

11 January 2021

Mr J Fisher
Compliance Adviser
Listings Compliance (Sydney)
ASX Compliance Pty Ltd
20 Bridge Street, Sydney NSW 2000

Dear James

Response to ASX Price Query

We refer to your letter dated 8 January 2021 regarding the share price of, and share volumes traded in, Cobalt Blue Holdings Limited (ASX:COB or the Company), and respond to your questions as follows:

1. Is COB aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

Response: The Company is not aware of any information concerning it that has not been previously announced to the market, which, if known, could be an explanation for the recent trading in the securities of COB.

2. If the answer to question 1 is yes:
 - a) Is COB relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in COB's securities would suggest to ASX that such information may have ceased to be confidential and therefore COB may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt.
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?

Response: Not applicable.

3. If the answer to question 1 is "no", is there any other explanation that COB may have for the recent trading in its securities?

Response: The Company is not aware of any explanation for the price change and increase in volume in the securities of COB other than as referred to in previous ASX announcements and as commented on below.

There are a number of macro-economic and stock specific factors that could explain the trading in COB securities. Cobalt is a vital ingredient for a high-performance lithium-ion battery. In turn these batteries are used to power Electric Vehicles (EV) and Energy Storage Systems (ESS) globally. Many countries are currently mandating lower CO₂ emissions (including the EU, China and shortly the US).

Globally, EV subsidies are being rolled out on an increasingly larger scale, targeting both EV purchase assistance and bailouts for incumbent auto OEMs. These subsidies are significant, effectively transforming the EU into the largest EV market globally, and typically underwriting 20-35% of the purchase cost of a new EV across Germany,

France, and the UK. The upcoming US Biden Clean Energy plan also includes a US\$400 billion investment supporting the roll out of 25 million EVs.

To date, over 30 nations globally have now mandated the banning of internal combustion engine vehicle sales in the future.

The cobalt market has recently tightened from its COVID-19 driven 2020 lows. Cobalt sulphate pricing has improved from (cobalt equivalent) US\$12/lb (April 2020) to over US\$19/lb at this time. The COB corporate view, and that of our industry partners, is that the metal is well on track to retrace its four-year longer-term average price of US\$25/lb in real terms. The Broken Hill Cobalt Project, with an estimated ~US\$12/lb (All In Sustaining Cost), will deliver a significant margin in such a market environment.

COB has previously announced the timeline for the build and operation of its Broken Hill based Pilot Plant (e.g.: *Pilot Plant Update – 21 Dec 2020*, *Chairman’s Address (AGM) 27 November 2020*, *CEO Letter 28 September 2020* and *Pilot Plant Update 24 August 2020*). The last update guided that the Pilot Plant will be in operation from February 2021 and that milestone will in turn allow COB to begin its global cobalt sample partner programme.

The sample programme (ranging from 100 to 200 kgs and from 2 to 3 tonnes for the later Demonstration Plant) is, from COB’s knowledge, one of largest undertaken within the global cobalt market, where typical project testwork normally ranges from 1-20 kgs. The facility will prove up the processing technology that COB has developed and de-risk the project for future investors. With over 15 global partners already wishing to receive sample product, this is an economically and ethically attractive non-DRC (Democratic Republic of the Congo) global scale project. Investors can therefore anticipate robust commercial project discussions from this point.

4. Please confirm that COB is in complying with the Listing Rules and, in particular, Listing Rule 3.1.

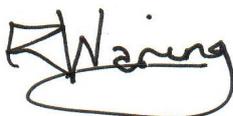
Response: The Company confirms that it is in compliance with the ASX Listing Rules, in particular, Listing Rule 3.1.

5. Please confirm that COB’s responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of COB with delegated authority from the board to respond to ASX on disclosure matters.

Response: The Company confirms that COB’s responses to the questions above have been authorised and approved in accordance with its published Continuous Disclosure Policy by the Board of Directors.

Yours sincerely

Cobalt Blue Holdings Limited

A handwritten signature in black ink, appearing to read 'R Waring', with a horizontal line underneath.

Robert J Waring
Company Secretary



8 January 2021

Reference: 29433

Mr Robert Waring
Company Secretary
Cobalt Blue Holdings Limited

By email: robert.waring@cobaltblueholdings.com

Dear Mr Waring

Cobalt Blue Holdings Limited ('COB'): Price - Query

ASX refers to the following:

- A. The change in the price of COB's securities from a low of \$0.18 to a high of \$0.295 in the last few days.
- B. The significant increase in the volume of COB's securities traded from 4 January 2021 to 8 January 2021.

Request for information

In light of this, ASX asks COB to respond separately to each of the following questions and requests for information:

1. Is COB aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes".
 - (a) Is COB relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in COB's securities would suggest to ASX that such information may have ceased to be confidential and therefore COB may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that COB may have for the recent trading in its securities?
4. Please confirm that COB is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that COB's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of COB with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEDT Monday, 11 January 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, COB's obligation is to disclose the information

'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require COB to request a trading halt immediately.

Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in COB's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in COB's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to COB's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that COB's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

James Fisher
Compliance Adviser, Listings Compliance (Sydney)