Multiple Wide Shallow Cobalt Zones Intersected in Drilling

ASX Announcement
8 January 2018

Highlights

- **Maiden 7-hole drill program at the 100% owned Skuterud Cobalt Project located in southern Norway confirms significant cobalt mineralisation presenting near surface within broad cobalt/copper haloes.**
- **Intercepts include:**
  - **2m @ 0.12% Co and 0.11% Cu** (from 75m in MDV003) – **within a 4m wide anomalous cobalt/copper zone** (0.07% Co and 0.08% Cu from 74m)
  - **1m @ 0.16% Co and 1.5m @ 0.10% Co and 0.47% Cu** (from 56m and 52.8 m respectively in MDV006) - **within a 6.4m anomalous cobalt/copper zone** (0.06% Co and 0.18% Cu from 51m)
  - **1.5m @ 0.09% Co and 0.5m @ 0.15% Co and 0.46% Cu** (from 49.5m and 42m respectively in MDV002) **– within a 18m long anomalous cobalt zone in MDV002** (0.04% Co from 35m)
  - **0.8m @ 0.12% Co and 0.20% Cu** (from 52.29m in MDV005) **within a 29m long anomalous copper zone** (0.14% Cu from 24m)
- **Up to 30m wide copper haloes confirmed as targeting vector for cobalt mineralisation** (e.g. 30m @ 0.15% Cu from 12m in MDV003).
- **Every hole sampled has intersected zones of cobalt mineralisation**
- **Numerous intervals have terminated in mineralisation. Further core to be sampled in Q1 – only 25% of 1,192m Middagshville drilling currently sampled** (sampling intervals initially based upon visual assessment)
- **Significant mineralisation in first ever drilling in the region provides focus and vectors for targeting potential high-grade zones**
  - **Only 160m (or 3%) of 6.3km trend extent tested in Middagshville drilling**

Berkut Minerals Limited (ASX: BMT) ("Berkut" or the "Company") is pleased to advise that assay results have been received and processed from the maiden diamond drill program at the 100% owned Skuterud Cobalt Project in Norway (Refer Figure 1).

Berkut's Managing Director, Neil Inwood commented:

"This first drilling at Skuterud has confirmed that cobalt mineralisation is present within a broad sulphide halo system that is up to 30m wide, supporting the potential to host a system with substantial scale. The results from this program will feed into additional ground work on the three Skuterud project regions in 2018 with an aim to identifying high-grade mineralisation. The company has a firm focus for 2018 and is well funded for the 2018 field season"

Fast Facts
Shares on Issue 54.3M
Tradeable Shares 40.4M
Market Cap (@ 23 cents) $12.5M
Cash (30 September 2017) $5.3M

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

Ben Cairns, General Mgr Geology
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
- Well-funded | Strong cash position

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

This first phase drill program (Refer Figures 1, 2 and 3) targeted depth and strike extensions of known cobalt workings and previously untested geological units that had been identified through recent field mapping and ground magnetic surveys.

Cobalt and copper mineralisation was observed in all of the holes sampled at Middagshville with a pattern emerging of broad copper/cobalt haloes (e.g. 30m @ 0.15% Cu from 12m in MDV003 and 18m @ 0.04% Co from 35m in MDV002) hosting multiple higher-grade cobalt zones consistent with observations from the nearby Skuterud underground workings. These broad cobalt/copper haloes will be used as targeting vectors to potential higher-grade zones within the 6.3km long Skuterud trend.

Based upon the received laboratory results, additional sampling will also be undertaken on un-sampled core intervals, where multiple intersections of anomalous cobalt/copper mineralisation have not been completely terminated by sampling. Only approximately 22% of the 1,325m of drilling was sampled in the November 2017 field season, with poor winter light conditions affecting visual field assessment of sampling intervals.

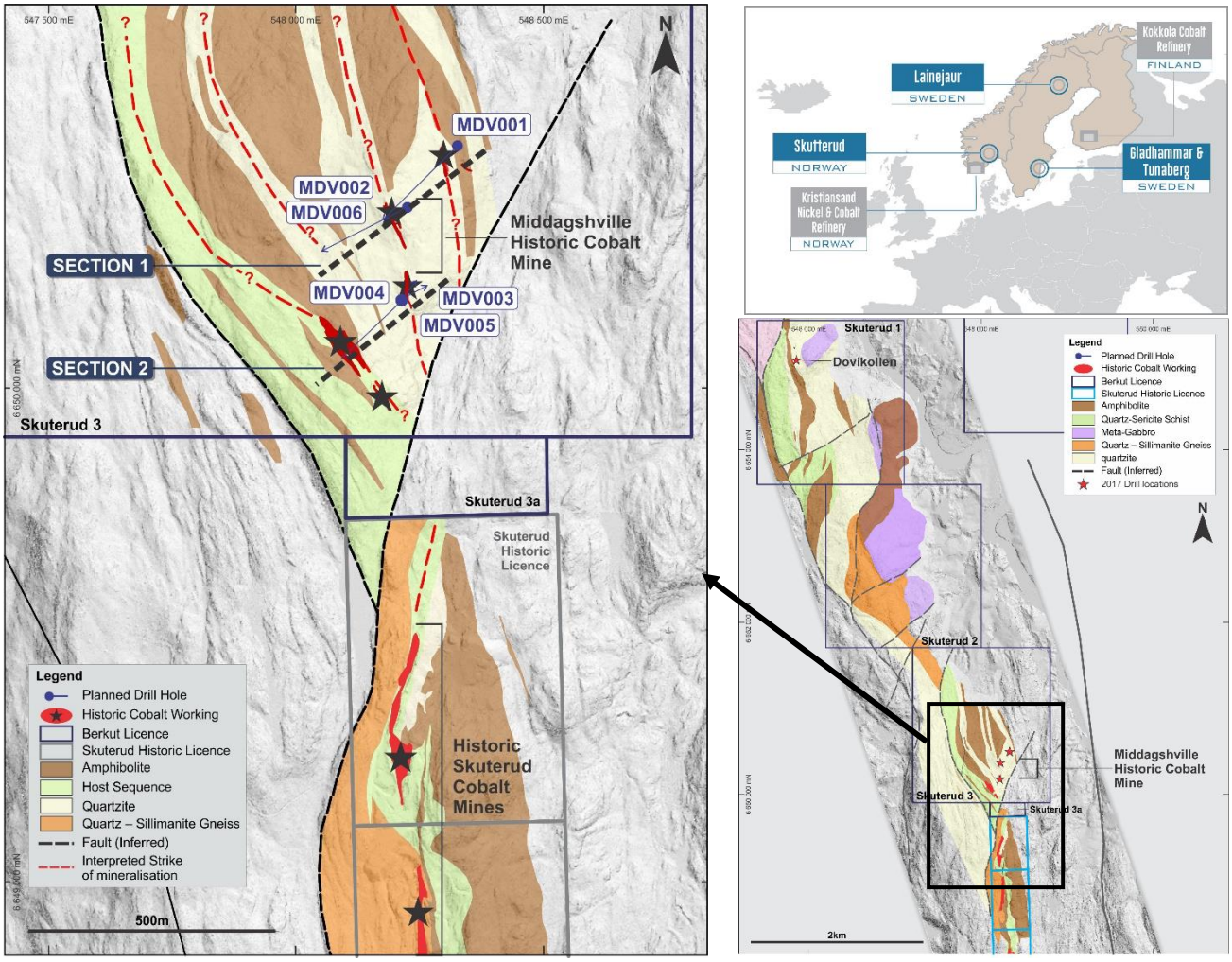

Figure 1 | Project and Drilling Locations

Middagshville Cobalt Mine Drilling

The Middagshville region has spoil grab samples up to 0.8% Co and 0.5% Cu[1] (associated with disseminated sulphides in quartz-mica schist) and hosts three interpreted repeats of the mine-sequence host lithologies (quartzites and mica-schists

The November 2017 phase one drilling of six diamond holes for 1,192m at Middagshville has identified sulphide mineralisation typically occurring as 1 to 5% disseminated mixed sulphides and locally as concentrations up to 20% over a metre (Refer Figure 4). The sulphide mineralogy consists mainly of pyrrhotite/pyrite, chalcopyrite, disseminated cobalt sulphides (cobaltite and linnaeite), and skutterudite with occasional occurrences of cobalt-rich stringers zones (<10mm).

The presence of wide copper/cobalt anomalous haloes up to 35m wide (true thickness), with repetitions over a 65m width (refer Figure 3) demonstrate that a broad alteration system can be targeted.

This is the first known drilling to test the highly prospective 6.3km strike trend north of the historic Skuterud Cobalt Mine. This initial drilling has tested less than 3% of the prospective strike trend.

Results from this first phase of drilling will feed into subsequent phases of exploration in 2018 with follow up surface sampling, downhole and surface geophysics, and drilling envisaged based upon a stepwise interpretation of results. Drill locations and significant results are shown below in Table 1.

Table 1: Skuterud Cobalt project – Anomalous Intersections
(above a nominal 0.02% Co cut-off) Coordinates in (ETRS89 Z32)

Hole	East	North	RL	Depth	Dip	Az	From (m)	Length (m)	Co %	Cu %
MDV001	548330	6650497	288	301.1	-45	240	76	2	0.04	0.07
							150	6	0.02	0.08
							161.6	2	0.03	0.09
							176	4.6	0.04	0.12
MDV002	548226	6650369	342	291	-45	240	18.9	2.1	0.04	0.09
							35	17.6	0.04	0.15
						including	***35***	***3.7***	***0.06***	***0.11***
						and	***42***	***0.5***	***0.10***	***0.46***
						and	***49.5***	***1.5***	***0.09***	***0.02***
MDV003	548214	6650180	354	119.5	-60	60	19	7	0.02	0.20
							28	3	0.02	0.14
							67	2	0.04	0.10
							74	**3**	**0.09**	**0.08**
						including	***75***	***2***	***0.12***	***0.11***
MDV004	548207	6650183	354	248.5	-45	225	68	1.9	0.02	0.03
MDV005	548214	6650185	354	100.2	-60	40	51	2.11	0.06	0.17
						including	***52.29***	***0.8***	*0.12*	*0.20*
							72	1.5	0.04	0.03
							89	9	0.02	0.10
MDV006	548226	6650370	342	131.5	-70	240	51.57	6.43	0.06	0.18
						including	***52.8***	***1.5***	***0.10***	***0.47***
						and	***56***	***1***	***0.16***	***0.01***
							93	1.5	0.03	0.02
DVK001	545829	6655040	102	102.07	-60	195	Not Sampled Yet			

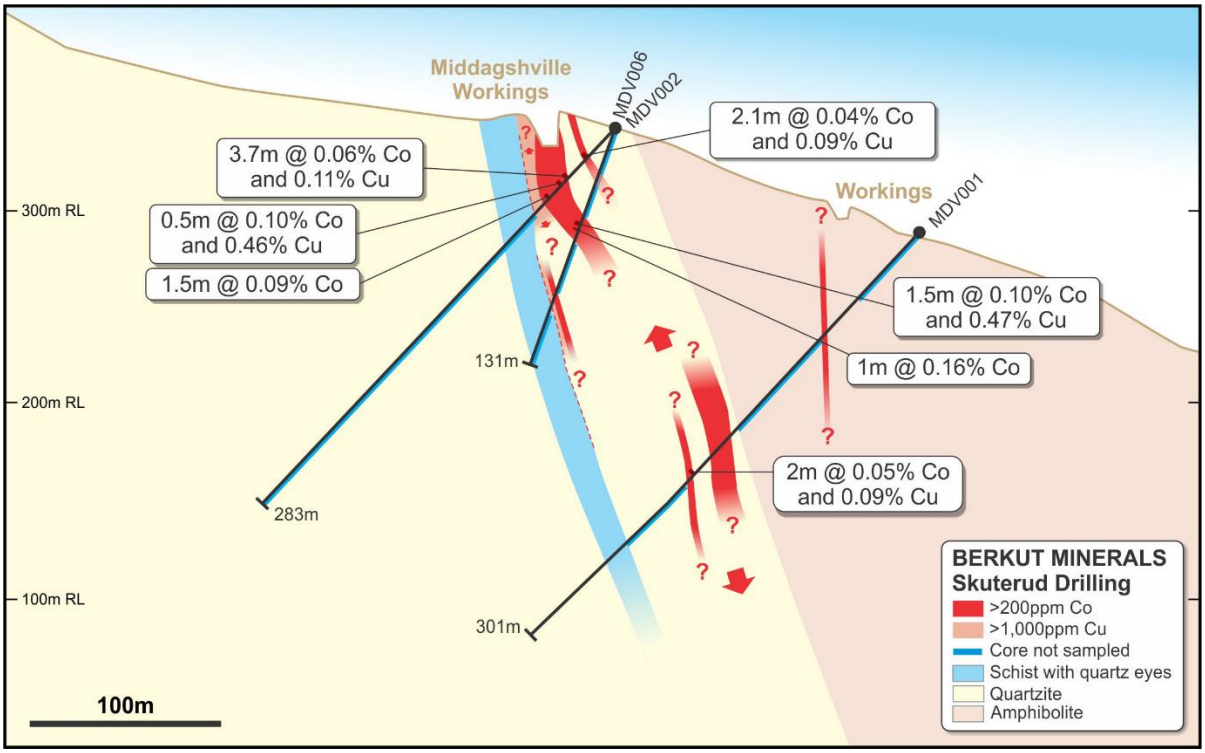

Figure 2 | Middagshville Section 1: Showing +1,000ppm Copper (Cu) halo and + 200ppm Cobalt (Co) haloes. Unsampled drill core (blue) will be re-assessed in Q1 2018.

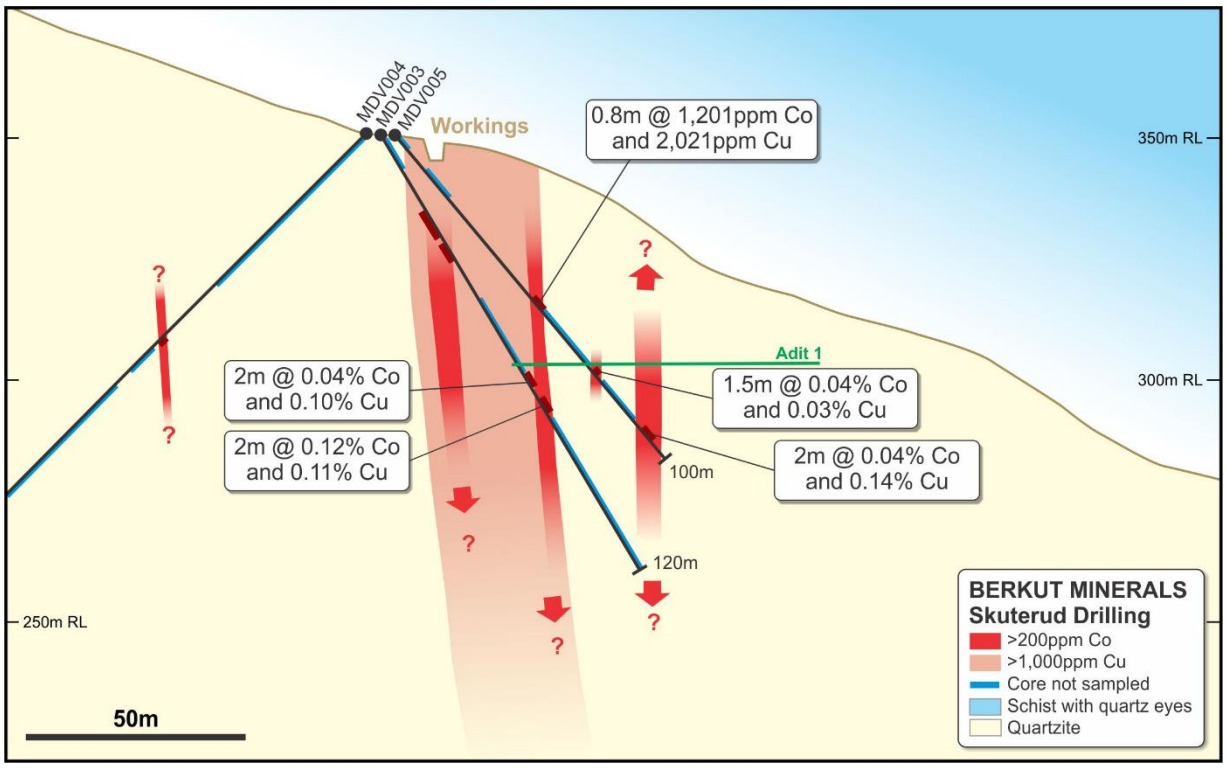

Figure 3 | Middagshville Section 2: Showing +1,000ppm Copper (Cu) halo and + 200ppm Cobalt (Co) haloes. Unsampled drill core (blue) will be re-assessed in Q1 2018.

A single hole (DVK001 - 102m) was also drilled to test the historical Dovikollen Cobalt Mine which is in the northern Skuterud licence region. No assays have been received from this hole as yet as the drill core will be sampled in Q1 2018 and sent for analysis.

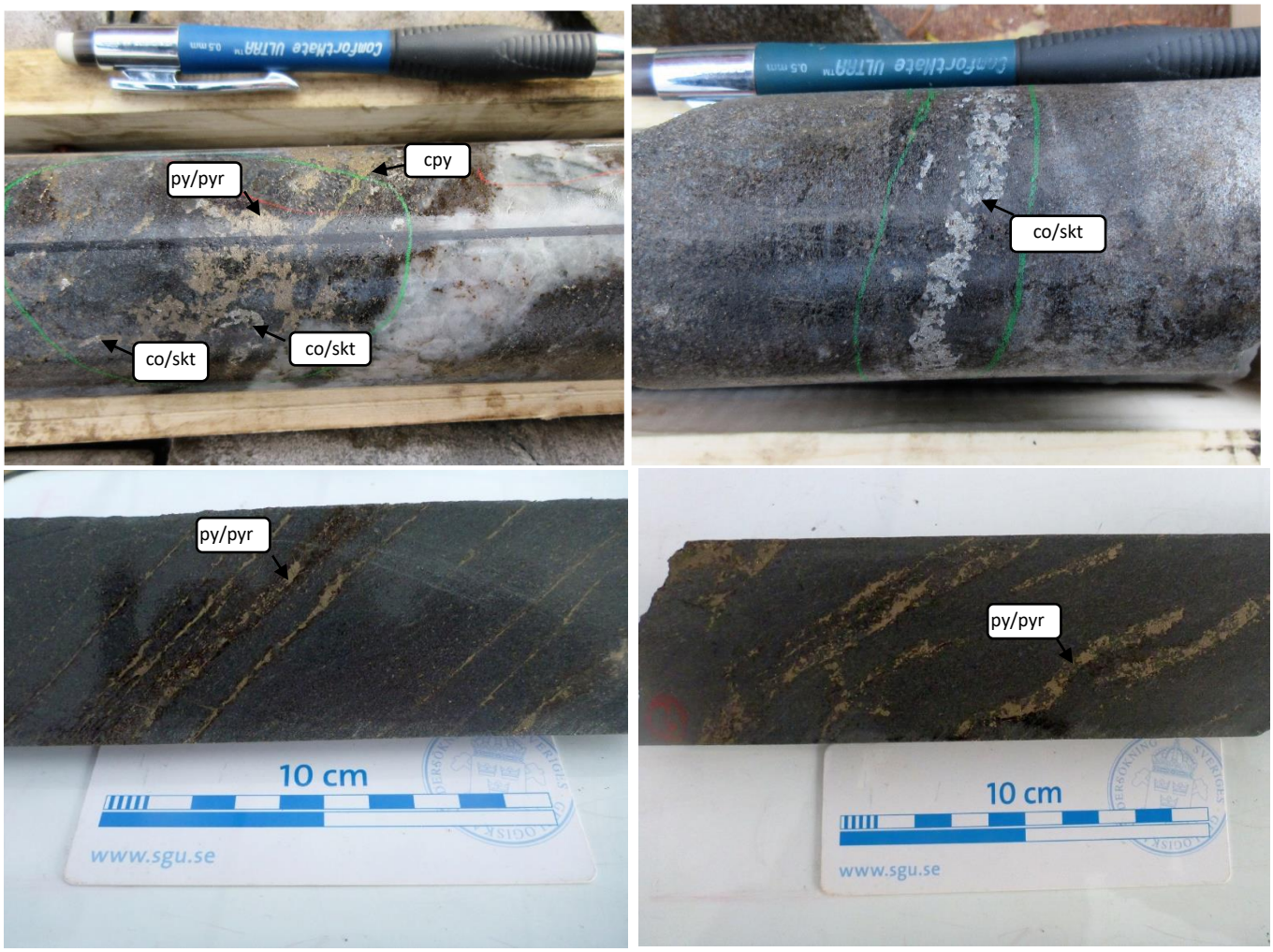

Figure 4 | Showing styles of cobalt related sulphide mineralisation identified in core (MDV002 – top; MDV006 - bottom). (co/skt – cobaltite/skutterudite; cpy = chalcopyrite; py/pyr = pyrite/pyrrhotite)

Next Stages

The next phases of exploration at Skuterud will focus on expanding the footprint of prospective mineralised units within the licence areas. Efforts in the Middagshville region will focus on defining a potential high-grade core or plunge position. The next phase of field work (timing dependent on weather constraints – expected by Q2 2018) will consist of soil geochemistry and additional detailed mapping to assist with geological and structural interpretations. Suitable geophysical methods will also be undertaken, in consultation with our geophysical consultants. It is envisaged that surface IP surveys and a combination of downhole EM, resistivity and magnetics can be effective in providing geophysical vectors to focus future drilling programs. Infill and extension sampling of the 2017 phase one drilling will also be conducted early in the year. This work will lead into drill targeting for an envisaged Phase 2 program later in the year.

Further mapping in the central licence area is required to better define the known mineralisation around the historic Djupedal workings and to identify further geological targets.

Mapping completed in the northern licence around the Dovikollen Prospect indicates a degree of structural complexity and a higher metamorphic grade than at the southern prospects. The single hole drilled at the Dovikollen Prospect will be sampled and sent for analysis which will provide significant geological information to better understand the prospect within the regional context.

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 2017 and 23 October. 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. • Hand samples collected as composites based on consistent mineralogy • Diamond core was cut in half using a diamond saw. Left hand side of cut core submitted for analysis. Intervals ranged typically from 0.4 to 2.0m
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).	• 2017 drilling was by diamond core with a nominal NQ diameter. The core was orientated using the DeviCore orientation system. and downhole surveys were completed using a DeviFlex survey tool
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.	• For the 2017 program, drill recovery was consistently high with close to 100% recovery recorded for all holes. • Drill run length and recovered lengths are recorded at core retrieval and checked during the core orientation process.
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.	• All core was logged geologically and with the exception of MDV001 has been photographed. • With the exception of hole MDV001 all core has been geotechnically logged. • Representative density samples were taken from half core (water immersion method).
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 the faces of the historical workings were not accessible, selected hand samples of nearby spoil material were selected to highlight mineralisation styles in the area. • Core was cut in half using a 14" diamond saw. • Sample intervals ranged from 0.4 to 2..0m. • Standards were inserted at approximately 1:20 ratio. • No field duplicates have been taken at this stage. • The sampling protocol is considered appropriate for the style of mineralisation.

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.	• The Niton XL3t hand held XRF was used to obtain field samples and was tested against calibration standards for cobalt and copper, iron and nickel prior to the commencement of field work. These calibrations indicated that cobalt readings often exhibited a step change, but that high-grade readings (>0.1% Co) were reproducible. Copper, nickel and iron readings performed closely to the calibration standards. It is noted that further matrix matched cobalt calibration may be required for the deposits in question. The XL3t was used to aid in the identification of cobalt bearing intervals to guide sampling and field results have not been reported • Approximately 60 second readings were taken with 20s per filter pass. • Drill core was assayed by MS Analytical. Preparation was undertaken at their facility in Storuman in Sweden. • Pulp samples were then sent to the MS Analytical facility in Vancouver Canada. Samples were digested using an industry standard mixed four acid digest with an ICP-MS finish. Gold is determined via fire assay
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.	• There has been no twinning of drill holes or umpire assays yet include in the current drill program. • Pulverised and homogenised reference samples have been included in the routine sampling at the rate of approximately 1:20. • No duplicate or blank samples have included. • Selected samples have been assayed using an aqua regia digest with ICP-MS finish for comparison.
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. • Collar location 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.	• Spoil samples were taken from the base of historical workings. They indicate the style of mineralisation present but are not indicative of mineralisation thickness or continuity. • Drill spacing is broad at a nominal 50 to 300m spacing.
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.	• Drill spacing is broad at a nominal 50 to 300m spacing based upon access limitations and is appropriate for a proof of concept, first pass program.
Sample security	• The measures taken to ensure sample security.	• Diamond samples were stored on site in a shed then transported by DB Schenker courier to the MS Analytical facility in Storuman Sweden.
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 have been completed in the current program, all relevant location and survey data has been included in the report. There has been no historic drilling undertaken in the project area.

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.	• Length weighted averages have been used in reporting of results. • A nominal grade of 0.02% Co over 1m has been used to report anomalous intersections; with anomalous intercepts over approximately 0.05% Co over 1m also used.
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').	• Drill holes were sited to be approximately parallel to the mapped stratigraphy. • The dip of target horizons is inferred from historic workings to be sub-vertical, however the exact orientation of mineralisation is not well understood. • Holes were angled to maximise drill coverage and to target down dip projections of mineralisation.
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 and anomalous intersects are included in Table 1

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 plans to continue exploration activity at Skuterud. Phase 2 programs will include surface geochemical sampling grids and geophysical surveying. • The company is in early stages of assessment of the project and is not in a position to provide detailed diagrams showing potential extensions at this time