

Historical mined cobalt grades of up to 2% at Gladhammar

Highlights

- **Review of historical production and exploration data at the Gladhammar Project in Sweden highlights potential for high grade cobalt, and gold mineralisation.**
- **Historic mined cobalt grades of between 1.25% and 2.0% at Gladhammar in its last four years of production.**
- **Gold mineralisation within an adjacent mining lease owned by an unrelated company within 100m from Kobald's tenement boundary.**
- **Berkut's recent tenement applications have enabled access to a 4.5km trend of prospective magnetic anomalies.**

Berkut Minerals Limited ('Berkut') is pleased to announce that a search of historical archive and exploration records has identified important information about the mineralisation tenor and style at the Gladhammar project region. The Gladhammar project is part of the proposed acquisition of Kobald Mineral Holdings Pty Ltd ('Kobald') (see announcement of 30 March, 2017). In addition, Berkut has recently applied for additional exploration permits of 600 hectares along the trend of the known Gladhammar workings.

Kobald holds the granted rights to the Skutterud tenements in Norway and the Gladhammar and Tunaberg projects located in Sweden (refer Figure 1). Figure 2 illustrates the local geology and magnetic anomalies at Gladhammar. Figure 3 shows examples of underground workings at the Gladhammar deposit.

Berkut's Managing Director, Neil Inwood, commented *"This is important information on the historical cobalt grade and mineralisation style at Gladhammar. The historically recorded mined grades of between 1% and 2% cobalt with smaller hand sorted pockets of 7% to 12% cobalt is encouraging for exploration along this trend. Our challenge now is to define extensions and discover repeats of the Gladhammar deposit."*

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 Paraburdoo.
- 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)

Registered Office

78 Churchill Avenue Subiaco
Western Australia 6008
T: +61 8 9320 2320
www.berkutminerals.com.au

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.

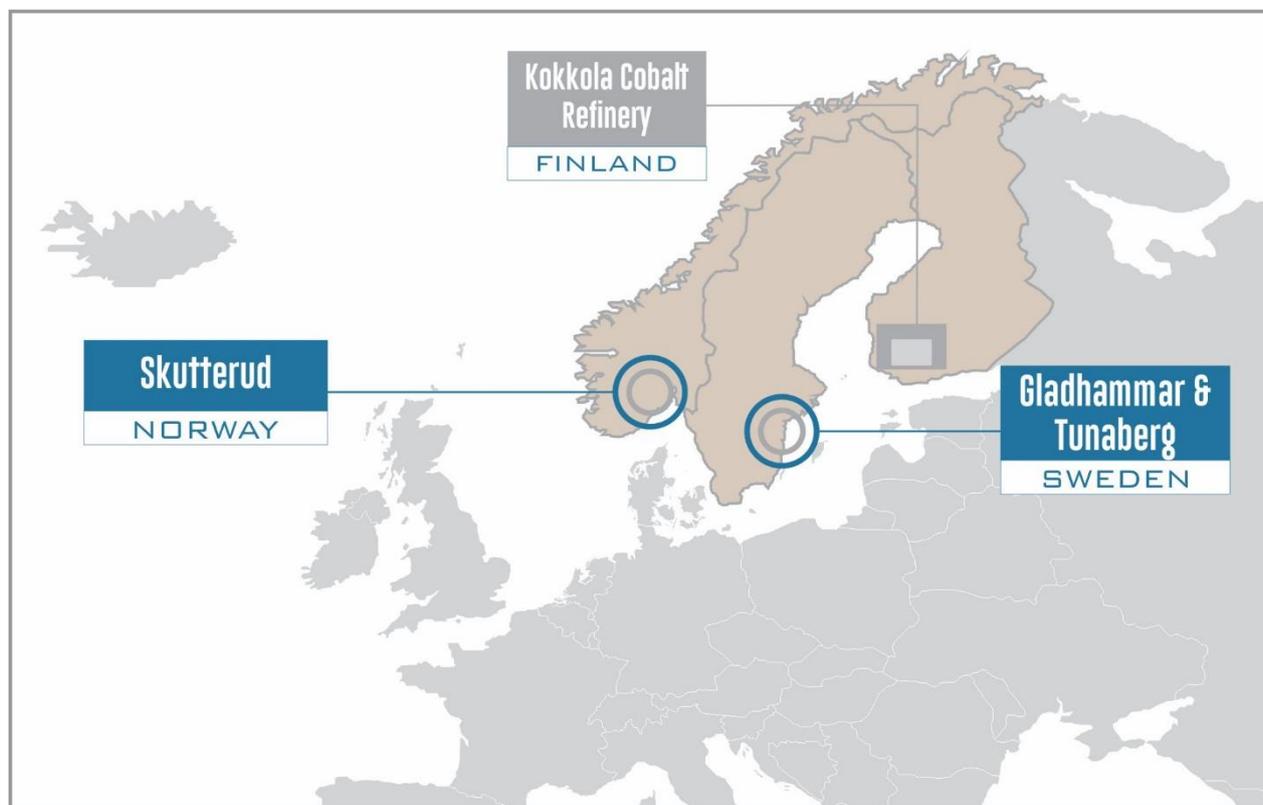


Figure 1 | Project locations

Gladhammar Project | Sweden

- Historic mining from the late 1700's to 1892 extending to ~120m vertical depth¹.
- Historical records indicate that the Gladhammar mine produced up to 35,000t of high-grade ore during its history
- Historic mine records state the mined grades (682t mined in total) in the last four years of mining ranged from 1.25% Co to 2% Co with a small amount (15t) of 'export ore' (believed to have been hand sorted) of 7% – 12% Co also mined¹.
- Nearby gold mineralisation at surface is also identified within a small mining permit excised from the Kobald licence and held by another company².
- The Gladhammar deposit lies on an interpreted 4.5km long magnetic anomaly which will provide an early exploration focus for Berkut

The Gladhammar deposit (Figures 2 and 3) was mined for cobalt and copper from the 16th to 19th centuries with little modern exploration undertaken. Mineralisation consists mainly of linnæite, cobaltite, chalcopyrite, pyrite and magnetite.

Historical mining records¹ from the last four years of mining (1888-1891) have been obtained from the Swedish Geological Survey. These document that 682t of 1.25% to 2% cobalt ore was produced as well as 15t of 7% to 12% 'export ore' (Figure 3). Although a low tonnage by modern standards, the mining report illustrates the type of grade tenor that can be expected from high-grade zones within the project. Other records indicate that the Gladhammar mine produced up to 35,000t of high-grade ore during its history. As with many historic

operations complete and accurate records are scant and no information is available as to the grade tenor in the surrounding host rocks.

Gold mineralisation associated with sheared contacts in quartzite, and in chalcopyrite, is also present in the project region with a small non-JORC gold resource (155Kt @ 5.5g/t Au and 14g/t Ag for 27,000 contained ounces Au, cutoff not stated²) reported by Wiking Minerals on its license (excised area in Figure 2). The gold mineralisation is directly along trend (<100m distant) of the historical cobalt workings within the Kobald tenements.

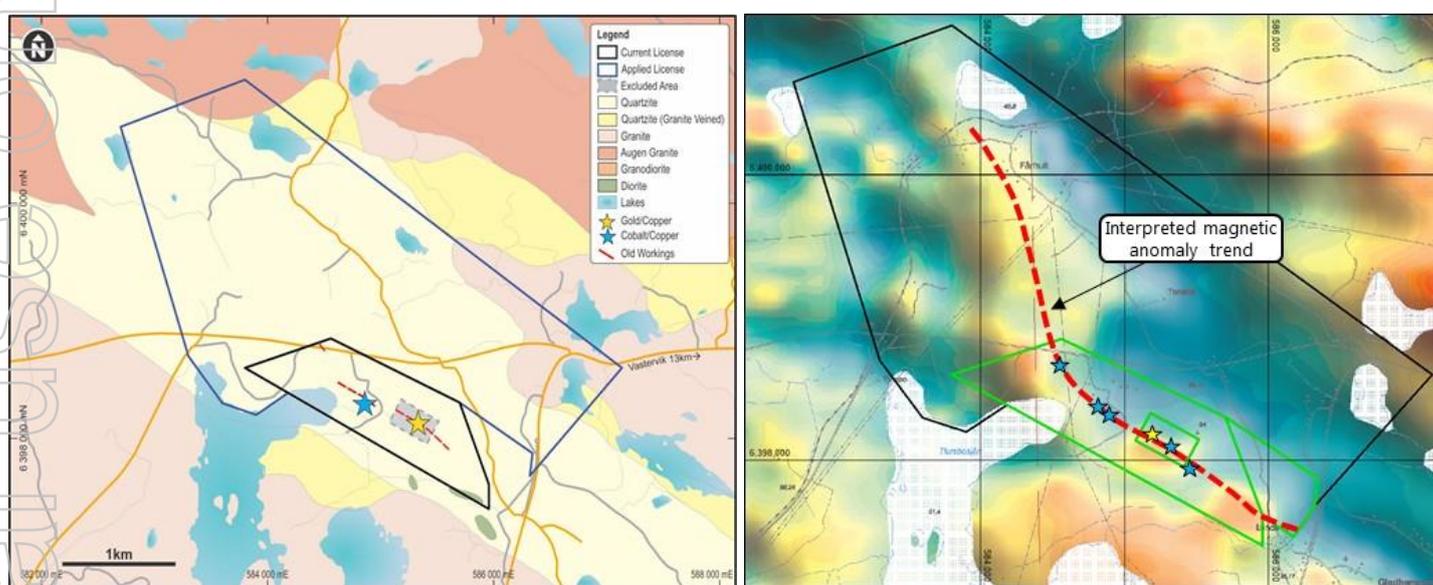


Figure 2 | Gladhammar Project local geology (left) with current and recently applied for licenses; and magnetic anomalies (right). Note the association of cobalt and gold mineralisation with magnetic anomalies.

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. Work has already commenced in acquiring the historical exploration data from each of the projects, including identifying available geophysical data, as well as investigation of other potential prospects within the broader region. Interpretation of the historical and geological data collated to date indicates that mineralisation is located proximal to magnetic anomalies, offering land and air based magnetic surveys as effective local and regional targeting tools.

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 the 2017.

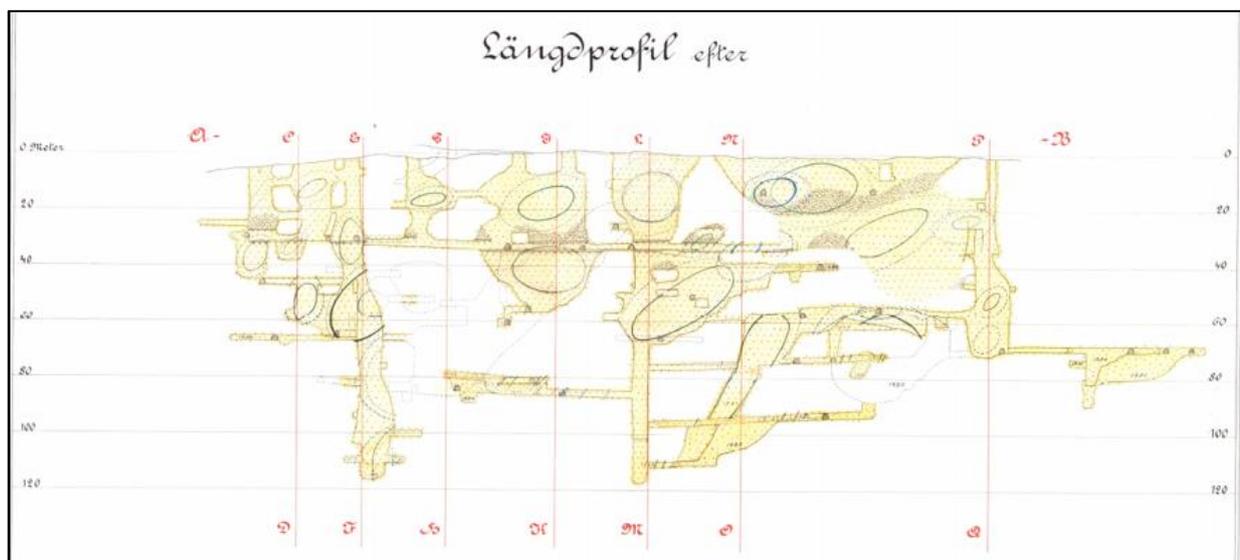
¹ The information relating to the historical mining and workings plans at Gladhammar was retrieved from the Geological Survey of Sweden from <http://apps.sgu.se/gruvkartor/> in the report entitled 'Gladhammar Gruvfor' and dated 1887

² The information relating to the Gladhammar Gold prospect owned by Wiking Minerals was retrieved from <http://wikingmineral.se.loopiadns.com/projekt/gladhammar/> in the report entitled 'Update on exploration results at Wiking Minerals Gladhammar Au-project south-central Sweden' and dated 06 October 2011. Note: The Wiking Minerals resource is mentioned to highlight that gold mineralisation has been encountered in the project region, the resource was not classified in accordance with the JORC (2012) code and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

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 Neil Inwood, who is a Fellow of the AusIMM. Mr Inwood 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 Inwood consents to the inclusion in this announcement of the matters based upon the information in the form and context in which it appears.

For personal use only



år.	Smältmalmen.	Gaspartmalmen.
1888	104 tons	6 tons
1889	206 "	2 "
1890	134 "	6 "
1891	238 "	1 "

Under samma tid har smältmalmen i allmänhet varit 1,25 - 2% Kobolt och Gaspartmalmen 7-12%.



Figure 3 | Gladhammar Mine working section, historical production profile and underground workings. Mining in this region of the mine extended to 120m below ground level. (Source: Mine information - Swedish Geological Survey; Photos - Gunnvall, Gunnvall and Aren, 2008)

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Where reporting historical production grades or quantities this ASX Release refers to historical production records from the Swedish Mining Inspectorate available from http://www.sgu.se/en/mining-inspectorate/ and http://apps.sgu.se/gruvkartor/ for the Gladhammar project. Historical exploration data for the Gladhammar project was obtained from wikingmineral.se.loopiadns.com/wp.../Exploration-update-Gladhammar-2011.pdf Extensive historical underground mining for cobalt has occurred at the Gladhammar property.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Not available as only historical results are available at this stage
Drill sample recovery	<ul style="list-style-type: none"> 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 sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Not available as only historical results are available at this stage
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not available as only historical results are available at this stage
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not available as only historical results are available at this stage
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not available as only historical results are available at this stage
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not available as only historical results are available at this stage

Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not available as only historical results are available at this stage. Historical mines used a local grid system. Nearby workers commonly use the RT90.2 GV system
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not available as only historical results are available at this stage
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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 orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Not available as only historical results are available at this stage
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Not available as only historical results are available at this stage
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Not available as only historical results are available at this stage.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Kobald Mineral Holdings Pty Ltd holds 100% of the granted exploration licences to Gladhammar Project.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The company is in the process of assessing exploration by other parties by compiling and assessing historical records. Wiking Minerals has undertaken drilling along the Gladhammar trend for gold (approximately 7 holes in the Kobald tenements), but no cobalt assays have been documented. Wiking hold a small mining concession centred in the Kobald tenements and stated a small non-JORC mineral resource in 2011.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Gladhammar district in Sweden contain historic, cobalt-dominant mine workings active from the 17th to 19th centuries. Mineralisation consists mainly of linnaeite, cobaltite, chalcopyrite, pyrite and magnetite and is thought to be related to IOCG style mineralisation..
Drill hole information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> No drill hole results are reported from the company tenements.
Data aggregation methods	<ul style="list-style-type: none"> 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 metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Not available as only historical results are available at this stage. No metal equivalent reporting is applicable to this announcement No metal equivalent values reported

Criteria	JORC Code explanation	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i> 	<ul style="list-style-type: none"> • Not available as only historical results are available at this stage. It is noted that historical workings at Gladhammar are up to 4m wide.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Included in body of report as deemed appropriate by the competent person for the stage of exploration the company is currently at.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • The company is in the process of compiling historical data hence a comprehensive data set is not available. Comments in the text aim to highlight known endowments and grade tenors.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Meaningful observations included in the body of the report
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • The company plans to compile historical production records and exploration results from the Projects and then carry out geological mapping and sampling • The company is in early stages of assessment of the project and has shown extensions at a level relevant to the quality and quantity of the information available.