

Quarterly Report

For the Quarter to 31 March 2019

The Board of Berkut Minerals Limited (“**Berkut**” or the “**Company**”) provides the following commentary and Appendix 5B for the Quarter ending 31 March 2019.

March 2019 Quarterly Highlights:

- **Acquisition of the historical high-grade Tick Hill Gold Project (‘Tick Hill’) along with a 323km² gold & copper exploration position, located in the Mt Isa region of Queensland**
- **Tick Hill was one of Australia’s highest grade and most profitable gold mines**
- **Produced 511,000oz at 22.5g/t gold to a depth of only 235m from 1991 until 1995 under the ownership of MIM Holdings Ltd¹**
- **Historical Near mine drill intersections at Tick Hill include (refer ASX announcement 12 March 2019):**
 - **2m @ 104.2g/t Au fr 92m**
 - **3m @ 84.8g/t Au fr 15m**
 - **5m @ 20.6g/t Au fr 66m**
 - **2m @ 40.2g/t Au fr 17m**
 - **2m @ 20.2g/t Au fr 3m**
 - **3m @ 16.9g/t Au fr 59m**
- **Tick Hill has been largely unexplored over past 20 years and this is the first time since 1995 that the package has been amalgamated**
- **Regional exploration package contains numerous historical gold and copper occurrences including (refer ASX announcement 12 March 2019):**
 - **Grassano - Large IOCG target with up to 114 g/t gold in rock chips**
 - **Duchess - historically produced 205kt @ 12.5% copper²**
 - **Ivanhoe - Intercepts up to 11m @ 2.7% copper from 86m**
 - **Nil Desperandum - intercepts up to 19m @ 2.3% copper, 0.6 g/t gold, 12m @ 3.3% copper, 0.4 g/t gold and 6m @ 5.2% Cu, 0.8 g/t Au**
- **Experienced mining executives Mr Peter Bowler and Mr Rob Watkins appointed as Non-Executive Chairman and Managing Director respectively**
- **Berkut to change its name to ‘Carnaby Resources Ltd’**
- **Strong cash position at 31 March 2019 of \$3.1 million plus \$1.6 million³ capital raising completed after quarter end.**

Plans for June 2019 Quarter

Settlement of the Tick Hill acquisition was completed on 23 April 2019 (refer to ASX release). The company is well placed to expedite exploration activities at Tick Hill and will be releasing a strategic exploration plan and providing an exploration update shortly.

¹ Source: Forrestal P. J. et al, 1998; Tick Hill Gold Deposit.

² Source: Blake, D. H. et al, 1994 BMR Bulletin 219

³ before transaction costs

Fast Facts

Shares on Issue 96M
Market Cap (@ 13 cents) A\$12.5M
Cash¹ A\$4.7M
¹ At 31 Mar 2019 adj. for A\$1.6M placement

Board and Management

Peter Bowler, Non-Exec Chairman
Rob Watkins, Managing Director
Neil Inwood, Non-Exec Director
Justin Tremain, Non-Exec Director
Paul Payne, Non-Exec Director
Aaron Bertolatti, Company Secretary

Company Highlights

- Proven and highly credentialled management team
- 100% ownership of the Tick Hill Gold Project (granted ML’s) in Qld, historically one of Australia highest grade and most profitable gold mines
- Past production of 511koz at 22g/t gold
- 323km² surrounding exploration package containing numerous gold and copper targets
- Tight capital structure and strong cash position

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Tick Hill Project | Gold – Copper – Cobalt

The Tick Hill Gold Project and broader exploration package (Figure 1) covers a substantial landholding of 323km² within the highly prospective Mt Isla Inlier. The acquisition comprises of a 100% interest in three granted Mining Leases (4km²) over the historic Tick Hill gold mine, 82.5% interest in 293km² (Syndicated free carried to Decision to Mine for the remaining 17.5% interest) and 100% interest in a further 26km² of surrounding and regional exploration tenements (refer Figure 1).

Figure 1 | Queensland Tenements



Tick Hill Gold Mine (100% owned)

The historical Tick Hill gold mine and surrounds has been largely unexplored for over 20 years following the mine closure by Carpentaria Gold Ltd (subsidiary of MIM Holdings Ltd) in 1995. Tick Hill has not benefited from any modern exploration techniques and this provides an opportunity to revitalise one of Australia's highest-grade gold mines in an exceptional mining jurisdiction and location.

Tick Hill produced 511,000 ounces of gold at 22.5g/t gold between 1991 and 1995¹. It was mined to only 235m below surface at an average of 2,184oz of gold per vertical metre, with an average strike length of just 80m (refer Figure 2). It is believed that the Tick Hill orebody was faulted off at depth with the offset extension yet to be discovered. Historical reported metallurgical gold recoveries were 97% with a highly positive mill reconciliation reported against resource estimates.

Multiple high priority near mine targets for testing include (refer Figures 2 and 3):

- High grade extensions
- Potential high-grade offset mineralisation
- Potential structural repetitions
- Unexplored areas along strike and with the near mine corridor

Near mine drilling intersections include (refer Appendix One):

- 2m @ 104.2g/t Au (92m) Hole TH047RD
- 3m @ 84.8g/t Au (15m) Hole 767-1890-3
- 5m @ 20.6g/t Au (66m) Hole U8401
- 2m @ 40.2g/t Au (17m) Hole 767-1890-1
- 2m @ 20.2G/T Au (3m) Hole 767-1900-9
- 3m @ 16.9g/t Au (59m) Hole U8503

Figure 2 | Tick Hill Mine Corridor Target Regions

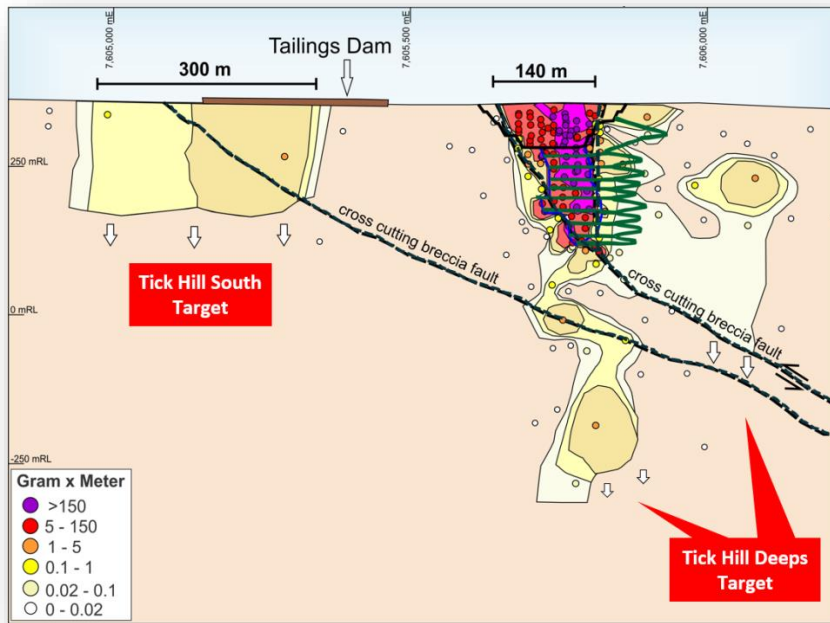
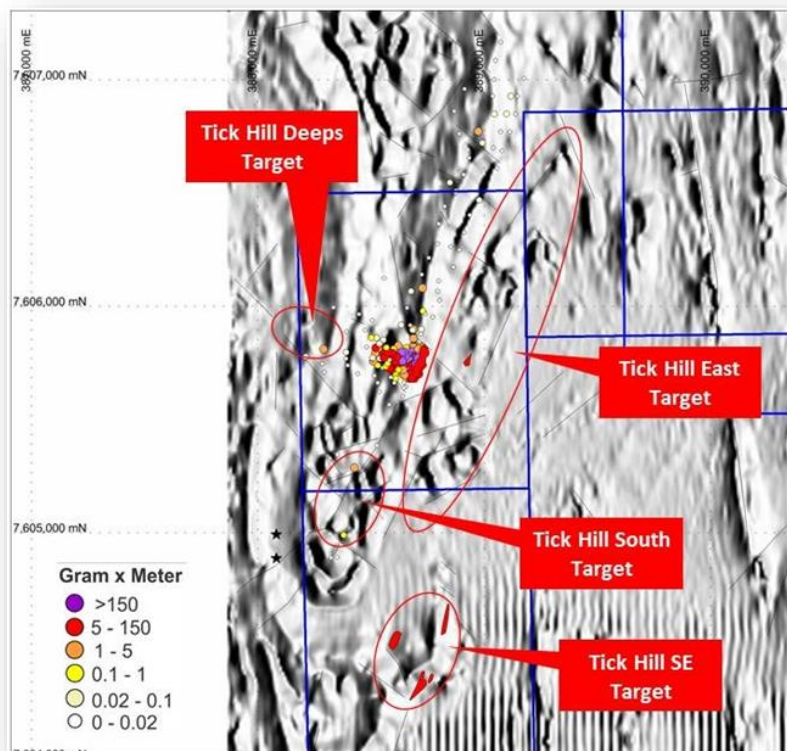


Figure 3 | Tick Hill Near Mine Targets

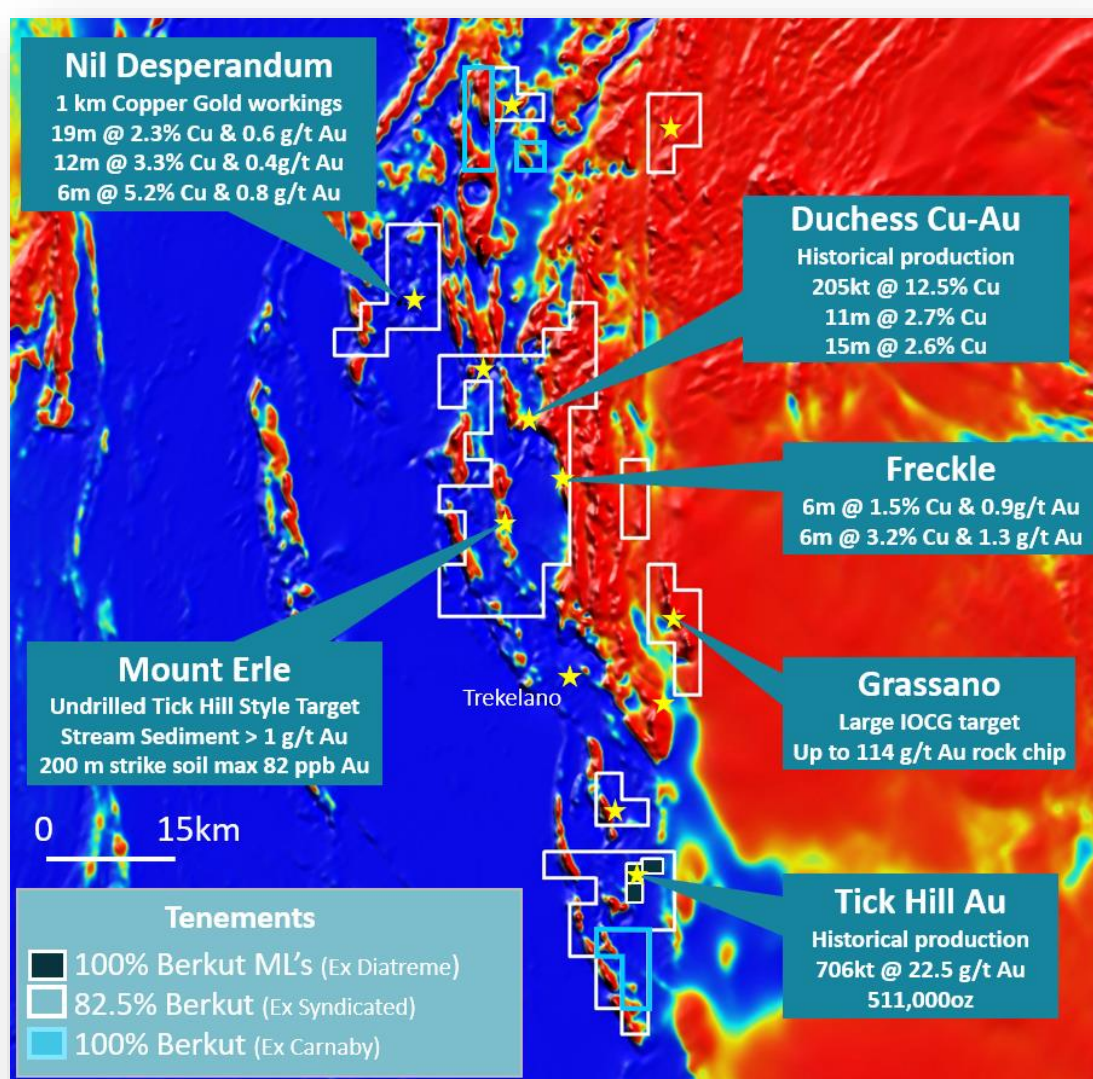


A small JORC (2012) Indicated Mineral Resource Estimate has been defined within the Tick Hill tailings dam of 630,000t @ 1.08g/t gold for 22,000 ounces (refer to Diatreme Resources Ltd's ASX announcement dated 19 January 2016).

Tick Hill Regional (82.5% -100% owned)

The acquisition of the Tick Hill regional exploration tenements covering 319km² (refer Figure 4) allows, for the first time in 20 years, for the consolidation of a previously fragmented and highly prospective land tenure surrounding the historic Tick Hill gold mine. The Tick Hill tenement package will enable a consolidated exploration approach to be taken to the area including detailed structural geology interpretation, modern day low-level detection limit geochemistry and modern geophysical techniques developed over the last 20 years. The Tick Hill deposit style is characterised by a highly discrete gold, copper and cobalt footprint that can easily be missed with wider spaced drilling.

Figure 4 | Queensland Projects

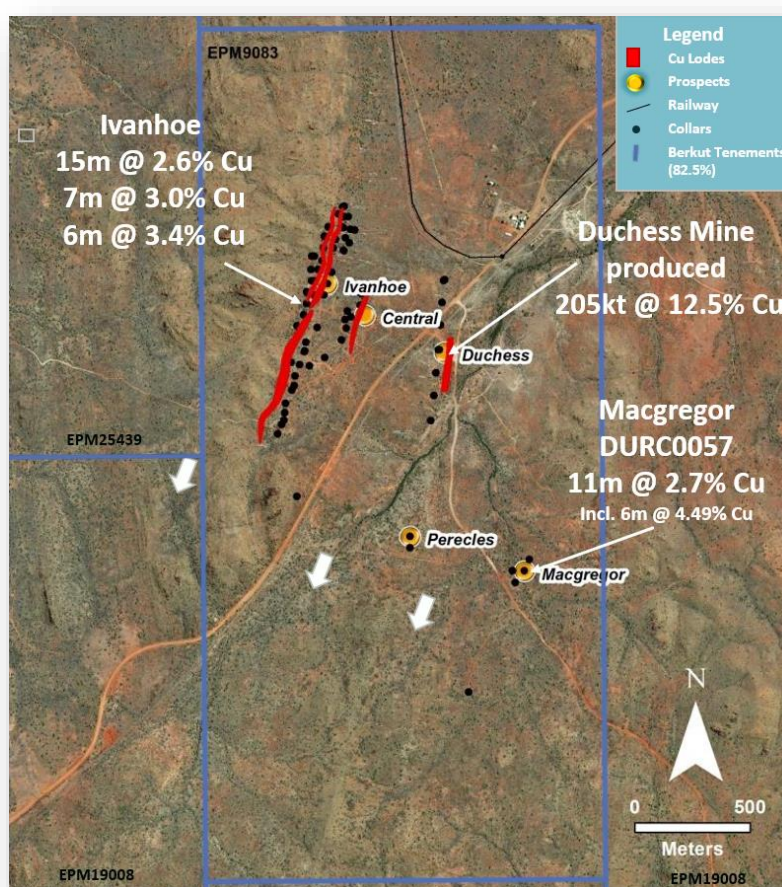


The broader land package includes the historical Duchess copper-gold mine and contains targets for Iron Oxide Copper Gold deposits (IOCG) and epigenetic Tick Hill style gold deposits. Tick Hill is considered to be an epigenetic end member of the IOCG mineralisation that exists throughout the belt.

At Duchess (refer Figure 5), historical production² was approximately 205,000t at 12.5% copper from 1900-1940. Duchess provides the potential to define high-grade, shallow open-pitatable resources adjacent to existing railway infrastructure. Significant drilling intercepts at Duchess include:

- 11m @ 2.7% copper from 86m (hole DURC0057);
- 15m @ 2.6% copper from 27m (hole DURC0048);
- 12m @ 2.0 % copper from 26m (hole DUNQ0051); and
- 7m @ 3.0 % copper from 11m (hole DURC0003).

Figure 5 | Duchess



Several additional targets (refer Figure 4) have been defined over the Mount Isa exploration package including:

- Mt Erle Prospect | extensive undrilled gold-copper anomalism and historical open pits on the west margin of the Duchess granite, characterised by a large stream sediment anomaly with up to 1.1g/t gold
- Grassano Prospect | Large underexplored epigenetic IOCG target with rock chip results up to 114 g/t gold (7623426mN 391518mE) in quartz-carbonate veining and drill results up to 21m @ 0.79% copper and 7m @ 0.6 g/t gold from surface (refer Appendix Two)
- Nil Desperandum Prospect | historical workings over 1km in strike with historical drill intercepts including (refer Appendix Two):
 - 19m @ 2.3% copper and 0.56 g/t gold from 112m (hole NDR017)
 - 6m @ 5.2% copper and 0.84 g/t gold from 21m (hole NDR021)

- 20m @ 2.4% copper and 0.28 g/t gold from 111m, including 12m@ 3.3% copper and 0.38 g/t gold from 111m (hole ND010)
- Freckle Prospect | numerous copper and gold targets supported by a large soil anomaly and untested off hole EM, with significant historical intercepts including (refer Appendix Two):
 - 6m @ 1.5% copper and 0.9g/t gold from 109m (hole FR-1)
 - 6m @ 3.2% copper and 1.33g/t gold from 121m (hole FR-1)
 - 5m @ 2.5% copper from 34m (hole FR-6)
 - 0.63m @ 3.5% copper and 6.9g/t gold from 172.6m (hole FR001D)

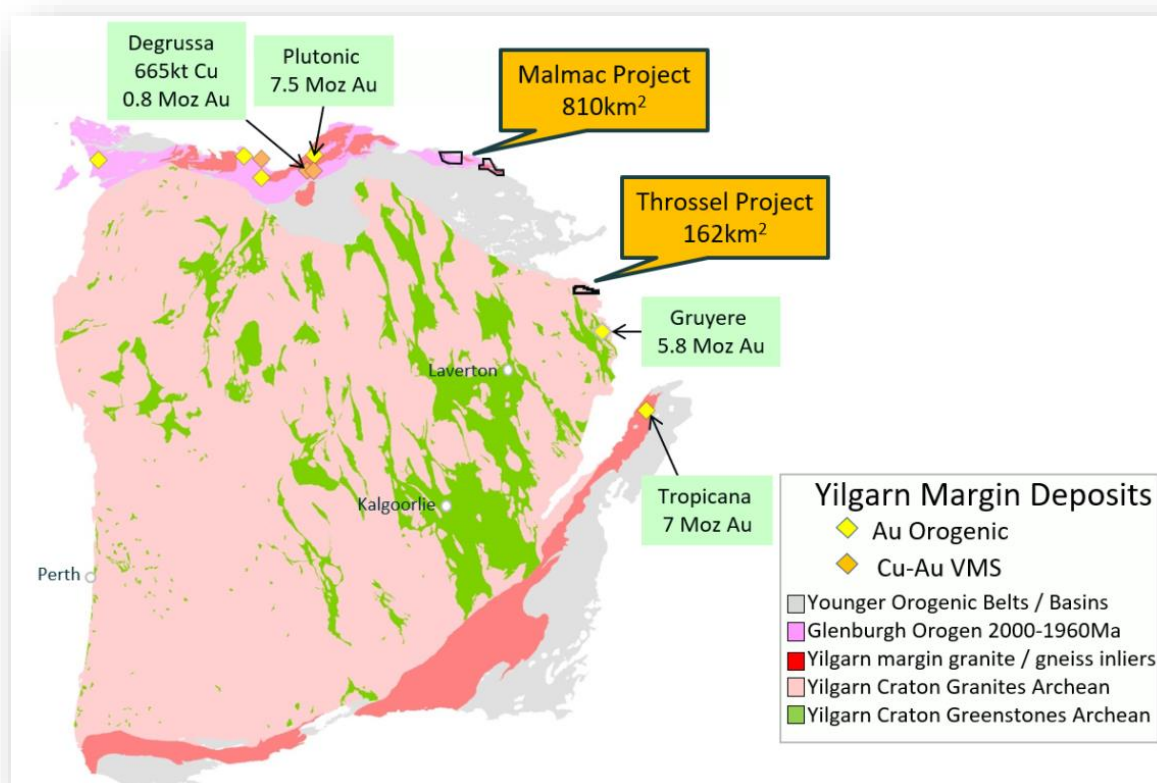
Western Australia Gold Exploration Properties (100% owned)

The transaction sees Berkut acquire 100% interest in 972km² of exploration tenements and applications in Western Australia (refer Figure 6). The package is prospective for orogenic gold, sedimentary exhalative (SEDEX) and volcanogenic massive sulphide (VHMS) base metals deposits, and nickel and platinum group elements (PGE's). The tenements comprise of the Malmac Project and Throssel Project.

The Malmac Project covers 810km² within the northern Yilgarn margin mobile belt. The tenements are focussed on the Imbin rift associated with the highly mineralised Glenburgh Orogen with host rocks similar in age and geology to the Karalundi Formation that host Sandfire's Degruusa deposit.

The Throssel Project application covers 162km² located 70km north of the 6.2Moz Gruyere Gold Deposit being developed by the Gold Road Resources and Goldfields Ltd. The project area covers a potential 20km strike of unexplored greenstone belt under shallow cover.

Figure 6 | Malmac and Throssel Prospects



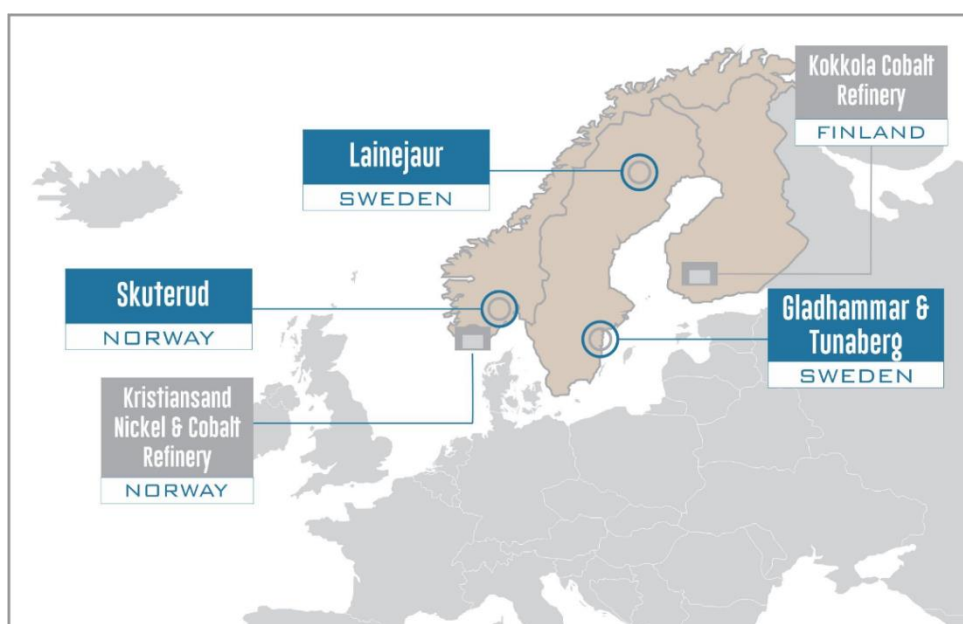
Scandinavian Nickel & Cobalt Projects

Berkut holds the rights to 100% of the following four cobalt prospective projects in Norway and Sweden (refer Figure 7).

- 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 97.2km² in Sweden and 83.4km² in Norway.

Figure 7 | Scandinavian Project Locations



Board and Management Changes

Mr Peter Bowler has been appointed as Non-Executive Chairman and Mr Rob Watkins appointed as Managing Director, to lead the strategic growth of the Company. Mr Bowler was previously the founding the Managing Director of Beadell Resource Ltd from 2007 to 2015 and, prior to that, founding Managing Director of Agincourt Resources Ltd from 2003 to 2007. Under his leadership those companies grew to a peak market capitalisation of approximately A\$800M and A\$500M respectively. Mr Watkins is a geologist with over 20 years exploration experience and a proven track record of exploration success. He was previously a founding Executive Director of Beadell Resources Ltd and Exploration Manager of Agincourt Resources Ltd.

The new management team have made a \$0.5M investment into the Company through participation in the \$1.6M Placement.

Current Managing Director, Mr Neil Inwood remain as a Non-Executive Director. The current Chairman Mr Justin Tremain remains as a Non-Executive Director and Mr Paul Payne remains as a Non-Executive Director.

To reflect the new direction of the Company will be renamed to 'Carnaby Resources Limited'.

Corporate

At 31 March 2019 Berkut held \$3.1 million in cash. Refer to the following Appendix 5B for movements in cash for the March Quarter. Subsequent to the quarters end and additional \$1.6 million was successfully raised at completion of the Tick Hill acquisition.

Competent Persons Statement

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

Notes regarding reporting of Exploration Results in this announcement

For full details of exploration results refer to ASX announcements on 12 March 2019. Berkut 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. The Company confirms that the information in the announcement relating to exploration results is based upon, and fairly represents the information and supporting documentation prepared by the named Competent Persons.

Appendix 1 | Berkut Minerals Limited Tenements

BERKUT'S AUSTRALIAN PROJECTS

Tenement	Location	Structure
Berkut Minerals Ltd		
Tick Hill Gold and Copper Project		
ML7094	Queensland	100%
ML7096	Queensland	100%
ML7097	Queensland	100%
EPM9083	Queensland	82.5%
EPM11013	Queensland	82.5%
EPM14366	Queensland	82.5%
EPM14369	Queensland	82.5%
EPM17637	Queensland	82.5%
EPM18223	Queensland	82.5%
EPM18990	Queensland	82.5%
EPM19008	Queensland	82.5%
EPM25435	Queensland	82.5%
EPM25439	Queensland	82.5%
EPM25853	Queensland	82.5%
EPM25972	Queensland	82.5%
EPM26651	Queensland	100%
EPM27101	Queensland	100%
Malmac Gold and Base Metals		
E69/3509	Western Australia	100%
E69/3510	Western Australia	100%
E69/3702	Western Australia	100%
Throssel Gold		

E38/3289	Western Australia	100%
Mt Clement Gold Project		
E08/2848	Western Australia	100%

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 1,2,4,5, 8	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	Sweden	100%
Lainejaur nr 20	Sweden	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

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 (to be renamed CARNABY RESOURCES LIMITED)

ABN

62 610 855 064

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(31)	(115)
(b) development	-	-
(c) production	-	-
(d) staff costs	(59)	(258)
(e) administration and corporate costs	(122)	(324)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	57
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	5	(2)
1.9 Net cash from / (used in) operating activities	(190)	(642)
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 (9 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	3,273	3,725
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(190)	(642)
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	-	-
4.6	Cash and cash equivalents at end of period	3,083	3,083

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	83	273
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)	3,083	3,273

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	65
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 - A\$65k

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

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	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	450
9.2 Development	-
9.3 Production	-
9.4 Staff costs	50
9.5 Administration and corporate costs	100
9.6 Other – capital raising costs	60
9.7 Total estimated cash outflows	660

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:

(Company Secretary)

Date: 30 April 2019

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.