Market Announcement

27 March 2017

Cobalt Blue Holdings Ltd

A Green Energy Exploration Company

ASX Code: **COB**

Commodity Exposure:
Cobalt & **Sulphur**

Directors & Management:

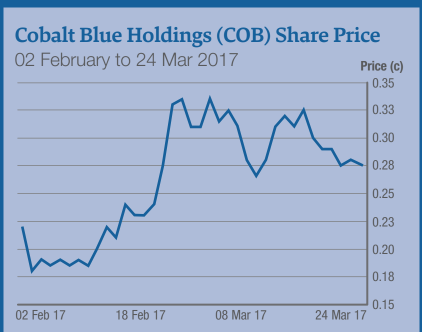
Robert Biancardi	Non-Exec Chairman
Hugh Keller	Non-Exec Director
Trangie Johnston	Non-Exec Director
Joe Kaderavek	CEO & Exec Director
Ian Morgan	Company Secretary

Capital Structure:

Ordinary Shares on Issue at 24/3/2017:	**95m**
Options (Unlisted – not vested):	**28.25m**
Market Cap (undiluted):	**$27m**

Share Price:

Share Price at 24/3/2017:	**$0.28**



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Highlights

Assays Confirm Thackaringa as a Significant Cobalt-Pyrite Project

- Assays from our 2016 Diamond Drilling program confirm continuity and tenor of cobalt-pyrite mineralisation at Railway, Pyrite Hill and Big Hill prospects.
- The Diamond Drilling program provides material for planned metallurgical testwork.
- A significant Reverse Circulation (RC) and Diamond Drilling program (commenced in February 2017) designed to expand and upgrade existing Thackaringa Mineral Resources is underway.
- At **Railway,** assays confirm broad intersections of high-grade mineralisation with potential to add to the existing resource. Mineralised intercepts include:
  - **Drillhole 16DM05 –** 48m @ 1,045ppm Co from 30m
  - **Drillhole 16DM06 –** 42m @ 1,615ppm Co from 28m
  - **Drillhole 16DM07 –** 25m @ 1,232 ppm Co from 35m and 26m @ 1,456 ppm Co from 71m
  - **Drillhole 16DM08 –** 4m @ 1,301ppm Co from 57m and 19m @ 1,221ppm Co from 76m
- At **Pyrite Hill** mineralised intercepts include:
  - **Drillhole 16DM01 –** 52m @ 840ppm Co from 95m
    - **Including** 7m @ 1,111ppm Co from 96m
  - **Drillhole 16DM02 –** 23m @ 1,392ppm Co from 127m

2016 Drilling Program

Cobalt Blue Holdings Limited (ASX:COB) ("COB" or the "Company") is pleased to report significant and encouraging cobalt assays from the drilling program commenced in November 2016 at the Thackaringa project near Broken Hill, NSW. The results reinforce the substantial cobalt and pyrite development opportunity at Thackaringa. Drilling was commenced by Broken Hill Prospecting Limited (ASX:BPL) which retains a participating interest in the project.

The Thackaringa project is located within the Broken Hill Block of the Curnamona Province and is composed of Willyama Supergroup high grade regional metamorphic gneisses, schists and amphibolites. Within the project area the local geology is dominated by quartz-albite-biotite gneiss, quartz-albite gneiss, and amphibolite dykes. The extensive stratabound cobalt-pyrite mineralisation at each prospect (Pyrite Hill, Big Hill and Railway) is hosted by quartz-albite gneiss.

Mineralisation at the three prospects has a combined strike length of 4.5 kilometres with widths varying from 25 metres to 100 metres. The increased thickness is typically due to the extensive development of tight isoclinal folding within the pyritic horizon.

The 2016 drilling program comprised eight fully-cored diamond drill holes at three locations - Pyrite Hill, Big Hill and Railway (Figure 1).

The work was undertaken primarily to provide sufficient material to undertake meaningful metallurgical test work. By twinning previous RC holes the JV was able to confirm the tenor of mineralisation and compare the assays and sampling protocols for historical RC percussion drilling vs diamond drilling.

Two holes were drilled at each of Pyrite Hill and Big Hill prospects and four holes drilled along the much longer mineralised strike length at Railway Prospect, for a total of 1,484.8m. All 2016 holes were drilled at declinations between 50 and 60 degrees into the steeply-dipping host lithology.

A total Inferred Mineral Resource of 33.1Mt at 833ppm cobalt (at a 500ppm Co cut-off) has previously been estimated at the Thackaringa (released on 4 January 2017).

The current 2017 drilling program comprises approximately 5,500m of RC drilling plus a 1,500m of diamond drilling. The program is designed to extend the drilling coverage and improve drilling density in support of future Mineral Resource estimations, replace some of the historical drilling for QA/QC purposes and provide material for further metallurgical testwork.

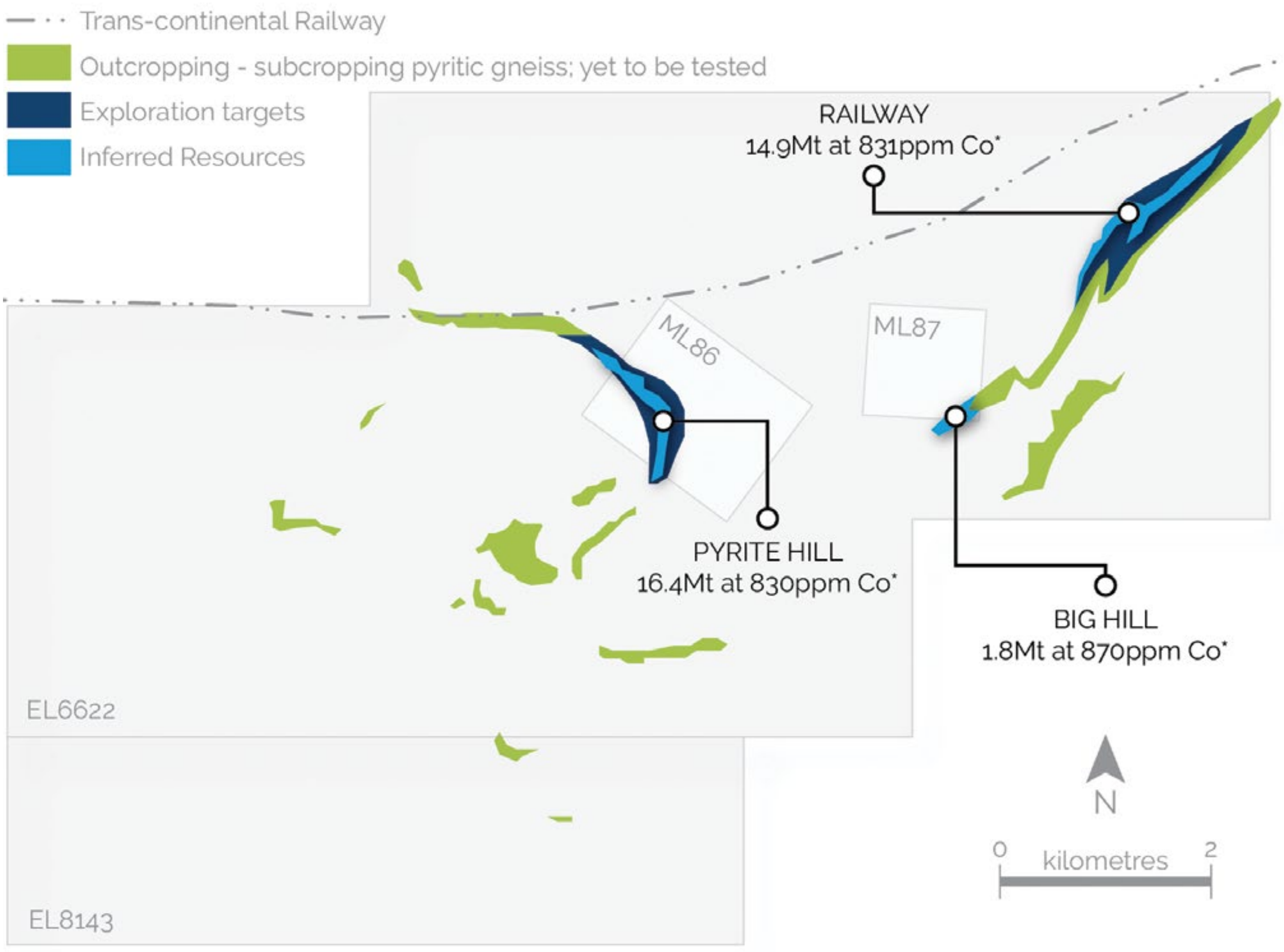

Figure 1: Pyrite Hill, Big Hill and Railway deposits

2016 Railway Results

16DM05 mineralised intercepts included:

- 48m at 1,045ppm Co, 11.3% Fe and 10.9% S from 30m drill depth, including the intervals:
    - 3m at 2,230ppm Co, 19.3% Fe and 23.2% S from 36m; and
    - 2m at 2,180ppm Co, 23% Fe and 20.3% S from 66m
- 2m at 1,458ppm Co, 38.8% Fe and 46% S from 199m

16DM06 mineralised intercepts included:

- 42m at 1,615ppm Co, 19.2% Fe & 20.5% S from 28m including:
    - 8m at 2,266ppm Co, 24.9% Fe & 27.7% S from 48m; and
    - 2m at 2,435ppm Co, 26.3% Fe & 28.7% S from 59m
- 2m at 1,196ppm Co, 17% Fe & 11.7% S from 82m

16DM07 mineralised intercepts included:

- 25m at 1,232 ppm Co, 11.1% Fe, and 11.2% S from 35m
- 26m at 1,456ppm Co, 14.9% Fe & 16.2% S from 71m including:
    - 4m at 2,276ppm Co, 19.6% Fe & 21.9% S from 76m; and
    - 2m at 2,350ppm Co, 23% Fe & 26% S from 90m

16DM08 mineralised intercepts included:

- 4m at 1,301ppm Co, 14% Fe & 13% S from 57m;
- 19m at 1,221ppm Co, 13.8% Fe & 13% S from 76m; and
- 2m at 1,206ppm Co, 9.1% Fe & 3.2% S from 123m

These results confirm the previous tenor and elevated grade of cobalt-pyrite mineralisation along the defined strike length. Mineralisation at Railway remains open along strike and the new drilling has confirmed it down-dip; boosting the potential for an open pittable resource.

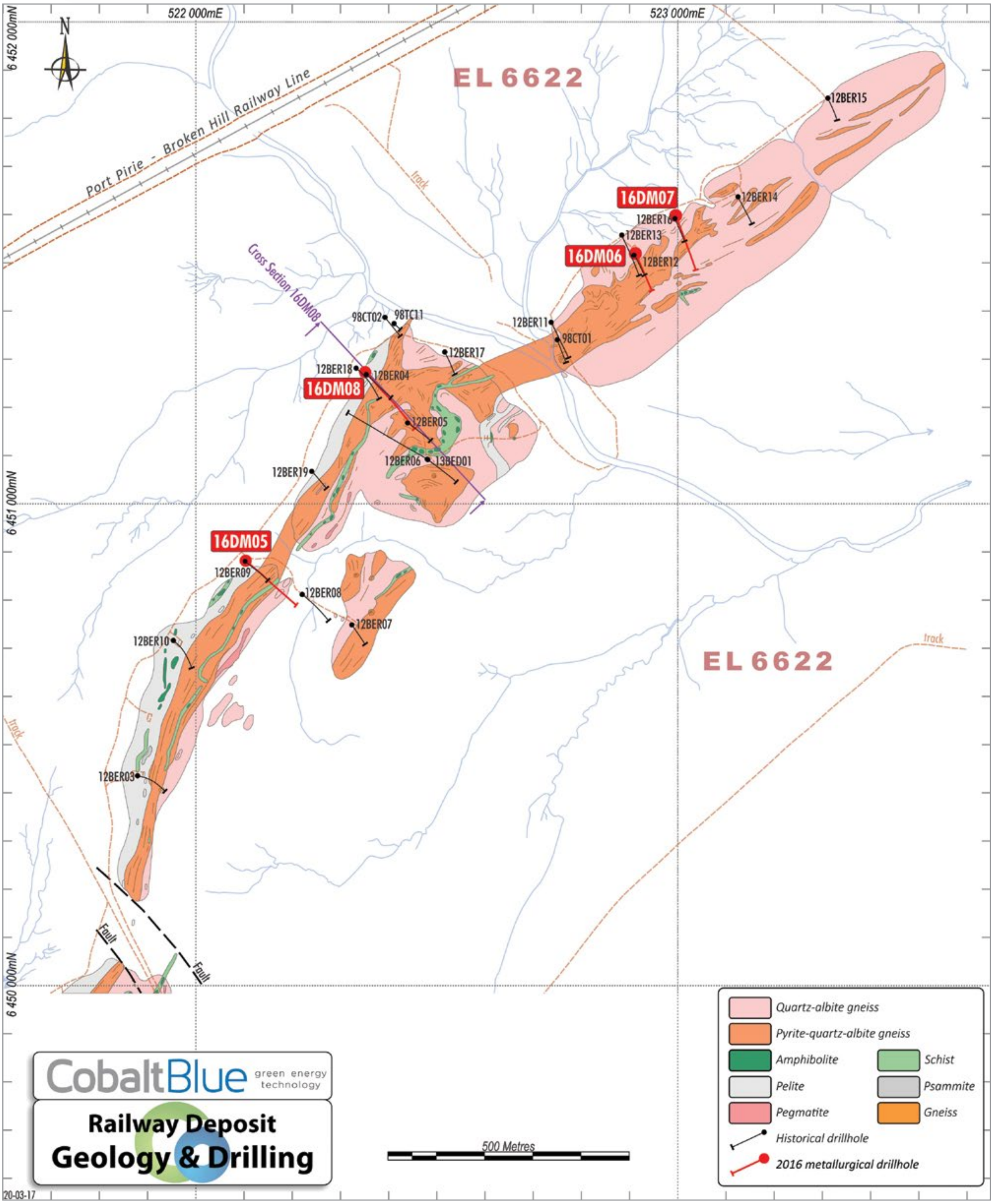

Figure 2: Plan view of Railway prospect

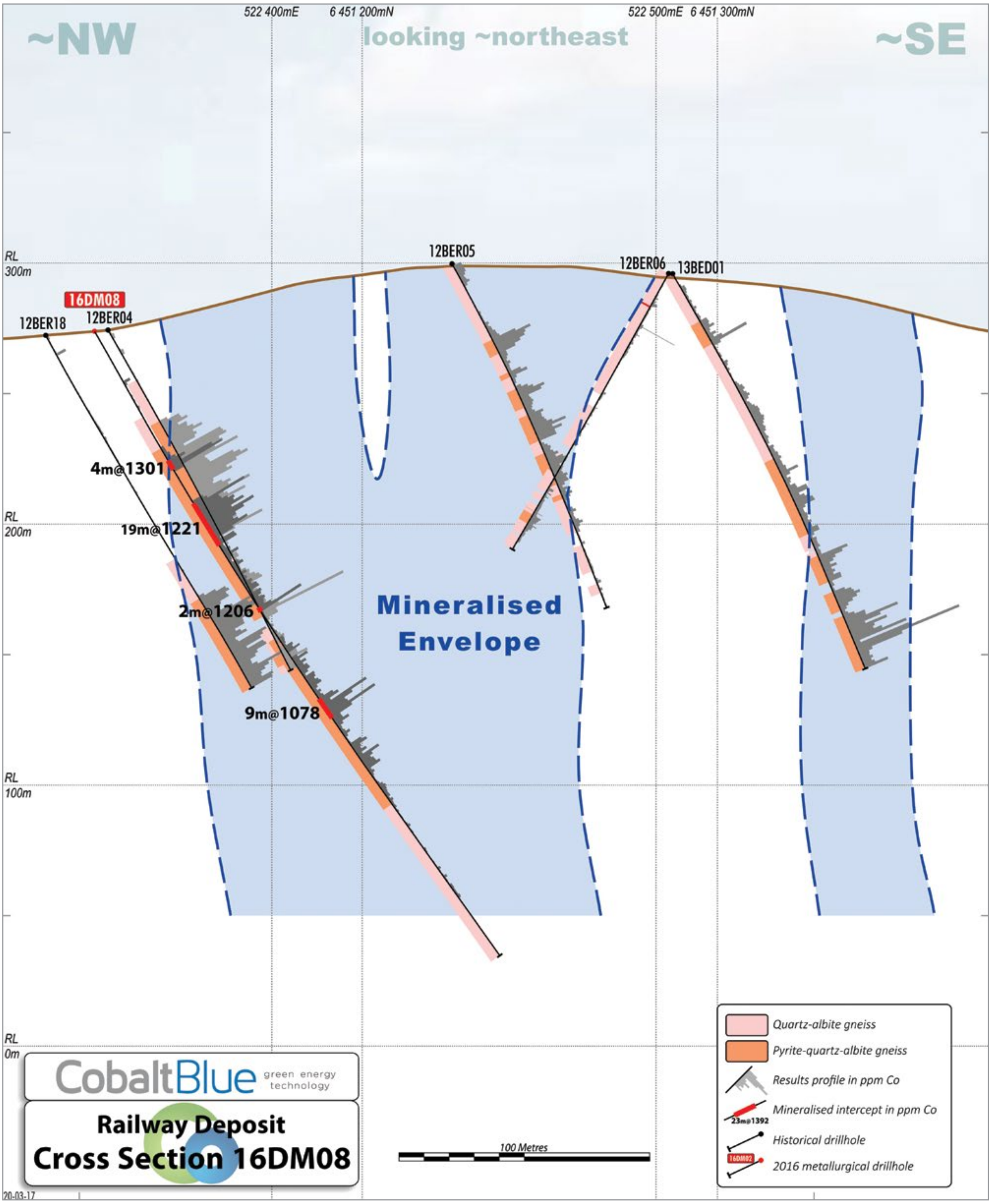

Figure 3: Cross-section along plane of drillhole 16DM08 – Railway

2016 Pyrite Hill Results

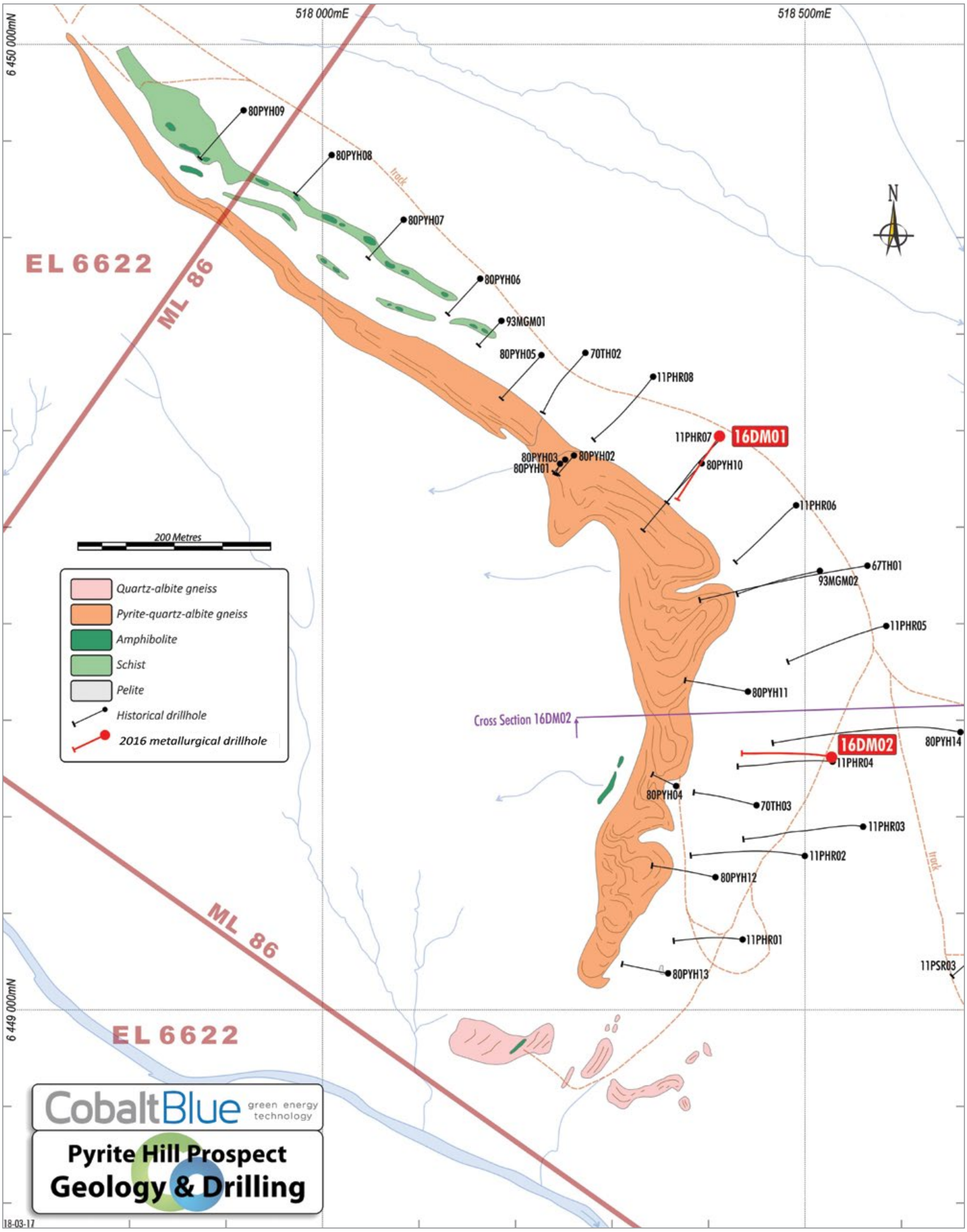

Figure 4: Plan view of Pyrite Hill prospect

16DM01 mineralised intercepts included:

- 7m at 1,111ppm Co, 10.6% Fe and 11.8% S from 96m drill depth
- 24m at 816ppm Co, 8.2% Fe and 8.8% S from 106m drill depth; and
- 13m at 1,038ppm Co, 10.1% Fe and 10.3% S from 134m drill depth

16DM02 mineralised intercepts included:

- 23m at 1,392ppm Co, 15.6% Fe and 16.9% S from 127m drill depth including the intervals:
    - 7m at 2,621ppm Co, 26.2% Fe and 30.7% S from 139m drill depth; and
    - 18m at 957ppm Co, 12.3% Fe and 12% S from 154m drill depth

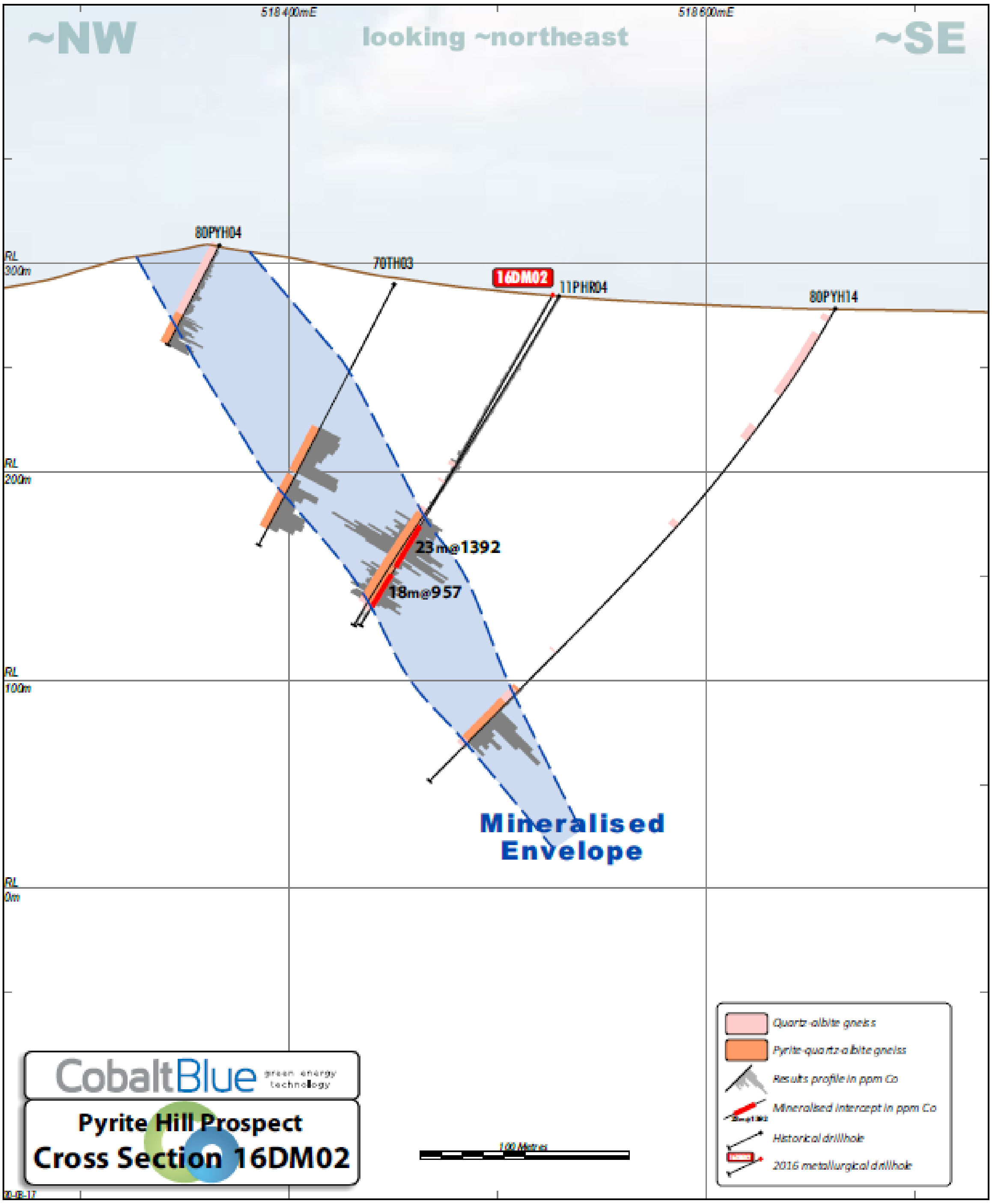

Figure 5: Cross-section along plane of drillhole16DM02 - Pyrite Hill

2016 Big Hill Results

The Big Hill deposit is an off-set southwestern extension of the high-grade metamorphic host at Railway. Two holes were drilled towards the south-western end to confirm the depth and strike extensions of known cobalt-pyrite mineralisation. The mineralisation appears to thin and become lower grade at the southern end of the Big Hill-Railway trend. Big Hill may be more distant to mineralising fluid pathways along faults or dilational structures, but this has yet to be determined. There remains a 1km strike length of undrilled and lightly drilled host lithology between Big Hill and Railway, much of which is close to interpreted faulting and needs to be investigated.

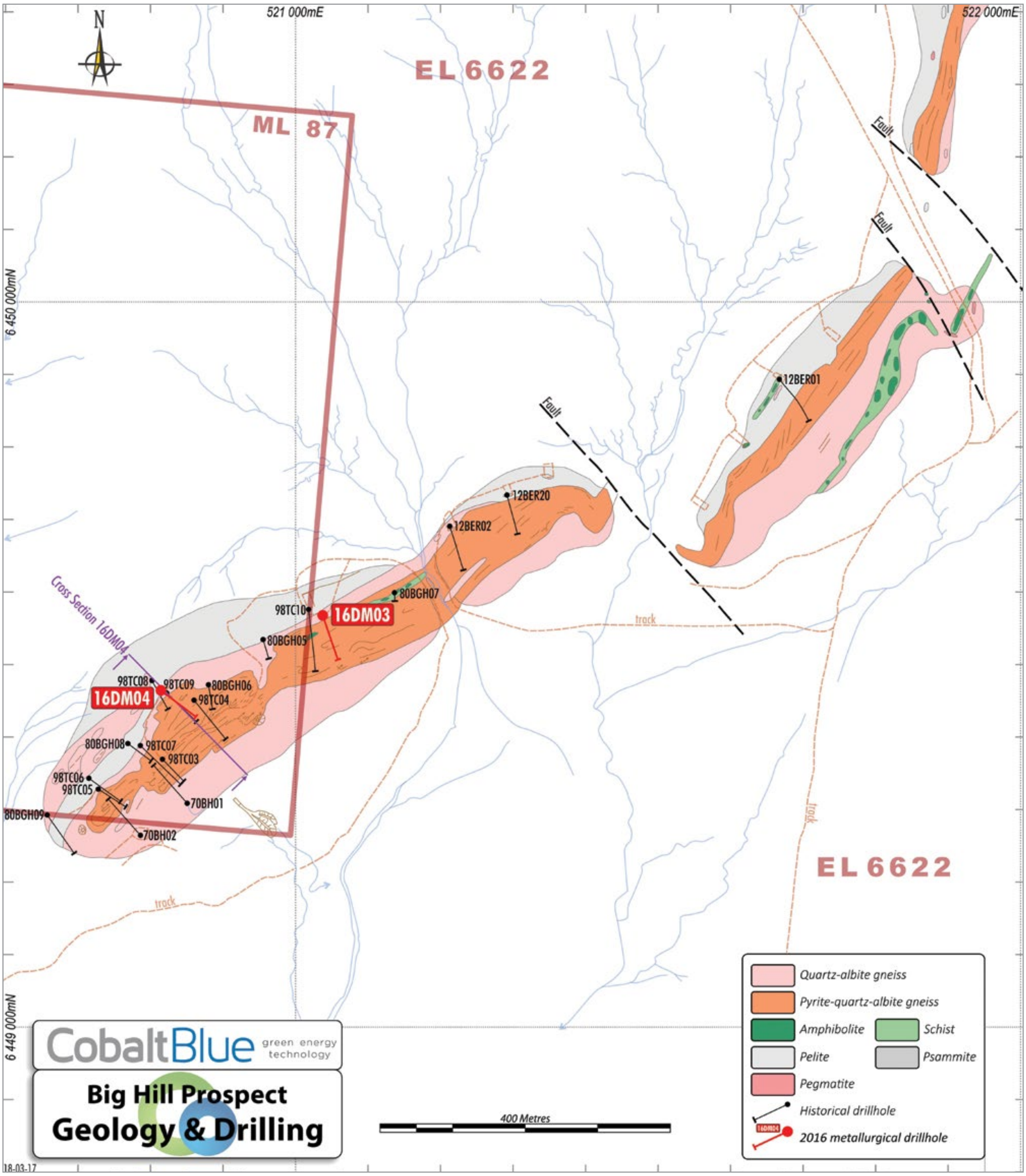

Figure 6: Plan view of Big Hill prospect

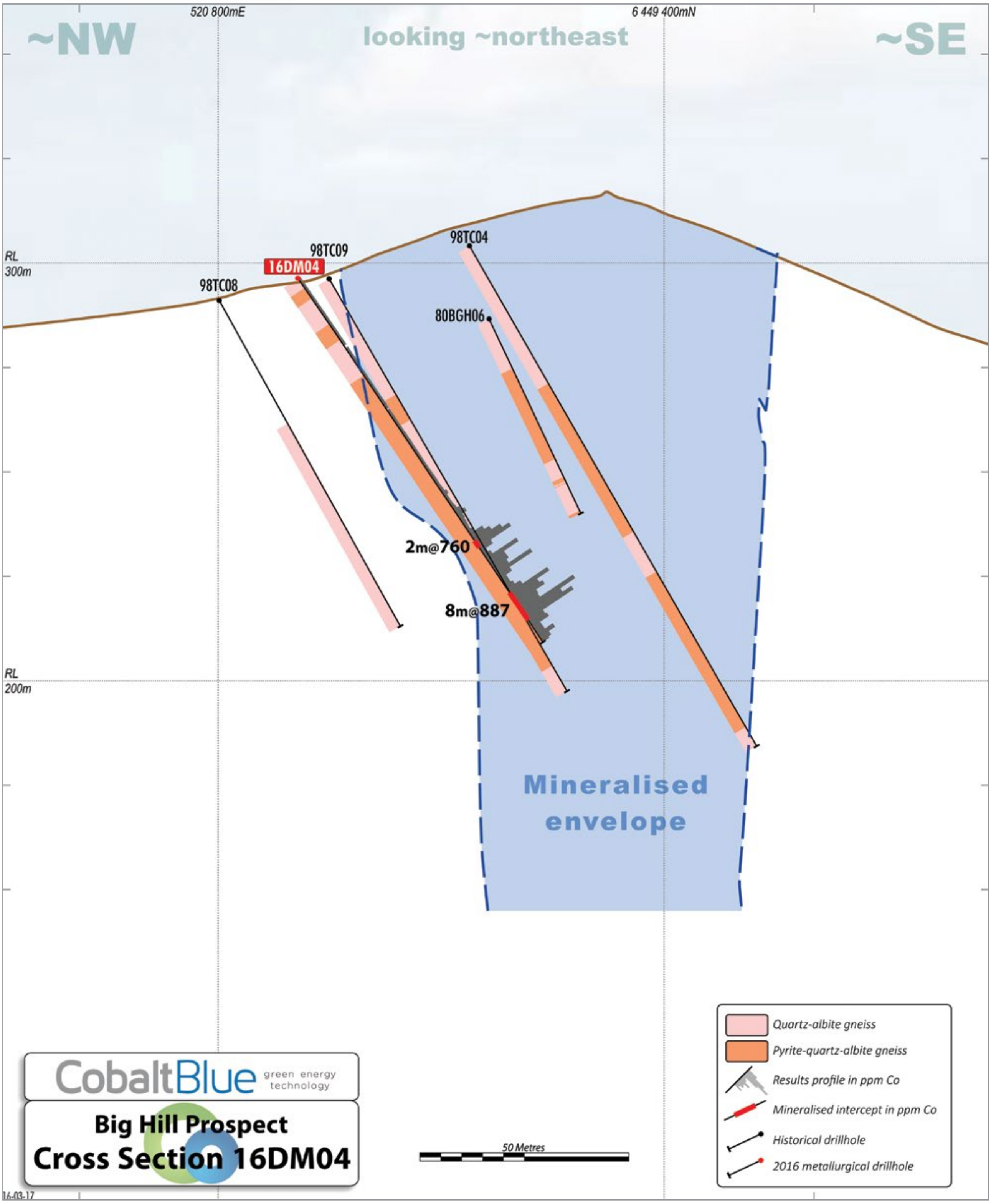

Figure 7: Cross-section of Big Hill through plane of 16DM04

A recent (2017) diamond drill core sample is examined by Chair (Rob Biancardi), JV Manager (Trangie Johnston) and CEO (Joe Kaderavek) for the Thackaringa Cobalt Project. Photo taken 20 Mar 2017.

Figure 8: Core samples from **upcoming** 2017 program continue to look encouraging

Cobalt Blue Background

Cobalt Blue ("COB") is an exploration company focussed on green energy technology and a strategy of fast-tracking development of the Thackaringa Cobalt Project in New South Wales to achieve commercial production of cobalt. This strategic metal is in strong demand for new generation batteries, particularly lithium-ion batteries now being widely used in clean energy systems.

COB has entered into a farm-in joint venture agreement with Broken Hill Prospecting Limited ("BHPL") in which COB acquired an initial 51% interest in the Thackaringa Cobalt Project. COB will undertake exploration and development programs on the Thackaringa Cobalt Project and, subject to the achievement of milestones, will acquire 100% of the Thackaringa Cobalt Project.

The Thackaringa Project, 23 km west of Broken Hill and 400km by rail from Port Pirie consists of four granted tenements (EL6622, EL8143, ML86 and ML87) with total area of 63km^2. The main target for exploration is well known and documented large-tonnage cobalt-bearing pyrite deposits. The project area is under-explored, with the vast majority of historical exploration directed at or around the outcropping pyritic cobalt deposits at Pyrite Hill and Big Hill.

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 early stage and under-explored, but show good potential for stratabound Cu, Co, W, Au and stratiform Broken Hill Type (BHT) deposits. For further information on the Company please refer to the website at: www.cobaltblueholdings.com

Joe Kaderavek
Chief Executive Officer
info@cobaltblueholdings.com

Competent person statement

The information in this report that relates to exploration results, Mineral Resources and Exploration Targets is based on information compiled by Mr Anthony Johnston, BSc (Hons), who is a Member of the Australian Institute of Mining and Metallurgy and who is a non-executive director of Cobalt Blue Holdings Limited, the Chief Executive Officer of Broken Hill Prospecting Limited and the Technical Manager of the Joint Venture. Mr Johnston has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 & 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Johnston consents to the inclusion in the announcement of the matters based on his information in the form and context that the information appears.

Appendix – JORC Code, 2012 Edition – Table 1

Section 1 – Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary

Sampling techniques	▪ *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*
	▪ *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*
	▪ *Aspects of the determination of mineralisation that are Material to the Public Report.*
	▪ *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*
		Diamond Drilling (DDH)
		Pre-1990
		▪ Diamond drilling was used to obtain core from which irregular intervals, reflecting visual mineralisation and geological logging were hand-split or sawn. Samples were submitted for analysis using a mixed acid digestion and AAS methodology
		Post-1990
		▪ Diamond drilling (one drill hole) was used to obtain core from which irregular intervals, reflecting visual mineralisation and geological logging were sawn (quarter core for HQ). Samples were submitted for analysis using a mixed acid digestion and ICP-OES methodology
		2016 Metallurgical Drilling
		▪ This statement covers eight HQ diameter diamond drill holes (DDH) that were drilled at the Thackaringa project in late 2016. They will be used as metallurgical reference holes and to twin some of the previous reverse circulation percussion (RC) holes for QA/QC and assay comparison between DDH and RC. There were two holes drilled at Pyrite Hill, two at Big Hill and four at Railway:
		▪ Diamond drilling was used to obtain core from which regular (one-metre) intervals were sawn with:
		  ▪ one half core dispatched for analysis using a mixed acid digestion and ICP-AES methodology
		  ▪ the other half was further sawn such that one quarter-core was sent for metallurgical test work and the other quarter-core retained for archival purposes
		Historical Reverse Circulation Drilling
		▪ RC drilling was used to obtain a representative sample by means of riffle splitting with samples submitted for analysis using the above-mentioned methodologies
		▪ Pre-2000 drill samples were assayed for a small and variable suite of elements (sometimes only cobalt). The post-2000 drill samples (5,095 samples) are all assayed by ICP-MS for a suite of 33 elements.

Criteria	JORC Code Explanation	Commentary

Drilling techniques	- *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	- The Thackaringa drilling database comprises a total of thirty-four (34) diamond drill holes and forty-three (43) reverse circulation (RC) drill holes. Diamond drilling was predominantly completed with standard diameter, conventional HQ and NQ utilising RC and percussion pre-collars to an average 25 metres (see Drill hole Information for further details). Early (1960-1970) drill holes utilised HX – AX diameters dependent on drilling depth. Reverse circulation drilling utilised standard hole diameters (4.8”-5.5”) with a face sampling hammer.
		- During 2013, a single diamond drill hole (13BED01) was completed at the Railway deposit using a triple tube system with a HQ3 diameter
		
		Year / Drilling / Metres
		1967 / 1 diamond drill hole / 304.2
		1970 / 4 diamond drill holes / 496.6
		1980 / 18 diamond and 1 RC drill hole / 1711.23
		1993 / 2 diamond drill holes / 250
		1998 / 11 RC drill holes / 1093.25
		2011 / 11 RC drill holes / 1811
		2012 / 20 RC drill holes / 2874.25
		2013 / 1 diamond drill hole / 349.2
		2016 / 8 diamond drill holes / 1484.8
		Total / 34 diamond and 43 RC drill holes / 10374.53
		
		- This ASX release describes assay results from eight (8) diamond drill holes completed in late 2016. Commencement of that drilling program was reported to ASX by the then operator Broken Hill Prospecting Limited (BPL):
		  - Diamond drilling was completed using a triple tube system with a HQ3 diameter
		  - Holes were drilled at angles between 55 and 60 degrees from horizontal and the resulting core was oriented as part of the logging process.

Drill sample recovery	- *Method of recording and assessing core and chip sample recoveries and results assessed.* - *Measures taken to maximise sample recovery and ensure representative nature of the samples.* - *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	**Diamond Drilling** - Historical core recoveries were accurately quantified through measurement of actual core recovered versus drilled intervals - Historical diamond drilling employed conventional drilling techniques while diamond drilling completed by Broken Hill Prospecting utilised a triple-tube system to maximise sample recovery - Core recovery of 99.7% was achieved during completion of drill hole 13BED01 - Core recovery of 98% was achieved during the 2016 diamond drilling program - No relationship between sample recovery and grade has been observed **Historical Reverse Circulation Drilling** - Reverse circulation sample recoveries were visually estimated during drilling programs. Where the estimated sample recovery was below 100% this was recorded in field logs by means of qualitative observation - Reverse circulation drilling employed adequate air (using a compressor and booster) to maximise sample recovery - No relationship between sample recovery and grade has been observed

Criteria	JORC Code Explanation	Commentary
Logging	▪ *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* ▪ *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* ▪ *The total length and percentage of the relevant intersections logged.*	▪ A qualified geoscientist has logged all reported drill holes in their entirety. This logging has been completed to a level of detail considered to accurately support Mineral Resource estimation and metallurgical studies. The parameters logged include lithology, alteration, mineralisation and oxidation. These parameters are both qualitative and quantitative in nature. ▪ Diamond drilling completed in 2013 and 2016 by BPL has been subject to geotechnical logging with parameters recorded including rock-quality designation (RQD), fracture frequency and hardness ▪ During 2013, a considerable amount of historical drilling was re-logged through review of available core stored at Broken Hill as well the re-interpretation of historical reports where core or percussion samples no longer exist. A total of eight (8) diamond drill holes and sixteen (16) diamond drill holes with pre-collars were re-logged as detailed below:

Hole ID	Deposit	Max Depth	Hole Type	Pre-Collar Depth (m)
67TH01	Pyrite Hill	304.2	DDH1	–
70TH02	Pyrite Hill	148.6	DDH1	–
70TH03	Pyrite Hill	141.4	DDH1	–
70BH01	Big Hill	102.7	DDH1	–
70BH02	Big Hill	103.9	DDH1	–
80PYH13	Pyrite Hill	77	DDH1	–
80PYH14	Pyrite Hill	300.3	DDH1	–
80BGH09	Big Hill	100.5	DDH1	–
80PYH01	Pyrite Hill	24.53	PDDH2	6
80PYH02	Pyrite Hill	51.3	PDDH2	33.58
80PYH04	Pyrite Hill	55	PDDH2	38.7
80PYH05	Pyrite Hill	93.6	PDDH2	18
80PYH06	Pyrite Hill	85.5	PDDH2	18
80PYH07	Pyrite Hill	94.5	PDDH2	12
80PYH08	Pyrite Hill	110	PDDH2	8
80PYH09	Pyrite Hill	100.5	PDDH2	8
80PYH10	Pyrite Hill	145.3	PDDH2	25.5
80PYH11	Pyrite Hill	103.1	PDDH2	18
80PYH12	Pyrite Hill	109.5	PDDH2	4.2
80BGH05	Big Hill	54.86	RCDDH3	45.5
80BGH06	Big Hill	68.04	RCDDH3	58
80BGH08	Big Hill	79.7	RCDDH3	69.9
93MGM01	Pyrite Hill	70	RDDH4	24
93MGM02	Pyrite Hill	180	RDDH4	48

1 Diamond drill hole
2 Diamond drill hole with percussion pre-collar
3 Diamond drill hole with reverse circulation pre-collar
4 Diamond drill hole with rotary air blast pre-collar

- Litho-geochemistry has been used to verify geological logging where available for drilling completed by Broken Hill Prospecting post 2010
- Representative reference trays of chips from reverse circulation drilling completed post 2010 have been retained by Broken Hill Prospecting.

Criteria	JORC Code Explanation	Commentary
Sub-sampling techniques and sample preparation	- *If core, whether cut or sawn and whether quarter, half or all core taken.* - *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* - *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* - *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* - *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* - *Whether sample sizes are appropriate to the grain size of the material being sampled.*	**Diamond Drilling (DDH)** **Pre-1990** - Core samples were hand-split or sawn with re-logging of available historical core (see Logging) indicating a 70:30 (retained:assayed) split was typical. The variation of sample ratios noted are considered consistent with the sub-sampling technique (hand-splitting) - No second half samples were submitted for analysis - It is considered water used for core cutting is unprocessed and unlikely to have introduced sample contamination - Procedures relating to the definition of the line of cutting or splitting are not available. It is expected that 'standard industry practice' for the period was applied to maximize sample representivity **Post-1990** - NQ drilling core was sawn with half core submitted for assay - HQ drilling core was sawn with quarter core submitted for assay - No second half samples were submitted for analysis - It is considered water used for core cutting is unprocessed and unlikely to have introduced sample contamination - Procedures relating to the definition of the line of cutting or splitting are not available. It is expected that 'standard industry practice' for the period was applied to maximise sample representivity **2016 Metallurgical Drilling** - All HQ drill core was sawn into halves, with each half then re-sawn to provide 4 lengths of quarter core for each interval. - One half core was submitted for assay - One quarter core was submitted for metallurgical test work - One quarter core was retained for archive - It is considered that the water used for core cutting is most unlikely to have introduced sample contamination - Sample sawing and processing for test work were undertaken according to 'standard industry practice' to maximise sample representivity **Historical Reverse Circulation Drilling** - Sub-sampling of reverse circulation/percussion chips was achieved using a cyclone with cone or riffle splitter - During drilling operations, the sample cyclone and splitter were regularly cleaned to prevent down hole sample contamination - Dry sampling was achieved with the use of adequate air, using a compressor and booster, where groundwater was encountered - During reverse circulation drilling completed by Broken Hill Prospecting, duplicate samples were collected at the time of drilling. These were obtained by spearing the bulk material held in the PVC sacks using a spear made of 40mm diameter PVC pipe; three samples were speared through the full depth of the bulk material and these were combined to form one sample - The Thackaringa drilling database includes a total of 139 field duplicates collected during reverse circulation drilling. This reflects a ratio of approximately one field duplicate in every 32 samples (3.1%) for drill holes where duplicates were collected (31 drill holes for 4469 metres) and an overall ratio of one field duplicate in every 42 samples (2.4%) for all reverse circulation drill holes (43 drill holes for 5801.5 metres). - Statistical analysis of field duplicates collected during drilling completed by Broken Hill Prospecting (119 duplicates representing 86% of all field duplicates) considered 18 elements of which only chromium, lanthanum and titanium show some bias in the duplicate samples. For cobalt, the confidence limits were evenly placed either side of zero and the duplicates are deemed to be representative of the original samples.

Criteria	JORC Code Explanation	Commentary

Quality of assay data and laboratory tests	- *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*
	- *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*
	- *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*
		- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.
		- For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.
		- Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.
		- The nature and quality of all assaying and laboratory procedures employed for samples obtained through drilling (diamond and reverse circulation) are considered 'industry standard' for the respective periods
		- The assay techniques employed for drilling (diamond and reverse circulation) include mixed acid digestion with ICP-OES and AAS finishes. These methods are considered appropriate for the targeted mineralisation and regarded as a 'near total' digestion technique with resistive phases not expected to affect cobalt analyses
		- All samples have been processed at independent commercial laboratories including AMDEL, Australian Laboratory Services (ALS), Analabs and Genalysis
		- All samples from drilling completed by Broken Hill Prospecting during 2011-2012 were assayed at ALS in Orange, New South Wales. All samples from drilling completed by Broken Hill Prospecting during 2016 were assayed at ALS Adelaide, South Australia. ALS is a NATA Accredited Laboratory and qualifies for JAS/ANZ ISO9001:2008 quality systems. ALS maintains robust internal QAQC procedures (including analysis of standards, repeats and blanks).
		- The 2016 program included a total of 47 standards and blanks inserted into the sample stream during drilling completed by BPL. This reflects a ratio of approximately one standard in every 31 samples (3.2%) for the 2016 program (8 drill holes for 1484.8metres)
		- Five differing sample standards (160, 162, 163, 165, 166) were sourced from Ore Research & Exploration Pty Ltd (OREAS). These standards are characterised for Cu, Fe, S, CaO, MgO, Al_2O_3, SiO_2, Ag, Pb, Zn and Co using sodium peroxide fusion ICP-MS and 4-acid ICP-MS methods. It is noted all certified values for cobalt were derived using a four-acid digestion considered equivalent to the method of analysis used by BPL (ME-ICP61). These standards comprised certified cobalt values ranging from 2.8ppm to 2445ppm.
		  - Statistical analysis of standard performance indicated that:
		  - 95.7% returned assays within the two standard-deviations of the certified cobalt value
		  - 83% returned assays within the two standard-deviations of the certified sulphur value. Of the 17% standards reporting outside of two standard deviations for the certified sulphur value, 75% were low
		  - 38.3% returned assays within the two standard-deviations of the certified iron value. 97.9% returned assays lower than the certified iron value including 100% of returned assays outside of two standard-deviations of the certified iron value suggesting the iron values are conservative.

Criteria	JORC Code Explanation	Commentary
Verification of sampling and assaying	- *The verification of significant intersections by either independent or alternative company personnel.* - *The use of twinned holes.* - *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* - *Discuss any adjustment to assay data.*	- Historical drilling intersections were internally verified by personnel employed by previous explorers including CRAE Pty Limited, Central Austin Pty Limited and Hunter Resources. Broken Hill Prospecting has completed a systematic review of the related data. - The Thackaringa drilling database exists in electronic form as a Microsoft Access database. Information related to individual drill holes is stored in digital files as extracted from historical reports (typically including location plan, section, logs, photos, surveys, assays and petrology). - Historical drilling data available in electronic form has been re-formatted and imported into the drilling database. - Quantitative historical drilling data, including assays, have been captured electronically during systematic data compilation and validation completed by Broken Hill Prospecting. - Samples returning assays below detection limits are assigned half detection limit values in the database.
Location of data points	- *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* - *Specification of the grid system used.* - *Quality and adequacy of topographic control.*	- Historical drill collars have been relocated and surveyed using a differential GPS (DGPS). In the instances where no collar could be located the position has been derived from georeferenced historical plans. - During systematic data validation completed in 2016, three drill holes at Big Hill were found to be incorrectly located. One collar was located and surveyed by GPS and two were digitised from georeferenced historical plans (reported to the nearest metre) as the collars had been destroyed. These corrections were captured in the Big Hill Mineral Resource estimate. - Down hole surveys using digital cameras were completed on all post 2000 drilling. Down hole surveys for some earlier drilling were estimated from hole trace and section data where raw survey data was not reported. - All 2016 Thackaringa drill hole collars were located and surveyed with DGPS by an independent surveyor with reported accuracy of ±0.05m in horizontal and vertical measurement. - Downhole surveys using digital cameras were completed on all 2016 drill-holes. - All data is recorded in the GDA94 datum; UTM Zone 54 (MGA54). - 3D validation of drilling data has been completed by independent geological consultants to support detailed geological modelling in Micromine™ software. - The quality of topographic control is deemed adequate in consideration of the results presented in this release.
Data spacing and distribution	- *Data spacing for reporting of Exploration Results.* - *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* - *Whether sample compositing has been applied.*	- The data density of existing drill holes at Thackaringa has not been materially increased by the 2016 drilling program which was undertaken primarily to twin existing holes for assay and metallurgical purposes. The intention was not to undertake infill drilling. - Detailed geological mapping supported by drill-hole data of sufficient spacing and distribution to establish a 3D geological model. - The level of geological and grade continuity is appropriate for the Mineral resource estimation methodologies used and the classifications applied (being wholly Inferred Mineral Resources) - No sample compositing has been applied to reported intersections

Criteria	JORC Code Explanation	Commentary
Orientation of data in relation to geological structure	▪ *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* ▪ *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	▪ The 2016 drill holes at the Thackaringa project were typically angled between 50 and 60 degrees to the horizontal and drilled perpendicular to the mineralised trend with drilling orientations adjusted along strike to accommodate folded geological sequences. ▪ Mineralisation at the Big Hill and Railway prospects is steeply dipping and consequently mineralised intersections will be greater than true width. At Pyrite Hill mineralisation is gently dipping and mineralised intersections will be close to true width. ▪ The drilling orientation is not considered to have introduced a sampling bias on assessment of the current geological interpretation.
Sample security	▪ *The measures taken to ensure sample security.*	▪ Sample security procedures are considered to be 'industry standard' for the respective periods. ▪ Following recent drilling completed by BPL, samples were trucked by an independent courier directly from Broken Hill to ALS, Orange. ▪ BPL consider that risks associated with sample security are limited given the nature of the targeted mineralisation.

Audits or reviews	▪ *The results of any audits or reviews of sampling techniques and data.*	▪ In late 2016 an independent validation of the Thackaringa drilling database was completed:
		  ▪ The data validation process consisted of systematic review of drilling data (collars, assays and surveys) for identification of transcription errors
		  ▪ Following review, historical drill hole locations were also validated against georeferenced historical maps to confirm their location
		  ▪ Three (3) drill holes at Big Hill were found to be incorrectly located. One collar was located and surveyed by GPS and two were digitised from georeferenced historical plans (reported to the nearest metre) as the collars had been destroyed. These corrections were captured in the Big Hill Mineral Resource estimate
		  ▪ Total depths for all holes were checked against original reports
		  ▪ Final 3D validation of drilling data has been completed by independent geological consultants to support detailed geological modelling in Micromine™ software
		▪ Audits and reviews of QAQC results and procedures are further described in preceding sections of this table including Quality of assay data and laboratory tests, Sub-sampling techniques and sample preparation and Logging.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

<table>
<tr><th>Criteria</th><th>JORC Code Explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.
The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</td><td>The Thackaringa Cobalt project is located approximately 25 kilometres west-southwest of Broken Hill and comprises four tenements with a total area of 63 km²:
<table>
<tr><th>Tenement</th><th>Registered & Beneficial Holder</th><th>Minerals</th><th>Grant Date</th><th>Expiry Date</th><th>Annual Expenditure Commit-ment</th></tr>
<tr><td>EL6622</td><td>Broken Hill Prospecting Limited (BPL)</td><td>Group 1</td><td>30/08/2006</td><td>29/08/2017</td><td>$47,000</td></tr>
<tr><td>EL 8143</td><td>BPL</td><td>Group 1</td><td>26/07/2013</td><td>26/07/2017</td><td>$14,000</td></tr>
<tr><td>ML86</td><td>BPL</td><td>Cobalt, iron, nickel, platinum, sulphur</td><td>05/11/1975</td><td>04/11/2017</td><td>$75,000</td></tr>
<tr><td>ML87</td><td>BPL</td><td>Cobalt, iron, nickel, platinum, sulphur</td><td>05/11/1975</td><td>04/11/2017</td><td>$75,000</td></tr>
</table>
The project tenure is subject to a Farm-In agreement between Cobalt Blue Holdings Limited (COB) and Broken Hill Prospecting Limited (BPL). The nature of this agreement is detailed in the COB Replacement Prospectus (as released 4 January 2017).
The nearest residence (Thackaringa Station) is located approxi-mately three kilometres west of EL6622.
EL6622 is transected by the Transcontinental Railway; the Barrier Highway is located to the north of the licence boundaries.
The majority of the project tenure is covered by Western Lands Lease which is considered to extinguish native title interest. However, Native Title Determination NC97/32 (Barkandji Traditional Owners 8) is current over the area and may be relevant to Crown Land parcels (e.g. public roads) within the project area.
The project tenure is more than 90 kilometres from the nearest National Park and or Wilderness Area (Kinchega National Park) and approximately 20 kilometres south of the nearest Water Supply Reserve (Umberumberka Reservoir Water Supply Reserve)
The Company is not aware of any impediments to obtaining a licence to operate in the area.</td></tr>
<tr><td>Exploration done by other parties</td><td>Acknowledgment and appraisal of exploration by other parties.</td><td>A detailed and complete record of all exploration activities undertaken prior to the BPL 2016 drilling program is appended to the JORC Table 1 which forms part of the Cobalt Blue Prospectus Document, available on the COB website.</td></tr>
</table>

Criteria	JORC Code Explanation	Commentary

Geology	- *Deposit type, geological setting and style of mineralisation.*	**Regional Geological Setting**
		- The Thackaringa project is located in a deformed and metamorphosed Proterozoic supracrustal succession named the Willyama Supergroup, which crops out as several inliers in western New South Wales, including the Broken Hill Block (Willis, et al., 1982).
		- Exploration by BPL Limited has been focused on the discovery of cobaltiferous pyrite deposits and Broken Hill type base-metal mineralisation both of which are known from historical exploration in the district.
		- The project area covers portions of the Broken Hill and Thackaringa group successions which host the majority of mineralisation in the region, including the Broken Hill base-metal deposit. The Sundown Group suite is also present. The extensive sequence of quartz-albite-plagioclase rock that hosts the cobaltiferous pyrite mineralisation is interpreted as belonging to the Himalaya Formation, which is stratigraphically at the top of the Thackaringa Group.
		Local Geological Setting
		- The oldest rocks in the region belong to the Curnamona Craton which outcrops on the Broken Hill and Euriowie blocks.
		- The overlying Proterozoic rocks have been broadly subdivided into three major groupings, of which the oldest groups are the highly deformed metasediments and igneous derived rocks of the Thackaringa and Broken Hill groups. They comprise a major part of the Willyama Supergroup and host the giant Broken Hill massive Pb-Zn-Ag sulphide ore body. EL6622 is within the Broken Hill block of the Curnamona Craton.
		Mineralisation Style
		- The Thackaringa Mineral deposits (Pyrite Hill, Big Hill and Railway) are characterised by large tonnage cobaltiferous-pyrite mineralisation hosted within siliceous albitic gneisses and schists of the Himalaya Formation.
		- Cobalt mineralisation exists within stratabound pyritic horizons where cobalt is present within the pyrite lattice. Mineralogical studies have indicated the majority of cobalt (~85%) is found in solid solution with primary pyrite (Henley 1998).
		- A strong correlation between pyrite content and cobalt grade is observed.
		- The regional geological setting indicates additional mineralisation targets including:
		  - Stratiform Broken Hill Type (BHT) Copper-Lead-Zinc-Silver deposits
		  - Copper-rich BHT deposits
		  - Stratiform to stratabound Copper-Cobalt-Gold deposits
		  - Epigenetic Gold and Base metal deposits

Drill hole Information	- *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  - *easting and northing of the drill hole collar*
	  - *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  - *dip and azimuth of the hole*
	  - *down hole length and interception depth*
		- See drill holle summaries below:

Drill hole summaries

Hole ID	Deposit	Max Depth (m)	NAT Grid ID	Easting	Northing	RL	Dip	Azimuth	Hole Type	Pre-Collar Depth
16DM01	Pyrite Hill	161.6	MGA94_54	518411.38	6449593.89	282.69	-60	215.5	DDH[3]	
16DM02	Pyrite Hill	183.4	MGA94_54	518526.62	6449261.58	284.18	-60	285.0	DDH[3]	
16DM03	Big Hill	126.5	MGA94_54	521037.1	6449567.49	283.01	-60	158.5	DDH[3]	
16DM04	Big Hill	105.4	MGA94_54	520814.74	6449464.4	296.18	-55	128.5	DDH[3]	
16DM05	Railway	246.5	MGA94_54	522103.7	6450881.87	276.62	-60	128.5	DDH[3]	
16DM06	Railway	160.4	MGA94_54	522911.57	6451519.13	278.5	-60	152.5	DDH[3]	
16DM07	Railway	242.5	MGA94_54	522995.26	6451598.26	276.36	-60	156.1	DDH[3]	
16DM08	Railway	258.5	MGA94_54	522351.45	6451273.07	273.85	-60	130.9	DDH[3]	
80PYH10	Pyrite Hill	145.3	MGA94_54	518392.96	6449565.96	285.53	-50	222.7	PDDH[1]	25.5
98TC04	Big Hill	138.25	MGA94_54	520860.05	6449450.85	304.09	-60	140.9	RC[2]	
98TC08	Big Hill	90	MGA94_54	520801.95	6449477.81	291.01	-60	150.9	RC[2]	
98TC09	Big Hill	114	MGA94_54	520822.21	6449460.79	296.25	-60	133.9	RC[2]	
98TC10	Big Hill	134	MGA94_54	521018	6449576	281.5	-50	172.9	RC[2]	
11PHR04	Pyrite Hill	186	MGA94_54	518528.63	6449257	284.03	-60	279.06	RC[2]	
11PHR07	Pyrite Hill	174	MGA94_54	518413.47	6449592.9	282.86	-60	219.06	RC[2]	
12BER04	Railway	148	MGA94_54	522353.92	6451268.35	274.35	-60	131	RC[2]	
12BER05	Railway	145	MGA94_54	522439.47	6451167.84	299.73	-60	124	RC[2]	
12BER07	Railway	115	MGA94_54	522323.72	6450748.75	277.91	-60	144	RC[2]	
12BER08	Railway	193	MGA94_54	522220.79	6450811.8	273.16	-60	129	RC[2]	
12BER09	Railway	139.75	MGA94_54	522101.25	6450881.44	275.91	-60	129	RC[2]	
12BER12	Railway	111	MGA94_54	522909.73	6451516.76	277.36	-60	153	RC[2]	
12BER13	Railway	205	MGA94_54	522883.81	6451557.54	271.03	-60	156	RC[2]	
12BER16	Railway	115	MGA94_54	522994.08	6451591.99	275.95	-60	156	RC[2]	
12BER18	Railway	157	MGA94_54	522332.75	6451281.31	272.29	-60	129	RC[2]	

1 Diamond drill hole with percussion pre-collar

2 Reverse Circulation drill hole

3 Diamond drill hole

Down hole length and interception depth – 2016 holes

Hole ID	From (m)	To (m)	Interval (m)	Co (ppm)	Fe (%)	S (%)
16DM01	96	103	7	1111	10.6	11.8
	106	130	24	816	8.2	8.8
	134	147	13	1038	10.1	10.3
16DM02	127	150	23	1392	15.6	16.9
including	*139*	*146*	*7*	*2621*	*26.2*	*30.7*
	154	172	18	957	12.3	12
16DM03	97	100	3	522	5.2	5.2
	104	115	11	699	8.3	9.1
16DM04	76	78	2	760	5.3	5.8
	91	99	8	887	8.4	9.1
16DM05	30	78	48	1045	11.3	10.9
including	*36*	*39*	*3*	*2230*	*19.3*	*23.2*
and	*66*	*68*	*2*	*2180*	*23*	*20.3*
	97	99	2	574	5.2	5.9
	199	201	2	1458	38.8	46
	205	211	6	999	27.4	32.4
16DM06	28	70	42	1615	19.2	20.5
including	*48*	*56*	*8*	*2266*	*24.9*	*27.7*
and	*59*	*61*	*2*	*2435*	*26.3*	*28.7*
	82	84	2	1196	17	11.7
	138	146	8	722	11.2	7.8
16DM07	35	60	25	1232	11.1	11.2
	71	97	26	1456	14.9	16.2
including	*76*	*80*	*4*	*2276*	*19.6*	*21.9*
and	*90*	*92*	*2*	*2350*	*23*	*26*
16DM08	57	61	4	1301	14	13
	76	95	19	1221	13.8	13
	123	125	2	1206	9.1	3.2

Down hole length and interception depth – historic holes

Hole ID	From (m)	To (m)	Interval (m)	Co (ppm)	Fe (%)	S (%)
11PHR04	124	149	25	1301	14.8	15.7
	156	172	16	957	11.5	11.2
11PHR07	96	116	20	924	9.8	9.4
	123	128	5	1517	13.4	14.1
	132	147	15	1216	12.4	12.1
12BER04	41	79	38	1296	12.6	12.4
	81	90	9	936	14.8	8.7
	109	111	2	648	10.1	6.3
	121	126	5	1241	11.2	9.0
	141	144	3	691	5.0	5.1
12BER05	33	39	6	1109	9.2	7.9
	55	58	3	866	6.2	6.5
	65	76	11	721	6.6	6.3
	84	87	3	668	6.9	5.9
12BER07	34	43	9	624	8.2	8.0
12BER08	140	142	2	1029	25.0	28.1
12BER09	33	47	14	1096	11.4	10.9
	57	81	24	922	14.1	10.6
	83	92	9	991	10.9	8.9
	103	107	4	901	9.0	9.0
12BER12	27	74	47	1587	19.8	20.0
	79	81	2	763	14.3	9.2
12BER13	21	30	9	910	9.5	8.9
	34	39	5	1178	11.9	11.4
12BER13	65	75	10	1882	21.6	20.4
12BER16	30	56	26	1282	11.7	12.7
	58	88	30	1133	13.1	12.4
	97	100	3	878	9.7	9.5
12BER18	117	137	20	1111	12.3	11.5
	139	157	18	979	10.9	11.3
80PYH10	48	90	42	1081	0.0	10.9
	98	102	4	695	0.0	7.6
	106	130	24	630	0.0	7.1
	132	137	6	1244	0.0	10.3
98TC04	38	41	3	1237	6.7	7.3
	57	61	4	560	5.3	4.8
	64	66	2	590	5.8	5.2
	69	73	4	580	6.5	5.6
	76	79	3	593	5.2	4.1
	84	94	10	966	4.0	3.9
	98	100	2	580	4.3	4.0
	107	111	4	655	5.7	5.7
	114	119	5	1268	14.8	15.6
	123	133	10	909	8.5	7.6
98TC09	32	34	2	1050	9.9	7.0
	37	42	5	766	9.5	5.6
	82	90	8	688	6.1	4.3
	95	107	12	998	8.9	9.2
98TC10	38	40	2	660	5.8	6.1
	48	52	4	845	6.6	6.6
	81	84	3	1280	13.0	13.5
	93	98	5	568	5.3	4.5
	101	110	9	862	7.9	8.2
	119	125	6	1135	13.7	14.2

Criteria	JORC Code Explanation	Commentary
Data aggregation methods	▪ *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* ▪ *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* ▪ *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	**Drilling** ▪ Drill hole intercept grades are typically reported as down-hole length-weighted averages with any non-recovered sample within the reported intervals treated as no grade. The cut-off used for selecting significant intersections is selected to reflect the overall tenor of mineralisation, in most cases 500ppm cobalt. ▪ No top cuts have been applied when calculating average grades for reported significant intersections. ▪ No metal equivalent values are reported .
Relationship between mineralis-ation widths and intercept lengths	▪ *These relationships are particularly important in the reporting of Exploration Results.* ▪ *If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.* ▪ *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	▪ Drill holes at the Thackaringa project are typically angled between 50 and 60 degrees and drilled perpendicular to the mineralised trend with drilling orientations adjusted along strike to accommodate folded geological sequences. ▪ Mineralisation at the Big Hill and Railway prospects is steeply dipping and consequently mineralised intersections will be greater than true width. At Pyrite Hill mineralisation is gently dipping and mineralised intersections will be close to true width. ▪ There is insufficient geological knowledge to accurately estimate true widths and as such all drill intersections are reported as down hole lengths.
Diagrams	▪ *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views*	▪ Appropriate maps and sections are presented in the accompa-nying ASX release.
Balanced reporting	▪ *Where comprehensive reporting of all exploration results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	▪ Only mineralised drill hole intersections regarded as highly anomalous and of economic interest are reported. The proportion of each hole represented by the reported intervals can be ascertained from the sum of the reported intervals divided by the total drill hole depth. ▪ All assay results for drill holes included in the various Mineral Resource estimates have been considered and comprise results not necessarily regarded as anomalous

Criteria	JORC Code Explanation	Commentary
Other substantive exploration data	- *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	- No further exploration data is deemed material to the results presented in this release.
Further work	- *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* - *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	**Diamond Drilling** - The approved 2017 DDH campaign is 11 drill holes. Drilling is designed to twin existing RC drill holes to provide both a comprehensive set of metallurgical samples for future test work and as a QA/QC check on the RC drilling. - Holes twinned will include 11PHR04, 11PHR07, 98TC09, 12BER04, 12BER09, 12BER12 and 12BER16. **Reverse Circulation Drilling** - The 2017 RC drilling will comprise 40 RC drill holes that are designed to infill and expand the currently defined mineralised envelope. This includes 13 RC holes to infill drilling at Pyrite Hill, 7 RC holes at Big Hill to increase drilling density on 100m sections and 20 RC holes at Railway to bring drill section spacing down to 100m and to increase the number of sections with multiple drill holes.