#GR390 - Combined Annual Technical Report Wollogorang Project April 2017

Titleholder	Mangrove Resources Pty Ltd
Operator	Northern Cobalt Ltd
Tenement Agent	Complete Tenement Management
Title	EL 31272, EL30496 and EL30590
Project	Wollogorang
Report Title	#GR390 - Combined Annual Technical Report Wollogorang Project April 2017. ***Note: EL30458 & EL30495 have been amalgamated to EL31272 (9/4/16)***
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Date of Report	April 2017
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100k Mapsheets	Robinson 6365, Calvert River 6465, Pungalina 6364, Selby 6464
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Summary

This first Combined Annual Technical Report for Wollogorang Project covers work carried out during the twelve-month period prior to 9th April 2017.

Exploration activities during the period have involved:

- Collecting, collating, extensive digitising and compiling all previous historic data of all available open file reports and data.
- Historical data review
- Interpretation of previous geophysics data
- Conceptual targeting
- Planning and logistics for 4 month of field program August-September 2017
- Northern Cobalt Ltd acquired an option over the three tenements during the reporting period and is currently in the process of undertaking due diligence prior on the project.

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INTRODUCTION

This report outlines the work conducted within the exploration The Wollogorang Project ("TWP") during 2016-16 by Coolabah Group Pty Ltd ("CG") and Northern Cobalt Ltd. During the reporting period Northern Cobalt Ltd took an option over the three tenements ion the Wollogorang Project with a view to undertaking an Initial Public Offering in mid-2017. TWP is in the north-eastern corner of the NT and adjacent to the Queensland border on the Robinson River 1:250,000 map sheet (Figure 1). Tennant Creek lies around 500km to the southwest and Mount Isa lies 500 km to the southeast. Access was achieved with two 4WD vehicles via Alice Springs commencing in Adelaide and took ~4.5 days each way. Alternative methods of egress are possible albeit all are time consuming. Other smaller service centres are Borroloola and Burketown, 150 km to the west and east respectively. Access is via all-weather gravel roads and station tracks. Beyond this, access within the tenements is via cross-country 4WD vehicle. The area is seasonally inaccessible due to rain and wet ground, with work possible between May and November in most years.

The Gulf region (bioregion) is characterised by gently undulating coastal plains along the southern Gulf of Carpentaria with scattered rugged areas of Proterozoic sandstones. Soils are predominantly sandy red earths and shallow gravelly sands. The climate is tropical with annual rainfall between 800 and 1200mm falling mostly between December and March; cyclones are a frequent phenomenon. Eucalyptus woodlands with grassy understory dominates the region with significant areas of tidal flats mangroves and littoral grassland. The field season generally runs from May/June to October in order to avoid monsoonal activity. The area encompassing The Wollogorang Project is locally quite swampy all-year-round, and herds of buffalo and feral cattle are common. Access is somewhat difficult, especially when crossing creeks. It is wise to leave exploration until later in the year if possible. Vegetation ranges from open to closely spaced heavy trees, so careful planning using GoogleEarth imagery is advised.

EL30496 lies largely within Pastoral Lease 774, Pungalina (Figure 1), which is owned and managed by the Australian Wildlife Conservancy ("AWC").

The other tenements EL30458, and EL31272 are within the operating Wollogorang Cattle Station and access is readily achieved.

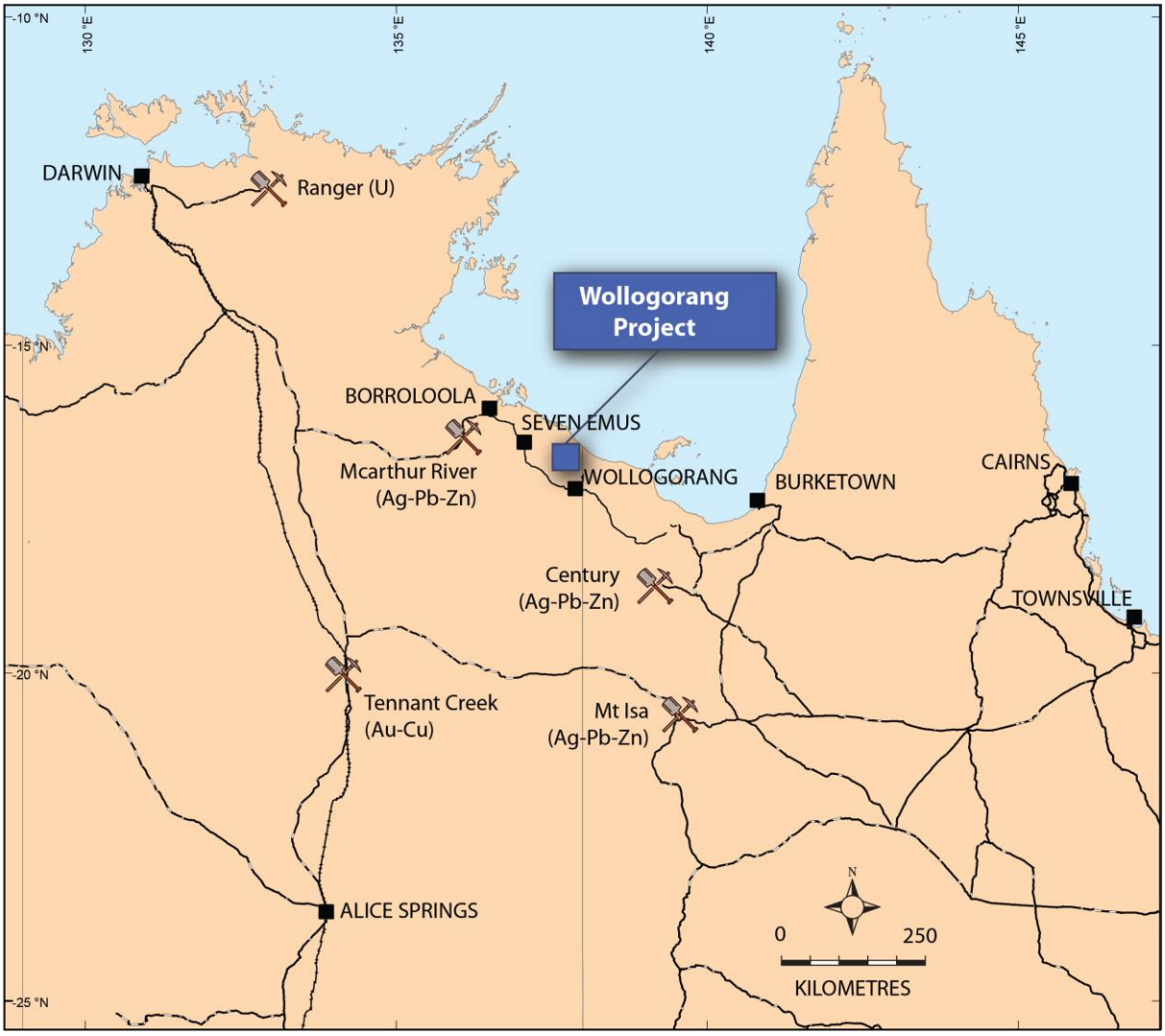

Figure 1 Location Map

TENEMENT

The tenements cover 1,131 km² of pastoral land and are held 100% by Mangrove Resources Pty Ltd. #GR390

Wollogorang Project #GR390					10/04/17
Tenement	**Name**	**Area km²**	**Blocks**	**Grant**	**Duration**
EL30496	Karns	368.45	112	28/05/15	6 years
EL30590	Selby	351.82	107	28/05/15	6 years
EL31272	Running Creek	411.17	125	10/04/15	6 years

Figure 2 Tenement Schedule

GEOLOGICAL SETTING

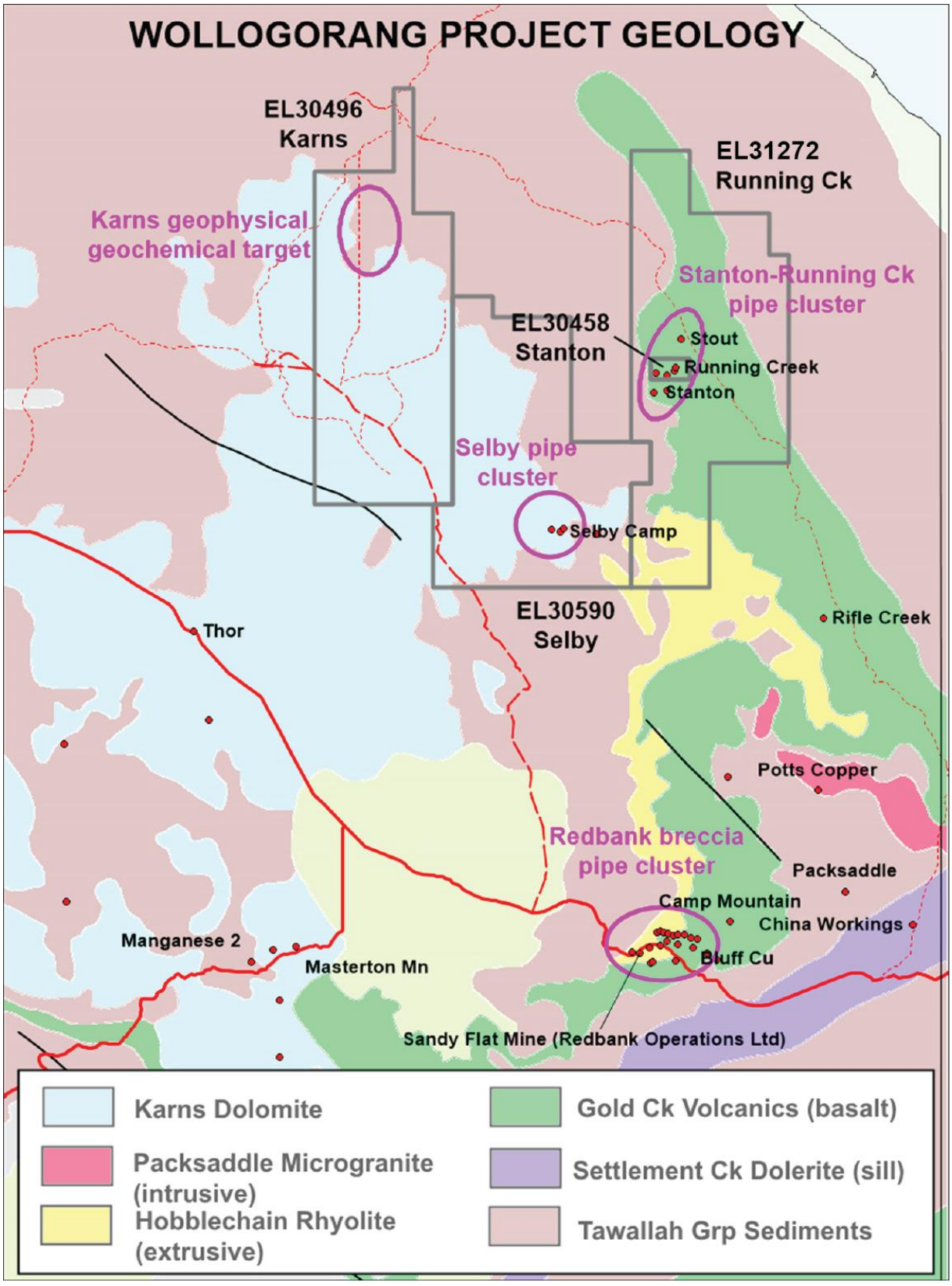

Figure 3 Project location, geology, prospects and targets over regional geology.

Geological and geophysical setting

The Wollogorang Project occurs on the "Wearyan Shelf" of the Proterozoic McArthur Basin, a 12km thick unmetamorphosed sedimentary succession containing dolostone, sandstone and shale units with minor felsic and mafic volcanics. The McArthur Basin unconformably overlies various Palaeoproterozoic terrains, such as the Pine Creek Orogen, and as outlined above, is highly endowed with world-class mineral deposits and is now the subject of exploration for hydrocarbons. The main geological units of interest in the project area are the Wollogorang Formation (carbonaceous shales and dolomite) and Gold Creek Volcanics (interlayered basalt lavas and sediments). In the west, these formations are overlain by the flat-lying 250m-thick Pungalina Member-Echo Sandstone couplet and, in turn, by the Karns Dolomite. The basal Karns sandstone is locally very phosphatic, especially at the Selby prospects (Figure 3), where it is comprised of up to 24% P_2O_5. Soil and sand cover is widespread but very thin (<20 m). Proximal to the project, there are a number of important prospects and a mine - Redbank Copper Mine (Figure 3):

- Stanton-Running Creek Co-Cu-Ni prospects lie within EL31272. CRAE identified about 10 individual breccia pipes in this "cluster", up to 100m diameter, but not all are substantially mineralised. The resource at Stanton was deemed by CRAE too small to support a development, but other prospects have only been followed up in a limited way. Roughly 300 drill holes, including core, were drilled by CRAE in the 1990s, ~22,000m of drilling. Some of the Cu prospects show signs of artisanal working.
- Redbank Copper Mine, 20 km to the south of project. A number of separate pits have been mined over the last 30 years, under various ownerships, although there is evidence of artisanal workings for as long as 80 years. The main pit, Sandy Flat, is now in care and maintenance, but the operator (Redbank Operations Ltd) is still exploring. There are over 20 recorded Cu-mineralised breccia pipes up to 100m diameter that occur in the "cluster", the main ones shown.
- Selby P-U-REE prospects, on Coolabah Group's EL30590. Grades at these prospects reach 34% P_2O_5, 1120 ppm U_3O_8, 0.81% Cu and 1460 ppm Total REE, hosted largely within coarse phosphatic sandstone (Figure 4). Drilling has also identified anomalous Cu, Co, Pb, Zn, Ba, Ag and U in the underlying Tawallah sandstones, below the phosphatic horizon.
- The Karns Dolomite also hosts a number of base metals occurrences in the area, including the 'Mississippi Valley style' Thor prospect (Zn-Pb-Ag).
- Manganese occurs in high-grade pods in the area, usually within the Karns Dolomite, but none have been shown to be of sufficient size to warrant major drill programs.

Figure 4 Outcrop habit of U-bearing phosphatic lithologies at the Selby prospects

The basal Karns Sandstone extends over a large area of the project area, where it has a distinctive radiometric signature, the results of uranium present in the phosphatic lattice. This radiometric signature intensifies in several areas – the Selby Prospect and the Karns Target area (Figure 3; Figure 6). In the latter, the sandstone is fine grained and weakly phosphatic compared to Selby, but is notable for scattered copper secondaries along fracture surfaces and disseminated within the selvages of fractures (Figure 5). This feature appears to be at odds with the bland nature of the host rock.

Figure 5 LEFT: Typical outcrop of basal Karns sandstone in EL27429, where scintillometer readings are uniformly 10 times background. RIGHT: The secondary copper mineral malachite on a fracture surface in sandstone.

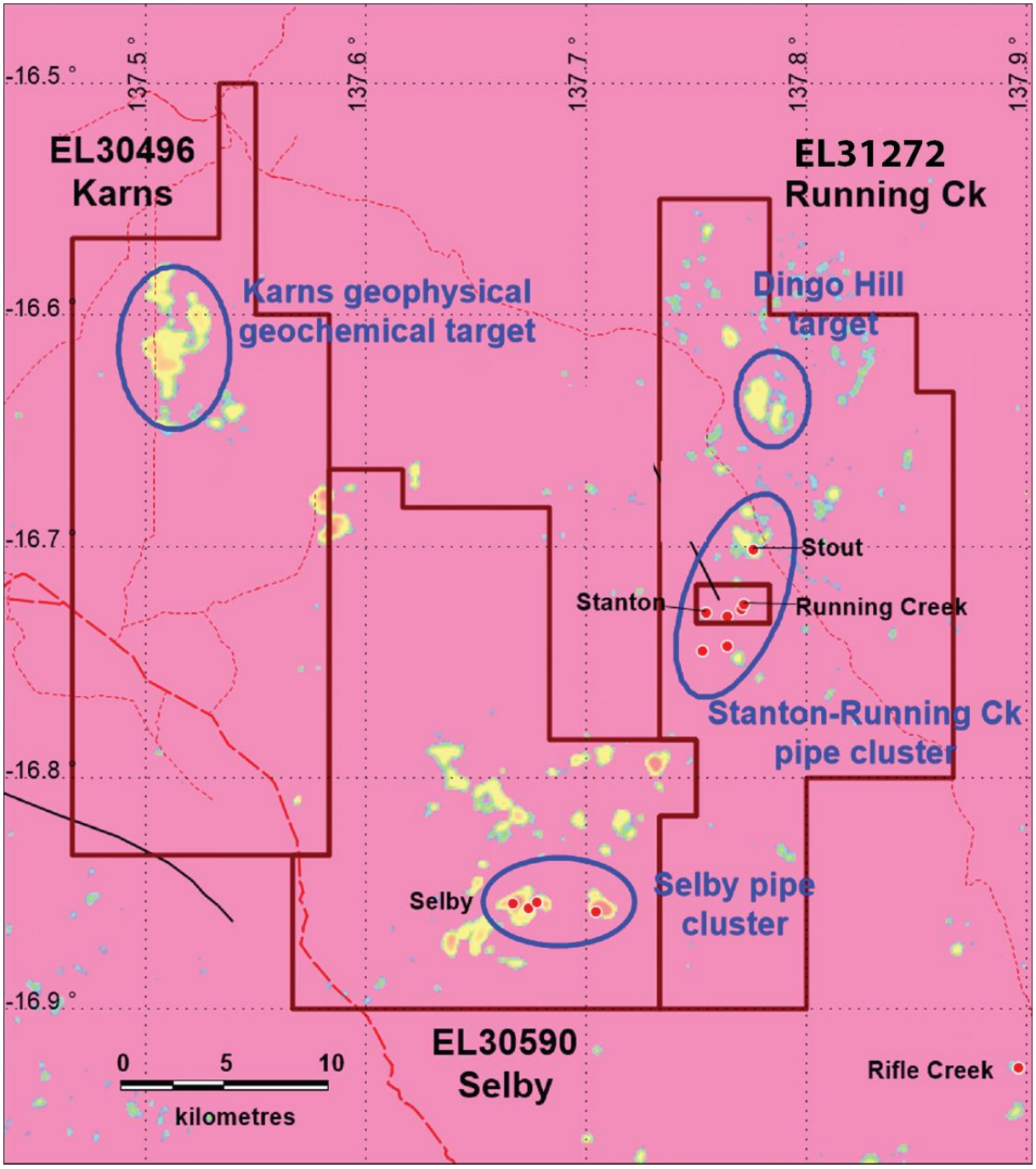

Figure 6 Wollogorang Project U²/Th radiometric image showing current target areas (blue polys) and published prospects (red dots). Access is shown in red.

DEPOSIT MODEL

Likely targets styles at the Wollogorang Project and include the following:

- The breccia pipes at Stanton-Running Creek could, without great risk, generate a modest global resource, through simple close-spaced drilling over existing prospects. Conventional exploration methods following up the many other anomalies/targets identified near to these

prospects has the potential to significantly add to the resource inventory in the medium term.

- The Kupferschiefer and SEDEX models as applied to the Wollogorang Formation have been partially tested by previous explorers, including the majors, and have fallen short of success. To advance these concepts further, requires a broad AEM survey to define conductivity variations, along with the verification and drill testing of existing BHP conductors. The application of geochemical alteration indices for SEDEX exploration is significantly hampered by the sparsity of drill holes and the lack of any known sub-basins throughout the Wollogorang "basin" (which inevitably comes down to drill density). To advance this concept would require a larger land position and a petroleum-style stratigraphic drill program.
- Conceptual grassroots exploration model based on data from Karns exhibits a much larger and more obvious footprint than the other styles. Airborne geophysics and surface geochemistry already defines a large alteration feature that we interpret to emanate from a shallow-covered base metal-uranium mineral system in demonstrably fertile formations, which may be tested by simple drilling methods. We believe this system is analogous with the giant hydrocarbon-associated sandstone-hosted copper deposits of Dzhezkazgan in Kazakhstan. These synergies are outlined below. The target scale is large and therefore a successful first-mover will be able to earn in cheaply and secure substantial equity. This target is somewhat de-risked, because an alteration system has already been defined in several datasets.

Analogy: The Dzhezkazgan Cu deposits are hosted in the Permo-Carboniferous Chu-Sarysu Basin (Trough) in central Kazakhstan. They lie within the heart of the Tien Shan Massif, alongside world-class ISR uranium mines and oil/gas fields. The mineralised system is represented by 10 cupriferous stratabound bands, hosted within "redbed" siliciclastics of the 600 m thick Dzhezkazgan Formation. Orebodies average 3-5 m thickness, with maximum of 20 m, but there is substantial grading into uneconomic mineralisation. The mineralised system covers an area of approximately 120 km^2, and is exploited by several dozen mines, both open cut and underground (Figure 7). Mine production in 1990 was 25.65 Mt @ 1.02% Cu, 0.82% Zn, 0.8% Pb, and 13 g/t Ag, making it world's 7th largest copper producing district at that time. Remaining global resources in 2011 were estimated to be 477 Mt @ 0.94% Cu, 13 g/t Ag. This is truly a world-class base metals district, but is not well publicised due to its location.

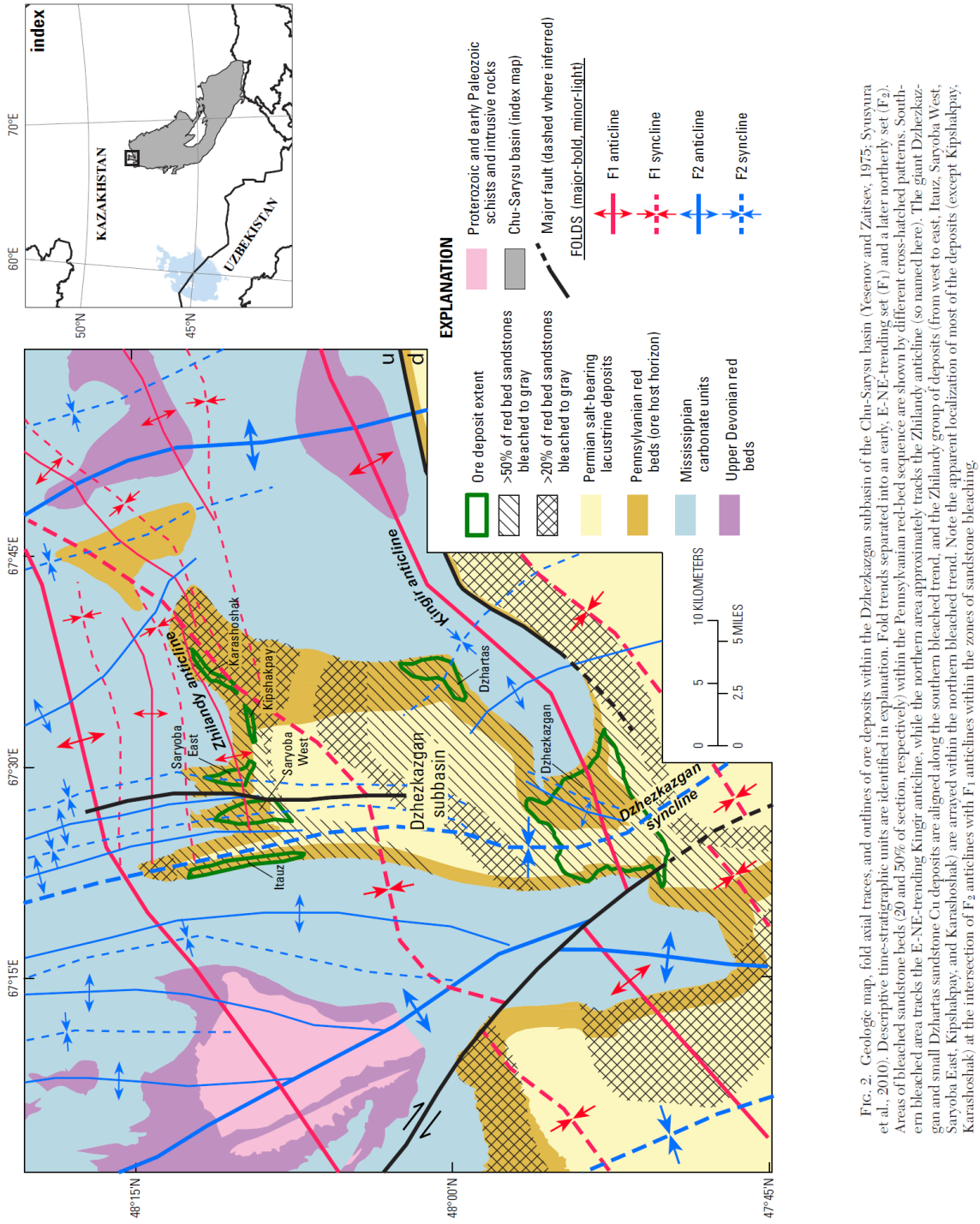

FIG. 2. Geologic map, fold axial traces, and outlines of ore deposits within the Dzhezkazgan subbasin of the Chu-Sarysu basin (Yesenov and Zaitsev, 1975; Syusyura et al., 2010). Descriptive time-stratigraphic units are identified in explanation. Fold trends separated into an early, E-NE-trending set (F_1) and a later northerly set (F_2). Areas of bleached sandstone beds (20 and 50% of section, respectively) within the Pennsylvanian red-bed sequence are shown by different cross-hatched patterns. Southern bleached area tracks the E-NE-trending Kingir anticline, while the northern area approximately tracks the Zhilandy anticline (so named here). The giant Dzhezkazgan and small Dzhartas sandstone Cu deposits are aligned along the southern bleached trend, and the Zhilandy group of deposits (from west to east, Itauz, Saryoba West, Saryoba East, Kipshakpay, and Karashoshak) are arrayed within the northern bleached trend. Note the apparent localization of most of the deposits (except Kipshakpay, Karashoshak) at the intersection of F_2 anticlines with F_1 anticlines within the zones of sandstone bleaching.

Figure 7 Local geological setting of the Dzhezkazgan Cu deposits in the Chu-Sarysu Basin (Box et al, 2012)

In detail, copper sulphides are hosted as intergranular cements and grain replacements in classic "redbed" sandstone and conglomerate, which have no depositional in situ reductive capacity (i.e. organic carbon or sulphide). Sediments are broadly bleached and sometimes exhibit a pale grey

colour, as a result of flooding with liquid and gaseous hydrocarbons, leaving behind bitumen. These hydrocarbons were derived from adjacent source rocks that migrated into reservoir positions, generally anticlines, below a regional seal. Oxidised metalliferous brines, derived from subjacent evaporites, could mingle with these reservoirs via secondary orthogonal structures, precipitating out the sulphides. The general hypothesis for these deposits has been broadly termed the "mobile reductant model" by Rod Kirkham (GSC sediment-hosted copper expert).

Some commonalities with the Wollogorang Formation setting on the Wearyan Shelf include:

- Basin fill – both the Tawallah Group and Chu-Sarysu Basin are dominated lower down by volcanics, then redbeds and regional shale seal. This is overlain by evaporitic carbonates and clastics (Karns Dolomite, McArthur Grp).
- Tectonic setting – the Chu-Sarysu is a classic well-studied intracratonic basin, and the Tawallah is a good Palaeoproterozoic example.
- Structural setting – both regions have orthogonal broad fold sets. The Gold Creek Volcanics and Wollogorang Fmn both have a distinctive "dome and basin" character on 1-10 km scale, while overlying Echo Sandstone is folded more broadly. The Karns target occurs roughly at the culmination of one of these broad anticlines. At Dzhezkazgan, there is conflicting evidence for the timing of the two-fold sets (Figure), suggesting they are effectively contemporaneous.
- Host rock – at the Karns Target we predict the Echo Sandstone/Pungalina Member to be the host, comprising sandstone and conglomerate, interlayered with siltstone, as per the Dzhezkazgan Formation.
- Organic source sits under the deposit – marine shales underlying Dzhezkazgan Fmn are the source of the high Re in the deposit. The Wollogorang Fmn underlies the Karns target and is an excellent source rock with 30m of 2-5% TOC.
- Oil/gas charge – TOC beds enter oil window at the same time as brine factory matures to 150 degrees. This is evident at Redbank where live oil and halite daughters coexist in fluid inclusions, and chalcopyrite mineralisation coalesces with bitumen.
- Mobilisation of hydrocarbons into normally oxidised sandstone facies – this is evident in sandstones of the Wollogorang Fmn, Gold Creek Volcanics and Pungalina Member, but has yet to be shown for Echo Sandstone. Bitumen bleeds are common in the overlying Karns Dolomite, so it is expected that there must have been a path between these two.
- Element suite – Both regions exhibit anomalous Cu, Ag, Pb, Co, Zn, Re, Cd, Ni, Mo, As, Sb, PGEs

The distribution of anomalous uranium, base metals and other pathfinder elements in rockchips and soil samples at the Karns target faithfully mirrors the spatial signature of the airborne radiometrics (Figure 6). The large scale of this target (11 km^2) and huge inventory of metals contained in the

alteration zone, we believe reflects a significantly bigger system than the breccia pipes in the region. It is believed that this is the surface expression of a large plume of mobile reductant that emanates from a fundamental structure in the underlying Wollogorang Formation, estimated to be about 300-400m below surface. The stratigraphically-higher Karns target is interpreted to represent the more oxidised part of the vertically zoned plume where U dominates.

PREVIOUS EXPLORATION

Summary

Summary of previous exploration annual reports. Most of the historical mineral exploration was centred around diamonds (CRA and Ashton). Microdiamonds and indicators are present on a regional scale but no volcanic pipes have been discovered. The breccia pipes at Redbank and Running Creek are of a completely different type and probably relate to deformation of the sediment package while still incompletely lithified (Rawlings, 2006).

In the recent past, the area encompassed by EL27429 was covered by EL22251, granted to Astro Diamonds N.L. in 2003 and subsequently transferred to Legend International Holdings Inc in 2007. From 2003 to 2007, Astro conducted desktop studies, bulk geochemical samples for indicator minerals, 1392 line-km of high resolution airborne EM and small areas of ground gravity. Most of this work (including all of the geophysics) was from the Selby prospect to the east of Toro's tenement EL27429. It was concluded that the EM anomalies were caused by clay-rich Tertiary sediment infill. From 2007 onwards, Legend International sought phosphate and Redbank-style breccia pipe-hosted base metals. Legend recognised the potential for phosphate and base metals in the basal unit of the Karns Dolomite, which rests unconformably over the Echo Sandstone. Outcrop of the Karns Dolomite was extensively mapped and sampled from EL22251; the best result being 32% P2O5 in rock chip. Ninety-seven RC holes for 4710m were drilled around the Selby prospect but failed to confirm continuity or grade of the phosphate. Best results for rock chips were 10,001 ppm Cu in Proterozoic sandstone/dolostone, with up to 1620ppm Cu along a fault within Toro's licence EL27429. Uranium up to 677ppm was assayed from the same lithologies as the copper, drilling assays included up to 260 ppm uranium. In 2011, Toro flew 4,174 line kilometres (362 km2) of magnetic/radiometrics. A distinct "ridge" of elevated radiometric activity was defined, corresponding with the NTGS-mapped unconformable lithological boundary between the Echo Sandstone and Karns Dolomite, parallel to the NW/SE regional structural trend.

Stanton and Running Creek Prospects

These pipes were originally discovered by prospector Joe Fisher, who recognised Cu secondaries and circular features in the area, akin to the well-known Redbank pipes to the south (Figure). CRAE joint ventured into the project and undertook various exploration works, including various airborne and ground geophysics, detailed lag sampling and geological mapping, culminating in the drilling of 210 RC and 48 DDHs for 22,000 m. Despite this work, CRAE were unable to identify any large prospects.

The best of these was Stanton, where a intersections are up to 22m at 0.3% Co, 0.17% Ni, 0.14% Cu, 10 ppb Pd and 10 ppb Pt. Gold is locally anomalous. At the nearby Running Creek Prospect the best intersection was 13.4 m at 1.2% Cu and at Stanton 3 Prospect intersections up to 15m @ 2.3%Cu were recorded. Following the withdrawal of CRAE, Hydromet Corp purchased the project and calculated a resource at Stanton of 0.9 million tonnes @ 0.14% Co, 0.14% Cu and 0.07% Ni (Indicated + Inferred). An Independent Geological Report prepared by Geos Mining confirmed the resource figures as reasonable and added that a broader exploration target existed in the project area, encompassing 5.1 to 6.8 Mt @ 0.11-0.14% Co, 0.11-0.13% Cu and 0.04-0.07% Ni. This involved the aggregation of the various other pipes in the area that had not been drilled to resource definition level.

Figure 8 Secondary copper in veins at Running Creek Co-Cu-Ni prospect

The breccia pipes have been described by various workers, with most concluding they are narrow vertical cylindrical breccia bodies that continue downwards for an unknown distance. Drilling has not yet confirmed the base of any of the pipes, but they appear to bottom out in the Settlement Creek Dolerite sill below, possibly providing some timing constraints. Both structural and magmatic models have been invoked. Rawlings (2006; NTGS Robinson River explanatory notes) found the breccia bodies at Stanton and Running Creek to be controlled by subtle faults that were developed as the Gold Creek Volcanics were folded into a classic "dome and basin" style. Breccias range from monomict jigsaw-fit to polymict rotated and abraded, but there is always some degree of stratigraphy preservation (Figure 9). Reduced fluids appear to have emanated upwards from the underlying Wollogorang Formation shales, and intermingled with the ambient oxidised fluids in the volcanics and breccia. Breccia textures and colours were subsequently modified by the interaction of the two fluids. In this process, base metals were precipitated out in the vertically zoned pipes. It is unknown what the upper part of the pipes looks like as they are eroded in this area, but it seems logical they would incorporate a more oxidised uranium-rich zone.

Analogous geological models / deposits

Toro Energy recognised a strong geological affinity between the Redbank and Stanton-Running Creek breccia pipes with the Arizona Strip in the USA, where uranium has been mined from multi-commodity breccia pipes for 50 years. The individual deposits of the 'Strip', whilst small tonnage (<10 Mlb), are high grade (>0.5% U_3O_8) and occur in a dense cluster that is able to support sustainable mining operations. The breccia pipes are slender vertical features with a cylindrical shape, circular in section and transgressing several 100's of metres of vertical stratigraphy. They occur within flat-lying and bland sequences of Palaeozoic age (mostly Permian), adjacent to the Grand Canyon in Arizona. Most workers believe they are formed by collapse, as a result of dissolution of carbonate units in the lower part of the sequence, allowing mixing of oxidised and reduced fluids within the conduit. They may ultimately be controlled by subtle structures at depth. Many have a well-developed mineralogical zonation from pyrite zone to Cu sulphides-uranium oxide zone to a Ni-Co sulphide zone to a Mo-Zn zone.

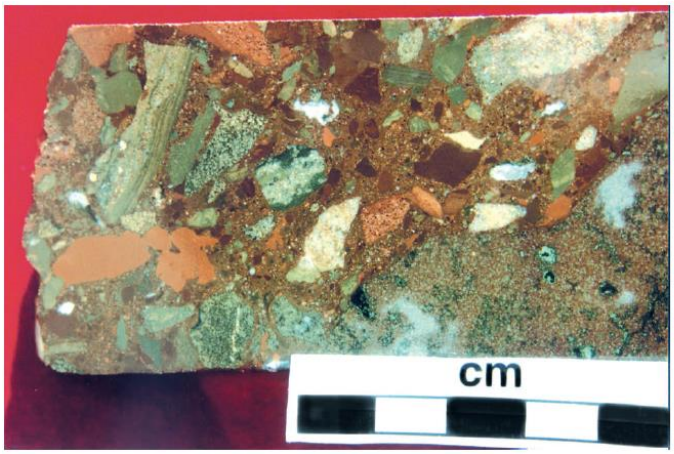

Figure 78. Polymict breccia of 'basalt 3' of Gold Creek Volcanics in core of Stanton breccia pipe, comprising mudstone, sandstone and basalt clasts in a mud-sand matrix. Some angular sandstone and mudstone clasts attest to early cementation, whereas mixed sand-mud matrix indicates involvement of some unlithified sedimentary units. Note varied redox state of clasts, indicating generation of breccia after at least some alteration events. However, breccia itself is apparently unaltered. SELBY 793500mE 8148500mN, 127.3 m depth in drillhole DD94RC39, Stanton.

Figure 9 Typical breccia texture in the Stanton pipe

Figure 82. Red/brown oxidised ('redbed') mudstone breccia of upper Wollogorang Formation overprinted by discordant chlorite-bitumen alteration. Note that alteration has enhanced the breccia texture. SELBY 795800mE 8151000mN, 175 m depth in drillhole DD91RC18, Stout.

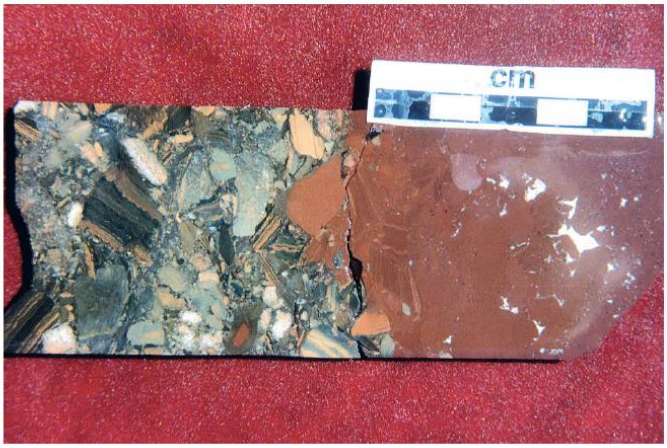

Figure 83. Grey reduced breccia in 'arenite 2' of Gold Creek Volcanics, comprising angular mudstone clasts in lithic sandstone matrix. The precursor to this breccia is interpreted to have been interbedded dolarenite and mudstone. During chlorite-bitumen alteration, dolomite intraclasts and cement were digested and the rock underwent substantial volume loss, which led to disruption, brecciation and mixing of sandstone and mudstone components. Length of field 7 cm. SELBY 795400mE 8149000mN, 105.3 m depth in drillhole DD94RC125, Running Creek.

Figure 10 Alteration overprints on breccia textures at Running Creek pipe cluster

Selby Prospect

Exploration in this area began in the 1980s where ANZEX identified uranium bearing phosphatic sandstone at the base of the Karns Dolomite. Shallow drilling failed to identify significant mineralisation. In the 1990s, Argold Holdings re-evaluated the prospect in terms of its phosphate potential but found that the unit that contains the phosphate mineralisation is only 1-2 m thick.

Legend International, a Gutnic company largely focussed on diamond exploration, was granted the ground in 2003. They flew frequency-domain EM, followed up by loam sampling, rock chips, stream sediments, and focussed ground gravity (not terrain corrected!). Targets were drill tested with kimberlites in mind, but failed to identify any ultramafic material, kimberlite indicators or microdiamonds. Drilling comprised 96 holes with an average 54 m depth (5 DDH, 91 RC). The holes were collared at or just above the Karns phosphatic sandstone horizon and then continued through into the underlying quartzose Echo Sandstone (Tawallah Group). They encountered anomalous base metals in numerous holes, but no assays were considered economic or indicative of diamondiferous kimberlite. Peak concentrations include 16% P_2O_5, 0.19% Cu, 0.14% Co, 0.08% Pb, 0.07% Zn, 0.3%

Ba, 246 ppm Ag and 260 ppm U (all over narrow intervals, and not the same interval for all of these element peaks). Notably, high Cu values were obtained at various depths, not necessarily in the near surface phosphate that was targeted. The poor correlation between Cu and P (Figure 11) also points to separate mineral systems. There are no drill logs available and the assay strategy is unknown, so it is possible that sandstone-hosted base metal mineralisation in this area has not been properly tested, especially at depth. Importantly, this 10-100 times background Cu and pathfinder element concentrations have been encountered in quartz-rich Echo Sandstone, further supporting the potential for underlying large base metals targets.

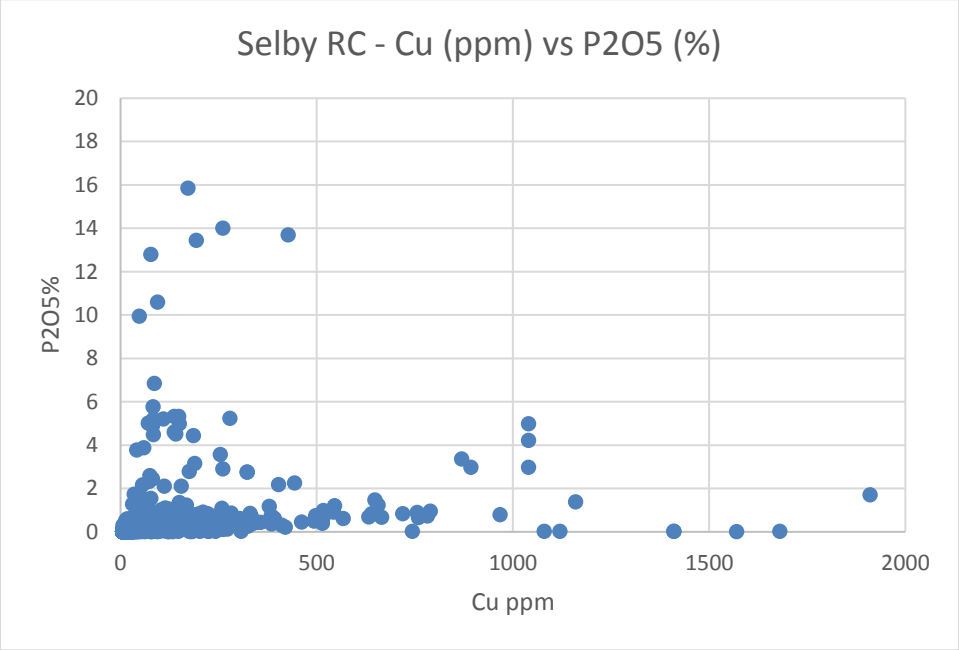

Figure 11 Legends' downhole assays data for Selby

Karns Prospect

Toro Energy Ltd began work in 2010 on the basis of anomalous radiometric responses and previous knowledge of Selby Prospect by exploration staff. At that time, Toro were interested in phosphate-hosted uranium and had been unable to secure the Selby title. Toro flew detailed 100m-spaced magnetics and radiometrics over the area in 2011, highlighting a number of large high-amplitude anomalies in the total count and uranium channels (Figure 12). These anomalies also dominate the regional U^2/Th ratio radiometrics dataset.

Following up these radiometric anomalies, Toro collected 278 orientation soil and lag samples at Karns and Running Creek. Toro also collected 27 rock chip samples. Results from Toro's rockchip sampling show that U, Cu, Ag, As and Pd are consistently elevated within a large high-amplitude radiometric anomaly overlying the exposed basal sandstone of the Karns Dolomite (Figure 13). U_3O_8

is up to 280 ppm (ave 80 ppm) and Cu is up to 1360 ppm (ave 320 ppm), whilst Ag, As and Pd are generally 10 times background. Scintillometer readings throughout the anomaly area are also uniformly 10 times background. In contrast to Selby, the sandstone generally contains less than 1% P_2O_5 and over 80% SiO_2, consistent with field observations of a sublithic to quartzose character (Figure 5). Secondary copper minerals are locally developed on fracture surfaces (Figure 5). Anomalous samples were collected over a stratigraphic thickness exceeding 10metres. These results were considered extremely anomalous, because beyond the radiometric anomaly this sandstone has a uniform background range of only 1-5 ppm U3O8 and 5-10 ppm Cu, consistent with oxidised sandstones globally.

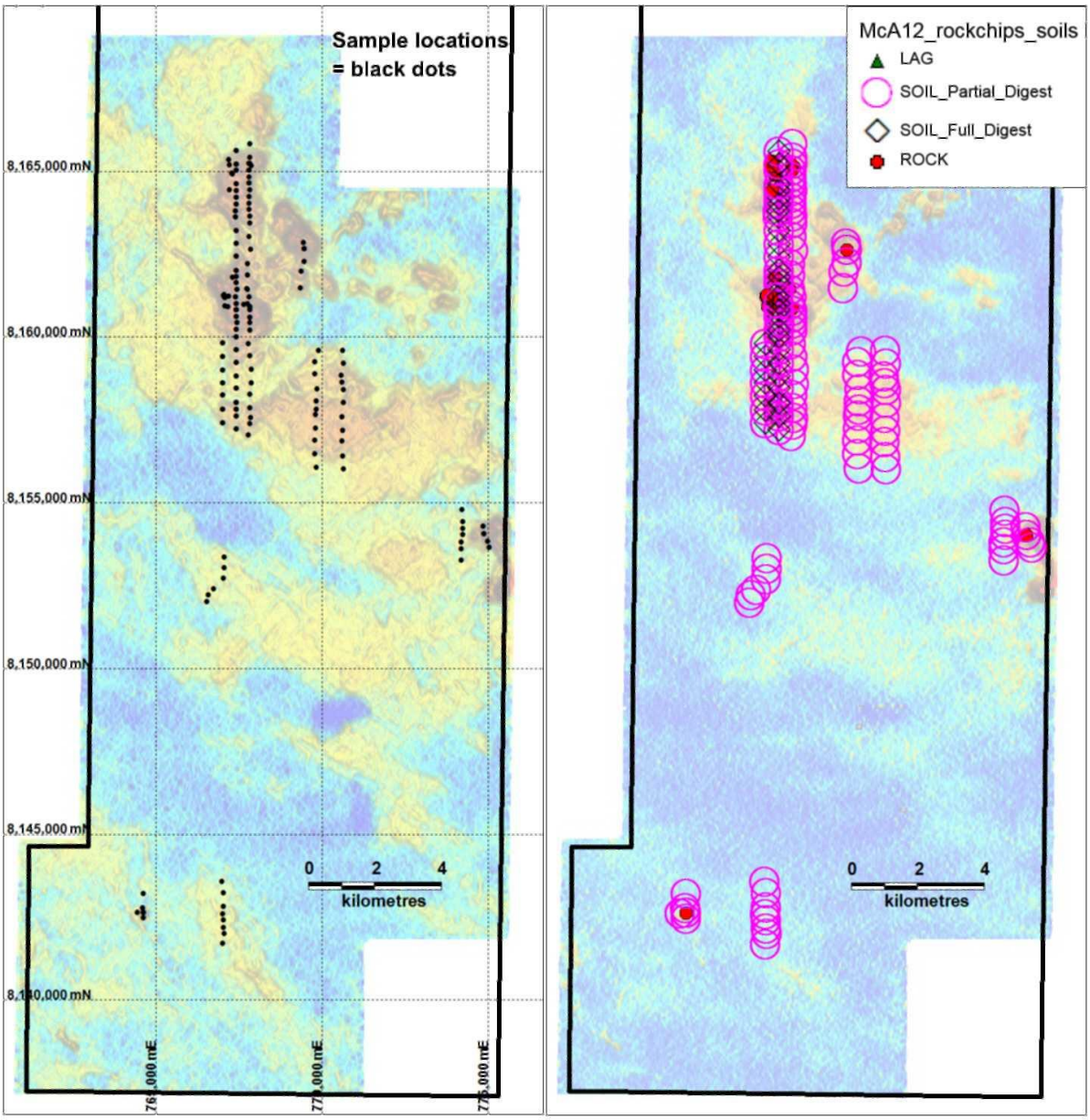

Figure 12 Toro's detailed 2011 radiometrics for Karns - U channel (left) and U^2/Th ratio (right) images showing Toro's 2012 soil and rockchip sample locations

Similar to rockchips, orientation soil samples indicate U, Ag, Au, As, Cu, Co, Mo, Pt and Pd are 5-10 times background over the radiometric anomalies. Additionally, the ratio of pathfinder isotopes Pb_2O_8/Pb_2O_6 and Pb_2O_7/Pb_2O_6 indicate a radiogenic source of Pb in the system, consistent with a buried uranium parent source. Heavy versus light rare earth elements ("REEs") display a zonation typical of hydrothermal alteration systems.

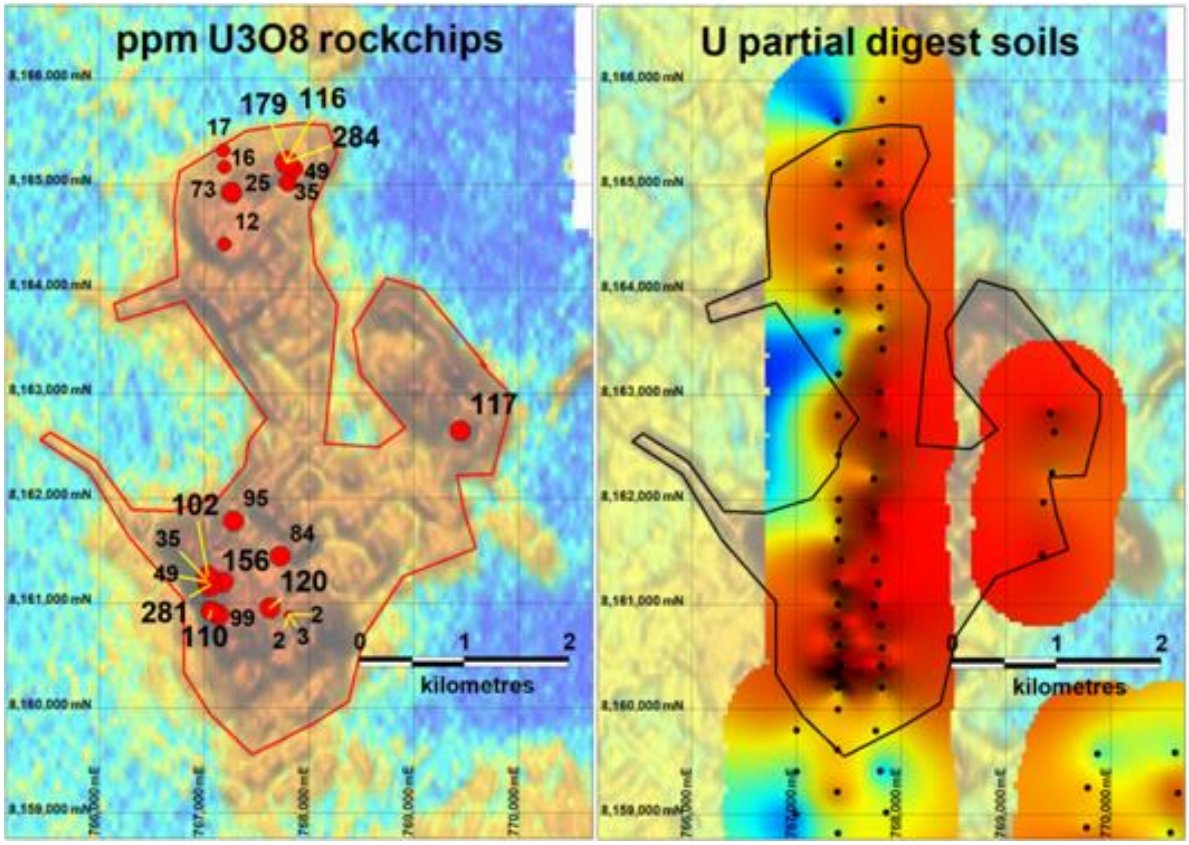

Figure 13 LEFT: Airborne U^2/Th radiometrics grid over Karns target showing the location of Toro's anomalous rockchip samples, labelled with ppm U_3O_8. RIGHT: Uranium partial-digest soil geochemistry grid draped on U radiometrics grid, showing close spatial match. Red is high, blue is low.

EXPLORATION CARRIED OUT

Exploration work carried out during the period was limited to office based studies. During the period, Northern Cobalt took out an option over the tenements within the Wollogorang Project. Northern Cobalt has undertaken due diligence of the projects and has commissioned an independent geologists report and resource upgrade for the Stanton Co-Ni-Cu deposit to comply with JORC 2012 requirements. Results from these documents will be reported in subsequent technical reports.

Northern Cobalt Ltd has also undertaken a conceptual targeting study producing a significant number of drill targets for testing in the 2017 dry season.

EXPLORATION EXPENDITURE

Expenditure over the Project area in year One was $148,048.86.

(see associated Expenditure Reports)

CONCLUSIONS AND RECOMMENDATIONS

Northern Cobalt believes there is significant potential for the tenements to host economic Co-Cu-Ni deposits and will undertake further exploration to assess the potential.

REFERENCES

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