

Cobalt Blue

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Cobalt Blue's Joe Kaderavek outlines latest from Korea and Japan visit in Proactive Q&A Sessions™



Cobalt Blue's CEO Joe Kaderavek and Head of Feasibility Studies Dr Andrew Tong meet potential Korean and Japanese financial and technical partners

Cobalt Blue Ltd's ([ASX:COB](#)) chief executive officer, Joe Kaderavek, exclusively joined Proactive's Q&A Sessions™ to discuss the company's recent Asian commercial visit and its transition to potentially become a top five global producer of cobalt sulphate.

Proactive Investors: Welcome Joe.

Proactive Investors: What were the outcomes from your Korean and Japanese visit?

Joe Kaderavek: Cobalt Blue management recently met with senior Korean and Japanese financial and cobalt industry teams.

The approach was to gauge interest in our business and future production as we pass through feasibility and into development.

As a result of the visit, we understand the battery industry's rapidly evolving demand for high purity cobalt sulphate (20.0% & 20.5% product for advanced EV batteries) and how we can work together to build the Cobalt Blue business.

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Proactive Investors: Can you share some insight into the cobalt market?

Joe Kaderavek: The battery market will continue to dominate cobalt.

The three Asian processing countries (China, Japan and Korea), representing >80% of global processing, expect to see a doubling of demand somewhere between today and 2025/2030.

Importantly, most of this demand will be for a cathode ready product, namely cobalt sulphate.

The emergence of stable, high quality NCM (Nickel Cobalt Manganese) and NCA (Nickel Cobalt Aluminium oxide) based batteries needing higher quality cobalt sulphate crystal is the future.

Proactive Investors: How does Cobalt Blue and your Thackaringa Project fit into the battery industry and into the future?

Joe Kaderavek: The fit starts now.

We will be despatching test samples of our cobalt sulphate being produced as a result of the Pre-Feasibility Study testwork currently underway.

We expect to ship first set of samples for purity testing during January.

The scale of the Thackaringa Project grabbed the attention of partners/customers.

Our target is to produce 4,000 tonnes of cobalt (as ~20,000 tonnes cobalt sulphate) per annum.

That would be the largest independently owned and single-source mine supply of cobalt outside of Africa.

To put that into perspective, that's 50% and 40% of Korean and Japanese annual demand (resp.) today, a highly desirable source of supply.

Further, our streamlined and low cost production process, for extracting cobalt and producing a battery industry ready product, whilst avoiding the cost and environmental liabilities of making acid, is very attractive to partners.

Proactive Investors: You previously mentioned key differences between Thackaringa and other projects, particularly laterite projects, can you elaborate?

Joe Kaderavek: Thackaringa ore is completely different to a laterite deposit.

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

The recent breakthrough in using simple and low-cost gravity separation technique takes advantage of the difference in weight of sulphide (hosting the cobalt) versus quartz/feldspar.

The heavy sulphide separates easily. We therefore only need to process 20% of mined ore (sulphide) in a refinery.

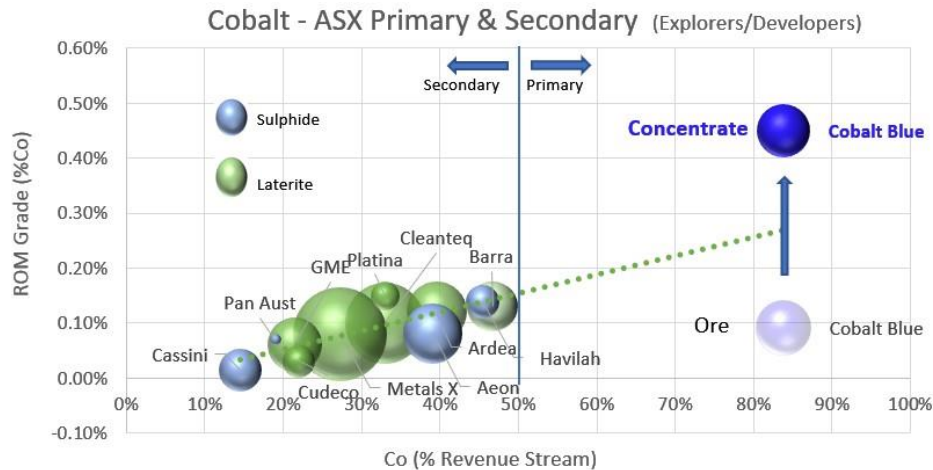
For laterite projects, such simple upgrading is not available and they need to process the entire ore mass through the refinery, an expensive operation consuming large quantities of acid and typically needing strong by-product credits from nickel to be profitable.

While open-pit mines will have similar mining costs per tonne of ore, Thackaringa has a clear advantage over its Australian laterite peers, because it can upgrade the low-grade ore into a concentrate, prior to incurring the high per tonne costs associated with refining.

This is summarised in the following graph which compares ore grades from Australian explorers/developers.

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Most of the laterite deposits will need to refine the ore at 0.1-0.2%, whereas Thackaringa will be refining concentrate at 0.4-0.5% cobalt.



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 targeting a 40 million tonne Indicated Resource, as well as PFS testwork updates on the remaining parts of our processing.

We expect to have our first battery quality cobalt sulphate by January.

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

Proactive Investors: Thank-you Joe.

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