

Market Update

24 Oct 2018

October 2018 – Highlights

Cobalt Blue Holdings Ltd A Green Energy Exploration Company



ASX Code:

COB

Commodity Exposure:

Cobalt & Sulphur

Directors & Management:

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

Capital Structure:

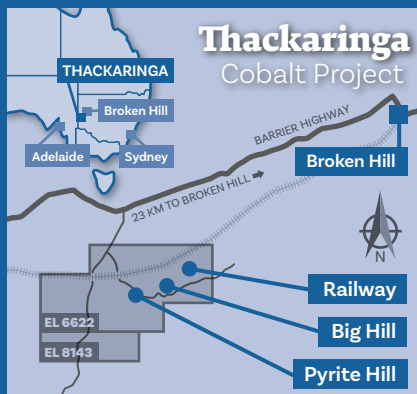
Ordinary Shares at 24/10/2018: **116.2m**

Options (ASX Code: COBO): **24.4m**

Market Cap (undiluted): **\$33.7m**

Share Price:

Share Price at 24/10/2018: **\$0.29**



Cobalt Blue Holdings Limited

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COB decides not to exercise its rights to proceed further under Thackaringa Joint Venture Farmin Earning Period Provisions

KEY POINTS:

- Following completion of a Pre-Feasibility Study (PFS), the Thackaringa Joint Venture commissioned Wood PLC, a globally renowned engineering firm, to perform a PFS gap analysis review. Wood subsequently recommended up to a 24 month period for further Bankable Feasibility Study (BFS) work.
- COB has concluded that the risk of attempting to fast track such studies into a period of only 12 months, to meet the BFS timetable in the Exploration Farmin Joint Venture Agreement (Farmin Agreement) with Broken Hill Prospecting Limited (ASX: BPL), would significantly impair the project and pose undesirable risk. Subsequently, after a period of negotiations leading to no acceptable commercial outcomes, COB has now elected out of the Earning Period process of the Farmin Agreement.
- Notwithstanding COB's decision, it will continue to hold its recently upgraded and announced 70% beneficial interest in the project.
- COB will remain in the Thackaringa Cobalt Project as a Joint Venture partner with BPL (30% beneficial interest). COB will now work with our JV partner, BPL to progress the Thackaringa Cobalt Project through development and feasibility studies, and assuming positive results, and into the construction and ultimately production phases.
- COB will remain Manager of the Joint Venture.

Previously we have updated the market on the Wood Review and its bearing on feasibility studies. The review clearly outlined that it is prudent, particularly where complex operations are concerned, for there to be an extended development and testwork phase prior to moving onto the next stage of studies. Wood concluded that the pre-BFS work, completion of flowsheet development, additional bulk scale testwork, demonstration operations and feasibility studies will take up to 24 months.

As COB is committed to using an industry best practice approach to deliver the world class Thackaringa Cobalt Project, it will implement the recommendations of the Wood review to improve the technical robustness of the pre-planning, preparation and technical work required to support the full cobalt sulphate flowsheet. COB continues to believe that Thackaringa's future lies in making a battery ready ingredient that captures the entire cobalt margin through cycle for our shareholders.

COB is currently finalising the timeline for such feasibility studies, with a view to preserving the board investment decision date to Q3 2020. The ability to deliver a higher quality, more rigorous feasibility study in the interim, one that de-risks the project, is our primary focus.

Due to these reasons we are unable to deliver a BFS by mid 2019, which is required under the Earning Period provisions of the Farmin Agreement. The COB board believes that to attempt to rush these studies, without proper diligence, is imprudent and not in the best interests of the Thackaringa Cobalt Project or COB's shareholders. As a result, COB is unable to progress further within the Earning Period provisions in the Farmin Agreement and has elected to stay within the Joint Venture as a 70% partner. We therefore welcome BPL as our 30% JV equity partner and look forward to developing the project with its assistance.

Cobalt Blue has the following beneficial interests in the tenements:

- EL 6622 – 70% beneficial interest.
- EL 8143 – 70% beneficial interest.
- ML 86 – 70% beneficial interest.
- ML 87 – 70% beneficial interest.

Cobalt Blue Background

Cobalt Blue Holdings Limited (ASX:COB) is an exploration and project development company focussed on green energy technology and strategic development to upgrade its mineral resource at the Thackaringa Cobalt Project in New South Wales from Inferred to Indicated status. This strategic metal is in strong demand for new generation batteries, particularly lithium-ion batteries now being widely used in clean energy systems.

COB is in a Joint Venture (70% interest) with Broken Hill Prospecting Limited (ASX:BPL) (30% interest) to develop the Thackaringa Cobalt Project.

Potential to extend the Mineral Resource at Pyrite Hill, Big Hill, Railway and the other prospects is high. Numerous other prospects within COB's tenement package are at an early stage and under-explored.

Looking forward, we would like our shareholders to keep in touch with COB updates and related news items, which we will post on our website, the ASX announcements platform, as well as social media such as Facebook (f) and LinkedIn (in). Please don't hesitate to join the 'COB friends' on social media and also to join our newsletter mailing list at our website.



Joe Kaderavek

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Previously Released Information

This ASX announcement refers to information extracted from the following reports, which are available for viewing on COB's website <http://www.cobaltblueholdings.com>

- 19 September 2018: Update on Progress with the Bankable Feasibility Study
- 18 September 2018: CEO's Letter to Shareholders
- 13 September 2018: Bankable Feasibility Study Commences with Drilling Campaign and Project Optimisation Studies
- 05 September 2018: Thackaringa TJV – Completion of Stage 2 Earning Obligations
- 04 July 2018: Thackaringa Pre Feasibility Study Announced
- 20 April 2018: Thackaringa JV – Stage One Completed
- 19 March 2018: Thackaringa – Significant Mineral Resource Upgrade
- 05 March 2018: PFS – Calcine and Leach Testwork Complete – Strong Results
- 24 January 2018: Significant Thackaringa Drilling Program complete – Resource Upgrade pending
- 27 December 2017: PFS – Bulk Metallurgical Testwork – Progress Update
- 04 December 2017: Railway Drilling Program confirms grade continuity at depth and strike
- 26 October 2017: Bulk Metallurgical Testwork – Strong Concentration Results
- 27 September 2017: CEO's Letter to Shareholders – September 2017
- 12 July 2017: Scoping Study update – Strong Potential for Commercialisation after Processing Testwork