

Cobalt Blue

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Cobalt Blue's Joe Kaderavek discusses metallurgical breakthrough at Thackaringa in Proactive Q&A Sessions™



Simple gravity circuit provides a metallurgical breakthrough

Cobalt Blue Ltd (ASX:COB) is aiming to transition its Thackaringa project in New South Wales to being a top five global producer of cobalt sulphate, which would be the largest non Democratic Republic of Congo mine globally.

The company is the only "pure play cobalt" ASX-listed company with >80% leverage to cobalt.

Cobalt is an essential high value metal, with significant recent price appreciation due to supply constraints and production risk.

To take us through the latest important metallurgical testwork results, we are joined exclusively by the company's chief executive officer, Joe Kaderavek.

Welcome Joe.

Proactive Investors: First of all Joe, can you take us through the metallurgical testwork on the Thackaringa ore, including the concentrate and recoveries?

Joe Kaderavek:

Our focus, in the early part of the Pre-Feasibility Study (PFS), has been to develop a low-cost process for upgrading cobalt into a concentrate.

The main break-through has been the ability to use gravity separation on a coarse particle size, where no grinding is required, compared to fine milling and froth flotation.

The PFS testwork has now treated 820 kilograms of ore recovering a significant 92% cobalt to concentrate.

Investors will find this a very attractive number.

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Proactive Investors: With the concentrate grade increasing, how will this change the potential processing dynamic?

Joe Kaderavek:

Concentrating the ore is a key step in developing a viable project.

Cobalt recovery essentially occurs in two steps: (1) from ore to concentrate; and (2) concentrate to final (cobalt sulphate product - subject to further testwork aiming to be completed by end December).

The recent PFS testwork successfully upgraded a sample into concentrate, and work from the Scoping Study showed that the typical ore will be concentrated to ~4000-4500 parts per million.

The concentrate is valued at circa A\$300 a tonne, using the prevailing cobalt price.

Proactive Investors: Can you provide a comparison about the importance to the ore type at Thackaringa, compared to say laterite projects?

Joe Kaderavek:

Thackaringa ore is completely different to a laterite deposit.

The ore is essentially 20% pyrite mixed with 80% quartz/feldspar.

The simple and low-cost gravity separation technique takes advantage of the difference in weight of pyrite (hosting the cobalt) versus quartz.

This opportunity is not afforded to laterites which are mainly iron-magnesium oxide/hydroxide/silicates, with the nickel and cobalt hosted inside the oxides.

Once the pyrite has been separated from the ore, the refinery will be focused on extracting the cobalt from the sulphide.

Unlike laterites, treating sulphides do not consume large quantities of acid.

Proactive Investors: How does this latest information support your opinion as determining the economic viability of the project?

Joe Kaderavek:

Thackaringa already has scale, this testwork is focussed on margin.

A simple gravity circuit, coarse crush size and significantly reduced flotation circuit represent a strong start for the PFS.

Our view remains to prove up a long life mine capable of operating down to US\$10-12 a pound cobalt price for 20 plus years.

Proactive Investors: Moving forward, when do you expect to complete the calcine and leach testwork, and what do you hope this will achieve?

Joe Kaderavek:

Calcine and leach testwork will be completed towards the end of the December quarter 2017.

This will validate each of the key process steps.

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From the 820 kilograms of ore, we are aiming to produce battery quality cobalt sulphate, which can then be used in preliminary product acceptance testing with battery manufacturers.

Proactive Investors: Finally, what key milestone news flow should investors look out for heading into, and during, 2018?

Joe Kaderavek:

Investors can look forward to updates on the Thackaringa Drilling Program which is targeting a 40 million tonne Indicated Resource, as well as PFS testwork updates on the remaining parts of our processing.

Looking into 2018, Cobalt Blue is aiming to deliver the upgraded resource by 1 April 2018 and then shortly thereafter a full PFS by 30 June 2018.

Proactive Investors: Thank-you Joe.

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