

Market Update

31 March 2020

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:

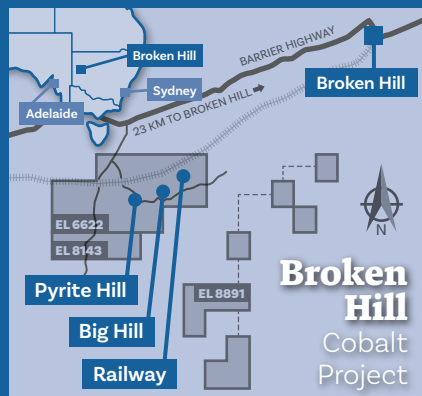
Ordinary Shares at 31/03/2020: **160.0m**

Options (ASX Code: COBO): **29.6m**

Market Cap (undiluted): **\$12.8m**

Share Price:

Share Price at 31/03/2020: **\$0.08**



Cobalt Blue Holdings Limited

ACN: 614 466 607
Address: Suite 1703, 100 Miller Street
North Sydney NSW 2060
Ph: (02) 8287 0660
Website: www.cobaltblueholdings.com
Email: info@cobaltblueholdings.com
Social: [f Cobalt.Blue.Energy](#)
[in cobalt-blue-holdings](#)

Project update and Business Impacts of COVID-19 discussed

KEY POINTS

- Ore Reserve Statement update – remains on track for mid-year release.
- State Significant Development application progresses – Secretary's Environmental Assessment Requirements (SEARs) issued.
- Pilot Plant long-lead items (leaching tanks and filter equipment) ordered in September 2019, now received at Broken Hill site.
- Remaining Pilot Plant equipment to be largely sourced domestically, however supply chains may be slowed due to economic impacts of COVID-19.
- COB remains focussed on economic recovery post COVID-19 and is taking steps to preserve cash until year end which will also affect Pilot Plant commissioning.

Ore Reserve Statement update on target for mid-year

COB has previously announced its intention to release an updated Ore Reserve Statement in mid-2020. This will be based upon the 2019 Mineral Resource and incorporate other modifications to the Broken Hill Cobalt Project (BHCP) since the PFS, e.g. tailings and waste management, power supply and cost studies and updated mining schedules. COB expects this more optimised series of studies to significantly improve the economics delivered as part of the PFS in mid-2018. The Company target remains to produce cobalt sulphate at a cash cost of US\$10/lb (C1 basis – net of by-products). This will place the project in the lowest cost quartile of cobalt projects globally.

COB is pleased to reiterate that based on current guidance by independent consultants, COB will deliver an updated ore reserve statement by mid-year 2020.

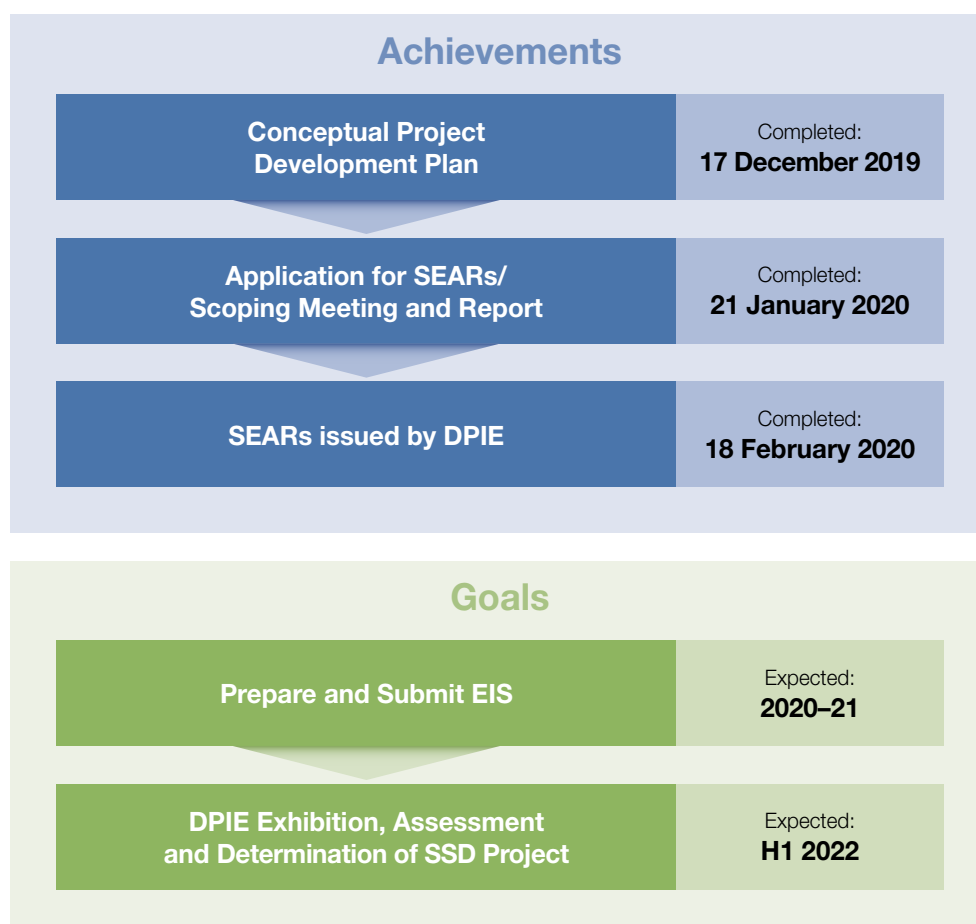
State Significant Development Process Update – SEARs Issued - on track

Development consent for the BHCP will be sought under Part 4 of the NSW Environmental Planning and Assessment Act, 1979. The BHCP qualifies as a State Significant Development (SSD) due to project purpose and capital requirements (capital value exceeds A\$30m). SSD Approval provides an integrated assessment pathway and minimises the number of secondary environmental approvals that must be attained for a project.

COB is pleased to announce that SEARs have now been issued for the BHCP and preparation work has begun towards delivering a BHCP Environmental Impact Statement (EIS).

Looking forward, the NSW Department of Planning, Industry and Environment (DPIE) will exhibit and assess the SSD application. The status of the SSD application can be tracked at the DPIE Major Projects Portal: <https://www.planningportal.nsw.gov.au/major-projects>. A flowchart with the major steps in the SSD Application process with indicative timeframes is shown in the figure below, along with their current completion status.

Figure 1 – SSD Application – major steps flowchart



Pilot Plant update – expected commissioning in Q4

A key stepping stone on the Company's development path is to build a metallurgical testing centre in Broken Hill. This centre will scale from an initial Pilot Plant operation (producing ~100–300 kilograms of cobalt sulphate from 90 tonnes of ore) to a larger scale fully integrated Demonstration Plant (producing 1–2 tonnes of cobalt sulphate using up to 2,000 tonnes of ore). The results will form the evidentiary basis for the engineering designs and cost estimates for the BHCP Feasibility Study. The centre will also allow COB to produce varying specifications of cobalt products (including mixed hydroxides and sulphates) for potential commercial partners. COB's technical team has made strong advances developing the Pilot Plant.

Equipment has now arrived on site in Broken Hill and is currently in the process of installation. Pilot Plant long-lead items (leaching tanks and filter equipment) were ordered in September 2019 (well ahead of the outbreak of COVID-19). Remaining Pilot Plant equipment will be largely sourced domestically. However, supply chains are anticipated to be slower than normal due to the economic effects of COVID-19, as well as hiring of shift personnel needed to run the facility. COB currently expects a Q4 commissioning of the Pilot Plant (vs Q3 previously guided).

Testwork update – Large scale furnace work scheduled mid-late April 2020 – on track

The Pilot Plant will be focussed on testing the leaching and product recovery circuits. Previously, in 2019, COB completed concentrate trials on 45t of ore at ALS Metallurgy. The 7t of resulting concentrate is now being prepared for thermal decomposition (pyrolysis) trials at ANSAC. These trials will produce approximately 1 tonne of elemental sulphur, which will be assessed by Mitsubishi Corporation for market acceptance by its clients, as part of COB's testwork agreement.

These trials remain on track to be completed during mid-late April. However, the Company notes that the availability of personnel to run these trials may change if further measures related to social isolation in response to the COVID-19 pandemic are enacted.

Overall, the development timeline to 2022 is shown in Figure 2.

Figure 2 – COB's Development Timeline

	2017	2018	2019	2020	2021	2022
Business Achievements	IPO	LGI – Cobalt First Mover	Mitsubishi – Sulphur Agreement 100% Project Ownership	Global cobalt sample program – Q4 2020		Final Investment Decision – H1 2022
Technical Studies	Resource upgrade Drilling: +8,000m Resource: 55Mt Scoping Study	Resource upgrade Drilling: +12,500m Resource: 72Mt Pre Feasibility Study	Resource upgrade Drilling: +9,500m Resource: 111Mt	Ore Reserve Update – Q2 2020		Feasibility Study and Approvals – Q1 2022
Metallurgical Studies			Concentration – Pilot Scale Testwork	Pilot Plant – Q4 2020	Demonstration Plant – Q1 2021	
Environmental Approvals			CPDP Submitted	Scoping Report – Jan 2020 SEARs issued – Feb 2020	EIS Submission – H2 2021	SSD Determination – H1 2022
	ACHIEVEMENTS			GOALS		

COB remains focussed on the economic recovery post COVID-19 pandemic.

COB is currently taking steps to preserve cash until early 2021. These measures will primarily affect the timeline to Pilot Plant commissioning with Q4 our current estimate, which is subject to further changes as may be required.

Cobalt Blue Background

Cobalt Blue Holdings Limited (ASX: COB) is an exploration and project development company. Work programs advancing the Broken Hill Cobalt Project in New South Wales continue. COB's ambitious goals are subject to funding availability. 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
info@cobaltblueholdings.com
P: (02) 8287 0660

Authorised by the Cobalt Blue Holdings Limited Board of Directors.

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>

- 2 March 2020: Pilot Plant Update – Critical Equipment Received
- 9 December 2019: Pilot Plant Update
- 24 June 2019: Concentrate Circuit (Pilot Trial) program successfully completed
- 31 May 2019: COB-Mitsubishi Sulphur Agreement
- 4 April 2019: Significant Thackaringa Resource Upgrade
- 26 February 2019: Testwork Update
- 4 July 2018: Thackaringa Pre Feasibility Study Announced

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.