

Market Announcement



23 March 2018

Release Highlights

Cobalt Blue Holdings Ltd
A Green Energy
Exploration
Company



ASX Code:

COB

Commodity Exposure:

Cobalt & Sulphur

Directors & Management:

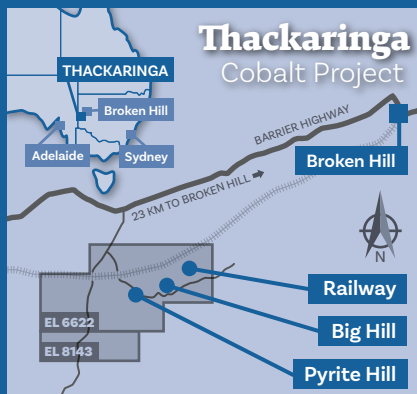
Robert Biancardi Non-Exec Chairman
Hugh Keller Non-Exec Director
Trangie Johnston Non-Exec Director
Matt Hill Non-Exec Director
Joe Kaderavek CEO & Exec Director
Ian Morgan Company Secretary

Capital Structure:

Ordinary Shares at 23/03/2018: **107.2m**
Options (ASX Code: COBO): **26.1m**
Market Cap (undiluted): **\$133.9m**

Share Price:

Share Price at 23/03/2018: **\$1.25**



Cobalt Blue Holdings Limited

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COB – LG Strategic Partnership Announced.



- Cobalt Blue is proud to announce a strategic First Mover partnership with LG International (LGI), the resources investment arm of LG Corporation, acting in cooperation with LG Chem.
- LG Chem is one of the largest lithium ion battery makers in the world. LG Chem possesses strong technical leadership in the development of next generation batteries, in particular for fixed storage and Electric Vehicles (EVs). LG Chem is one of the leading EV battery makers globally.
- Under the First Mover partnership LG will provide capital and technical assistance for Cobalt Blue to make a high purity battery grade cobalt sulphate.
- Cobalt Blue has executed a binding term sheet with LGI to raise gross proceeds of US\$6.0m with the transaction to be completed by Monday 16 April 2018, subject to the requirements of the ASX Listing Rules and *Corporations Act 2001* (Cth). COB will issue shares at A\$1.10 per share (representing a 15% premium to the 30-day VWAP of A\$0.954) for the number of shares equivalent to the USD/AUD conversion on the day when the funds are received in COB's nominated bank account.

Cobalt Blue's Chief Executive Officer, Joe Kaderavek said:

"COB is excited to find a high quality partner in LG and assist them in sourcing long term supply of battery ready cobalt. The technical competence of LG business is world class and this partnership will add significantly to our project."

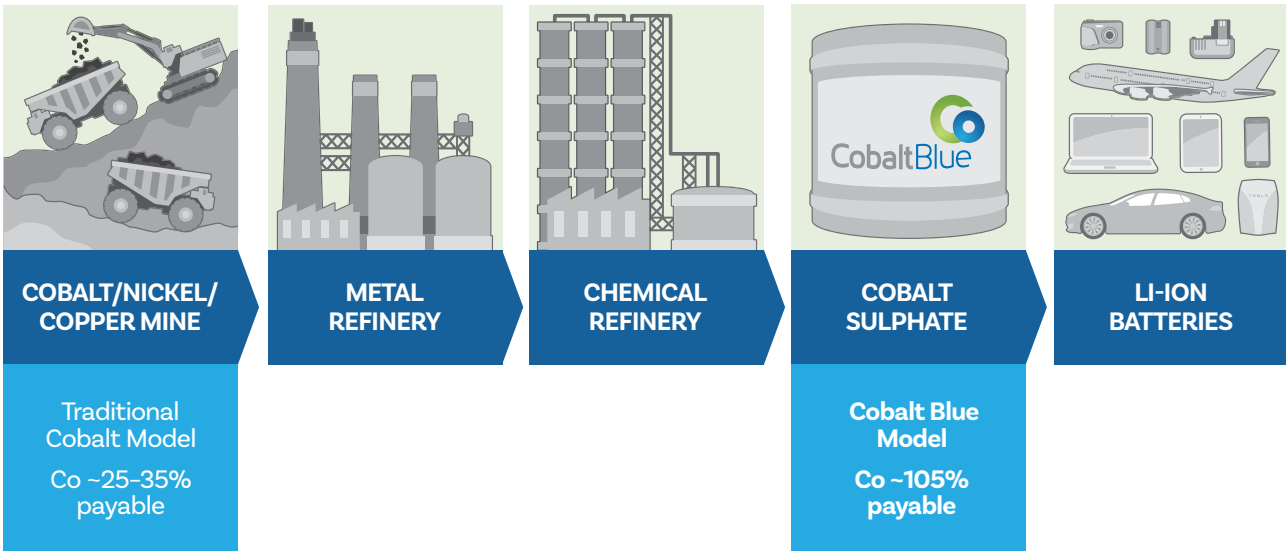
Cobalt Blue's Chairman, Rob Biancardi said:

"This is an important event for Cobalt Blue and it's shareholders. It demonstrates that the Thackaringa Project is unique and is one of the most advanced Cobalt projects of its type in the world."

Harp Capital of Toronto is the advisor to Cobalt Blue.

Cobalt Blue - our market strategy

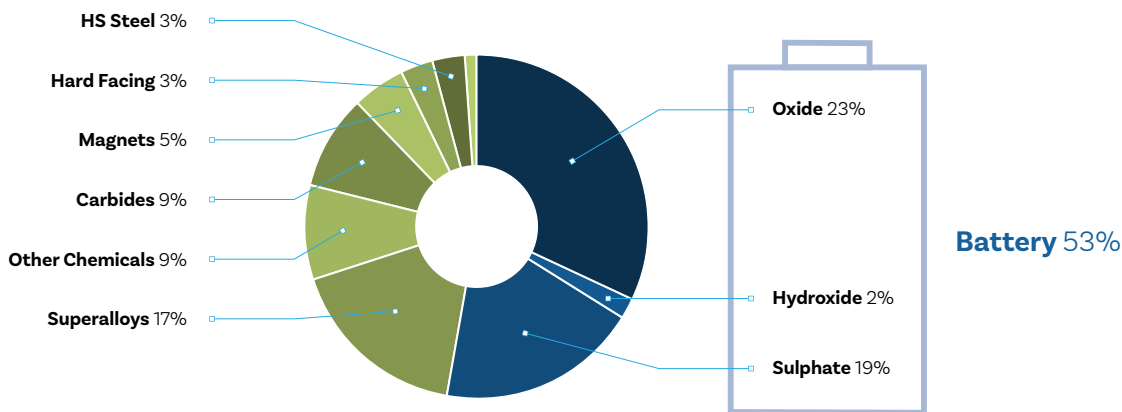
Our strategy is focused upon maximising the payable cobalt whilst participating in the strong growth of the lithium ion battery market. Unlike the traditional cobalt mining model, Cobalt Blue is an integrated refinery model delivering battery grade cobalt sulphate at a premium to the cobalt price.



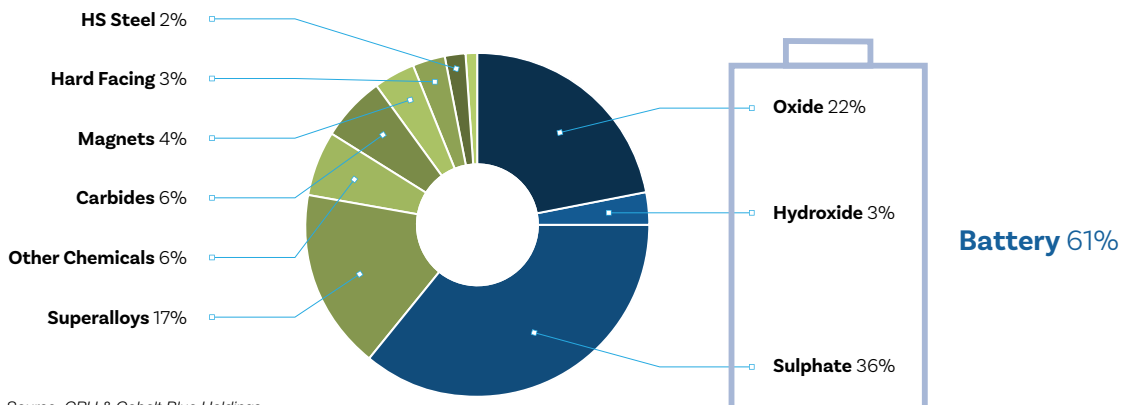
Source: Cobalt Blue Holdings

Cobalt sulphate specifications, however, are evolving rapidly as a result of consumer demand. This segment is forecast to expand by >300% over the next decade and become one of the dominant drivers of the cobalt market. COB is seeking to produce premium cobalt sulphate that is suitable for tomorrow's battery requirements and we believe that LG Chem represents a strong partner in our story.

Cobalt Demand 2017 - Actual



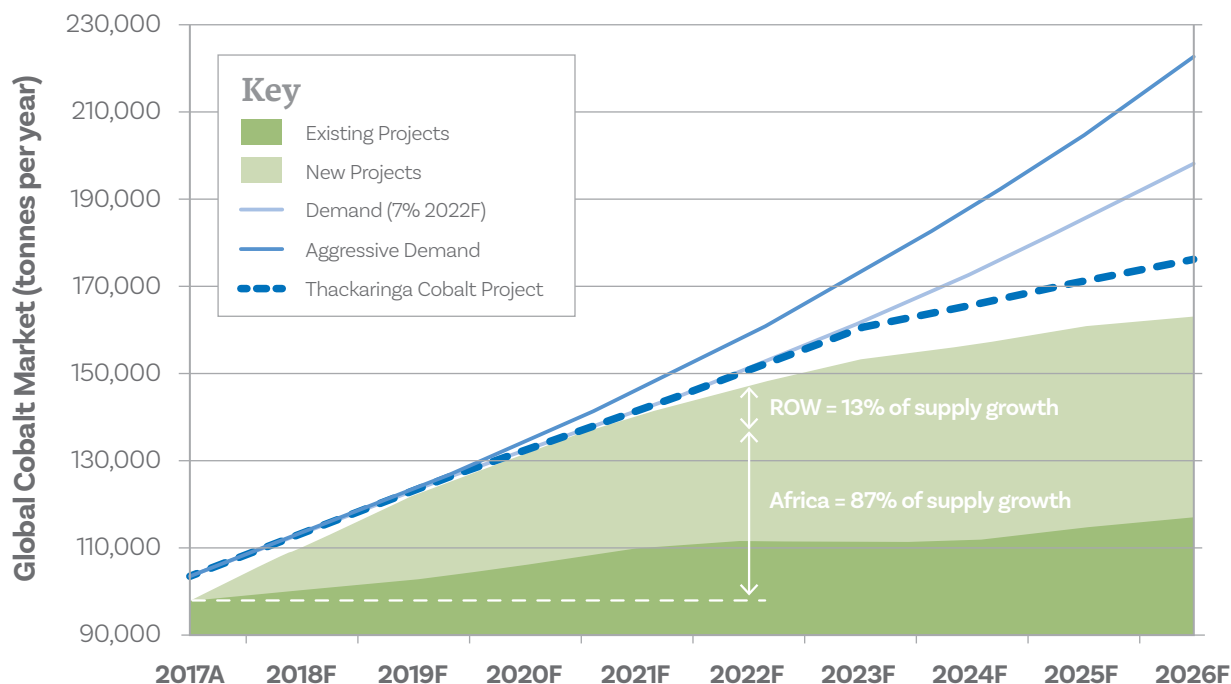
Cobalt Demand 2026 - Forecast



Source: CRU & Cobalt Blue Holdings

COB believes that the Thackaringa Cobalt Project will be in production at a point in time when the current suite of cobalt centred projects (predominantly out of Africa) will be at full production and an emerging deficit will begin to form.

Global Cobalt Supply/Demand Balance – Thackaringa’s Role



Source: CRU & Cobalt Blue Holdings

About LG International

LG International executes resources investment strategy for the LG Group. Historically, LG International has specialised in global mining investment and operations. LG International has now extended its focus to include 'Green Minerals', the raw materials of lithium-ion battery construction such as cobalt, nickel and lithium. LG International operates in close cooperation with LG Chem to secure Green Minerals for the LG Group.

About LG Chem

LG Chem, Ltd. is Korea's largest diversified chemical company which operates three main business units: Petrochemicals, IT & Electronic Materials and Energy Solutions. The company was founded in 1947 and now employs over 29,000 staff globally. The chemical business manufactures a wide range of products, from petrochemical goods to high-value added plastics. It also extends its chemical expertise into high-tech areas such as electronic materials and lithium ion batteries. With over 20 years' experience of development and production of these batteries LG Chem has established themselves as one of the world's leading Lithium-ion manufacturers. The company is a primary supplier of lithium batteries throughout the world for the mobile phone and hybrid/ electric vehicle industries & Energy Storage System (ESS).

Thackaringa Project timetable

Results to date continue to justify proceeding further along the pathway towards commercial development of the Thackaringa Cobalt Project. The overall company timeline is shown below.

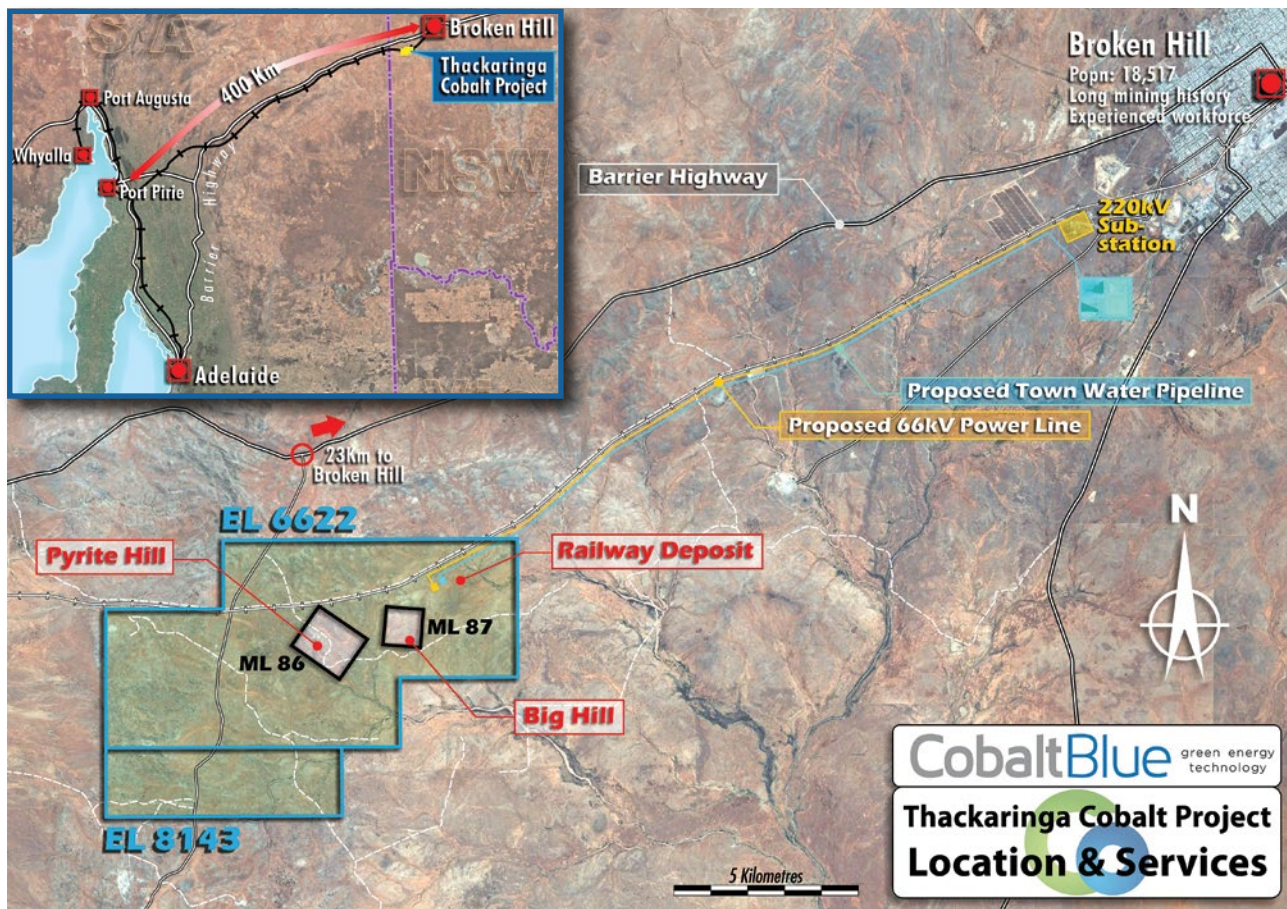
Thackaringa Cobalt Project Timeline

Aug 2016 – Feb 2017	1 April 2018	30 June 2018	30 June 2019	
Complete	Stage One	Stage Two	Stage Three	Stage Four
Cobalt Blue formed JV & Farm-in JORC 2012 upgrade Cobalt Blue listed	A\$2.0m expenditure in the ground delivered. Delivered: • Inferred Resource Upgrade • Scoping Study Deliver: • Indicated Resource Upgrade • Aerial Geophysical Program Target Date: 1 April 2018	A\$2.5m expenditure in ground – Indicated Resource Target Deliver: Preliminary Feasibility Study Target Date: 30 June 2018	A\$5.0m expenditure in ground – Measured Resource + Reserves Target Deliver: Bankable Feasibility Study + Project Approvals Target Date: 30 June 2019	Decision to Mine Project Finance

Source: Cobalt Blue Holdings

The Thackaringa Cobalt Project site and potential services are shown below. The site is situated close to Broken Hill and is well connected to existing transport routes including the Barrier Highway and the Intercontinental Railway. Availability of water and power supplies further support positive project economics.

Thackaringa Cobalt Project – Location and Potential Services



Source: Cobalt Blue Holdings

Cobalt Blue Background

Cobalt Blue (“COB”) is an exploration 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 undertaking exploration and development programs on the Thackaringa Cobalt Project pursuant to a farm-in joint venture agreement entered into with Broken Hill Prospecting Limited (“BPL”). Subject to the achievement of milestones, COB will be entitled to acquire 100% of the Thackaringa Cobalt Project.

The Thackaringa Project, 23 km west of Broken Hill and 400 km by rail from Port Pirie consists of four granted tenements (EL6622, EL8143, ML86 and ML87) with total area of 63 km². The main targets for exploration are well known and document 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 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.

A handwritten signature in black ink, appearing to read "Joe Kaderavek".

Joe Kaderavek
Chief Executive Officer
info@cobaltblueholdings.com

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Competent Person’s Statement

The information in this report that relates to exploration results, Mineral Resources and 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 Managing Director and Chief Executive Officer of Broken Hill Prospecting Limited. 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.

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 March 2018: Thackaringa – Significant Mineral Resource upgrade
- 5 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
- 4 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
- 3 July 2017: Thackaringa Cobalt Project – Major Geophysical Survey – Positive news
- 5 June 2017: Significant resource upgrade for the Thackaringa Cobalt Project
- 25 May 2017: Stage One Drilling Program delivers robust results – resource upgrade to follow
- 4 May 2017: 2017 Update – Strong Drilling Results Continue

COB confirms it is not aware of any new information or data that materially affects the information included in the original market announcement, and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. COB confirms that the form and context in which the Competent Person's findings presented have not been materially modified from the original market announcement.