

Market Update

18 February 2019

February 2019 – Highlights

Cobalt Blue Holdings Limited A Green Energy Exploration Company



ASX Code:

COB

Commodity Exposure:

Cobalt & Sulphur

Directors & Management:

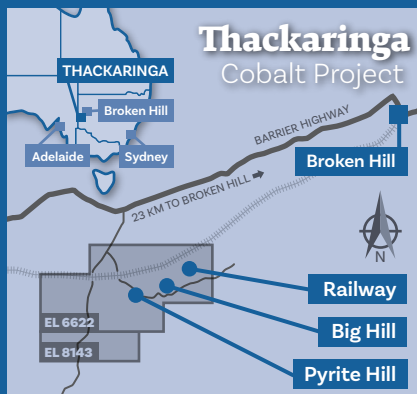
Robert Biancardi	Non-Exec Chairman
Hugh Keller	Non-Exec Director
Robert McDonald	Non-Exec Director
Joe Kaderavek	CEO & Exec Director
Robert Waring	Company Secretary

Capital Structure:

Ordinary Shares at 18/02/2019:	124.6m
Options (ASX Code: COBO):	25.4m
Market Cap (undiluted):	\$19.3m

Share Price:

Share Price at 18/02/2019:	\$0.155
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Withdrawal Notice Served – BPL deemed to have withdrawn from Thackaringa Joint Venture

KEY POINTS:

- Cobalt Blue Holdings Limited (COB) believes Broken Hill Prospecting Limited's (ASX: BPL) Joint Venture interest has fallen to below 5%, the Minimum Interest specified in the Exploration Farmin Joint Venture Agreement (Thackaringa).
- BPL is now deemed to have withdrawn from the Joint Venture and must surrender absolutely to COB its Joint Venture Interest and execute and deliver all documents required to complete the transfer to COB of its Joint Venture Interest.
- As a result, COB will hold a 100% beneficial and legal interest in the Thackaringa Cobalt Project once BPL transfers its Joint Venture interest to COB.

On 24 October 2018 Cobalt Blue Holdings Limited (COB) elected out of the Earning Period process of the Exploration Farmin Joint Venture Agreement with Broken Hill Prospecting Limited (ASX:BPL) (TJV Agreement).

On 16 November 2018 a TJV Management Committee meeting was held at which work programs and budgets were discussed and approved by the TJV Management Committee. On the same day COB, as JV Manager, then issued BPL and COB with a Billing Statement specifying a Called Sum for payment within 7 days.

On 26 November 2018, after no monies were received from BPL, the JV Manager issued a Non Payment Notice to BPL.

On 29 November 2018 BPL issued an Optional Dilution Notice advising it did not wish to contribute to Joint Venture Activities.

The TJV Agreement (released 3 December 2018) provides that if a Dilution Notice has been given, then throughout the period of the Applicable Program and Budget, the Manager must recalculate the Joint Venture Interest of each Joint Venturer in accordance with a Dilution Formula, when, inter-alia, the Joint Venture Interest of a Diluting Joint Venturer reduces to the Minimum Interest or less. The minimum interest is 5% of the Joint Venture.

The TJV Agreement also provides that if a Joint Venturer reduces by dilution to less than the minimum interest, then that Joint Venturer is deemed to have withdrawn from the Joint Venture.

