

Cobalt Blue Holdings Limited

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Company Announcements Office
Australian Securities Exchange

Additional Information Statement

Cobalt Blue Holdings Limited (COB or the Company) refers to its ASX Announcement of 5 December 2019 titled “CEO’s Letter to Shareholders”. The Mineral Resource referenced in this announcement is as released to the market on 4 April 2019 (“Significant Thackaringa Resource Upgrade”) and comprises 111 Mt at 889 ppm cobalt-equivalent (CoEq) (715 ppm Co and 7.8% S) for 79,500 tonnes contained cobalt (at a 400 ppm CoEq cut-off) (refer to Table 1 below for a complete summary by deposit and Mineral Resource classification).

Table 1. The updated Mineral Resource estimates for the Thackaringa Cobalt deposits (at a 400 ppm CoEq cut-off) detailed by Mineral Resource classification (CoEq = Co ppm + S % * 22.235). Note minor rounding errors may have occurred in compilation of this table.

Category	Mt	Co ppm	CoEq ppm	Fe %	S %	Pyrite %	Contained Co (t)	Pyrite Mt
Pyrite Hill (at a 400ppm CoEq cut-off)								
Measured	18	928	1150	10.7	9.9	19	17,100	3
Indicated	7	759	940	9.7	8.1	15	5,600	1
Inferred	7	820	1020	10.4	8.9	17	5,700	1
Total	33	867	1070	10.4	9.3	17	28,400	6
Railway (at a 400ppm CoEq cut-off)								
Indicated	37	677	843	8.5	7.4	14	25,100	5
Inferred	24	650	821	9.0	7.7	14	15,300	3
Total	61	667	834	8.7	7.5	14	40,500	9
Big Hill (at a 400ppm CoEq cut-off)								
Indicated	11	629	767	6.7	6.2	12	6,800	1
Inferred	7	553	678	6.2	5.6	11	3,900	1
Total	18	599	732	6.5	6.0	11	11,000	2
Total (at a 400ppm CoEq cut-off)								
Measured	18	928	1150	10.7	9.9	19	17,100	3
Indicated	55	679	841	8.3	7.3	14	37,500	8
Inferred	38	663	831	8.8	7.5	14	24,900	5
Total	111	715	889	8.9	7.8	15	79,500	16

The Mineral Resource has been reported at a cut-off of 400 ppm cobalt equivalent based on an assessment of material that has reasonable prospects of eventual economic extraction.

The cut-off grade incorporates revenue streams from elemental sulphur; an economic by-product of the processing pathway defined in the Preliminary Feasibility Study (PFS), as released to ASX on 4 July 2018 (“Thackaringa Pre-Feasibility Study Announced”). The cobalt equivalent grade has been derived from the following cut-off calculation **CoEq ppm = Co ppm + (S ppm × (S price/Co price) × (S recovery/Co**

recovery))¹. This equates to **CoEq ppm = Co ppm + (S% × 22.235)**. The parameters used for this calculation are listed in the table below.

Assumption	Input
A\$/US\$ Exchange Rate	0.74
Cobalt Price	US\$27/lb Co ²
Sulphur Price	US\$150/t
Cobalt Recovery	85%
Sulphur Recovery	75%

Assumed metallurgical recoveries are in line with results of metallurgical test work completed for the PFS. Further metallurgical results related to individual unit operations of the processing flowsheet are as subsequently released to ASX on 24 June 2019 “Concentrate Circuit (Pilot Trial) program successfully completed” and on 26 February 2019 “Positive Large Scale Testwork Results”.

¹ The Company confirms all elements included in the metal equivalence calculation have reasonable potential to be recovered and sold.

² Cobalt price sourced from SRK Consulting.

Cobalt Blue Holdings Limited

Heath Porteous

Exploration Manager

The Company confirms 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, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. COB confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Previously Released Information

This ASX announcement refers to information extracted from the following reports, which are available for viewing on the Company’s website <http://www.cobaltblueholdings.com>.

- [24 June 2019](#): Concentrate Circuit (Pilot Trial) program successfully completed
- [4 April 2019](#): Significant Thackaringa Resource Upgrade
- [26 February 2019](#): Positive Large Scale Testwork Results
- [4 July 2018](#): Thackaringa Pre-Feasibility Study Announced