Multiple Cobalt Anomalies Identifed at Skuterud, Norway

ASX Announcement
27 August 2018

Highlights

- **Comprehensive geochemical sampling and mapping program completed with all assays received**
- **Multiple, newly identified +1,000m cobalt in soil anomalies defined with coincident copper, along strike from historical workings**
- **Berkut remains well funded with cash of $3.7M, placing it in an excellent position to review additional project opportunities**

Berkut Minerals Limited (ASX: BMT) ("Berkut" or the "Company") has received final assay results from a comprehensive soil sampling program completed across the 6.5km cobalt trend at its's 100% owned Skuterud Cobalt Project in Norway (refer Figures 1 & 2).

Results from the sampling program have defined several coincident copper/cobalt anomalous areas associated with quartz-mica schists in the south, central and northern areas of the Skuterud Cobalt Project. Of particular interest are two large, +1,000m Co/Cu soil anomalies (refer Figure 1), in the north and south of the project area.

The northern target (approximately 1,500m long) is associated with a mixed meta-sedimentary package similar to the Skuterud mine sequence where mineralisation occurs at lithological boundaries of quartzites and quartz-mica schists. This area is along trend of the historical Dovikollen mine workings.

The southern target (approximately 1,000m long) is along trend and adjacent to the historical Middagshville mine workings, also in a mixed meta-sedimentary sequence similar to the Skuterud mine sequence.

Soil samples were collected on a 100m by 50m grid, with localised spacing of 100m by 25m, covering approximately 5km^2. Additionally, several rock chip samples were also received which indicated grades of up to 0.2% Cobalt and 0.4% Copper from near surface outcrop (refer Table 1).

Further mapping and interpretation will be undertaken on these targets area to develop robust drill ready targets.

Given the Company's strong cash position of $3.7M (refer June Quarterly Report), the Company continues to assess several additional project opportunities.

Fast Facts
Shares on Issue 54.3M
Market Cap (@ 10 cents) A$5.4M
Cash (30 June 2018) A$3.7M
Enterprise Value A$1.7M

Board and Management
Neil Inwood, Managing Director
Justin Tremain, Non-Exec Chairman
Paul Payne, Non-Exec Director
Aaron Bertolatti, Company Secretary

Company Highlights

- European cobalt and nickel projects in Norway and Sweden, strategically located within proximity to operating cobalt refineries and European markets
- 100% ownership of the Skuterud Cobalt Project in Norway
- Historic mined cobalt grades up to 2% at the 100% owned Gladhammar Project in Sweden
- 100% ownership of historical Lainejaur Ni, Co, Cu resource in Sweden
- Swedish ground position of approx. 100km^2 and Norwegian ground position of 19km^2, both covering historic mine workings
- Tight capital structure and strong cash position

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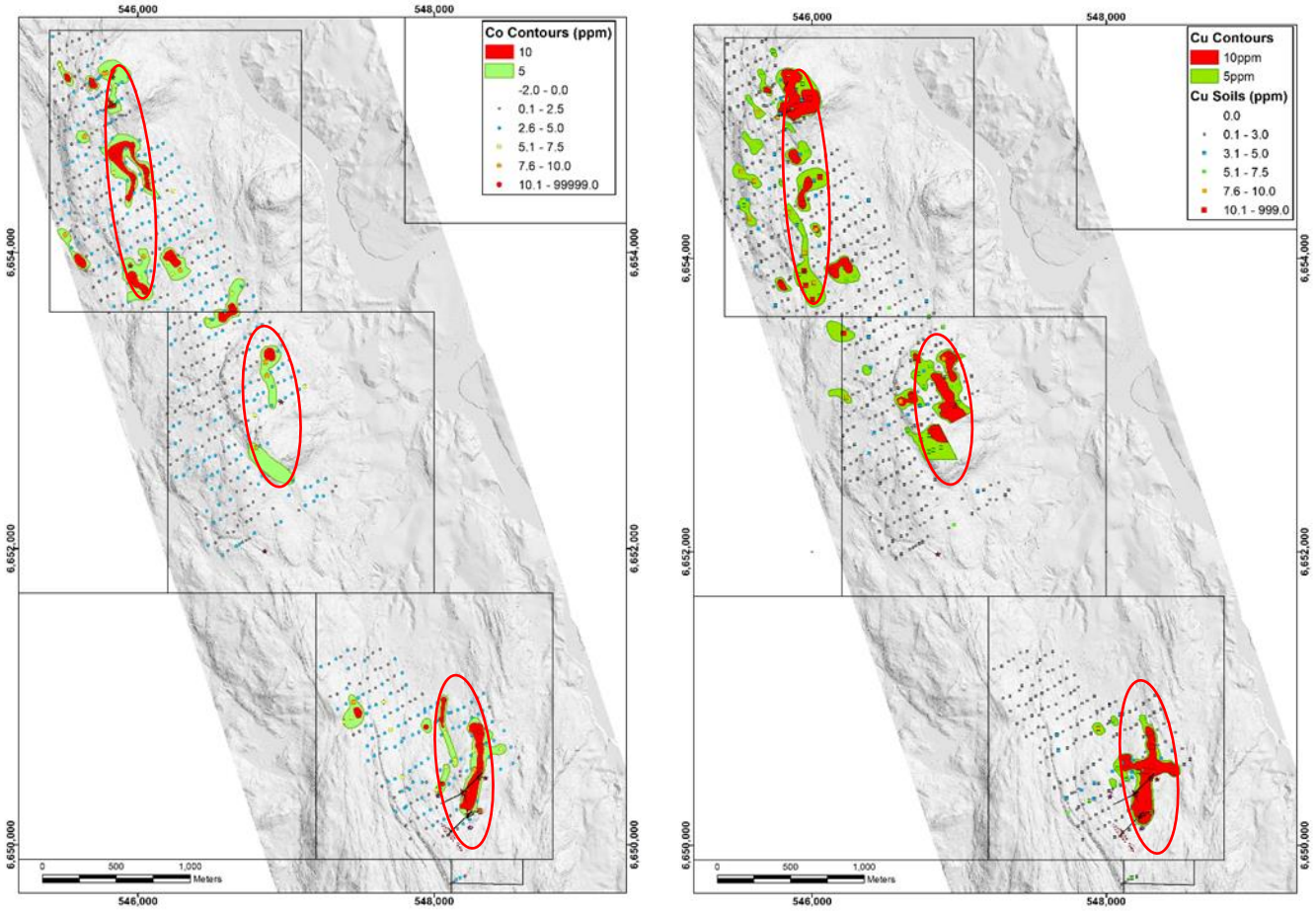

Figure 1 | Skuterud Soil Program: cobalt results (LHS) and copper results (RHS)

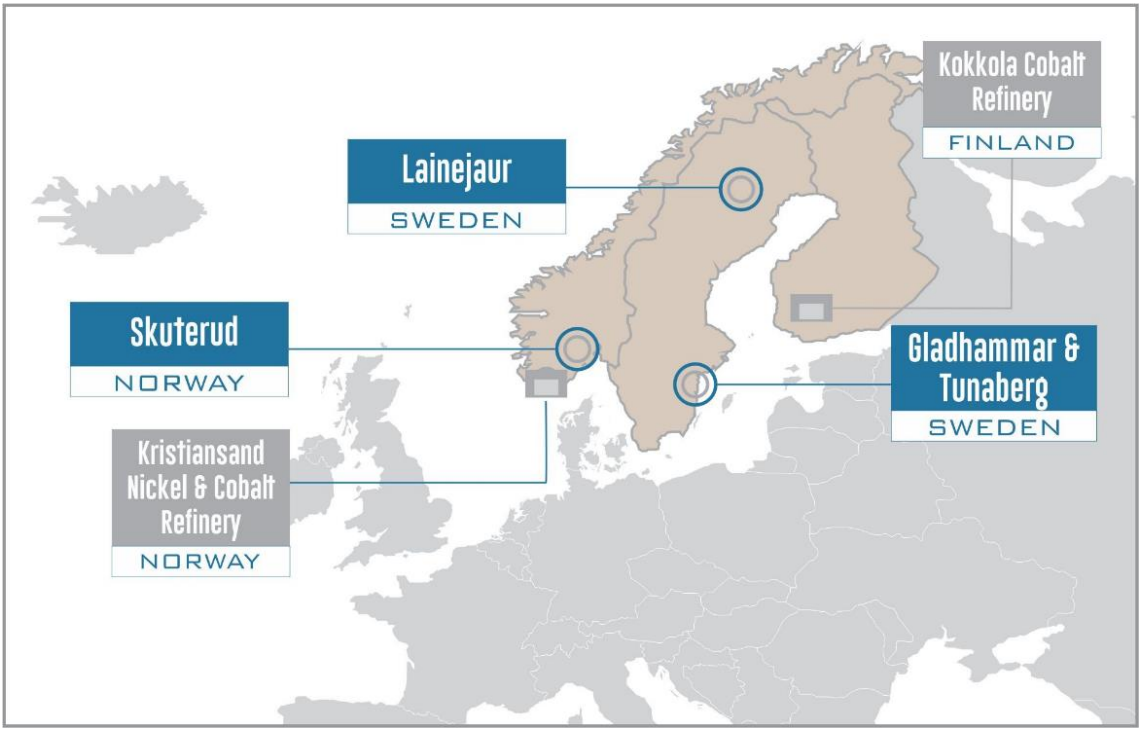

Figure 2 | Project Locations

Table 1 | Skuterud June 2018 Rock Chip Samples

Sample ID	East	North	Ag ppm	As ppm	Co ppm	Cr ppm	Cu ppm	Fe ppm
2018SK028	545923	6653902	<0.5	26	341	35	983	66600
2018SK008	548294	6650080	<0.5	3200	**1940**	35	**944**	22500
2018SK012	547969	6650336	<0.5	13	5	<10	6	8290
2018SK006	548323	6650167	<0.5	22	220	25	**2210**	21500
2018SK017	548181	6650374	<0.5	1380	**1050**	25	136	35800
2018SK003	548175	6650003	<0.5	17	69	55	861	73100
2018SK005	548311	6650154	<0.5	45	82	35	960	46600
2018SK010	548023	6650337	<0.5	24	101	35	332	33700
2018SK026	547477	6652111	<0.5	93	83	35	**2420**	104000
2018SK027	547484	6652118	<0.5	24	88	40	1040	76500
2018SK013	547990	6650332	<0.5	<3	3	<10	8	8350
2018SK011	548030	6650331	<0.5	185	48	40	337	21500
2018SK018	548224	6650309	<0.5	60	96	25	**4030**	32200
2018SK014	547990	6650332	<0.5	18	5	<10	18	4240

**A number of the sample bags containing rock chip samples were destroyed during the quarantine process. Photographs taken of samples before despatch and their geological descriptions allowed for many of the samples to be positively identified although a number of the results could not be confidently reconciled with a sample ID. The results are reported as approximate locations only.*

Competent Persons Statement

The information in this document that relates to exploration results is based upon information compiled by Mr Neil Inwood, a full-time employee of Berkut Minerals Limited. Mr Inwood is a Fellow of the AUSIMM 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 Inwood consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

Notes

[1] For full details of exploration results refer to ASX announcements on 18 May, 15 June , 7 July 2017, 26 July , 31 July, 23 October 2017 and 8 January 2018. Berkut Minerals is not aware of any new information or data that materially affects this information. Other than as specified in this announcement and the mentioned announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, Exploration Target or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Detailed information on all aspects of Berkut Minerals projects can be found on the Company's website www.berkutminerals.com.au.

For further information please contact
Berkut Minerals Limited
Neil Inwood, Managing Director

Appendix One | JORC Code, 2012 Edition | 'Table 1' Report

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.	• Where reporting historical production grades or quantities this ASX Release refers to historical production records from the Norwegian Geological Survey (NGU), available from http://geo.ngu.no/kart/mineralressurser/ for the Skuterud project. • Rock chip hand samples collected as composites based on consistent mineralogy • Soils samples were dug using a shovel targeting the B soil horizon. Samples were pre-sieved to -5mm in the field.
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).	• N/A
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 sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• N/A
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.	• The soils horizon and field conditions were reported for each sample.
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.	• As many of the faces of the historical workings were not safely accessible, selected hand samples of nearby spoil material were selected to highlight mineralisation styles in the area. • An approximate 1kg sample was collected for the soils program. Samples contained an inherent soil moisture and could not be sieved to their final size in the field and were pre-sieved to -5mm in the field. Where samples were damp or wet from rain such that they could not be pre-sieved a larger bulk sample was collected, and this was subsequently dried in the company's secure storage facility near to site before being reduced to -5mm. • Particle size analysis revealed approximately 30% - 50% of the sample was reporting to the -180mesh fraction and 65-85% was reporting to the -1mm fraction.

Criteria	JORC Code explanation	Commentary
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.	• Soils samples were submitted to SGS laboratories in Perth, Western Australia. Of the approximately 1kg sample submitted, a 0.5kg sub-sample was dried, pulverised to 75 micron. A ~25g sub-sample was then digested using aqua regia and analysed using ICPOES for Co, Cu, As . S, Ni and Cr.
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.	• No company QC samples were included for this sort of program and the company relies on internal lab duplicates and SRM material. • Sample locations were saved as waypoints on hand held GPS devices • Samples were located using a hand held GPS from indiscriminate sample points generated in GIS software. Actual sample locations were selected based on ground conditions at the site. Sample locations could be moved to suit the conditions to a maximum of half the spacing.
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.	• Samples were recorded against the ETRS1989 UTM Z32 grid system. • Only national based topographic control (~5m accuracy) has been used to date. • Sample locations have been collected using a Garmin Oregon 700 hand held GPS.
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.	• Soil sampling spacing is normally 100m x 50m with localised 100m x 25m infill • This sample density is considered appropriate as a first pass for the mineralisation style being targeted. Further detail can be obtained as required by infill sampling.
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 orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Soils lines are perpendicular to the main geological trends.
Sample security	• The measures taken to ensure sample security.	• Samples were stored in a locked facility near site then transported by courier to Gardermoen airport for transit to Perth
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Senior management has audited the site sampling protocols. All sampling was performed under the supervision of an experienced geologist.

Section 2 Reporting of Exploration Results

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

Criteria	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.	• The Skuterud licences are held 100% either directly by Berkut or through its 100% subsidiary Kobald Mineral Holdings Pty Ltd.
Acknowledgment and appraisal of exploration by other parties.	• Acknowledgment and appraisal of exploration by other parties.	• The company is in the process of assessing exploration by other parties by compiling and assessing historical records.
Geology	• Deposit type, geological setting and style of mineralisation.	• The cobalt occurrences at Skuterud in Norway 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 rock type hosting the sulphides may be characterized as a quartz-plagioclase-tourmaline-phlogopite-sulphide gneiss or schist. The cobalt mineralisation is, to a large degree, characterised by impregnation of cobaltite, glaucodote, safflorite and Skutterudite, which partly occur in quartz-rich zones and lenses.

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.
		• Seven drill holes were completed in 2017 and have been previously reported.

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 metal equivalent values should be clearly stated.	• Soils results are reported for the -0.5mm fraction.
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').	• N/A
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.	• Included in body of report as deemed appropriate by the competent person for the stage of exploration the company is currently at.
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.	• Significant anomalous results are included in the announcement.

Criteria	Explanation	Commentary
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.	• Meaningful observations included in the body of the 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.	• The company continues to assess the property.