

Cobalt Blue Holdings Limited

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13 May 2019

Dear Cobalt Blue shareholder

Non-Renounceable Entitlement Issue Offer

On 13 May 2019 Cobalt Blue Holdings Limited (ASX:COB or the Company) announced details of its 1 for 6 non-renounceable entitlement issue (the Entitlement Issue). In summary, under the Entitlement Issue you are entitled to subscribe for one share for every six shares held by you as at the Record Date (7:00pm (AEST) on 17 May 2019) at an issue price of \$0.12 per share (the Issue Price). For example, if you hold 1,000 shares as at the Record Date you will be entitled to subscribe for a maximum of 167 COB shares at the Issue Price. In the event that any fractions of shares occur as a result of your subscription under the Entitlement Issue, your eventual shareholding will be rounded up to the nearest whole number. You may subscribe for some or all of your entitlement under the Entitlement Issue. In the event that Eligible Shareholders do not take up all of their Entitlements in full, a Top Up Facility will be available to provide an opportunity for those Eligible Shareholders that have taken up their full Entitlements to apply for New Shares additional to their Entitlement.

Blue Ocean Equities Pty Limited (Blue Ocean) has agreed to act as Lead Manager and Underwriter to the Entitlement Issue. Any allocation of the Shortfall under the Entitlement Issue is at the discretion of the Underwriter, provided that if any Shareholder who takes up New Shares in addition to their pro-rata entitlement would as a result hold greater than 19.9% of the Shares in the Company following completion of the Entitlement Issue then the number of additional New Shares that they would be issued would be scaled back so that they do not hold greater than 19.9%.

The maximum number of shares to be issued under the Entitlement Issue is 20,765,589 assuming that none of the 27,171,547 options on issue are exercised. If all of the 27,171,547 options are exercised, then a further 4,528,591 fully paid ordinary shares may be issued under the Entitlement Offer. COB does not know if any of the Options will be exercised.

Use of Funds

The Company expects to raise approximately \$2.49 million under the Entitlement Issue. The funds raised will be used to support further development of the Thackaringa Cobalt Project, including drilling, geological and geotechnical work, mine planning, engineering, financial and metallurgical studies, and for COB's working capital.

Entitlement Issue Details

The shares offered under the Company's Entitlement Issue are the same class of shares as the existing fully paid ordinary shares on issue and COB will seek their quotation on the ASX. No disclosure document (such as a prospectus) accompanies the Entitlement Issue. Investment in equities is at your own risk and the Board recommends that you seek professional advice before deciding whether or not to take up the offer. An Offer Document and accompanying Entitlement and Acceptance Form will be distributed to the Company's shareholders on 22 May 2019.

COB released its 2018 Annual Report for the year ended 30 June 2018 on 8 October 2018 and it can be found on the Company's website at <https://www.cobaltblueholdings.com/annual-reports>. COB shareholders are encouraged to review this document and all subsequent releases to ASX by the Company.

The Closing Date under the Entitlement Issue is 5:00pm AEST on 3 June 2019. An indicative timetable for the Offer is below.

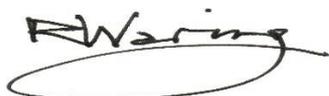
Event	Date*
Cleansing Notice S708AA with ASX	13 May 2019
Announcement of Offer and Letter to Option holders	13 May 2019
Lodgement of Appendix 3B with ASX	13 May 2019
Letters to Eligible Shareholders and Ineligible Shareholders.	14 May 2019
"Ex" Date (date Shares are quoted ex-rights)	16 May 2019
Record Date to determine Entitlements – 7:00pm (AEST)	17 May 2019
Offer Documents (together with Entitlement and Acceptance Forms) despatched to Shareholders and announce despatch	22 May 2019
Latest date to extend offer (at least three days prior to Closing Date)	28 May 2019
Closing Date (earliest possible date) – 5:00pm (AEST)	3 June 2019
Shares quoted on a deferred-settlement basis	4 June 2019
Notification to ASX of under subscriptions	6 June 2019
Issue date – despatch Holding Statements	11 June 2019
Normal trading of New Shares, issued under Offer, commences **	12 June 2019

* *These dates are indicative only. The Directors (in consultation with the Lead Manager and Underwriter) reserve the right to vary the key dates without prior notice, subject to the ASX Listing Rules.*

** *The Directors (in consultation with the Lead Manager and Underwriter) may extend the Closing Date by giving at least three Business Days' notice to ASX prior to the Closing Date. As such, the date the new COB shares are expected to commence trading on ASX may vary.*

Yours faithfully

Cobalt Blue Holdings Limited



Robert J Waring

Company Secretary

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13 May 2019

Dear Cobalt Blue Shareholder

Non-Renounceable Entitlement Issue – Ineligible Shareholders

On 13 May 2019, Cobalt Blue Holdings Limited (ASX:COB or the Company) announced details of its 1 for 6 non-renounceable entitlement issue (the Entitlement Issue). The Entitlement Issue will open on 22 May 2019 and will close on 3 June 2019. Eligible shareholders may opt to take up all, part or none of their entitlement. The Entitlement Issue is being made by the Company without a disclosure document or product disclosure statement in accordance with section 708AA of the Corporations Act 2001 (Cth) (Corporations Act). Shareholder approval is not required for COB to make the offer under the Entitlement Issue.

Eligibility of Shareholders to Participate in the Entitlement Issue

The Company has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act, that it would be unreasonable to make offers to COB shareholders in countries other than Australia and New Zealand, in connection with the Entitlement Issue. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than New Zealand) having regard to the number of overseas shareholders, the number and value of shares these shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act, this letter is to inform you that the Company has determined that you are not an Eligible Shareholder and therefore are ineligible to apply for new COB shares under the Entitlement Issue.

You are not required to do anything in response to this letter. The Entitlement Issue is only available to Eligible Shareholders. An Eligible Shareholder means a holder of shares in the Company at 7:00pm (AEST) on 17 May 2019 (Record Date) who has a registered address in Australia and New Zealand, or is a COB shareholder that the Company has otherwise determined is eligible to participate, and is eligible under all applicable securities laws to receive an offer under the Entitlement Issue without any requirement for a prospectus to be lodged or registered.

As you do not satisfy the criteria for eligibility, COB is unfortunately unable to extend the Entitlement Issue to you. New shares in the Company, equivalent to the number of new shares you would have been entitled to if you were an Eligible Shareholder, will be allocated as part of the shortfall at the Board's discretion in conjunction with Blue Ocean Equities Pty Limited (Blue Ocean), the Lead Manager and Underwriter to the Entitlement Issue. COB has appointed Blue Ocean as nominee in respect of excluded shareholders and will issue Blue Ocean (or its nominee) the Entitlements to acquire those new shares in the Company that excluded shareholders would otherwise have received. For those COB shares that Blue Ocean acquires it has agreed to use its reasonable endeavours to promptly sell them on-market and arrange with the Share Registrar to remit the net proceeds of any such sales (excluding reasonable costs) to the excluded shareholders in compliance with ASX Listing Rule 7.7.1.

Yours faithfully

Cobalt Blue Holdings Limited

Robert J Waring
Company Secretary