

Application to Expand Cobalt Tenements

Highlights

Fast Facts

Shares on Issue: 47.3M¹

Market Cap: \$10M¹

Cash in Bank: \$4.5M¹

¹ Assuming completion of the acquisition of Kobald and Tranche 2 of Placement

Board and Management

Neil Inwood, Managing Director
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

- Proposed acquisition of 100% of European cobalt projects in Norway and Sweden
- Earning 70% of the Cairn Hill project 40km WNW of Paraburadoo.
- 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)

■ **Applications made by Berkut to expand and consolidate tenement holdings along strike and around historic cobalt, copper and gold workings identified by Kobald**

■ **Once granted, new ground will more than triple Berkut's land position by adding 4,100 hectares to the Scandinavian cobalt tenement profile**

■ **Field season scheduled to start in early June following the 22 May shareholder meeting**

■ **Historical mapping and sampling data being compiled**

■ **The Company continues to identify additional opportunities in the region**

Berkut Minerals Limited ('Berkut') is pleased to announce that it has identified prospective ground and applied for additional exploration licences that adds to the landholding which is the subject of the proposed acquisition of Kobald Mineral Holdings Pty Ltd ('Kobald') (see announcement of 20 March, 2017). Kobald holds the granted rights to the Skutterud tenements in Norway and the Gladhammar and Tunaberg projects located in Sweden (refer Figure 1).

Berkut's Managing Director, Neil Inwood, commented *"These applications are the first plank in our strategy to realise the value of the Kobald tenements. The additional landholding gives us the opportunity to target not just the known workings, but to expand our reach into potential along-trend prospective ground. We are gearing up for our first field season and are looking forward to getting on the ground next month."*

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Projects Summary

The Projects are well located with excellent infrastructure and proximity to an operating cobalt refinery and are well placed to benefit from growing demand for ethically sourced cobalt.

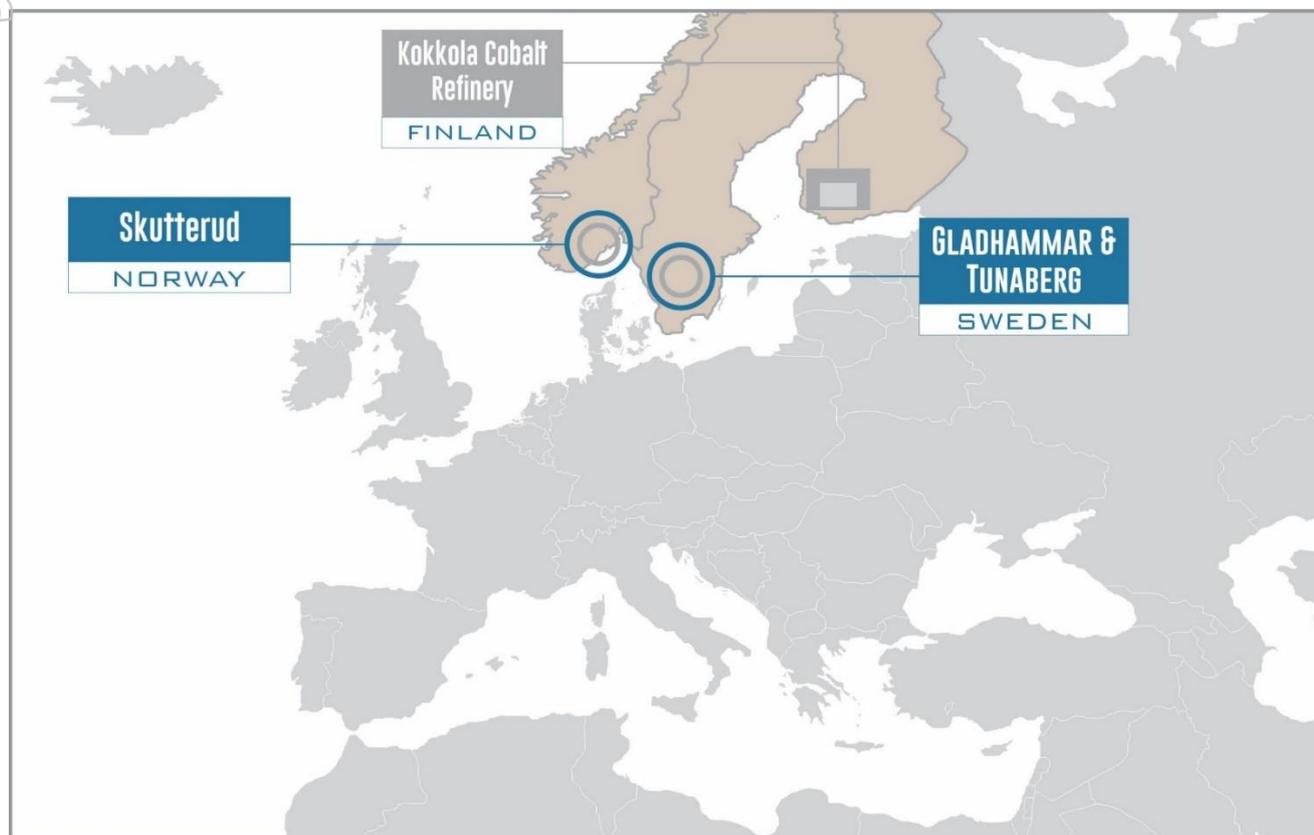


Figure 1 | Project locations

Skutterud Project | Norway

- Region lends its name to one of the main cobalt minerals, Skutterudite
- Granted licences over 1,250 hectares and 6km trend
 - New applications add 2,500 hectares and 2.7km of potential southern trend extent
- Extensive historical workings over a NNW strike length of over 9 kilometres

The Skutterud Project currently consists of four granted licences covering approximately 1,250 hectares (Figure 2) in southern Norway, within 100km of the Oslo port. The area contains one of the most famous, historic cobalt mines in the world, which lends its name to one of the main cobalt ore minerals, Skutterudite. The Project was mined throughout the 18th and 19th Centuries, during which time it supplied much of the world's cobalt, employed thousands of people, and the operator was reported to be the most profitable company in Norway.

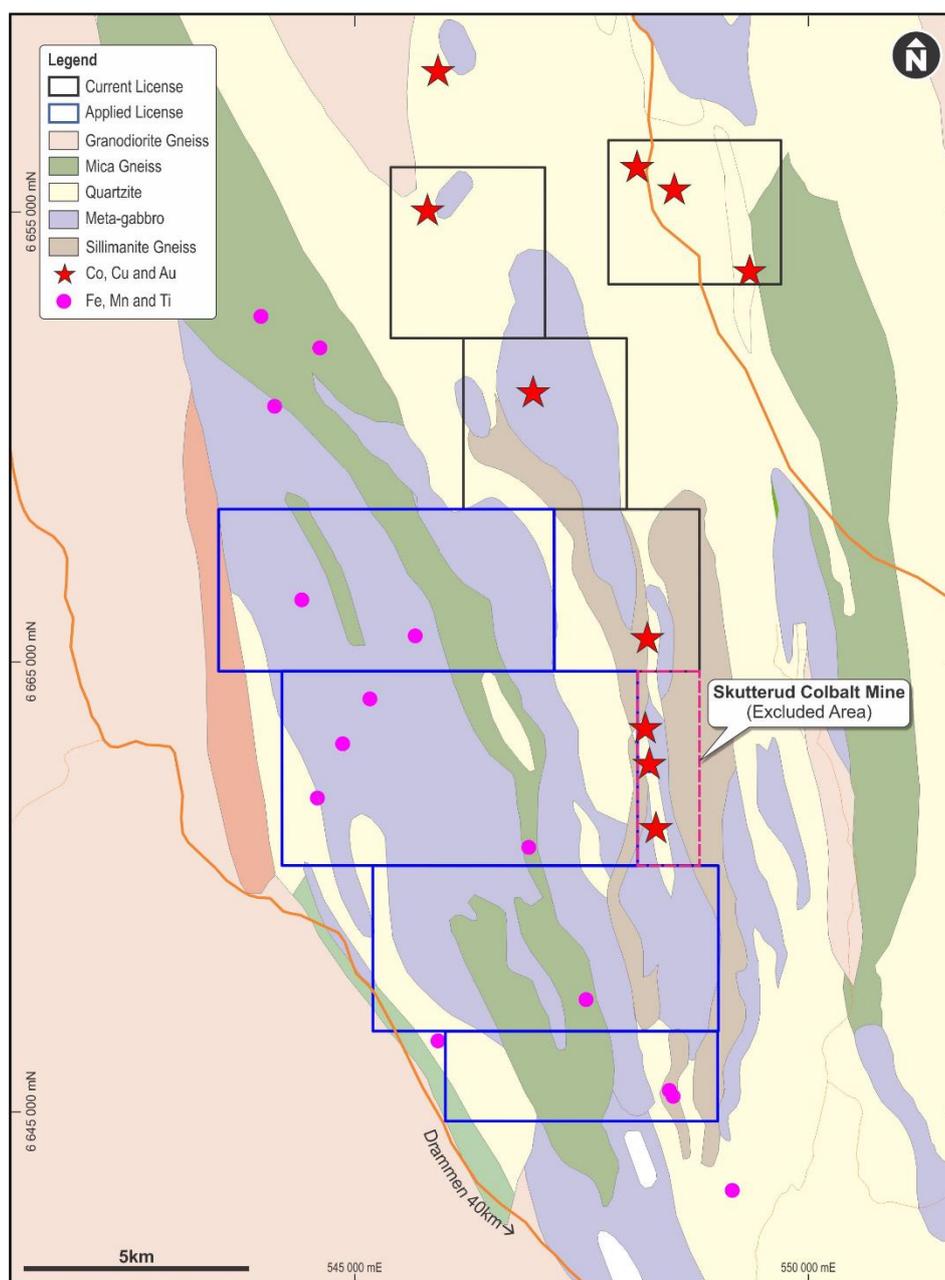


Figure 2 | Skutterud Project Area: Showing historic cobalt workings (red stars), known mineral occurrences, and newly applied ground.

The cobalt occurrences are related to meta-sedimentary, sulphide-rich schist zones, so-called 'fahlbands'. The most extensive sulphide-rich zone has a length of 12km along strike, and is up to 100-200m wide. The cobalt mineralisation is, to a large degree, characterised by impregnation of cobaltite, glaucodote, safflorite and skutterudite, which partly occur as enrichments in quartz-rich zones and lenses.

The vast majority of the strike of old workings remains open and untested by modern exploration methods. Kobald has secured granted exploration licences over the majority of the strike extent of the old workings. The new licence applications allow for a potential southern trend extend from the historic Skutterud mine and for potential structural repetition of prospective host lithologies to the west of the main trend.

Tunaberg and Gladhammar Projects | Sweden

- Current granted licences over 300 hectares
- New applications add 660 hectares to the Gladhammar project and 1,000 hectares to the Tunaberg project
- Historic, cobalt-dominant mine workings from the 15th to 19th centuries, gold mineralisation also identified in the Gladhammar region.

The Tunaberg and Gladhammar Projects cover a combined area of just over 300 hectares under two granted licences. The Tunaberg and Gladhammar mining districts are located in southern Sweden, south of Stockholm. Both districts contain historic, cobalt-dominant mine workings from the 15th to 19th centuries, untested by modern exploration methods.

Tunaberg (Figure 3) was mined for copper from the 15th century and cobalt from the 18th century. The mineralisation type is Co-Cu and Cu-Co skarns, hosted in an Early Proterozoic metatuffite formation with intercalated skarn-altered marbles.

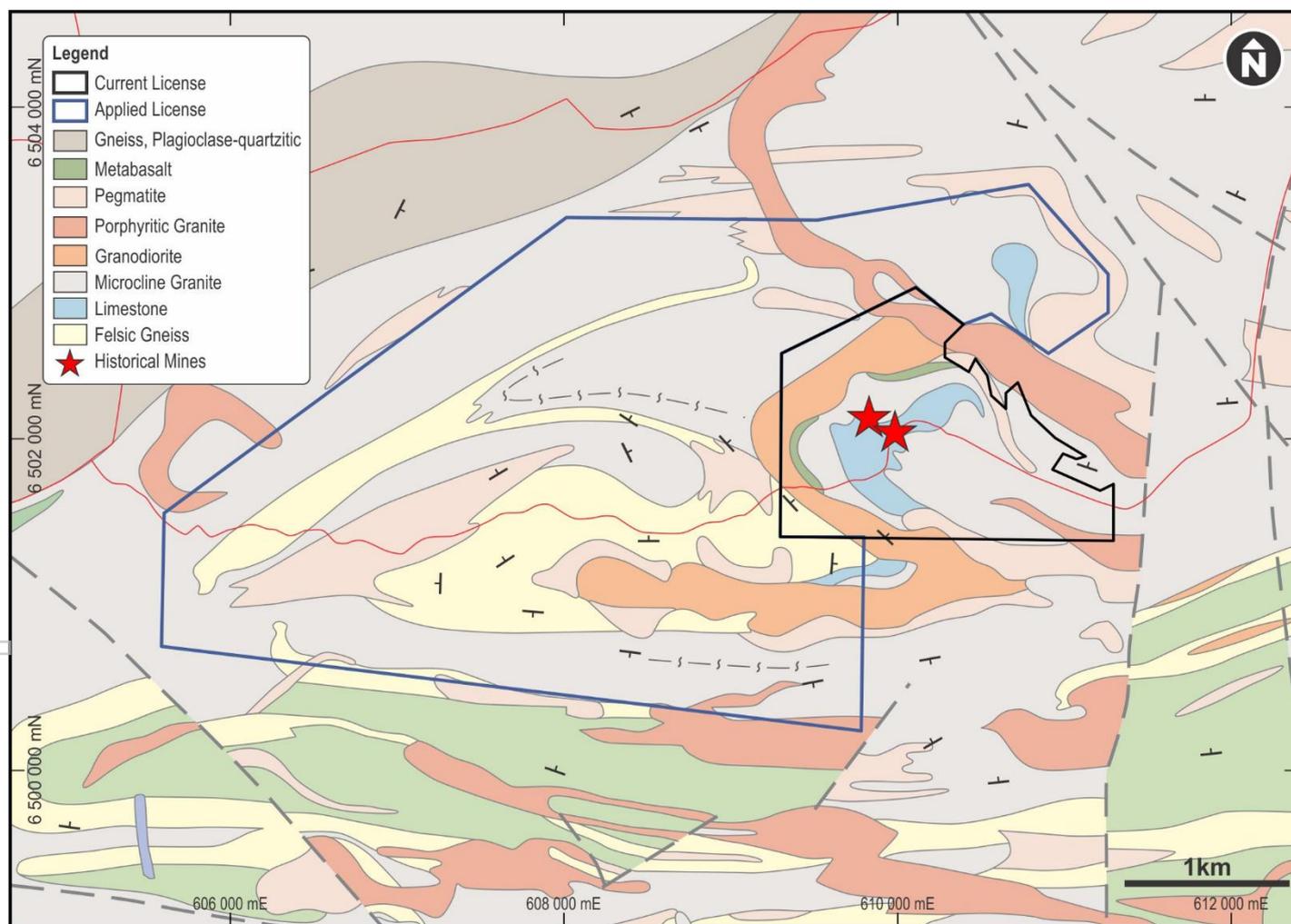


Figure 3 | Tunaberg Project Area: Showing historic cobalt mines (red stars) and new ground application

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Gladhammar (Figure 4) was mined for cobalt and copper from the 16th to 19th centuries. Mineralisation consists mainly of cobaltite, chalcopyrite, pyrite and magnetite. Gold mineralisation has also been identified within the project region.

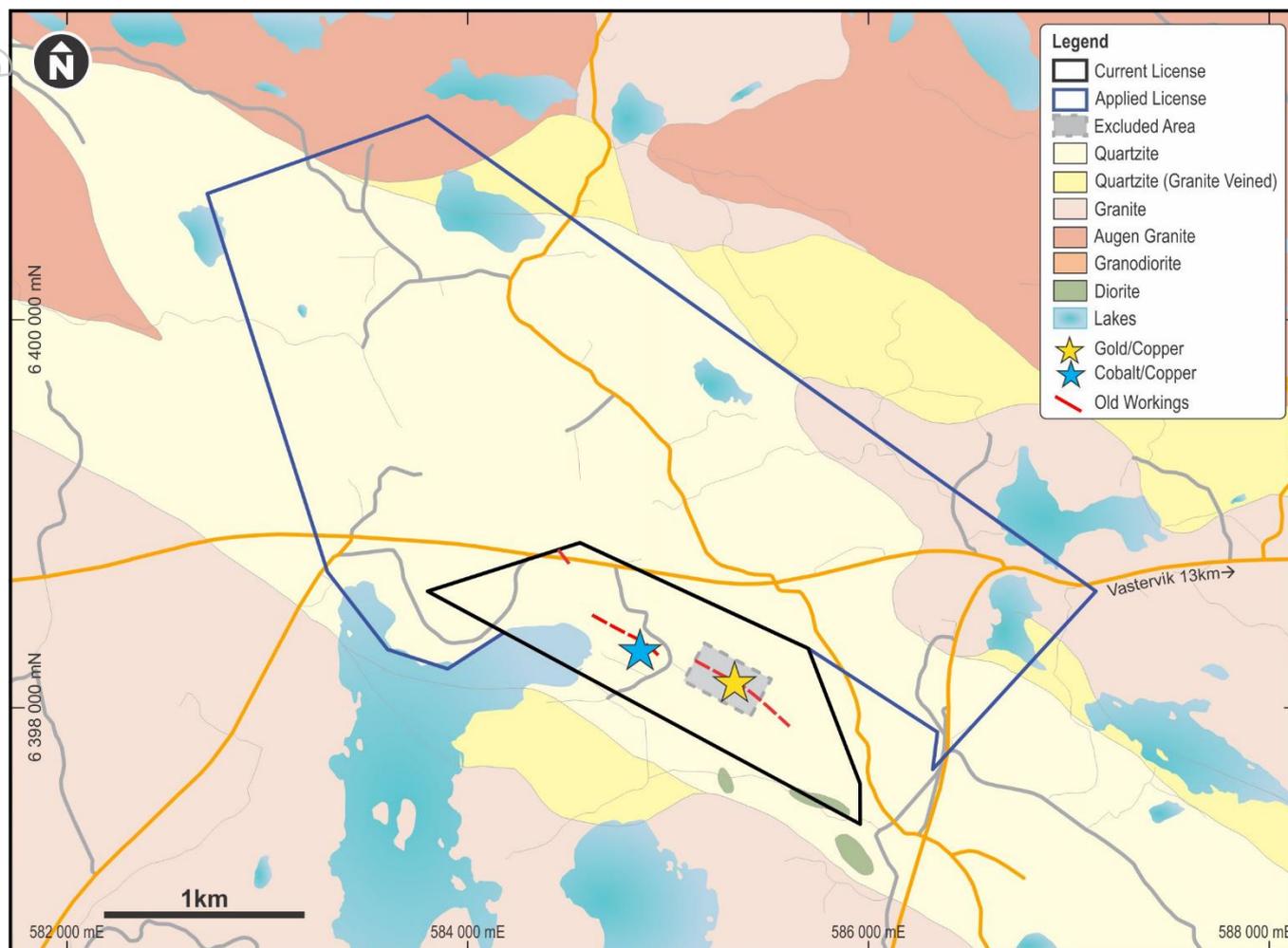


Figure 4 | Gladhammar Project Area: Showing historical workings) and newly applied for ground

Initial Exploration Strategy

Pending shareholder approval of the acquisition of Kobald on 22 May, 2017, Berkut will commence an active field program to identify priority targets in each of the project areas in June. Work has already commenced in acquiring the historical exploration data from each of the projects, potential geophysical sources and suppliers, as well as investigation of other potential prospects within the broader region. Given the extensive historical workings at the Projects, it is expected that exploration activities may be rapidly advanced to drilling in the second half of 2017.

Competent Persons Statement

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves for the European cobalt projects is based on information compiled by Mr Ben Cairns, who is a member of the Australasian Institute of Geologists. Mr Cairns is a full time employee of Berkut Minerals and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Mr Cairns consents to the inclusion in this announcement of the matters based upon the information in the form and context in which it appears.