

Binding agreement to earn up to 80% of the Goodpaster Project, adjacent to Northern Star's Pogo Gold Mine, Alaska. Placement and Corporate Update.

- The Company has executed a binding term sheet with Millrock Resources Inc (TSXV: MRO) to earn up to an 80% interest in the brownfields Goodpaster Project in Alaska
- The Goodpaster Project surrounds Northern Star's (ASX: NST) Pogo Mine, which has produced 4 Moz @ 13.6g/t at 300koz pa; reserve/resource of over 6 Moz Au ([ASX: NST Announcement 19/9/2019](#))
- Northern Cobalt has secured an exclusive option for up to 100 days to complete due diligence and provision drill access road works in preparation for the 2020 drilling program
- Drilling to begin in Q1, 2020 on high priority drill targets immediately adjacent to the recent NST announced Goodpaster Discovery "2.3km strike open in all directions" ([ASX: NST Announcement 16/9/2019](#)) within 450m of the claim boundary
- Initial exploration program will include 7,500m of diamond core drilling
- Joint lead managers PAC Partners Securities and Taylor Collison have firm commitments for a placement of \$1.5m



Figure 1 Millrock Senior Project Geologist Chris Van Treeck with N27/Millrock claims in foreground towards river, with Northern Star's (ASX: NST) Pogo Gold Mine in background centre.

CAPITAL STRUCTURE

Ordinary Shares

Issued 66.0 M

Options and rights

Listed options 6.1 M @ 10c

Unlisted options 12.3 M @ 25c

Unlisted rights 2.5 M

Performance Shares

Class A 9.6 M

Class B 3.6 M

Last Capital Raise

24 June 2019 – Placement and rights issue

\$610k @ 5c

BOARD

Len Dean - Chair

Duncan Chessell - MD

Andrew Shearer - NED

Jarek Kopias - Co Sec

Northern Cobalt Limited (ASX: N27 or Company) is pleased to advise that the Company has entered into a binding term sheet (Term Sheet) with Millrock Resources Inc (Millrock or MRO) to acquire, via joint venture earn-in, up to 80% in the Goodpaster Project in Alaska. The Goodpaster Project is adjacent to Northern Star's Pogo Mine which has a total endowment of 10 million ounces of gold and is currently producing at a rate of 300,000 ounces per annum. Northern Star has announced a planned 30% production expansion by spending a further US\$30m (A\$43m) capital expenditure, in parallel with utilising better mining methods which will allow NST to lower the cut-off grade and reduce AISC, see ASX: [NST Announcement 19/9/2019](#).

A new Millrock Resources geophysical survey ([see TSX.V: MRO Announcement released on the 9/10/19](#)) has detected a high conductivity response directly along strike from a recent gold discovery on NST's adjacent claims. The conductor appears to be gently dipping and is therefore consistent with a low-angle regional shear zone that is known to host the adjacent Pogo Gold Mine (total gold endowment of approximately 10Moz). This will be the immediate focus for Northern Cobalt, with drilling proposed to begin in the Q1, 2020.

Northern Cobalt has signed a mandate with PAC Partners Securities and Taylor Collison to raise funds for the project of \$1.5 million at 3.5 cents per share. The funds will be raised under the Company's 15% placement capacity with the remainder subject to shareholder approval. The funds will enable Northern Cobalt to progress due diligence on the Goodpaster Project and commence road works and logistics to support the Q1, 2020 drilling season. Undertaking this preparatory work will enable drilling to commence as early as possible.

The Initial exploration program for year 1, will aim to deploy 7,500m of diamond core drilling and utilise Lidar, field mapping, geochemical sampling and CSAMT geophysics surveys to unlock the structural controls and focus in on gold mineralisation on the West Pogo Prospect; as well as conduct regional work to identify further drill targets in this district scale system.

"Northern Cobalt is very pleased to have the support of two prominent Australian broking houses in PAC Partners Securities and Taylor Collison for this potential company maker opportunity.

"We welcome the appointment of founding Director Duncan Chessell to the role of Managing Director and acknowledge his instrumental role in completing this transaction" – Len Dean, Chairman.

"The potential Camp Scale of the gold system in evidence across the property from my recent field trip and the incredible results declared from neighbours Northern Star [ASX: NST] in recent announcements, puts this standout brownfields project head and shoulders above other opportunities assessed".

"The all year mine-road access available to this project, is a huge logistical and cost saving advantage over typical summer only - helicopter supported projects in Alaska. Our project partners Millrock (Alaska) with their local experience, staff and geology team plus our Australian exploration team make a strong combination for improving the odds for discovery success". – Duncan Chessell, MD.

Goodpaster Gold District Tintina Gold Province –Alaska-Yukon

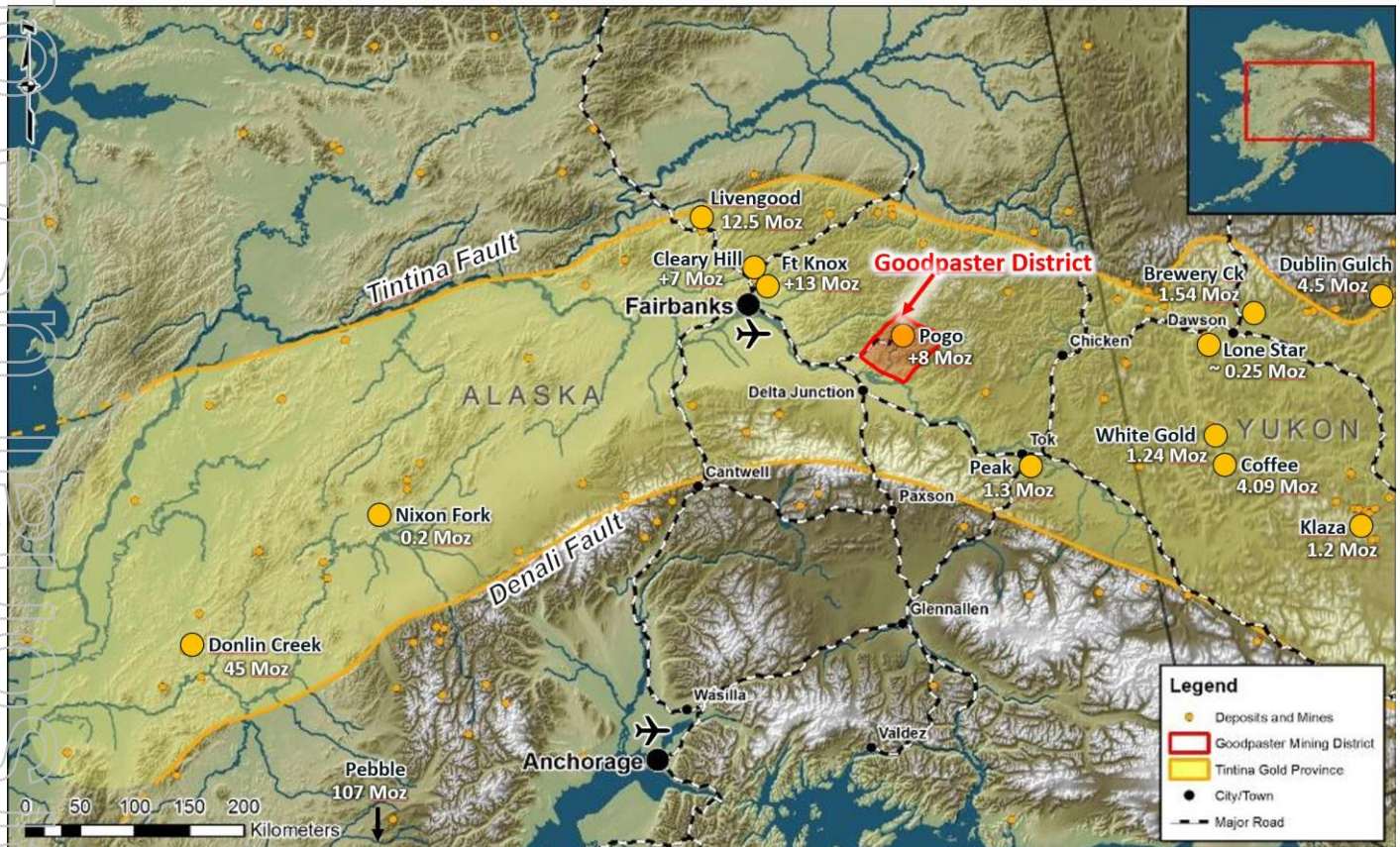


Figure 2 Goodpaster District Location Map, Tintina Gold Province (supplied Millrock Resources TSXV 9/10/19)

The Tintina Gold Province is an east west belt across Alaska and into the Yukon Territory in Canada, with an impressive endowment of over 100 Moz gold and hosts the staggering 45 Moz Donlin Creek Deposit.

Hosted in this Province are deposits of significant gold endowment such as:

- 45 Moz Donlin Creek
- 13 Moz Ft Knox
- 12.5 Moz Livengood
- 10 Moz Pogo
- 7 Moz Clearly Hill
- 4.5 Moz Dublin Gulch
- 4.1 Moz Coffee
- 1.5 Moz Brewery Creek
- 1.3 Moz Peak
- 1.2 Moz Klaza
- 1.2 Moz White Gold

As well as multiple smaller gold deposits and prospects throughout the district.

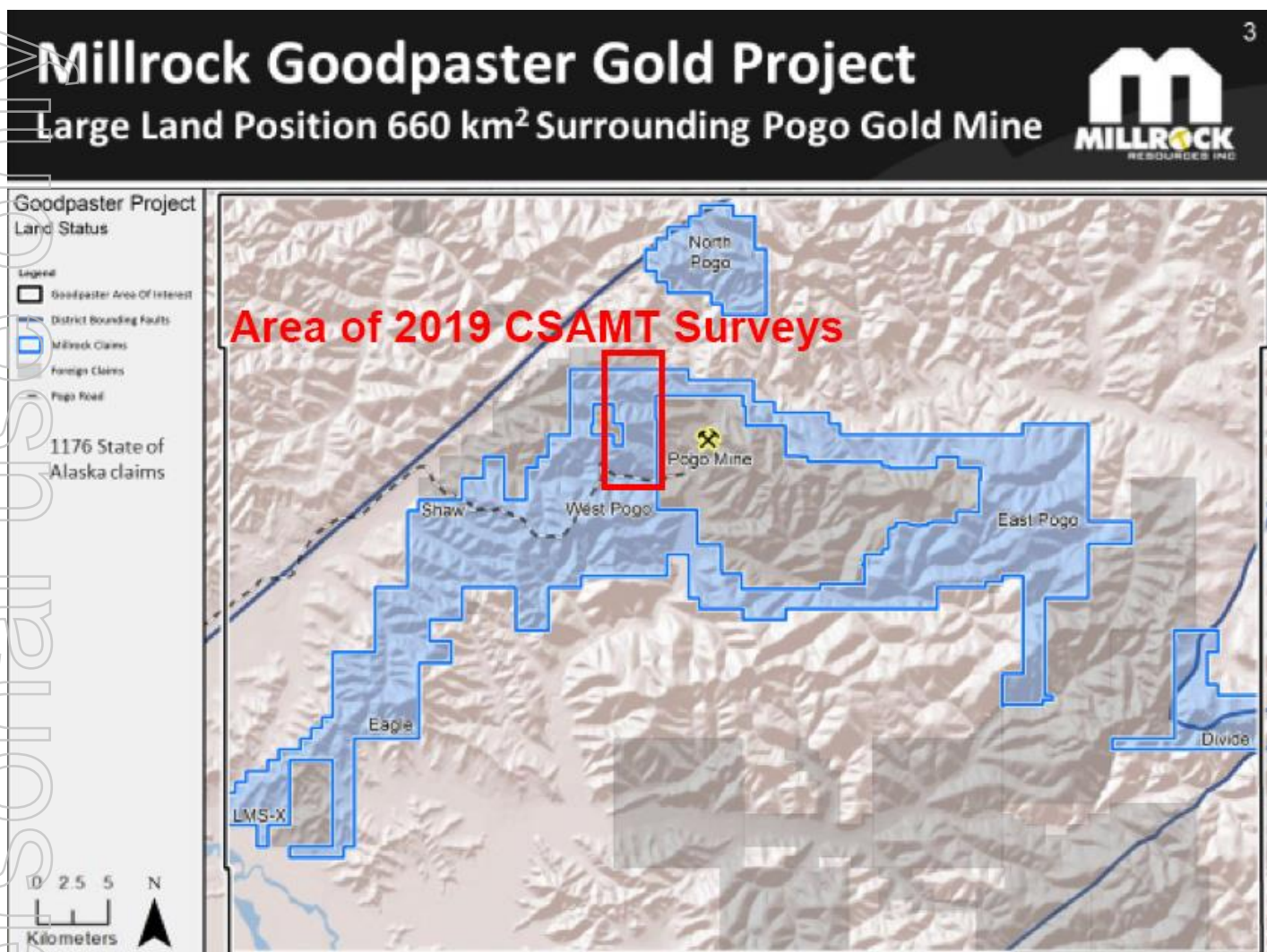


Figure 3 Goodpaster Project claim map and 2019 CSAMT survey boundary. (supplied Millrock Resources TSXV 9/10/19)

Proximity of Northern Stars' Goodpaster Prospect to Millrock Resources' West Pogo Prospect.

Figure 4, highlights the proximity of the recent NST Goodpaster discovery and exploration drilling conducted only 450m from Millrock's boundary. NST reports that the mineralisation at Goodpaster remains open in all directions. The proximity of the world class gold mineralisation, and similar geochemical and geophysical signatures evident on the Millrock tenements, reinforces the prospectivity of the tenements for N27.

CSAMT Surveys

In 2019 Millrock Resources commissioned Zonge Geophysics to undertake a Controlled Source Audio Magneto Telluric ("CSAMT") survey. The survey involved cutting lines through sparsely forested areas and deploying ground based geophysical transmitting and receiving instruments. The operating parameter design of this CSAMT survey is the same as deployed successfully on the adjacent Pogo Gold Mine. Further CSAMT work is planned for 2020 to refine targets. The results of the survey will allow estimation of resistivity at depth, with typical Pogo Style mineralisation being slightly more conductive and potentially detectable using this system. Unfortunately, the Pogo Mine survey data is confidential and not held by Millrock for comparison. Millrock proposes that, in this geological setting, <500 ohm-m resistivity is potentially evidence of conductive Pogo Style mineralisation and, as such, the results of the recent survey are highly encouraging.

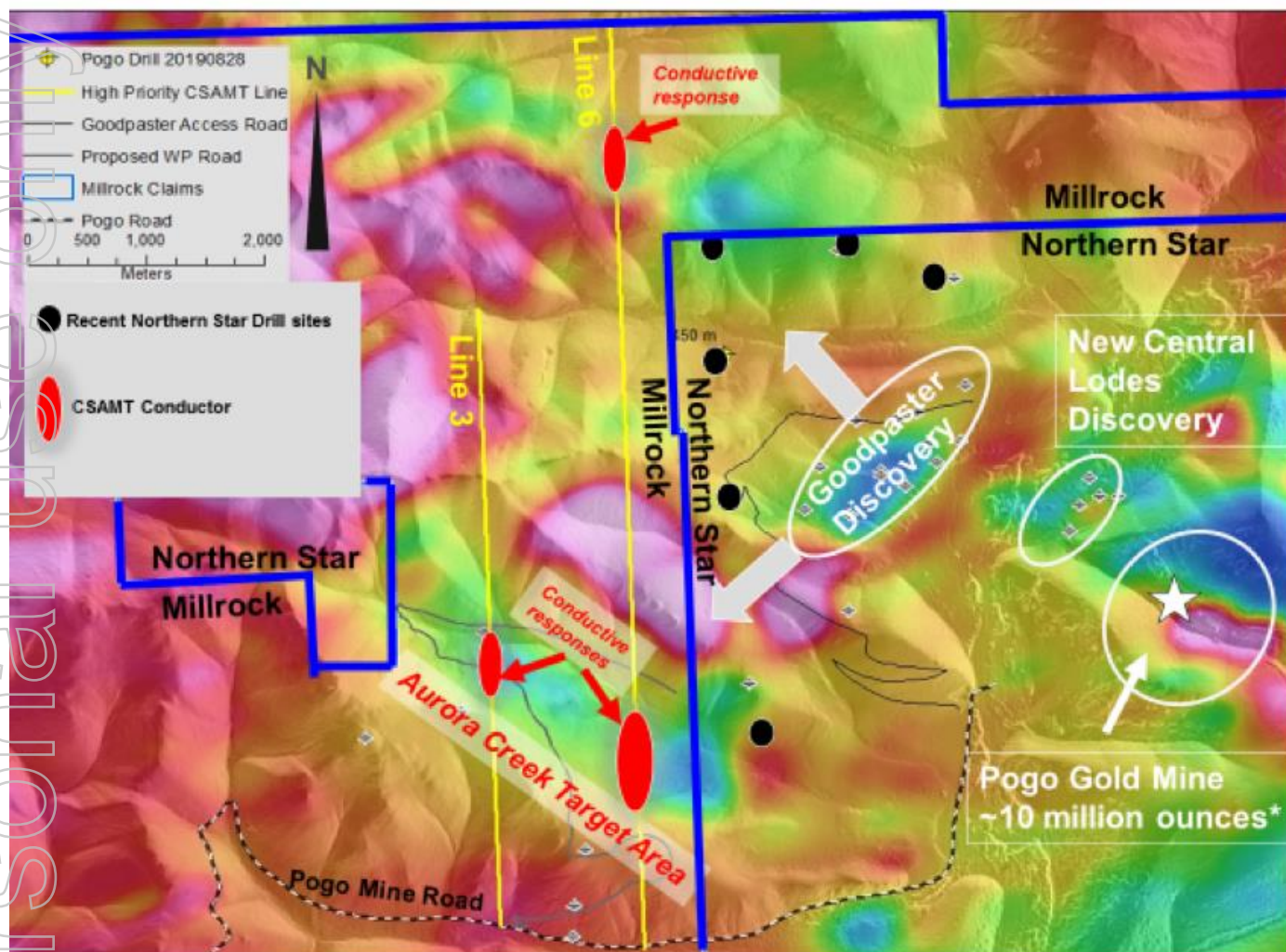


Figure 4 Airborne magnetic map showing CSAMT survey lines and conductive responses on Millrock claims along strike and down dip from Northern Star's recent Goodpasture gold discovery. *Past Production + Reserve + Resource as reported by Northern Star Mine. (Announced Millrock Resources TSX.V: MRO 9/10/2019)

Disclaimer: The CSAMT survey lines represent Exploration Results published by Millrock

- the Exploration Results have not been reported in accordance with the JORC Code 2012;
- a Competent Person has not done sufficient work to disclose the Exploration Results in accordance with the JORC Code 2012;
- it is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012;
- nothing has come to the attention of Northern Cobalt that causes it to question the accuracy or reliability of the former owner's Exploration Results; but
- Northern Cobalt has not independently validated Millrock's Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results.

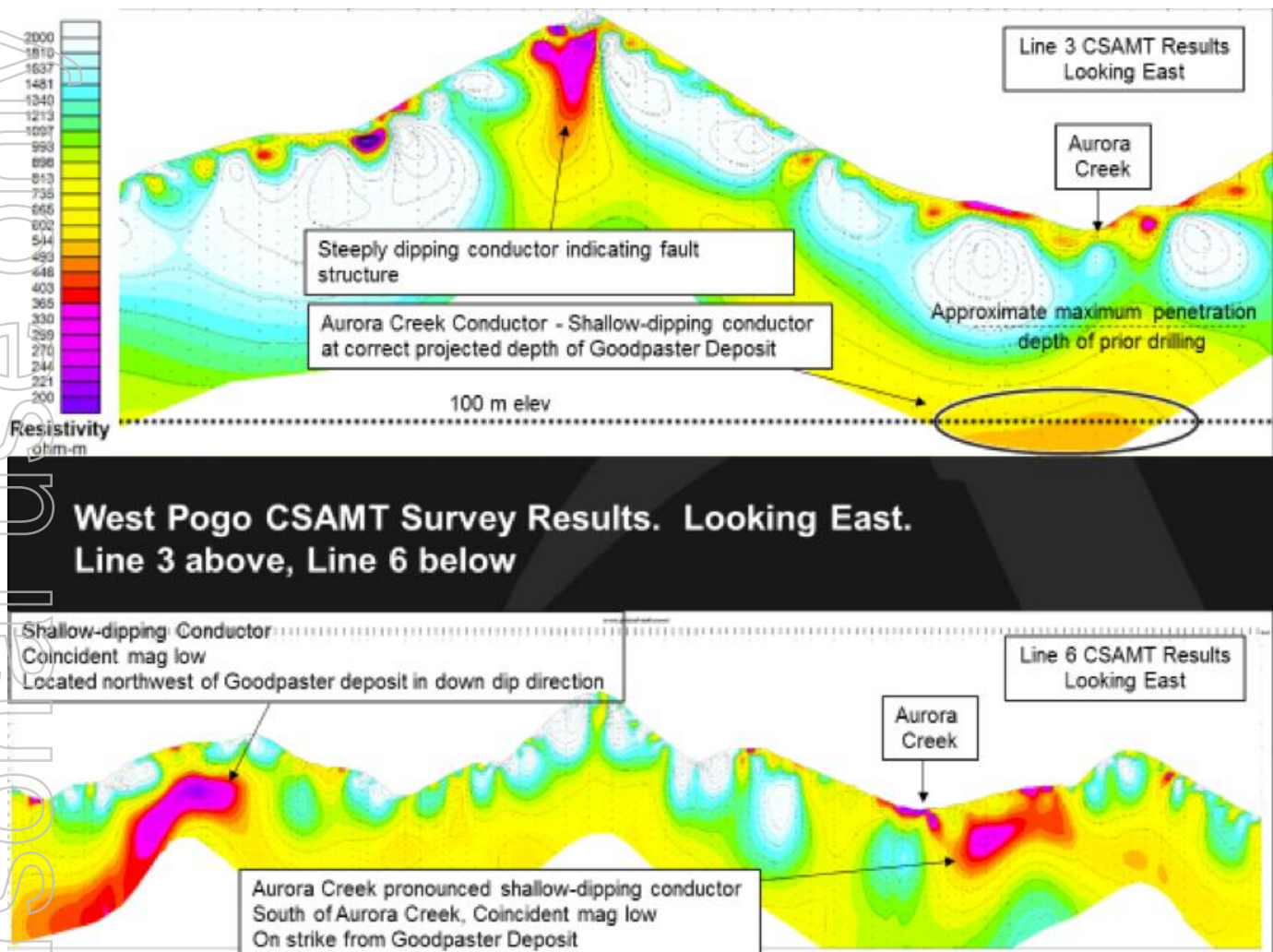


Figure 5 CSAMT Survey results for Line 3 and Line 6. Warm colours indicate lower resistivity (higher conductivity) and possible low-angle shear zone known to host gold deposits nearby. (Announced Millrock Resources TSX.V: MRO 9/10/19)

Millrock interprets that "Gently dipping conductive zones potentially indicative of gold mineralization in the same regional shear zone that hosts the Pogo Gold Mine have been detected. The anomalous responses are directly along strike and down dip of a recent gold deposit discovery [announced](#) by Pogo Gold Mine operator Northern Star Resources Limited 16/9/2019, ("Northern Star")" (Millrock Announcement TSX.V 9/10/19).

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Goodpaster Vein – Projection to West Pogo Tourmaline Ridge/Half Ounce Gulch Drill Holes & Proposed Resistivity Survey Lines



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Historic drilling intercepted:

- numerous narrow high angle quartz veins containing gold, arsenopyrite, and bismuth

- High angle veins = fluid escape structures above the shear

The Goodpaster Vein would project at 231.5 m elevation to the historic drill area – 120 m below the deepest hole.

NSAMT Resistivity Data:

- Images conductive gold mineralization and carbonate-sericite alteration
- Used to define target depths for Pogo surface drilling
- Instrumental in drilling the blind Goodpaster Vein

Planned drill holes must extend through the modeled vein elevation – a deep resistivity survey would identify low angle conductors and de-risk drilling.

Proposed Drill Hole

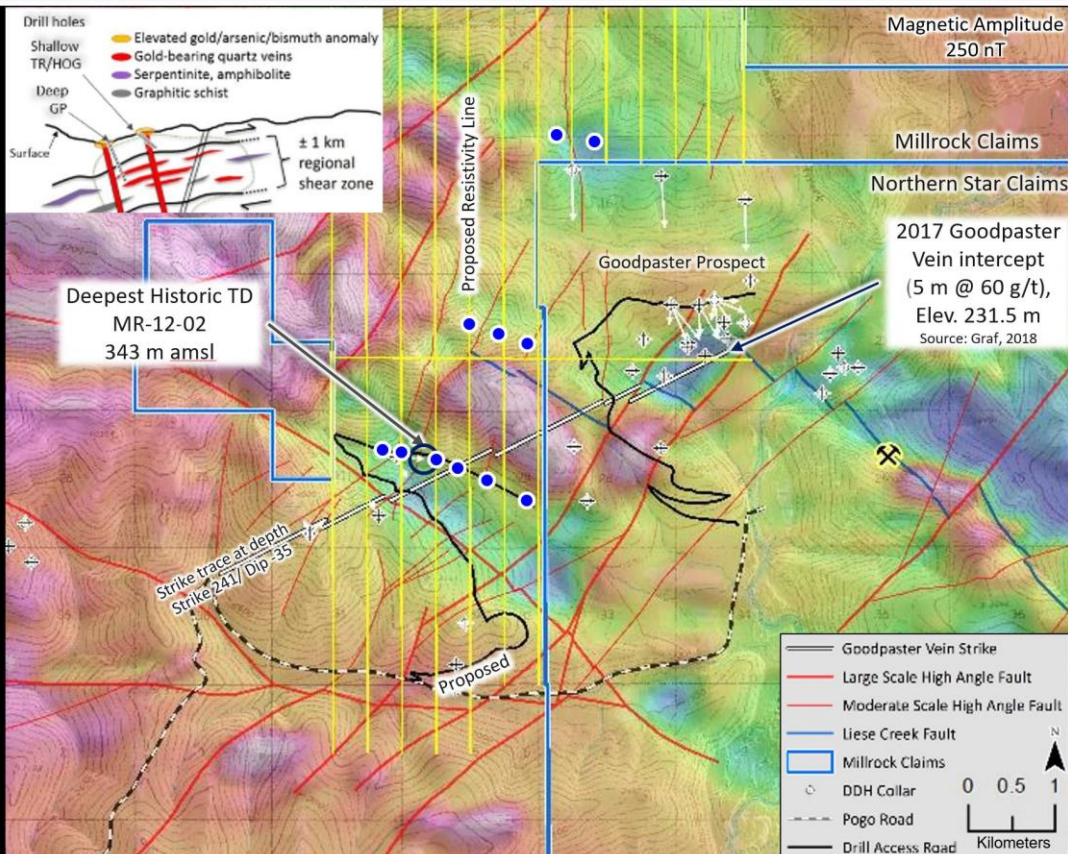


Figure 6 Millrock supplied proposed drill holes and Goodpaster Prospect (NST) vein projection to West Pogo prospect (MRO)

The proposed drill holes (Figure 6) have been designed to test geological and geophysical targets. The drilling results will be reviewed on an ongoing basis as drilling data from the initial holes is added to more CSAMT surveys and Lidar data capture, to improve the geological understanding of the prospects. Currently Millrock is commissioning the construction of a spur road from the main Pogo Gold Mine road out to the proposed drill sites to allow for drilling to commence in Q1, 2020.

Disclaimer: The Supplied Vein Projection slide represent Exploration Results published by Millrock

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Pogo Mine Mineralization Model



- Low Angle Veins (Liese 1-3, East Deep)
 - These veins contain the bulk of the ore at Pogo
 - 5-20 m thick
 - Hosted in regional shear zone – compression with later extension for more dilation
 - Shear exploits mafic and graphitic rocks within gneiss
- High Angle Veins (North Zone, X-Vein)
 - 1-5 m thick N-S/NE-SW oriented escape structures for plutonic fluids
 - Thought to be feeder structures
- Other characteristics of Pogo
 - Free Milling Gold
 - Low Sulfide Quartz Veins
~ 3% pyrite, arsenopyrite, pyrrhotite, Bi-Te-S
 - Dolomite-sericite (dos) alteration halo
 - Magmatic fluid source

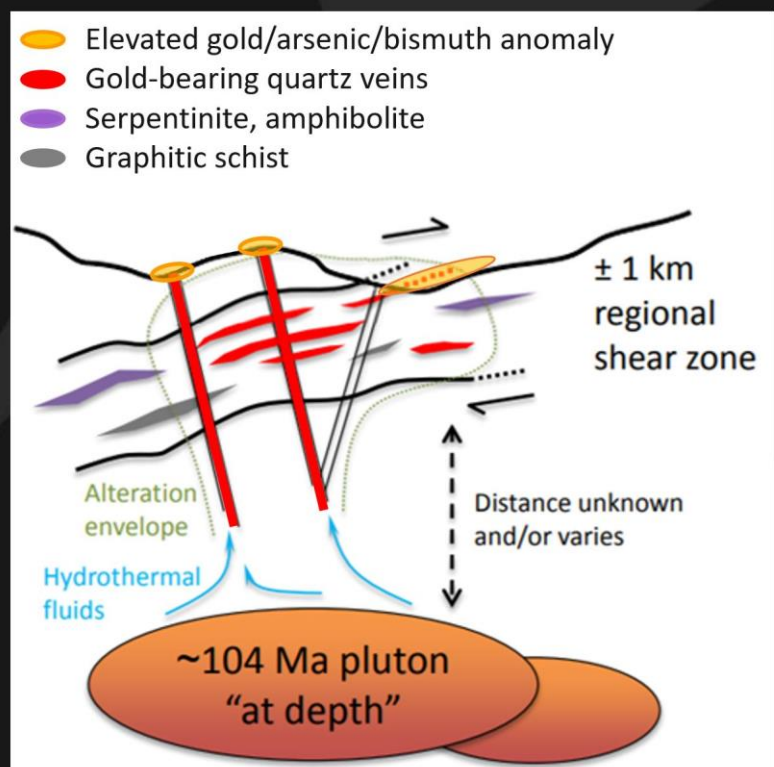


Figure 7 Pogo Mine Mineralisation Model, supplied by Millrock Resources (Evan Twelker DGGS)



Figure 8 Typical Pogo Style mineralisation from drill core on Millrock's West Pogo Prospect – Sighted on field trip (2019)

Similar Geologic/Structural setting to Pogo



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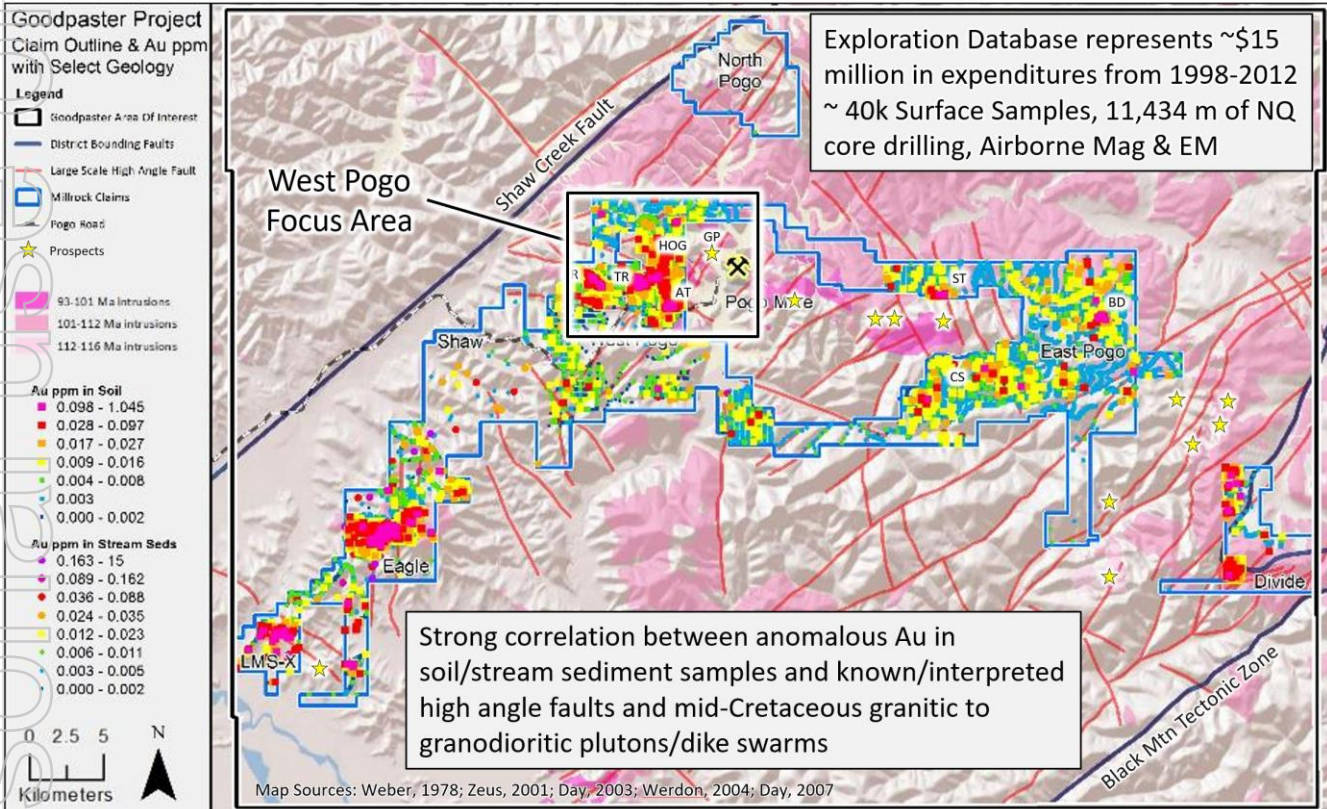


Figure 9 Soil & Stream Sediment Data, Announced by Millrock Resources TSX.V: MRO 22/5/2019

Prospectivity of District - Area of Interest

The prospectivity of the entire tenement package is high, with intrusive granite batholiths providing a large engine room to drive fluids throughout the district and there is the real opportunity for multiple discoveries to be made in this area. The focus will initially be the West Pogo area but Northern Cobalt has committed to assessing the entire tenement package to delineate potential drill targets throughout the Area of Interest and potentially acquire more ground, adjacent to existing tenements if warranted. Previous exploration work completed includes; collection of over 40,000 surface geochemical samples and drilling of over 11km of drill holes, representing \$15m of value and is a fantastic data set to build from.

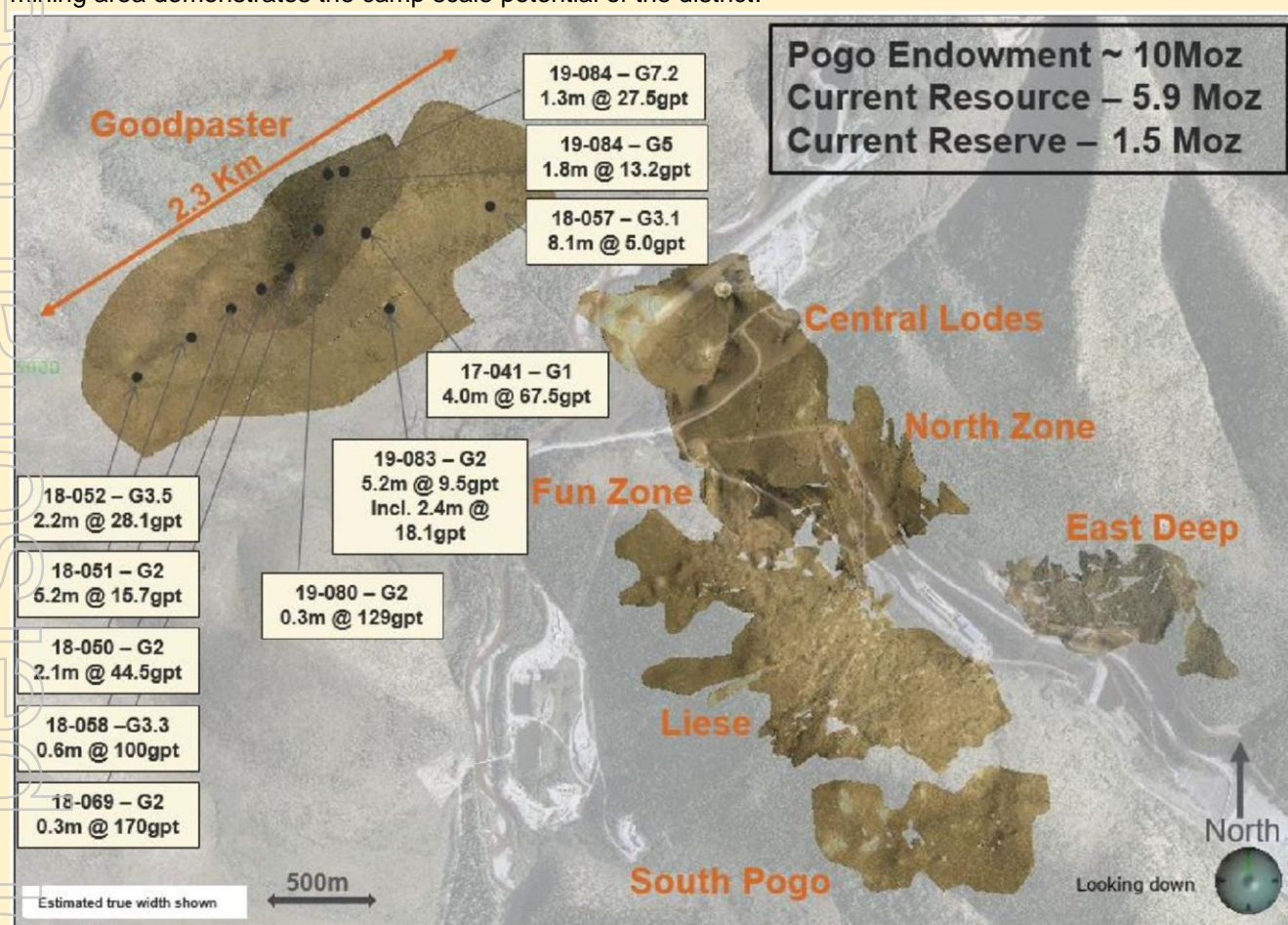
Disclaimer: The Supplied Geochemistry of soils and stream sediment slide represent Exploration Results published by Millrock

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Extract from ASX: NST "Pogo Plant Expansion and Goodpaster Exploration" [Link to ASX: NST 16/9/2019](#)

The **Goodpaster prospect** is considered the continuation of the main Pogo mineralised trend across a major NE trending fault system broadly coincident with the Goodpaster River valley. The initial drilling is focussed approximately 1km west of the recently announced Central Veins discovery area adjacent to the existing Pogo production areas (see diagram below).

Since acquisition, Northern Star has rapidly advanced exploration drilling in the initial Goodpaster area with mineralised intersections now known to extend over a **strike distance of 2.3km**, to a depth of 500m and **remains open in every direction**. Mineralisation occurs in a series of stacked flat-dipping (Liese-type) and steeply dipping (North Zone-type) vein structures across the prospect area. The new discovery at Goodpaster, immediately along strike from the Pogo mining area demonstrates the camp scale potential of the district.



[Surface projection of mineralised systems including existing production zones and Goodpaster Prospect]

Significant Goodpaster exploration drilling results include (all results are true widths): (ASX: NST)

- 4.0m at 67.5gpt (discovery hole 2017)
- 5.2m at 15.7gpt
- 0.6m at 100.1gpt
- 5.2m at 9.5gpt incl. 2.4m at 18.1gpt
- 0.3m at 129.0gpt
- 1.8m at 13.2gpt
- 2.1m at 44.5gpt
- 2.2m at 28.1gpt
- 0.3m at 170.2gpt
- 8.1m at 5.0gpt
- 1.3m at 27.5gpt

Figure 10 Extract from Northern Star Announcement 16/9/2019 ASX: NST

Binding Agreement Terms

Exclusive Option Period for 50 days, extendable to 100 days

Under the binding terms of the initial agreement, N27 has agreed to pay Millrock US\$250,000 within 10 days to secure a 50 day exclusive option period. A further payment of US\$250,000 (at N27's election) will extend the option period for a further 50 days, to 100 days in total. These funds are to be used by Millrock for the Pogo West Project, in preparing drill access roads and other exploration activities and tenement rentals as agreed between MRO and N27 (Option Fee). The entire Option Fee contributes to the exploration earn-in expenditure commitment for year 1, however is non-refundable if N27 elects not to enter into an earn-in agreement.

N27 may, at its election and being satisfied with due diligence under the exclusive option period, enter into the earn in agreement within the 100 days of the exclusive option period. During the earn-in to the 60% level on the entire project, N27 has agreed to sole fund the activities with the terms as set out in the table below. While N27 is Manager throughout the sole funding period of the project, Millrock's Alaskan subsidiary Millrock Exploration Corp (MEC) will act as the Operator in year 1 with an 8% management fee and may be re-appointed at N27's discretion. If MEC is removed as the Operator, the annual cash fee that is payable to Millrock will double. If N27 fails to reach a 30% interest, no encumbrances will be recorded over the project by N27. If any party is diluted to less than a 10% interest, their interest will revert to a 1% NSR. N27 may elect to form a Joint Venture (JV) at the completion of any stage and co-funding conditions will commence.

Summary of the Earn-in agreement

Stage	N27 Expenditure US\$ (million)	% Earn in N27	Cash US\$ '000 to MRO	N27 Shares to MRO (million)
Commence	-	-	-	5
Drilling Target	7,500m Drilling (Diamond Core)			5
Year 1	\$5	30%	\$50	10
Year 2	\$5	42%	\$50	10
Year 3	\$5	51%	\$50	4
Year 4	\$5	60%	\$50	4
Totals	\$20	60%	\$200	38

Right to earn up to 80% on one block

N27 can earn up to 80% on one block			
Stage	N27 \$commitment	% Earn	Details
BFS	Fully Fund	70% earn-in	US\$3 million on decision to mine
First Production	Loan Carry	80% earn-in	Profit share 80/20

The project is divided into 9 blocks of ground as shown on **Figure 11**.

At N27's election, after completing a 60% earn-in on the entire project, a JV is formed over the entire project and N27 can elect to form a specific JV on one block of interest. N27 may earn to 70% by sole funding a BFS study on this ONE block. The other 8 blocks will remain in the original JV according to final interest achieved during the earn-in period and subsequent co-funding JV. On a positive BFS and N27's decision to mine, N27 must pay MRO US\$3m cash or shares (subject to shareholder approval). N27 may elect to loan carry MRO to first production and earn an 80% interest in the project on first production. A co-funding JV maybe formed at any stage of the earn in.

Grace Period - 6 months one off

During the sole funding earn-in period N27 has the right to trigger a once off “grace period”, allowing for a 6 months extension to meeting expenditure for a particular earn-in stage, but this must be done while meeting the following stages’ expenditure commitments and time gates.

Joint Venture (JV) co-funding period

Once a JV is formed both parties are required to fund according to their % interest. A party may voluntarily elect to dilute using a standard industry formula using a 2 times weighting on new funding will. A penalty dilution of 3 times will be imposed on a defaulting party in certain circumstances. JV management is to be by committee with voting according to % interest earned, with the party with the largest interest holding the right to be Manager, in line with standard industry conditions.

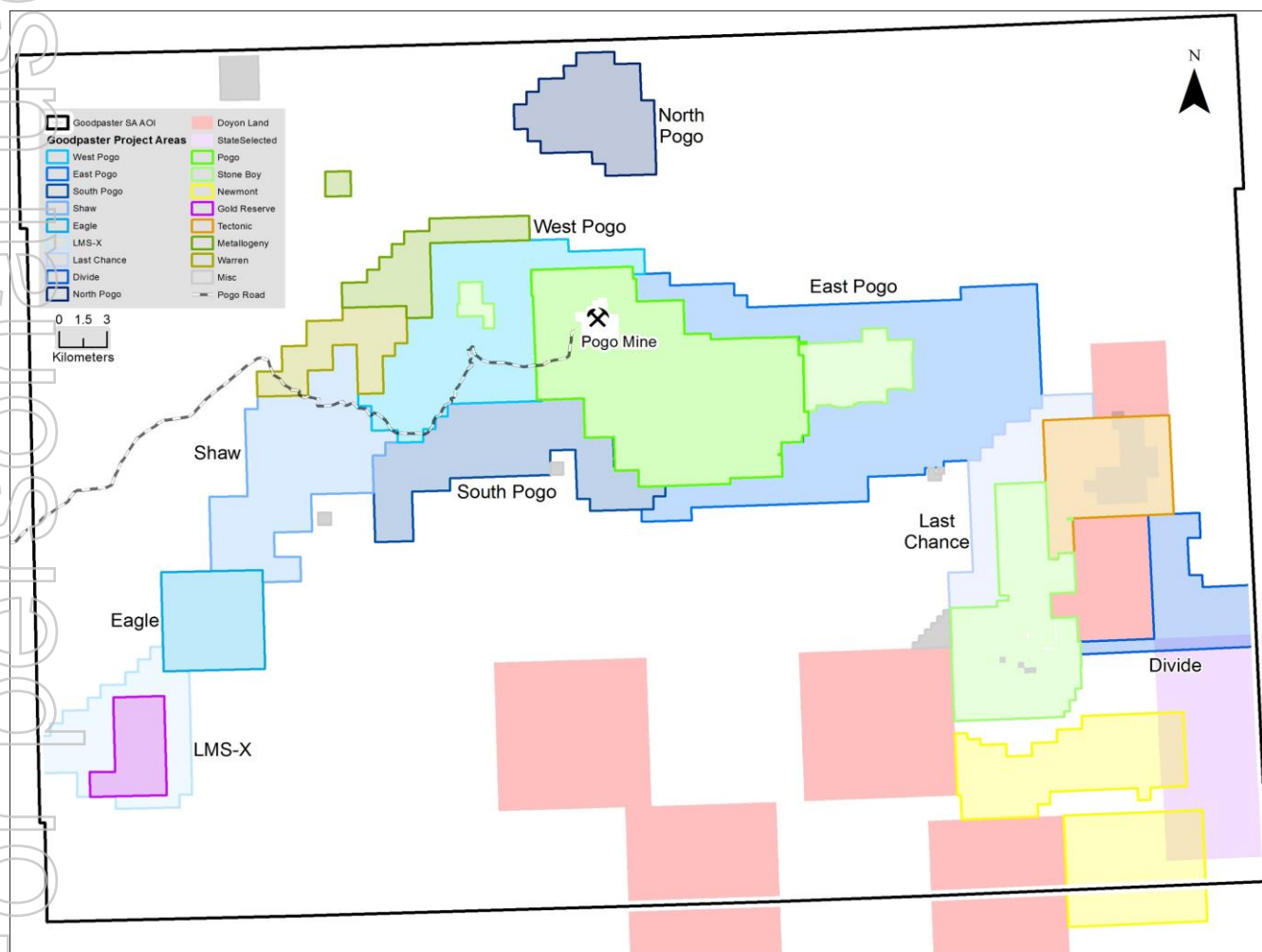


Figure 11 The Goodpaster Project Area of Interest (AOI) – is divided into 9 Blocks: West Pogo, Shaw, Eagle, LMS-X, South Pogo, North Pogo, East Pogo, Last Chance and Divide. The larger black outline is the AOI for the purposes of the MRO-N27 Agreement.

Area of Interest AOI

Under terms of the agreement all new properties acquired in the area of interest as defined in Figure 11 shall be included in the terms of this agreement.

Corporate

Proposed Name Change

The Company intends to seek shareholder approval to change its name at the 2019 AGM.

Placement

Joint lead managers PAC Partners Securities and Taylor Collison have received firm commitments for a placement of \$1.5m at a price of \$0.035 per share:

- Tranche 1: ~\$0.35m for 9.9m shares under remaining LR7.1 – our 15% placement capacity
- Tranche 2: ~\$1.15m for 32.9m shares conditional on shareholder approval

15 million Brokers' Facilitator Options will be due to Joint lead managers PAC Partners Securities and Taylor Collison for a successful placement of \$1.5m, partly subject to shareholder approval. The options are valid for 3 years with the strike price increasing each 12 months from issue, starting at \$0.06/share for the first year, then \$0.08/share and finally \$0.10/share for the last 12 months. Placement fees payable to the Joint Lead Managers are 6% on all funds raised.

Disclosure required under Listing Rule 3.10.3

	Placement shares	Broker Options
Class of securities	Fully paid ordinary shares	Unquoted options
Number	Approximately 42.9 million	15.0 million
Principal terms	N27 quoted shares	(i) Exercise price of each option is 6.0 cents if options are exercised on or before 30 November 2020 (ii) Exercise price of each option is 8.0 cents if options are exercised between (and including) 1 December 2020 and 30 November 2021 (iii) Exercise price of each option is 10.0 cents if options are exercised between (and including) 1 December 2021 and 30 November 2022
Issue price	\$0.035 per share	Nil issue price
Purpose of the issue	Progress the transaction with Millrock, exploration on the Goodpaster Project and working capital	Broker remuneration
Security holder approval required	(i) 9,901,470 Shares to be issued under 15% placement capacity (ii) Approximately 33 million shares subject to shareholder approval at 2019 AGM	Subject to shareholder approval at 2019 AGM
Class of security holders	Sophisticated and professional investors	Brokers to the placement – PAC Partners Securities and Taylor Collison

New Appointments

Mr Duncan Chessell BSc, GAICD, MAusIMM

Duncan is one of the founding Directors of Northern Cobalt Ltd and has been appointed as Managing Director on the completion of the binding term sheet with Millrock and successful placement with PAC Partners Securities and Taylor Collison. He will receive a remuneration package inclusive of superannuation of \$225,000 pa as a fulltime employee; and performance shares incentive package based on delivery of large project milestones in line with adding significant shareholder value (subject to shareholder approval) of 2M performances rights upon a JORC compliant Resource of 500,000 oz gold or at a grade of 5g/t Eq or greater and a further 2M performances rights upon JORC compliant Resource of 1.0 Moz gold or at a grade of 5g/t Eq or greater.

“Duncan’s 20+ years of expertise in international business, cold climate logistics & operations and greenfields gold exploration with a strong leadership capacity, makes Duncan the logical choice to drive the company forward in this next phase of discovery and delineation of resources” – Len Dean, Chairman.

Geology Team

Mr Chessell also brings a team of geoscientists who will be contracted on an as needs basis to keep N27 as lean as possible, but give the capacity to deliver high quality field work and add value to the excellent Millrock team based in Anchorage and Fairbanks. Other consultants will also be deployed to assist with specific tasks as required.

Dr Justin Gum PhD, MGSA, MAIG, MAAG

Contract Principal Geologist. Justin was the Project geologist credited with the discovery of the world class Callie gold deposit, plus other discoveries such as Villa and Fumarole gold deposits in the NT, also with North Flinders Mines. Justin has worked throughout Australia in gold and base metals systems, through a 30-year career as a well-respected geologist.

Ms Christine Lawley MSc, RPGeo (Mineral Exploration), MAIG, MAusIMM

Contract Exploration Manager. Christine has 15 years’ experience in brownfields and greenfields gold, base metals and mineral sands exploration throughout Australia. Christine brings a strong geochemical aspect and modern integrated geoscience approach into the team. She holds a Masters Degree in Ore Deposit Geology.

Mr Kelvin Blundell BSc (Hons), DipEd, MAIG, MASEG

Consulting geophysicist. Kelvin was Sandfire’s consulting geophysicist for the significant DeGrussa Cu-Au massive-sulphide discovery. Kelvin has 20 years of experience working on projects in Australia, Canada and Africa and currently consults to a dozen companies from juniors up to Rio Tinto. His breadth of experience in mineral systems world-wide brings significant value to the team.

Competent Person Statement

The information in this report that relates to exploration results is based on, and fairly represents, information and supporting documentation compiled by Mr Duncan Chessell who is a member of the Australian Institute of Geoscientists. Mr Duncan Chessell is an employee of Northern Cobalt and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Duncan Chessell consents to the inclusion in the report of the matters based on his information in the form in which it is appears and confirms that the data reported as foreign estimates are an accurate representation of the available data and studies of the material mining project. The Company is not aware of any new information or data that materially affects the information included in this announcement and all material assumptions and technical parameters underpinning the Mineral Resource and/or Exploration Target continue to apply and have not materially changed.

For further information please contact:

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