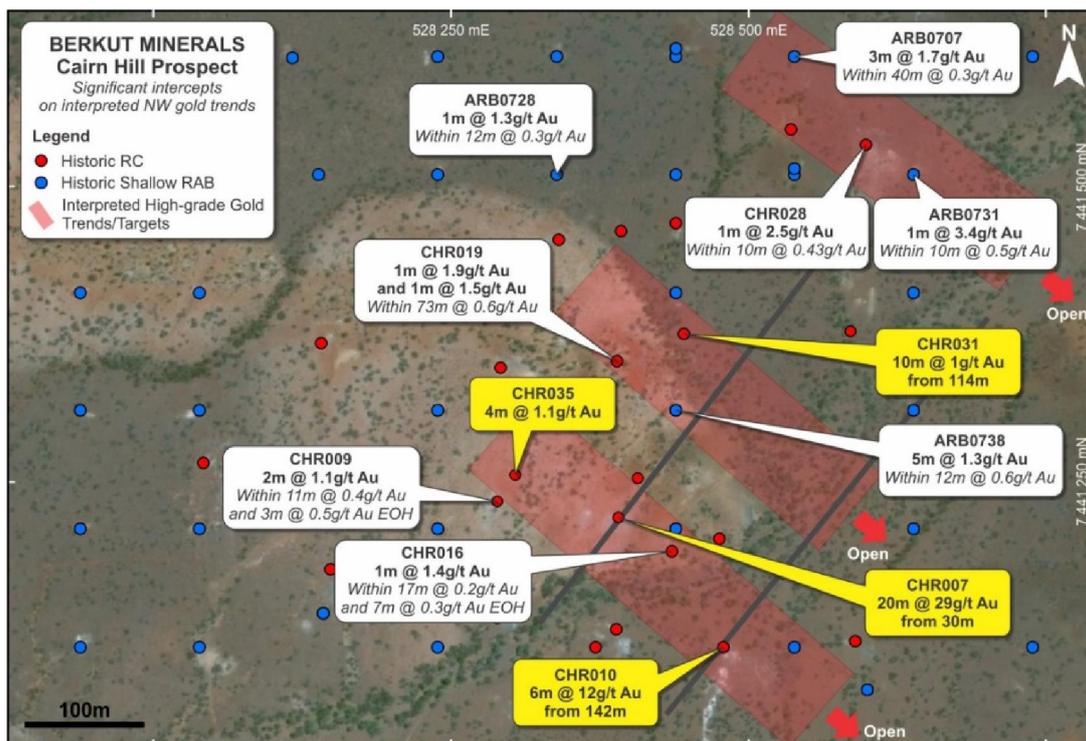


Figure 3 - Historic drill locations and significant intercepts

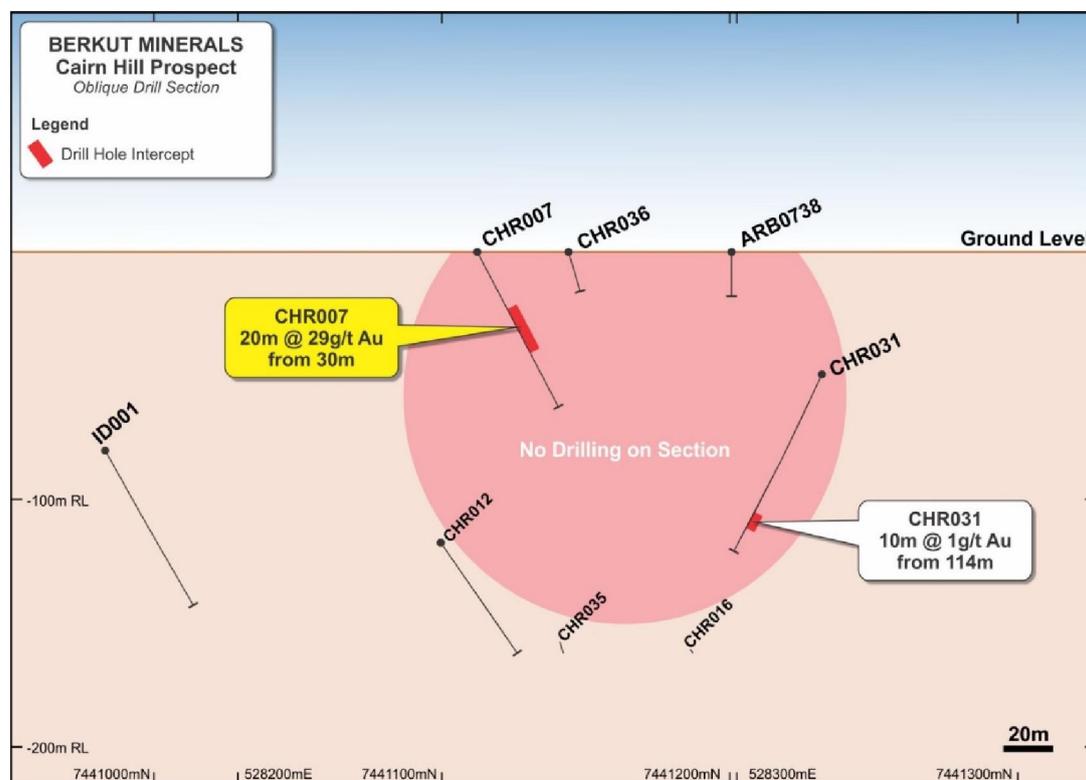


Figure 4 - Oblique section CHR007

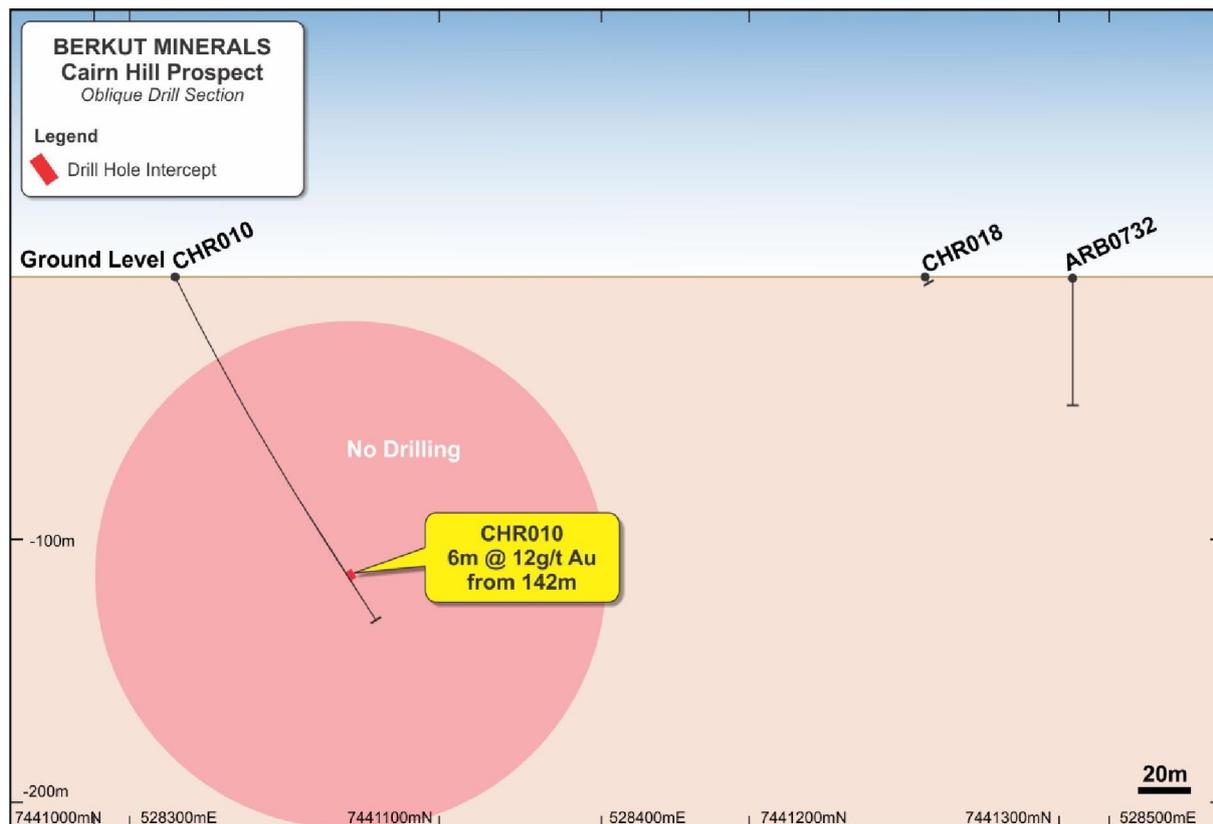


Figure 5 - Oblique section CHR010

About Cairn Hill

The Cairn Hill Project (E08/2248) is located approximately 40km WNW of Paraburdoo in the Ashburton Region of Western Australia. Berkut has entered into a farm-in agreement to acquire 70% of the project. The project area was most intensively explored over the period 1998 to 2006 by JV between Newcrest Sipa and Bacome. Subsequent work has for the most part been limited to desktop studies. Significant gold intersections from historic drilling have not been fully explained or tested and Berkut believes the project has the potential to host economic gold mineralisation.

Mt Clement / Capricorn Projects

The 100% owned Mt Clement and Capricorn Projects remain as tenement applications and are moving through the grant process. Berkut plans to undertake preliminary geological mapping and hammer prospecting at Mt Clement in October with a reconnaissance field trip planned to the Capricorn Project in November.

Competent Persons Statement

The information in this document that relates to exploration results is based upon information compiled by Mr Ben Cairns, a full-time employee and shareholder of Berkut Minerals Limited. Mr Cairns is a Member of the Australian Institute of Geoscientists (AIG) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Cairns consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

¹ For full details of exploration results refer to ASX announcement on 29 August 2016 (Berkut Minerals Limited Prospectus). Berkut Minerals is not aware of any new information or data that materially affects this information.