

Cobalt Blue Holdings Limited

ACN: 614 466 607
Address: Suite 17.03, 100 Miller St, North Sydney NSW 2060
Website: www.cobaltblueholdings.com
Email: info@cobaltblueholdings.com
Social: [f](#) Cobalt.Blue.Energy [in](#) cobalt-blue-holdings



4 December 2019

Cobalt Blue Holdings (COB) and Broken Hill Prospecting (BPL) have agreed on the terms for COB to acquire 100% Ownership and Legal Title of the Broken Hill (Thackaringa) Cobalt Project.

COB is pleased to announce that the parties have executed a binding Heads of Agreement (HOA) for COB to acquire 100% ownership and legal title of the Broken Hill (Thackaringa) Cobalt Project (including all tenements). This will result in the dissolution of the Thackaringa Joint Venture, and provide COB with full control and continuing management of the Project.

The Independent Expert Determination has confirmed that COB and BPL have 70:30 respective interests in the Project. COB and BPL have subsequently used the delivery of the Expert Determination as a catalyst for discussion.

Under the terms of the Thackaringa Joint Venture (TJV), both BPL and COB have the rights to reduce their interest in the TJV via assignment.

Under the binding HOA, BPL will receive:

- a. \$500,000 cash;
- b. 9,000,000 COB fully paid ordinary shares at a deemed issue price of \$0.15 per share;
- c. \$1,000,000 three-year Convertible Note (CN), interest of 6% per annum payable in arrears, convertible with a \$0.20 conversion price, and with COB having an option for early payout; and
- d. \$3,000,000 five-year Promissory Note (PN), interest free for years 1, 2 and 3, and interest of 6% per annum for years 4 and 5, payable in arrears. The PN is to be secured over the title to the tenements.

BPL will retain the existing exploration base and precious metal rights, as defined in the TJV, and its existing 2% Net Smelter Royalty (NSR) on all cobalt production from the Project.

The parties are working together to complete all other necessary documents.

COB is delighted that the parties have reached a commercial outcome that will allow the development of the Project with benefits accruing to shareholders of both companies.

Cobalt Blue Holdings Limited

Robert J Waring

Company Secretary