

Market Update

31 May 2019

May 2019 – Highlights

Cobalt Blue Holdings Limited A Green Energy Exploration Company



ASX Code:

COB

Commodity Exposure:

Cobalt & Sulphur

Directors & Management:

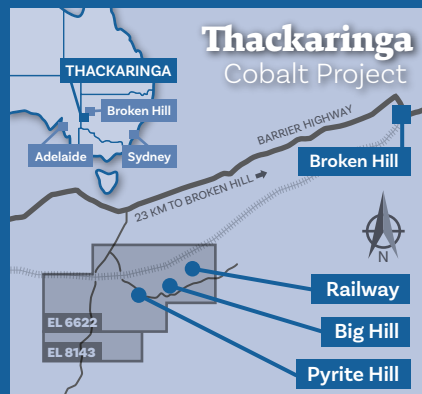
Robert Biancardi	Non-Exec Chairman
Hugh Keller	Non-Exec Director
Robert McDonald	Non-Exec Director
Joe Kaderavek	CEO & Exec Director
Robert Waring	Company Secretary

Capital Structure:

Ordinary Shares at 31/05/2019:	124.6m
Options (ASX Code: COBO):	26.8m
Market Cap (undiluted):	\$16.2m

Share Price:

Share Price at 31/05/2019:	\$0.13
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Cobalt Blue Holdings Limited

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COB–Mitsubishi Corporation Sulphur Agreement

Cobalt Blue Holdings (ASX:COB) is pleased to announce that it has entered into an agreement with Mitsubishi Corporation for market evaluation of elemental sulphur.

- COB is aiming to be a long-term supplier of elemental sulphur (>15 years @ 300,000 t/yr).
- This early stage trial product agreement between COB and Mitsubishi Corporation represents a development milestone towards potential future offtake arrangements for elemental sulphur.

Australia's annual consumption of sulphuric acid is over ~5m tpa, supported by importing over 1m tpa of elemental sulphur. Strong demand growth is forecast over the next decade from both fertiliser and metallurgical demand. The elemental sulphur imported into Australia is principally sourced from Vancouver and COB is looking to partially displace this supply.

Agreement between COB and Mitsubishi Corporation

COB is developing the Broken Hill (Thackaringa) Cobalt Project, targeting production of up to 4,000 tpa of cobalt and 300,000 tpa of elemental sulphur. The sulphur will be in a prilled form, suitable for long-distance transport and rehandling, without production of excess dust or fine particulates. COB is aiming to be a new supplier of elemental sulphur. Located in Australia, the supply will be close to the end-user markets throughout South-East Asia.

Mitsubishi Corporation are active global sulphur and sulphuric acid market traders, currently holding a significant share of Asian sulphur and sulphuric acid market. COB intends to produce up to 100 t of elemental sulphur from bulk metallurgical testwork trials over the period to 31 December 2020. The Company has now entered into an agreement with Mitsubishi to conduct marketing trials for the elemental sulphur. If the trials are successful, it is then the intention of both parties to negotiate an offtake contract for the commercial production and sale of elemental sulphur from the Broken Hill Cobalt Project.

Sulphuric Acid or Elemental Sulphur for the Broken Hill Cobalt Project?

COB will develop the Broken Hill Cobalt Project, using minerals processing technology replacing the production of sulphuric acid with elemental sulphur. This provides the following advantages:

- Transport and storage and handling of elemental sulphur is relatively straightforward, hence permitting and approvals applications are simplified for elemental sulphur.
- Elemental sulphur is railed to an existing port logistics hub in South Australia.
- Capital costs for elemental sulphur recovery compare favourably against the much larger capital requirements of a sulphur roasting and an associated acid making plant.

Testwork to Date

As part of the 2017 Scoping Study, 2018 Pre-Feasibility Study, and recent studies in 2019, COB has produced approximately 75 kg of elemental sulphur to date. The Company is working with Enersul (based in Calgary Canada) to turn the powdered sulphur into prills, as shown in the following photo.



Cobalt Blue Background

Cobalt Blue Holdings Limited (ASX: COB) is an exploration and project development company. Work programs continue to advance the Thackaringa Cobalt Project in New South Wales continue. Cobalt is a strategic metal in strong demand for new generation batteries, particularly lithium-ion batteries now being widely used in clean energy systems.

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 to join our newsletter mailing list at our website.



Joe Kaderavek
Chief Executive Officer
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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>

- 04 April 2019: Significant Thackaringa Resource Upgrade
- 26 February 2019: Positive Large Scale Testwork Results
- 5 February 2019: Drilling Campaign Update
- 16 January 2019: Drilling Campaign Paused. Technical Work Programs Continue
- 05 December 2018: Thackaringa Cobalt Project Drilling and Water Supply Update
- 01 November 2018: Thackaringa Feasibility Study Drilling Campaign Commences
- 13 September 2018: Bankable Feasibility Study Commences with Drilling Campaign and Project Optimisation Studies
- 04 July 2018: Thackaringa Pre Feasibility Study Announced