

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Cobalt Blue Holdings Limited (ASX:COB)

ABN

90 614 466 607

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | (a) Options (b) Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 25,000 options (b) 101,776 shares |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) The exercise price of the quoted options issued is \$0.25 with an expiry date of 2 May 2020. (b) The shares were issued upon the exercise of options at an exercise price of \$0.25 and an expiry date of 2 May 2020. |

+ See chapter 19 for defined terms.

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| | |
|---|---|
| <p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>(a) Any fully paid ordinary shares issued, if and when the options are exercised, will rank equally with existing fully paid ordinary shares.</p> <p>(b) The fully paid ordinary shares that were issued upon the exercise of options rank equally with existing fully paid ordinary shares.</p> |
| <p>5 Issue price or consideration</p> | <p>(a) The options were issued for no consideration and convert into fully paid ordinary shares after payment of the exercise price of \$0.25.</p> <p>(b) The shares were issued upon exercise of options after payment of the exercise price of \$0.25.</p> |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>(a) 25,000 options issued in accordance with the Company's Supplementary Prospectus dated 10 January 2017.</p> <p>(b) 101,776 quoted options exercised into shares after funds received from two option holders.</p> |
| <p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p> | <p>Yes</p> |
| <p>6b The date the security holder resolution under rule 7.1A was passed</p> | <p>24 November 2017</p> |
| <p>6c Number of +securities issued without security holder approval under rule 7.1</p> | <p>Nil</p> |

+ See chapter 19 for defined terms.

| 6d | Number of +securities issued with security holder approval under rule 7.1A | Nil | | | | | | |
|--------------|--|--|--------|--------|------------|----------------------------|--------------|--|
| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | Nil | | | | | | |
| 6f | Number of +securities issued under an exception in rule 7.2 | (a) 25,000 options (b) 101,776 shares | | | | | | |
| 6g | If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation. | N/A | | | | | | |
| 6h | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | N/A | | | | | | |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | (a) Listing Rule 7.1 – 17,423,780 equity securities (b) Listing Rule 7.1A – 11,615,853 equity securities | | | | | | |
| 7 | <p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p> | (a) The options were issued on 13 July 2018. (b) The shares were issued on 17 August 2018 following the exercise of options. | | | | | | |
| 8 | <p>Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)</p> <p>* refer note in 9 below</p> | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">95,666,350</td> <td style="vertical-align: top;">Fully paid ordinary shares</td> </tr> <tr> <td style="vertical-align: top;">11,464,883 *</td> <td style="vertical-align: top;">Options, which are to each acquire one fully paid ordinary share at an exercise price of \$0.25 per share, expiring on 2 May 2020.</td> </tr> </tbody> </table> | Number | +Class | 95,666,350 | Fully paid ordinary shares | 11,464,883 * | Options, which are to each acquire one fully paid ordinary share at an exercise price of \$0.25 per share, expiring on 2 May 2020. |
| Number | +Class | | | | | | | |
| 95,666,350 | Fully paid ordinary shares | | | | | | | |
| 11,464,883 * | Options, which are to each acquire one fully paid ordinary share at an exercise price of \$0.25 per share, expiring on 2 May 2020. | | | | | | | |

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| | Number | +Class |
|--|---|---|
| 9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable) | 20,492,184 | Fully paid ordinary shares, escrowed until 2 February 2019 |
| | 10,862,414 | Options, escrowed until 2 February 2019, which are to each acquire one fully paid ordinary share at an exercise price of \$0.25 per share, expiring on 2 May 2020. |
| | 1,950,000 | Options, subject to certain vesting conditions, which are to each acquire one fully paid ordinary share at an exercise price of \$0.25 per share, expiring on 2 May 2020. |
| * Following the delivery of the Thackaringa Cobalt Pre-Feasibility Study, the first tranche of 300,000 options vested on 20 July 2018. | | |
| (c) Quotation is now sought for these 300,000 options. | | |
| 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | Fully paid ordinary shares issued will have full participation in any future dividends. | |

Part 2 - Pro rata issue

Questions 11 to 33 are not applicable

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
 (tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Questions 35 to 37 are not applicable

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

| 38 | Number of +securities for which +quotation is sought | (a) 25,000 options (b) 101,776 shares | | | | | | |
|------------|---|--|--------|--------|------------|----------------------------|------------|--|
| 39 | +Class of +securities for which quotation is sought | Options and fully paid ordinary shares | | | | | | |
| 40 | <p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>(a) Any fully paid ordinary shares issued, if and when the options are exercised, will rank equally with existing fully paid ordinary shares.</p> <p>(b) The fully paid ordinary shares that were issued upon the exercise of options rank equally with existing fully paid ordinary shares.</p> | | | | | | |
| 41 | <p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p> | <p>(a) Issue of quoted options</p> <p>(b) Exercise of quoted options</p> <p>(c) Vesting of unquoted options.</p> | | | | | | |
| 42 | Number and +class of all +securities quoted on ASX (including the +securities in clause 38) | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%;">Number</th> <th style="width: 80%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">95,666,350</td> <td>Fully paid ordinary shares</td> </tr> <tr> <td style="text-align: right;">11,464,883</td> <td>Options, which are to each acquire one fully paid ordinary share at an exercise price of \$0.25 per share, expiring on 2 May 2020.</td> </tr> </tbody> </table> | Number | +Class | 95,666,350 | Fully paid ordinary shares | 11,464,883 | Options, which are to each acquire one fully paid ordinary share at an exercise price of \$0.25 per share, expiring on 2 May 2020. |
| Number | +Class | | | | | | | |
| 95,666,350 | Fully paid ordinary shares | | | | | | | |
| 11,464,883 | Options, which are to each acquire one fully paid ordinary share at an exercise price of \$0.25 per share, expiring on 2 May 2020. | | | | | | | |

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

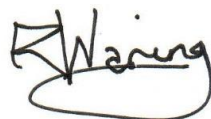
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
(~~Director~~/Company Secretary)

Date: 21 August 2018

Print name: Robert J Waring

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

| Rule 7.1 – Issues exceeding 15% of capital | |
|---|------------------------------|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue | 95,000,000 |
| Add the following: | 5 July 2017 – 8,424 |
| • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 | 18 October 2017 – 4,934 |
| • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval | 1 December 2017 – 11,363,635 |
| • Number of partly paid +ordinary securities that became fully paid in that 12 month period | 17 January 2018 – 152,765 |
| | 9 February 2018 – 400,724 |
| | 23 February 2018 – 236,726 |
| | 21 March 2018 – 326,912 |
| Note: | 16 April 2018 – 7,093,959 |
| • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> | 20 April 2018 – 804,408 |
| • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> | 18 May 2018 – 443,552 |
| • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | 22 June 2018 – 220,719 |
| | 17 August 2018 – 101,776 |
| | Total – 21,158,534 |
| Subtract the number of fully paid +ordinary securities cancelled during that 12 month period | Nil |
| “A” | 116,158,534 |

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| Step 2: Calculate 15% of “A” | |
| “B” | 0.15 <i>[Note: this value cannot be changed]</i> |
| Multiply “A” by 0.15 | 17,423,780 |
| Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used | |
| <p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | |
| “C” | Nil |
| Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1 | |
| “A” x 0.15 <i>Note: number must be same as shown in Step 2</i> | 17,423,780 |
| Subtract “C” <i>Note: number must be same as shown in Step 3</i> | Nil |
| Total [“A” x 0.15] – “C” | 17,423,780 <i>[Note: this is the remaining placement capacity under rule 7.1]</i> |

+ See chapter 19 for defined terms.

Part 2

| Rule 7.1A – Additional placement capacity for eligible entities | |
|--|---|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| “A” <i>Note: number must be same as shown in Step 1 of Part 1</i> | 116,158,534 |
| Step 2: Calculate 10% of “A” | |
| “D” | 0.10 <i>Note: this value cannot be changed</i> |
| Multiply “A” by 0.10 | 11,615,853 |
| Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used | |
| Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items | Nil |
| “E” | Nil |

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| | |
|--|---|
| Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A | |
| "A" x 0.10 <i>Note: number must be same as shown in Step 2</i> | 11,615,853 |
| Subtract "E" <i>Note: number must be same as shown in Step 3</i> | Nil |
| Total ["A" x 0.10] – "E" | 11,615,853 <i>Note: this is the remaining placement capacity under rule 7.1A</i> |

+ See chapter 19 for defined terms.