BERKUT
MINERALS LIMITED

Quarterly Report

For the Quarter to 30 September 2018

ASX Announcement
29 October 2018

The Board of Berkut Minerals Limited ("**Berkut"** or the "**Company"**) provides the following commentary and Appendix 5B for the Quarter ending 30 September 2018.

September 2018 Quarterly Highlights:

- **Soil sampling and mapping results finalised at Skuterud Cobalt Project, Norway**
  - Multiple, newly identified +1,000m long cobalt in soil anomalies defined with coincident copper, along strike from historical workings
  - Additional historical cobalt workings identified
- **Ongoing identification and review of additional project opportunities**
- **Strong cash position at 30 September 2018 of $3.4 million with further reduction in overhead expenditure during the Quarter**

Plans for December 2018 Quarter

Identification and review of additional project opportunities to add shareholder value

Skuterud Cobalt Project, Norway

- Analysis and interpretation of soils and mapping for target generation.

Lainejaur Nickel-Cobalt Project, Sweden

- Interpretation of geophysics and recently acquired historical drilling data.

Fast Facts
Shares on Issue 54.3M
Market Cap (@7cents) $3.8M
Cash (30 Sept 2018) $3.4M

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 80km^2
- Tight capital structure

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Scandinavian Nickel & Cobalt Projects

Berkut holds the rights to 100% of the following four cobalt prospective projects in Norway and Sweden (refer Figure 1).

- Skuterud Cobalt Project in Norway
- Lainejaur Nickel-Cobalt Project and the Gladhammar & Tunaberg Cobalt Projects in Sweden.

Since the initial acquisition of projects in May 2017, Berkut has identified prospective ground surrounding these core assets and has been granted additional exploration licenses. These expanded and consolidate tenement holdings cover historic cobalt, copper and gold workings and potential strike extensions. Berkut's ground holdings comprise 97.2km^2 in Sweden and 83.4km^2 in Norway.

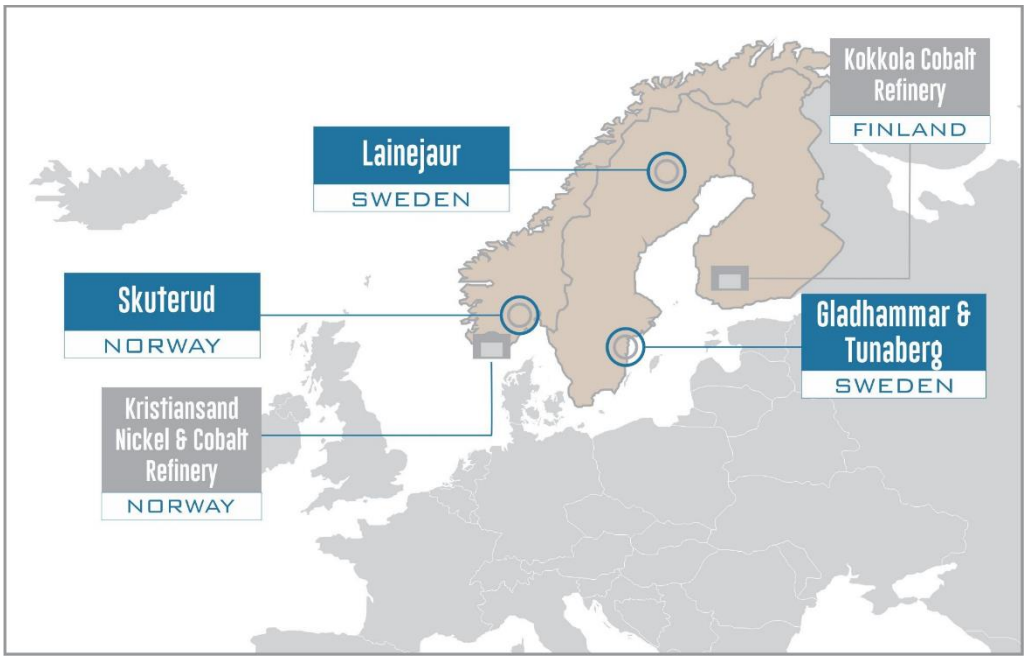

Figure 1 | Scandinavian Project Locations

Skuterud Cobalt Project, Norway

The Skuterud Cobalt Project currently consists of eight granted licences 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 cobalt ore minerals, Skutterudite. The area was mined throughout the 18th and 19th Centuries, during which time it supplied much of the world's cobalt and employed thousands of people. The Skuterud 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 Company's maiden drill program at Skuterud was finalised in November 2017 with results announced in January 2018[1]. Phase 1 of the diamond drill program targeted depth and strike extensions of known cobalt workings and prospective, previously untested, geological units that were identified during the Company's summer field mapping and ground magnetic surveys. The drilled area contains historical cobalt mine workings with spoil grab samples up to 0.8% Co and 0.5% Cu and hosts three interpreted repeats of the mine-sequence host lithologies (quartzites and mica-schists). The drilling focussed on workings at the historical Middagshville Cobalt Mine in the southern portion of Skuterud Cobalt Project with a single reconnaissance hole completed at the historical Døvikkollen Cobalt Mine which is in northern portion of the Skuterud Cobalt Project.

Cobalt and copper mineralisation was observed in all the holes sampled at Middagshville with a pattern emerging of broad copper/cobalt haloes (e.g. 30m @ 0.15% Cu from 12m in MDV003) hosting multiple higher-grade cobalt zones consistent with observations from the nearby Skuterud underground workings.

An extensive soil sampling program instigated during the June Quarter saw the collection of 926 samples along the entire 6km of prospective strike. This sampling and mapping program was completed at the end of June 2018 with assay results received in August 2018 which allowed for interpretation of the results during the September Quarter.

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. Further assessment required to generate firm targets includes mapping and interpretation, investigation of additional geophysical methods to aid in target generation (e.g. IP and airborne EM) and infill soil sampling.

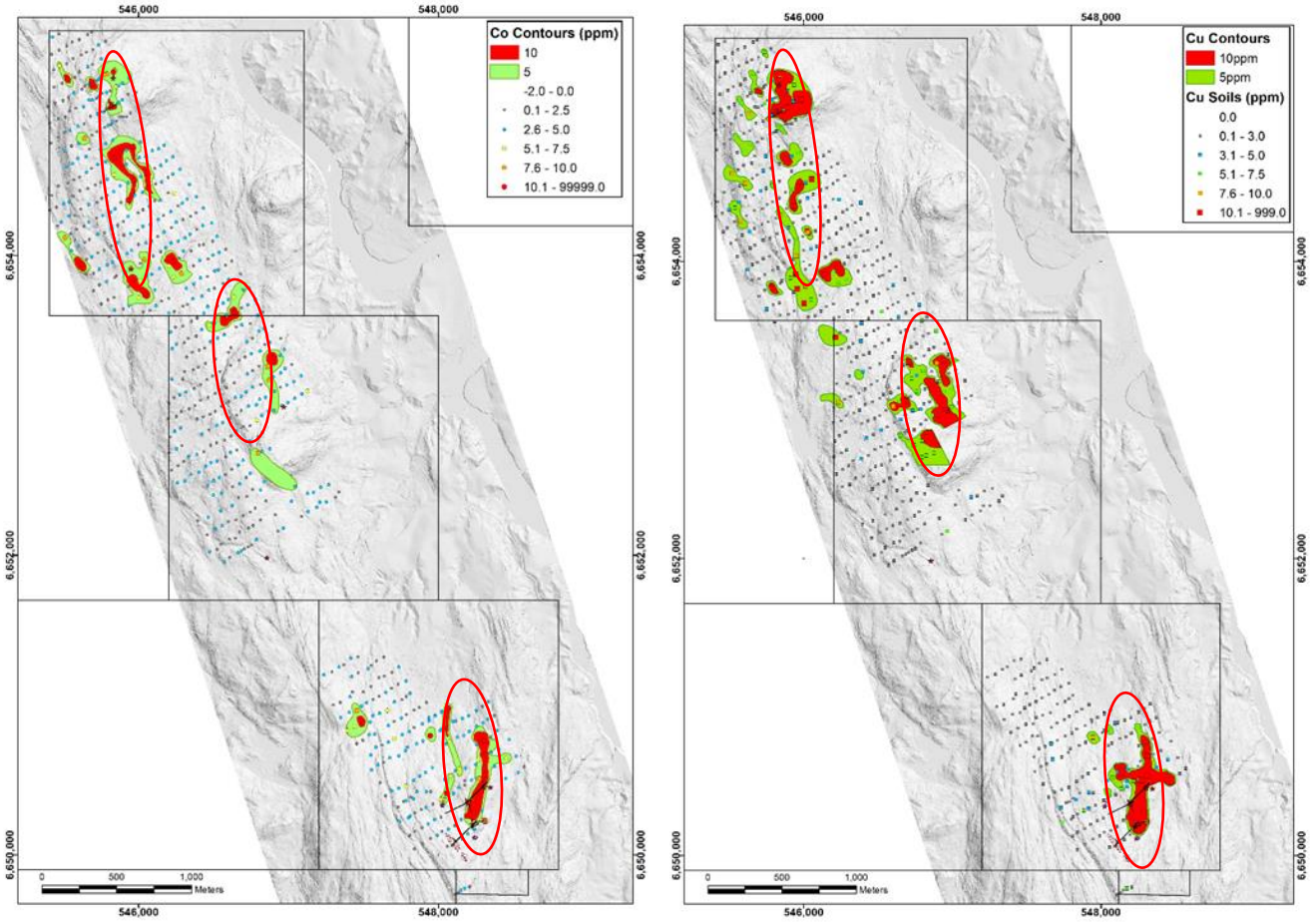

Figure 2 | Skuterud Soil Program: cobalt results (LHS) and copper results (RHS)

Lainejaur Nickel-Cobalt Project, Sweden

The Lainejaur Nickel-Cobalt Project (refer Figures 1 and 4) is centred on a historical Ni-Co-Cu mine which was operated in 1941 with a recorded production of 100,526t @ 2.21% Ni, 0.1% Co and 0.93% Cu. In 2007 and 2008, 43 diamond core holes were drilled by the previous explorer for approximately 13,200m within a limited 0.4km^2 licence holding. The Berkut licence covers 41.2km^2, including the historic licence, and the Company is investigating the down dip extensions of this mineralisation and the potential for repeat structures laterally.

In February 2018, an updated Mineral Resource Estimate[1] (refer Figure 4) was reported under JORC (2012) and is based upon a technical review undertaken by Berkut of the historical core, assays and logging. The reported Inferred resource of **460Kt @ 2.2% Ni, 0.15% Co and 0.7% Cu** (above a 0.5% Ni lower cut off) is shown in Table 1.

Table 1 | Lainejaur Deposit, February 2018 Inferred Mineral Resource Estimate (0.5% Ni cut off)

Zone	Tonnes Kt	Ni %	Cu %	Co %	Au Ppm	Pt ppm	Pd ppm	S %	Ni t	Cu T	Co t
Massive Sulphide	**460**	**2.2**	**0.7**	**0.15**	0.65	0.20	0.68	20.2	10,100	3,000	680

In January 2018 Berkut completed an electromagnetic ('EM') survey program at the Lainejaur Nickel-Cobalt Project to test the down-dip resource potential and to explore for conductive bodies in the region (refer announcement 12 February 2018). The work focussed on fixed loop EM ('FLEM') and down-hole EM surveys around the Lainejaur deposit, additional further reconnaissance moving loop EM surveys were conducted over look-a-like magnetic anomalies to the south and east of the deposit. The magnetic anomalies are interpreted to represent the folded continuation of the unit which hosts mineralisation.

Berkut has completed additional FLEM and MLEM surveys over the Profile E region. The MLEM survey identified an anomaly ~400m to the east of the previous Profile E (now called Anomaly 1). The Berkut surveys were combined with historic data sets and re-interrogated, resulting in the identification of three untested EM targets – with Target 1 coinciding with Berkut's MLEM survey (refer Figure 5). The available records indicate that the three identified anomalies in Figure 3 have not been properly tested and remain valid targets. Further work to be undertaken includes investigations to collect the full drill hole data from the regional drilling around Lainejaur, assessment of the use of base of till sampling methods, and ongoing interpretation of historical geophysical and drilling data sets to firm up target generation.

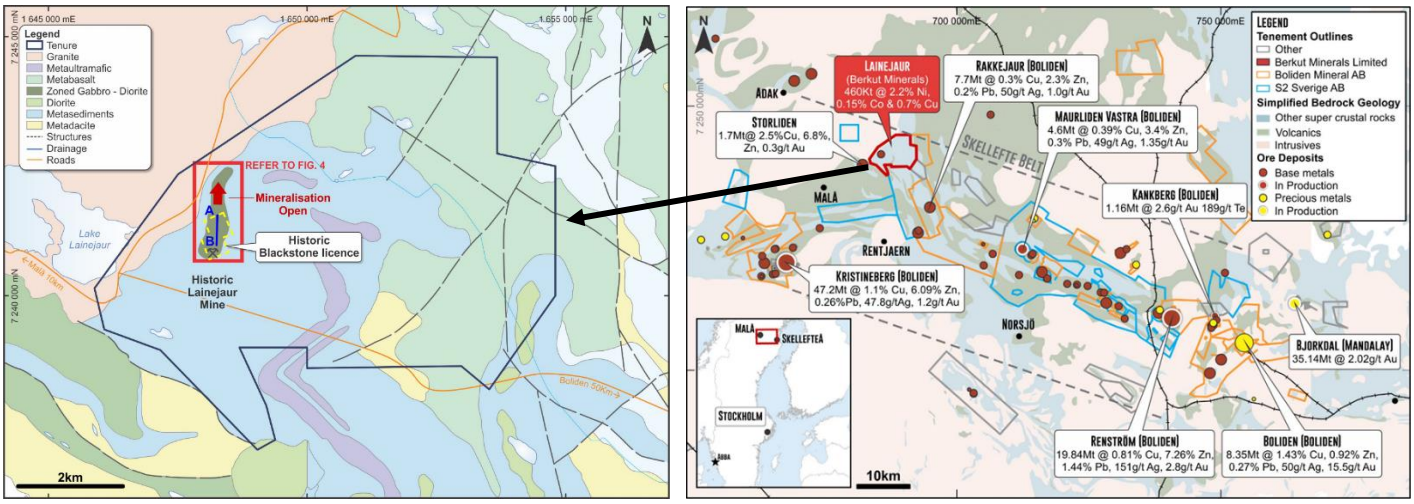

Figure 3| Lainejaur Project Region: Showing Berkut license area) and projects along the Skellefteå Belt (RHS)

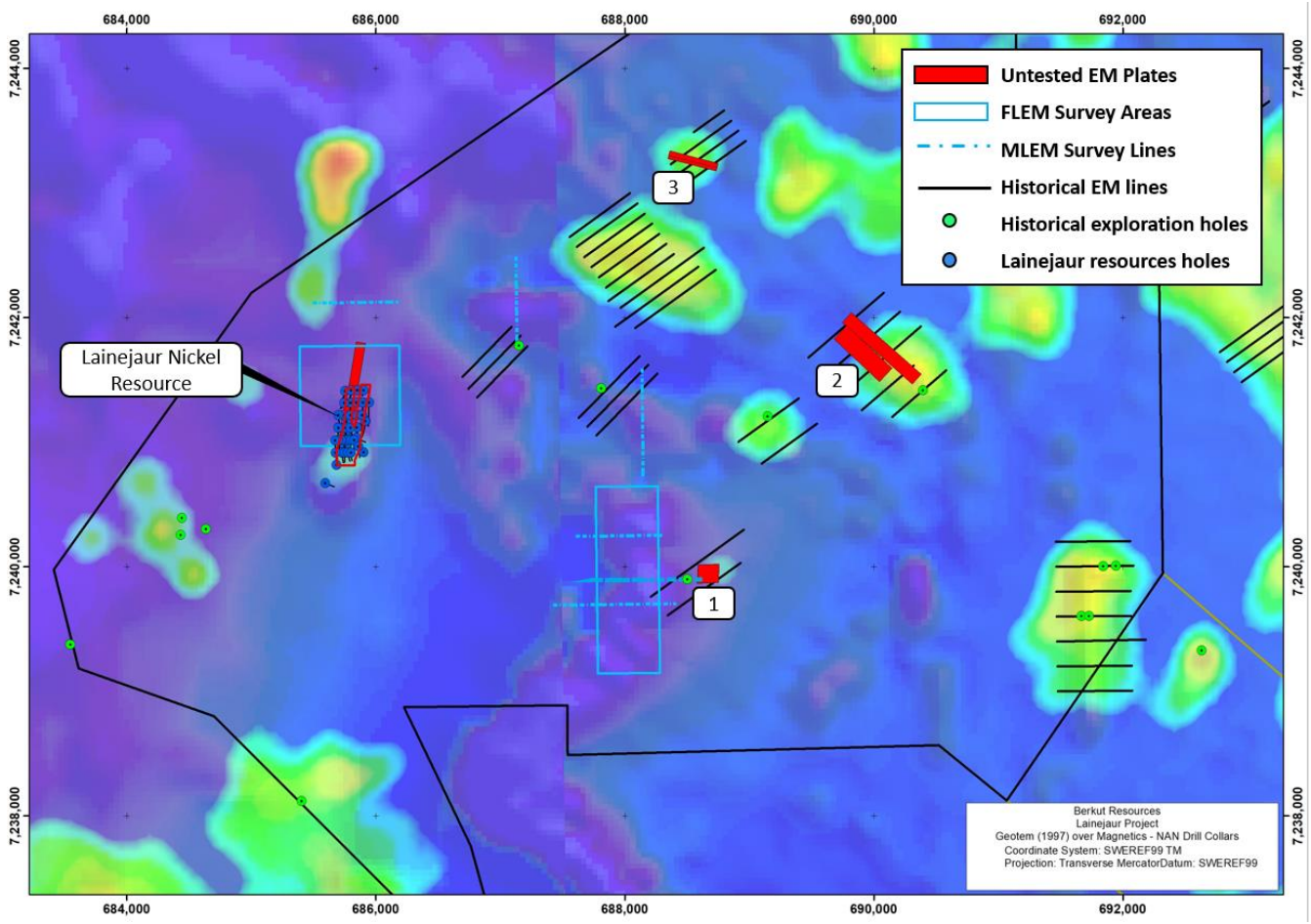

Figure 4| Lainejaur Project Region: GEOTEM Time Constant (Tau) colour image with magnetic image as backdrop. Untested EM plates are shown as red polygons.

Gladhammar and Tunaberg Cobalt Projects, Sweden

The Gladhammar and Tunaberg Cobalt Projects are centred around historic mines. Iron ore mines opened at Gladhammar in the 16th century, with copper ore being mined from the 17th century and cobalt from the 18th century, continuing intermittently until 1892. At Tunaberg, cobalt and copper mining have been undertaken intermittently from the 15th to 18th centuries. The Company focus in both areas is on the strike extensions or repeats to the historically defined mineralised zones.

Re-sampling of selected historical diamond core (5 holes) undertaken in the previous Quarter supported the tenor of historical base metal mineralisation.

Mt Clement Project

Desktop studies were undertaken at the Mt Clement Project during the September Quarter. Berkut has finalised discussions with native title parties regarding access agreements for the Mt Clement Project and plans to undertake preliminary investigations in 2018.

Corporate

At 30 September 2018 Berkut held $3.43 million in cash. Refer to the following Appendix 5B for movements in cash for the September Quarter. A number of one-off costs were incurred during the September Quarter associated employee redundancy costs as well as annual insurances and ASX listing fees. The Company is budgeting for a significant reduction on corporate overhead expenditure during the December Quarter.

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 and Mineral Resources refer to ASX announcements including 18 May, 15 June , 7 July, 26 July , 31 July , 23 October 2017; 8 January, 12 February, 8th May 2018 and 27th August 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.

Appendix 1 | Berkut Minerals Limited Tenements

Berkut's Scandinavian Cobalt Projects

Tenement	Location	Structure
Kobald Mineral Holdings Pty Ltd		
Skuterud 1, 2, 3, 4	Norway	100%
Tunaberg nr 201	Sweden	100%
Gladhammar nr 201	Sweden	100%
Goshawk 1,2,3,4,5,6,7,8,9,10	Norway	100%
Berkut Minerals Ltd		
Skuterud 3a, 5, 6, 7, 8	Norway	100%
Tunaberg nr 202	Sweden	100%
Gladhammar nr 202, 203, 204, 205	Sweden	100%
Gladhammar nr 206 (application)	Sweden	100%
Lainejaur nr 20	Sweden	100%

BERKUT'S AUSTRALIAN GOLD PROJECTS

Tenement	Location	Structure
Berkut Minerals Ltd		
Mt Clement Gold Project		
E08/2848	Western Australia	100%

Mining Tenements disposed: Nil

Beneficial percentage interests held in farm-in or farm-out agreements: Nil

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed: Nil

100+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

BERKUT MINERALS LIMITED

ABN	**Quarter ended ("current quarter")**
62 610 855 064	30 September 2018

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(67)	(67)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(134)	(134)
	(e) administration and corporate costs	(108)	(108)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	20	20
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other	(7)	(7)
1.9	**Net cash from / (used in) operating activities**	**(296)**	**(296)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – joint venture payments	-	-
	– option payments	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,725	3,725
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(296)	(296)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	1	1
4.6	**Cash and cash equivalents at end of period**	**3,430**	**3,430**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	430	725
5.2	Call deposits	3,000	3,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**3,430**	**3,725**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	83
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Payment of Directors Fees and Remuneration - $83k

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

N/A

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

N/A

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	10
9.2	Development	-
9.3	Production	-
9.4	Staff costs	80
9.5	Administration and corporate costs	50
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**140**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter %**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A			

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 29 October 2018

(Company Secretary)

Print name: Aaron Bertolatti

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.