

Market Update

8 February 2021

Cobalt Blue Holdings Limited
A Green Energy
Exploration
Company



ASX Code:

COB

Commodity Exposure:

Cobalt & Sulphur

Directors & Management:

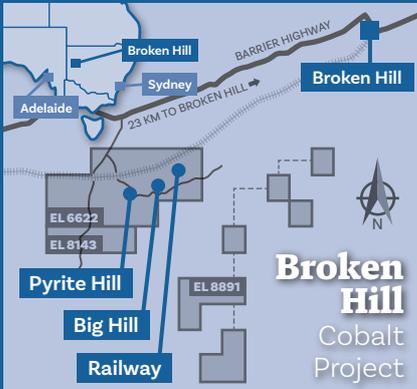
Robert Biancardi	Non-Exec Chairman
Hugh Keller	Non-Exec Director
Robert McDonald	Non-Exec Director
Joe Kaderavek	CEO & Exec Director
Danny Morgan	CFO & COSEC

Capital Structure:

Ordinary Shares at 08/02/2021:	248.2m
Unlisted options:	8.8m
Market Cap (undiluted):	\$79.4m

Share Price:

Share Price at 08/02/2021:	\$0.32
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Highlights

BHCP Tenement Expansion

KEY POINTS

- Cobalt Blue Holdings (ASX:COB) is pleased to announce its wholly owned subsidiary, Broken Hill Cobalt Project Pty Ltd, has received notice of the proposed grant of Exploration Licence Application 6151 ('ELA6151').
- The tenement application comprises approximately 67 km² with COB's strategic exploration footprint in the Broken Hill region increasing by some 70%.
- Advanced exploration targeting reinforces long term exploration opportunity for the Broken Hill Cobalt Project.

Reflecting on key outcomes of the Broken Hill Cobalt Project Update Study (July 2020) and the proposed grant of ELA6151, COB's CEO, Joe Kaderavek commented:

"We are continuing to assess opportunities for further acquisition across the Curnamona Province. With the current Mineral Resource inventory supporting a 17 year operation, further consolidation in the region will secure long-term exploration potential."

ELA6151

ELA6151 is located within the Broken Hill Domain of the broader Curnamona Province. Bound by the Mundi Mundi Fault to the east, the application area is dominated by shallow Cenozoic cover sequences (shown by regional mapping and limited historical drilling to range in thickness from 0 m to >20 m) and underlain by successions of the Willyama Supergroup including the Himalaya Formation (Thackaringa Group); notably hosting the Pyrite Hill, Big Hill and Railway deposits.

With the imminent grant of ELA6151, COB's tenement holding will increase to approximately 160 km².

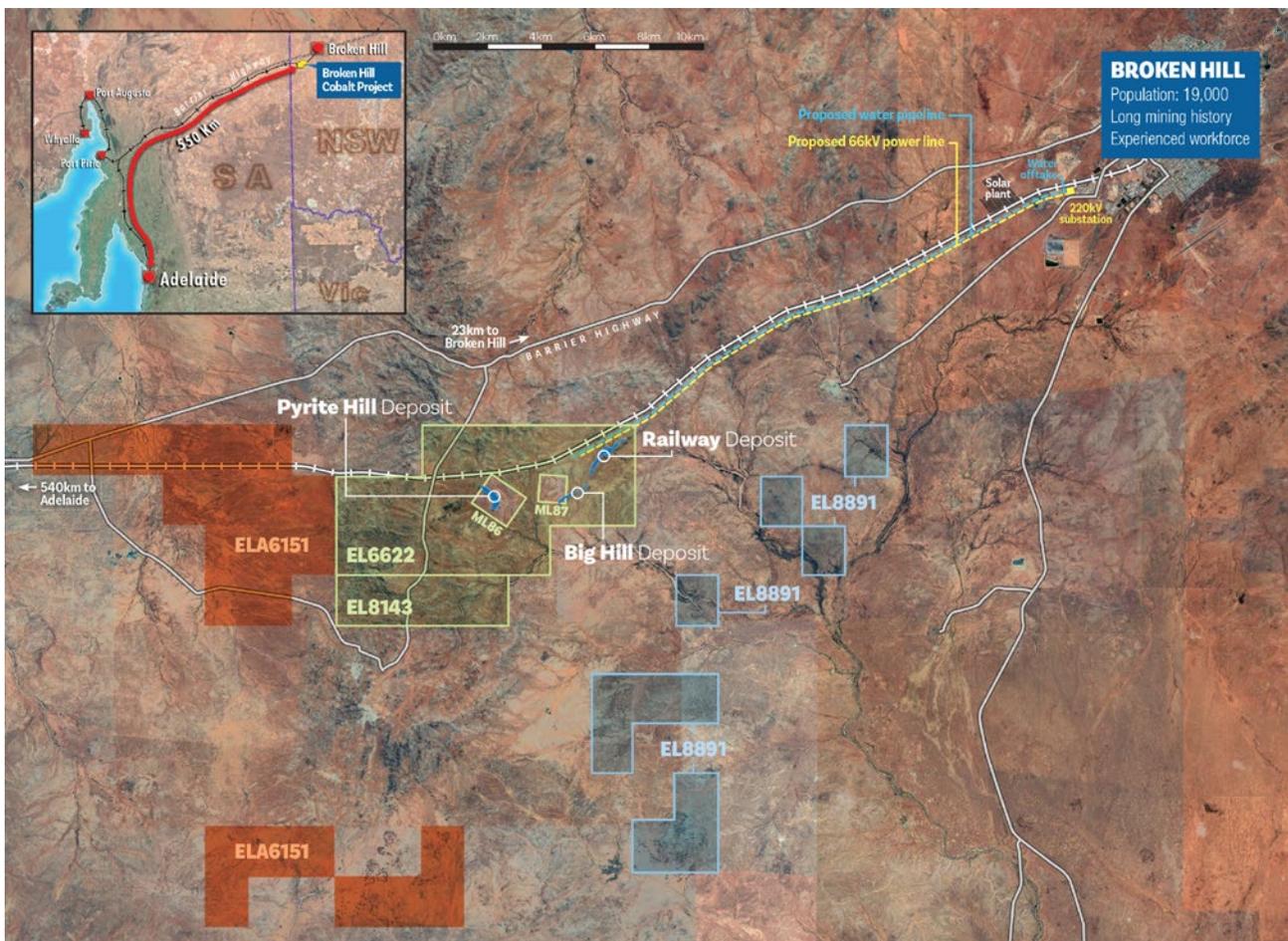
Tenement Acquisition Strategy

The continued consolidation of ground within the Broken Hill region remains a priority for the execution of COB's long-term exploration strategy targeting discovery and delineation of cobalt mineralisation considered to complement the existing Mineral Resource inventory and proprietary processing pathway of the Broken Hill Cobalt Project.

To date, COB has identified a pipeline of exploration targets providing opportunity to sustain Mineral Resource growth achieved since 2016.

While direct extension of the existing deposits forms an ongoing exploration focus, several targets identified by the 2017 VTEM-Max survey (as initially released on 22 November 2017) are yet to be tested. Of these, two areas remain a high priority:

Figure 1 – ELA6151 is in part contiguous with EL6622 and comprises a total of 23 units for approximately 67 km².



1. Pyrite Hill South

The Pyrite Hill South targets comprise two conductivity anomalies (BH01 and BH32) broadly coincident with a folded sequence of outcropping quartz-albite gneiss mapped over approximately 3.5 km strike. The targets are considered to represent potential strike extensions of the Pyrite Hill deposit, dislocated by a series of northwest – southeast trending faults.

Of the two conductors, the southernmost (BH01) is further supported by a zone of outcropping pyritic-quartz-albite gneiss extending over approximately 700 m and up to 30 m wide. Historical workings occur at the western extent of the outcrop where previous rock chip samples obtained from localised gossans returned anomalous assays to a maximum 1,100 ppm cobalt and 500 ppm nickel (refer to Table 3).

Geophysical modelling supports interpretation of a deep, steeply dipping conductor corresponding to the geological interpretation.

2. Railway South

The Railway South targets comprise a series of conductivity anomalies (BH03, BH04 and BH18) corresponding to a zone of intermittently outcropping pyritic-quartz-albite gneiss with a combined strike length of approximately 1.5 km. The prospective outcrop is interpretedly hosted within the southern limb of the Big Hill Synform, between 250 and 500 m southeast of the strike parallel Big Hill and Railway deposits. Previous rock chip samples obtained from localised gossans returned anomalous assays to a maximum 650 ppm cobalt and 410 ppm nickel (refer to Table 3).

Geophysical modelling of the Railway South targets supports the interpretation of strike extensive, steeply dipping conductors parallel to the Railway deposit.

In addition to the Pyrite Hill South and Railway South targets, COB is continuing to assess regional prospectivity through a targeted review of historical exploration activities. This includes assessment of prospects yet to be subject to any focussed exploration. Of particular interest is the Ram Paddock prospect located approximately 3.5 km west of the Pyrite Hill deposit.

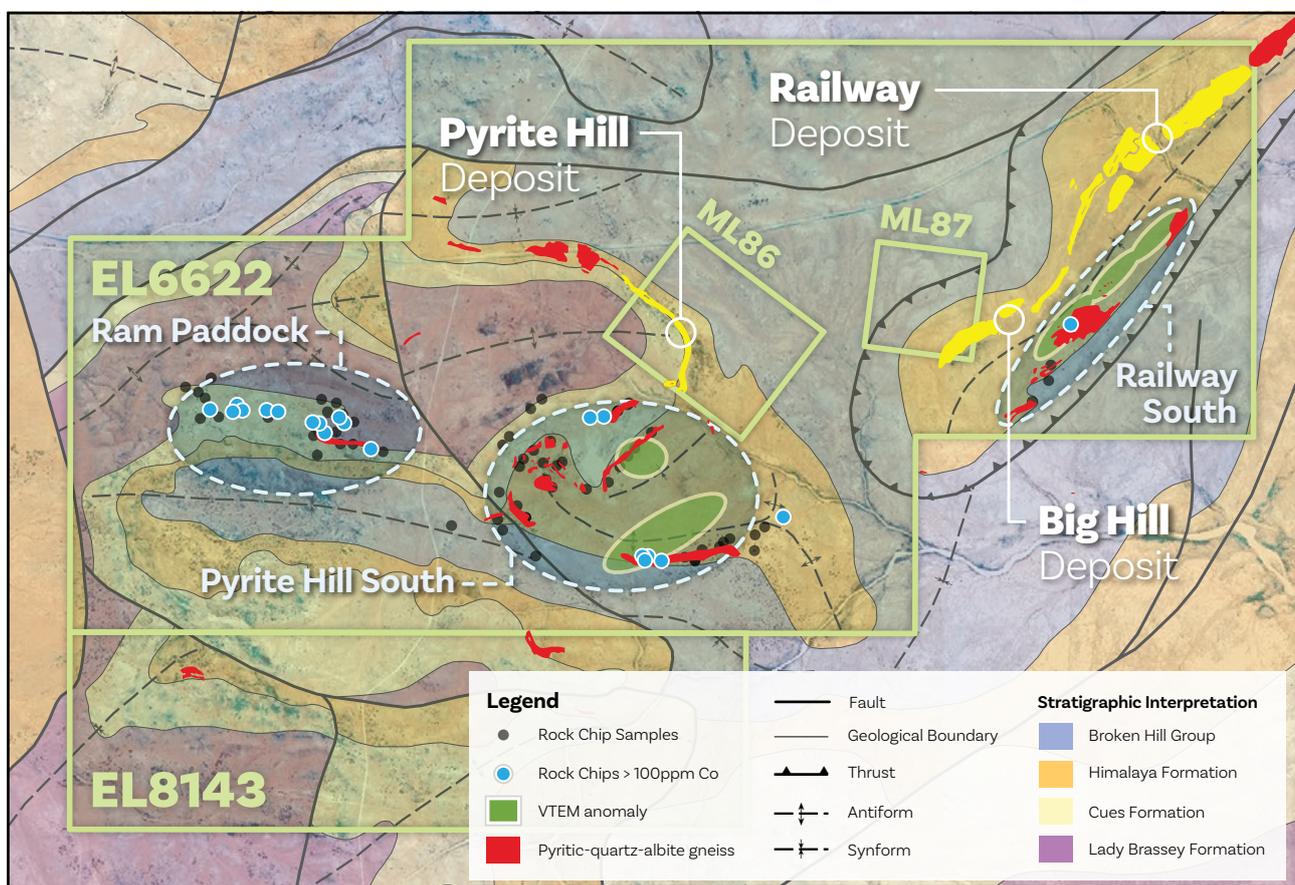
Figure 2 – Broken Hill Cobalt Project (‘BHCP’) Mineral Resource – Time Progression reflecting an almost 200% increase in contained cobalt metal since 2016. The current Mineral Resource estimate was released 16 July 2020; a summary of Mineral Resources by deposit and classification is provided in Table 1.



The Ram Paddock prospect is characterised by intermittently outcropping pyritic-quartz-albite gneiss and localised gossans mapped over approximately 1.8 km. Previous rock chip samples from the prospect area returned anomalous assays to a maximum 1,050 ppm cobalt and 420 ppm nickel (refer to Table 3).

These priority exploration targets are expected to be subject to future activities as part of COB’s broader work program for the Broken Hill Cobalt Project Feasibility Study.

Figure 3 – Broken Hill Cobalt Project (‘BHCP’) priority Exploration Targets and prospects.



Broken Hill Cobalt Project Mineral Resource Summary

Table 1 – Broken Hill Cobalt Project Mineral Resource summary as released 16 July 2020.

Category	Mt	Co ppm	CoEq ppm	Fe %	S %	Pyrite %	Contained Co t	Pyrite Mt
Pyrite Hill Cut-off Grade 275 ppm CoEq								
Measured	18	928	1094	10.7	9.9	19	17,100	3
Indicated	8	700	827	9.6	7.6	14	5,800	1
Inferred	7	811	957	10.4	8.7	16	5,700	1
Total	34	847	1000	10.4	9.1	17	28,700	6
Railway Cut-off Grade 275 ppm CoEq								
Indicated	45	605	718	7.8	6.7	13	27,400	6
Inferred	29	568	681	8.1	6.8	13	16,300	4
Total	74	591	704	7.9	6.7	13	43,700	9
Big Hill Cut-off Grade 275 ppm CoEq								
Indicated	11	613	714	6.6	6.1	11	6,600	1
Inferred	5	517	605	6.0	5.2	10	2,400	0
Total	15	584	681	6.4	5.8	11	9,000	2
Total Cut-off Grade 275 ppm CoEq								
Measured	18	928	1094	10.7	9.9	19	17,100	3
Indicated	64	619	731	7.8	6.7	13	39,900	8
Inferred	40	604	720	8.3	6.9	13	24,300	5
Total	123	660	782	8.4	7.3	14	81,400	17

Note: small rounding errors may have occurred in compilation of this table

The Mineral Resources have been reported at a cut off of 275 ppm cobalt equivalent based on an assessment of material that has reasonable prospects of eventual economic extraction. The cobalt equivalent grade has been derived from the following cut off calculation: $\text{CoEq ppm} = \text{Co ppm} + (\text{S ppm} \times (\text{S price}/\text{Co price}) \times (\text{S recovery}/\text{Co recovery}))$. This equates to $\text{CoEq ppm} = \text{Co ppm} + (\text{S} \times 16.74)$. The parameters used for this calculation are listed in Table 2. The Company confirms all elements included in the metal equivalence calculation have reasonable potential to be recovered and sold.

Table 2 – Assumptions used for the cobalt equivalency calculation

Assumption	Input
A\$/US\$ Exchange Rate	0.70
Cobalt Price	US\$25/lb Co
Sulphur Price	US\$123/t
Cobalt Recovery	85.5%
Sulphur Recovery	64.4%

Table 3 – Summary of rock chip sample results from the Pyrite Hill South, Railway South and Ram Paddock prospects.

Sample ID	Prospect	Tenement	MGA94_54 East	MGA94_54 North	Year Sampled	Co (ppm)	Ni (ppm)
R204	Pyrite Hill South	EL6622	516129	6447623	2008	47	105
R229	Pyrite Hill South	EL6622	516893	6448327	2008	19	12
R230	Pyrite Hill South	EL6622	516799	6448247	2008	21	12
R231	Pyrite Hill South	EL6622	516763	6448174	2008	28	14
R232	Pyrite Hill South	EL6622	516980	6448210	2008	25	11
R233	Pyrite Hill South	EL6622	516606	6448379	2008	3	19
R234	Pyrite Hill South	EL6622	516668	6448459	2008	19	120
R235	Pyrite Hill South	EL6622	516866	6448717	2008	3	20
R236	Pyrite Hill South	EL6622	516969	6448808	2008	Below Detection	8
R237	Pyrite Hill South	EL6622	516574	6447935	2008	22	48
R238	Pyrite Hill South	EL6622	516740	6447809	2008	20	8
R239	Pyrite Hill South	EL6622	516560	6447680	2008	20	6
R240	Pyrite Hill South	EL6622	516605	6447580	2008	2	5
R241	Pyrite Hill South	EL6622	519042	6447609	2008	19	6
R242	Pyrite Hill South	EL6622	518954	6447536	2008	55	45
R243	Pyrite Hill South	EL6622	518719	6447499	2008	39	28
R244	Pyrite Hill South	EL6622	518461	6447395	2008	55	22
R245	Pyrite Hill South	EL6622	518394	6447299	2008	60	20
R246	Pyrite Hill South	EL6622	517959	6447335	2008	115	75
R247	Pyrite Hill South	EL6622	518299	6447327	2008	18	10
R91	Pyrite Hill South	EL6622	517767	6448756	2007	49	32
R92	Pyrite Hill South	EL6622	517673	6448694	2007	42	26
R93	Pyrite Hill South	EL6622	517990	6448497	2007	12	4
R94	Pyrite Hill South	EL6622	517834	6448346	2007	30	4
R95	Pyrite Hill South	EL6622	517697	6448173	2007	8	18
R96	Pyrite Hill South	EL6622	517589	6448028	2007	50	8
R97	Pyrite Hill South	EL6622	517905	6447337	2007	165	155
R98	Pyrite Hill South	EL6622	518084	6447293	2007	1100	500
R99	Pyrite Hill South	EL6622	518395	6447287	2007	66	26
R100	Pyrite Hill South	EL6622	518624	6447425	2007	60	82
R101	Pyrite Hill South	EL6622	518659	6447468	2007	20	8
R102	Pyrite Hill South	EL6622	517384	6447963	2007	29	10
R103	Pyrite Hill South	EL6622	517066	6447982	2007	12	6
R104	Pyrite Hill South	EL6622	516819	6447698	2007	29	5
R105	Pyrite Hill South	EL6622	516819	6447698	2007	62	10
R106	Pyrite Hill South	EL6622	516912	6447337	2007	10	36
15053	Pyrite Hill South	EL6622	517779	6448772	2012	72	86
15054	Pyrite Hill South	EL6622	517676	6448699	2012	14	8
15055	Pyrite Hill South	EL6622	517545	6448644	2012	118	63
15056	Pyrite Hill South	EL6622	517418	6448634	2012	434	260
15057	Pyrite Hill South	EL6622	517769	6448273	2012	21	2
15058	Pyrite Hill South	EL6622	517109	6448185	2012	29	13
15059	Pyrite Hill South	EL6622	517007	6448054	2012	17	1
15060	Pyrite Hill South	EL6622	517159	6448219	2012	17	7

Sample ID	Prospect	Tenement	MGA94_54 East	MGA94_54 North	Year Sampled	Co (ppm)	Ni (ppm)
15061	Pyrite Hill South	EL6622	517051	6448413	2012	48	25
15062	Pyrite Hill South	EL6622	517928	6447297	2012	107	45
15063	Pyrite Hill South	EL6622	518069	6447294	2012	99	35
15064	Pyrite Hill South	EL6622	518948	6447388	2012	15	7
15065	Pyrite Hill South	EL6622	519215	6447703	2012	222	574
R107	Railway South	EL6622	521890	6449509	2007	650	410
R108	Railway South	EL6622	521890	6449509	2007	24	17
R109	Railway South	EL6622	521812	6449378	2007	56	30
R110	Railway South	EL6622	521705	6449127	2007	25	8
R111	Railway South	EL6622	521685	6448982	2007	27	27
R112	Railway South	EL6622	521531	6448786	2007	12	5
R113	Railway South	EL6622	522010	6449583	2007	24	12
R114	Railway South	EL6622	522858	6450430	2007	36	11
R205	Ram Paddock	EL6622	515097	6448386	2008	8	6
R206	Ram Paddock	EL6622	515057	6448499	2008	70	70
R207	Ram Paddock	EL6622	514951	6448490	2008	115	31
R208	Ram Paddock	EL6622	514847	6448465	2008	29	85
R209	Ram Paddock	EL6622	514881	6448283	2008	65	50
R210	Ram Paddock	EL6622	515380	6448341	2008	140	80
R213	Ram Paddock	EL6622	514975	6448690	2008	40	21
R214	Ram Paddock	EL6622	515221	6448594	2008	20	18
R215	Ram Paddock	EL6622	515131	6448583	2008	105	50
R216	Ram Paddock	EL6622	515086	6448636	2008	275	135
R217	Ram Paddock	EL6622	515118	6448666	2008	16	11
R218	Ram Paddock	EL6622	514899	6448580	2008	110	30
R219	Ram Paddock	EL6622	514838	6448589	2008	150	35
R220	Ram Paddock	EL6622	514424	6448637	2008	22	30
R221	Ram Paddock	EL6622	514183	6448703	2008	345	155
R222	Ram Paddock	EL6622	513964	6448641	2008	7	14
R223	Ram Paddock	EL6622	513793	6448625	2008	22	11
R33	Ram Paddock	EL6622	515493	6448314	2007	22	7
R34	Ram Paddock	EL6622	515213	6448386	2007	64	25
R35	Ram Paddock	EL6622	515131	6448585	2007	Below detection	Below detection
R36	Ram Paddock	EL6622	514956	6448482	2007	100	44
R37	Ram Paddock	EL6622	514866	6448585	2007	62	24
R38	Ram Paddock	EL6622	514411	6448705	2007	480	135
R39	Ram Paddock	EL6622	514517	6448689	2007	240	110
R41	Ram Paddock	EL6622	515059	6448773	2007	26	19
R42	Ram Paddock	EL6622	514920	6448805	2007	16	16
R43	Ram Paddock	EL6622	513837	6448818	2007	88	135
R44	Ram Paddock	EL6622	513894	6449006	2007	36	165
R45	Ram Paddock	EL6622	513654	6448922	2007	74	54
R46	Ram Paddock	EL6622	513773	6448874	2007	78	18
R47	Ram Paddock	EL6622	513884	6448710	2007	115	42
R48	Ram Paddock	EL6622	514096	6448690	2007	220	130
R49	Ram Paddock	EL6622	514136	6448752	2007	1050	420

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. Our 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

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This announcement was authorised by the 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>

- 16 July 2020: Broken Hill Cobalt Project (BHCP) Project Update 2020
- 22 August 2019: Cobalt Blue Strengthens Broken Hill Exploration Footprint
- 13 September 2018: Bankable Feasibility Study Commences with Drilling Campaign and Project Optimisation Studies
- 22 November 2017: Multiple Large Exploration Targets identified at Thackaringa Cobalt Project

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.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Heath Porteous, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Porteous is employed by xplore Pty Ltd and engaged by Cobalt Blue Holdings Limited as Exploration Manager. Mr Porteous has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Porteous consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1 – 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	<ul style="list-style-type: none"> Nature and quality of sampling (eg 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information. 	<p>Historical Rock Chip Sampling</p> <ul style="list-style-type: none"> Rock chip sampling was used to obtain samples of a variable nature (outcrop, sub crop and gossan) during geological mapping campaigns completed between 2007 and 2012. The samples were submitted for analysis using a mixed acid digestion and ICP-AES methodology. Sample descriptions, locations and results were retrieved from historical reports including Annual Exploration Reports for the respective periods and further technical reports documenting the mapping and sampling activities (refer to 'Exploration done by other parties'). Sampling techniques are considered 'industry standard' for the respective period. While multiple samples were obtained along the inferred strike of outcropping geological units, the results of the rock chip samples are not wholly representative of the underlying geology.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg 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). 	<ul style="list-style-type: none"> No drilling results are reported in this announcement. The Pyrite Hill South, Railway South and Ram Paddock prospects referenced in this announcement have not been subject to any drilling.

Criteria	JORC Code Explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> ■ <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> ■ <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> ■ <i>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.</i> 	<ul style="list-style-type: none"> ■ No drilling results are reported in this announcement. ■ The Pyrite Hill South, Railway South and Ram Paddock prospects referenced in this announcement have not been subject to any drilling.
Logging	<ul style="list-style-type: none"> ■ <i>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.</i> ■ <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> ■ <i>The total length and percentage of the relevant intersections logged.</i> 	<p>Historical Rock Chip Sampling</p> <ul style="list-style-type: none"> ■ A qualified geoscientist reviewed all reported rock chip samples during collection with corresponding geological observations retrieved from historical reports including Annual Exploration Reports for the respective periods and further technical reports documenting the mapping and sampling activities (refer to 'Exploration done by other parties'). ■ Geological observations are variably qualitative and quantitative in nature. Qualitative observations are generally related to aspects of lithology, alteration, mineralisation and oxidation. In some instances, quantitative observations are recorded such as estimates of remnant sulphide content or the spatial extent of corresponding outcrop. ■ Rock chip samples are not included in or considered during Mineral Resource estimation. The Pyrite Hill South, Railway South and Ram Paddock prospects referenced in this announcement are at an early stage of exploration and have not been subject to any drilling. Accordingly, estimation of Mineral Resources is not applicable.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> ■ <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> ■ <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> ■ <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> ■ <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> ■ <i>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.</i> ■ <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<p>Historical Rock Chip Sampling</p> <ul style="list-style-type: none"> ■ No sub-sampling techniques were recorded for the collection and preparation of historical rock chip samples. It is expected that 'standard industry practice' was applied. ■ Individual sample sizes were not recorded, though sampling nominally targeted a sample weight of 2kg. This is considered appropriate for the targeted mineralisation and intended application of results. ■ The nature of rock chip sampling does not support the generation of field duplicates and no second half samples were submitted for analysis.

Criteria	JORC Code Explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> ■ <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> ■ <i>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.</i> ■ <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<p>Historical Rock Chip Sampling</p> <ul style="list-style-type: none"> ■ The nature and quality of all assaying and laboratory procedures applied to the rock chip samples are considered 'industry standard' for the respective periods. ■ The mixed acid digestion ICP-AES assay technique is considered appropriate for the targeted mineralisation and regarded as a 'near total' digestion technique. ■ All samples have been processed at independent commercial laboratories including AMDEL and Australian Laboratory Services (ALS). ■ CRM standards and blanks are assumed to have not been included in the rock chip sample stream as results were not recorded. Results of any internal lab standards and lab repeats were not recorded for the elements deemed relevant to the targeted mineralisation.
Verification of sampling and assaying	<ul style="list-style-type: none"> ■ <i>The verification of significant intersections by either independent or alternative company personnel.</i> ■ <i>The use of twinned holes.</i> ■ <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> ■ <i>Discuss any adjustment to assay data.</i> 	<p>Historical Rock Chip Sampling</p> <ul style="list-style-type: none"> ■ Sample descriptions, locations and results exist in electronic form and have been retrieved from historical reports including Annual Exploration Reports for the respective periods and further technical reports documenting the mapping and sampling activities (refer to 'Exploration done by other parties'). ■ Results were initially reported by a consulting geologist with data retrieved by the Company's Exploration Manager from reports referenced above. ■ Samples returning assays below detection limits are assigned half detection limit values in electronic data sheets. ■ The Pyrite Hill South, Railway South and Ram Paddock prospects referenced in this announcement have not been subject to any drilling.
Location of data points	<ul style="list-style-type: none"> ■ <i>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.</i> ■ <i>Specification of the grid system used.</i> ■ <i>Quality and adequacy of topographic control.</i> 	<p>Historical Rock Chip Sampling</p> <ul style="list-style-type: none"> ■ All rock chip samples were located by handheld non-differential GPS with a reported accuracy of $\pm 10\text{m}$. ■ All data is recorded in the GDA94 datum; UTM Zone 54 (MGA54). ■ The quality of topographic control is deemed adequate for the intended application of results. ■ Rock chip samples are not included in or considered during Mineral Resource estimation. The Pyrite Hill South, Railway South and Ram Paddock prospects referenced in this announcement are at an early stage of exploration and have not been subject to any drilling. Accordingly, estimation of Mineral Resources is not applicable.

Criteria	JORC Code Explanation	Commentary
Data spacing and distribution	<ul style="list-style-type: none"> ■ <i>Data spacing for reporting of Exploration Results.</i> ■ <i>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.</i> ■ <i>Whether sample compositing has been applied.</i> 	<p>Historical Rock Chip Sampling</p> <ul style="list-style-type: none"> ■ Rock chip sampling is selective in nature and the spatial distribution of sampling is primarily influenced by the prevalence of outcrop. Of the exploration targets referenced in this announcement, sample spacing along respective outcrop generally ranges from approximately 10–250 m. ■ Given the nature of rock chip sampling, a systematic sample spacing was not targeted. ■ Rock chip samples are not included in or considered during Mineral Resource estimation. The Pyrite Hill South, Railway South and Ram Paddock prospects referenced in this announcement are at an early stage of exploration and have not been subject to any drilling. Accordingly, estimation of Mineral Resources is not applicable. ■ No sample compositing has been applied for the reported rock chip samples.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> ■ <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> ■ <i>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.</i> 	<p>Historical Rock Chip Sampling</p> <ul style="list-style-type: none"> ■ Rock chip sampling is selective in nature and the spatial distribution of sampling is primarily influenced by the prevalence of outcrop. There is insufficient information to determine the orientation of key mineralised structures. ■ While multiple samples are obtained along the inferred strike of outcropping geological units, the results of the rock chip samples are not wholly representative of the underlying geology.
Sample security	<ul style="list-style-type: none"> ■ <i>The measures taken to ensure sample security.</i> 	<p>Historical Rock Chip Sampling</p> <ul style="list-style-type: none"> ■ Sample security procedures are considered to be ‘industry standard’ for the respective periods. ■ The Company considers that risks associated with sample security are limited given the nature of the targeted mineralisation.
Audits or reviews	<ul style="list-style-type: none"> ■ <i>The results of any audits or reviews of sampling techniques and data.</i> 	<p>Historical Rock Chip Sampling</p> <ul style="list-style-type: none"> ■ No independent audits or reviews of historical sampling techniques or data have been completed. The sampling techniques are considered to be ‘standard industry practice’ for the respective periods.

Section 2 – Reporting of Exploration Results

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

Criteria	JORC Code Explanation	Commentary																					
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The BHCP is located approximately 25 kilometres west-south-west of Broken Hill and comprises four Exploration (EL) and two Mining Leases (ML) including: <table border="1" data-bbox="778 504 1220 750"> <thead> <tr> <th>Tenement</th> <th>Grant Date</th> <th>Expiry Date</th> </tr> </thead> <tbody> <tr> <td>EL6622</td> <td>30/08/2006</td> <td>30/08/2026</td> </tr> <tr> <td>EL8143</td> <td>26/07/2013</td> <td>26/07/2026</td> </tr> <tr> <td>EL8891</td> <td>03/09/2019</td> <td>03/09/2022</td> </tr> <tr> <td>ELA6151</td> <td>Pending</td> <td>Pending</td> </tr> <tr> <td>ML86</td> <td>05/11/1975</td> <td>05/11/2022</td> </tr> <tr> <td>ML87</td> <td>05/11/1975</td> <td>05/11/2022</td> </tr> </tbody> </table> The project was formerly subject to a joint venture agreement between COB and American Rare Earths Limited (formerly Broken Hill Prospecting Limited). On 17 January 2020, Cobalt Blue Holdings Limited announced that COB and its wholly owned subsidiary, Broken Hill Cobalt Project Pty Ltd (BHCP), had executed final agreements for the assignment of BPL's interests (including legal title). Completion of the assignment, as defined in the final agreements, was announced 25 February 2020. The nearest residence (Thackaringa Station) is located approximately three kilometres west of EL6622. EL6622 and ELA6151 is transected by the Transcontinental Railway; the Barrier Highway is located to the north of the EL6622 and transects the north-western extent of ELA6151. 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 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. Renewal applications for ML86 and ML87 will be lodged prior to November 2021. 	Tenement	Grant Date	Expiry Date	EL6622	30/08/2006	30/08/2026	EL8143	26/07/2013	26/07/2026	EL8891	03/09/2019	03/09/2022	ELA6151	Pending	Pending	ML86	05/11/1975	05/11/2022	ML87	05/11/1975	05/11/2022
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ELA6151	Pending	Pending																					
ML86	05/11/1975	05/11/2022																					
ML87	05/11/1975	05/11/2022																					
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> A detailed and complete record of all exploration activities undertaken prior to 2016 is appended to the JORC Table 1 which forms part of the Cobalt Blue Prospectus available on the COB website. <p>Historical Rock Chip Sampling</p> <ul style="list-style-type: none"> The rock chip sampling referenced in this announcement was completed over several campaigns between 2007 and 2012. <ul style="list-style-type: none"> Rock chip sampling undertaken between 2007 and 2008 was completed by Eaglehawk Geological Consulting Pty Ltd for Broken Hill Cobalt Ltd Joint Venture, an exploration JV arrangement between Heritage Gold NZ Ltd and SoCo Ltd. Rock chip sampling undertaken between 2011 and 2012 was completed by Eaglehawk Geological Consulting Pty Ltd for Broken Hill Prospecting Ltd. 																					

Criteria	JORC Code Explanation	Commentary
Geology	<ul style="list-style-type: none"> ■ <i>Deposit type, geological setting and style of mineralisation.</i> 	<p>Geological Setting</p> <ul style="list-style-type: none"> ■ The BHCP is located in a deformed and metamorphosed Proterozoic supracrustal succession named the Willyama Supergroup, which is exposed as several inliers in western New South Wales, including the Broken Hill Block (Willis, et al., 1982). ■ 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. ■ The outcropping geological units subject of the rock chip samples referenced in this announcement are generally described as quartz-albite gneiss interpretably hosted within the broader Himalaya Formation of the Thackaringa Group. Variably pyritic, these units are considered analogous to those known to host the Pyrite Hill, Big Hill and Railway cobaltiferous pyrite deposits. ■ Exploration by COB has been focused on the discovery and definition of cobaltiferous pyrite deposits. <p>Mineralisation Style</p> <ul style="list-style-type: none"> ■ The BHCP mineral deposits (Pyrite Hill, Big Hill and Railway) are characterised by large tonnage cobaltiferous pyrite mineralization. ■ Cobalt mineralisation exists within extensive 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 Pyrite Hill South, Railway South and Ram Paddock prospects referenced in this announcement are considered to reflect a mineralisation style analogous to the Pyrite Hill, Big Hill and Railway cobaltiferous pyrite deposits.
Drill hole Information	<ul style="list-style-type: none"> ■ <i>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:</i> <ul style="list-style-type: none"> ■ <i>easting and northing of the drill hole collar</i> ■ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ■ <i>dip and azimuth of the hole</i> ■ <i>down hole length and interception depth</i> ■ <i>hole length.</i> ■ <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> ■ The Pyrite Hill South, Railway South and Ram Paddock prospects referenced in this announcement are at an early stage of exploration and have not been subject to any drilling. ■ Details of the rock chip samples are presented in Table 3.

Criteria	JORC Code Explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> ■ <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> ■ <i>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.</i> ■ <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<p>Historical Rock Chip Sampling</p> <ul style="list-style-type: none"> ■ In reporting rock chip assays no weighted averaging techniques, or maximum / minimum grade truncations have been applied. ■ No metal equivalents have been applied.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> ■ <i>These relationships are particularly important in the reporting of Exploration Results.</i> ■ <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> ■ <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<p>Historical Rock Chip Sampling</p> <ul style="list-style-type: none"> ■ Rock chip sampling is selective in nature and results should be regarded as representative of a single point. While multiple samples were obtained along the inferred strike of outcropping geological units, the results of the rock chip samples are not wholly representative of the underlying geology. ■ The Pyrite Hill South, Railway South and Ram Paddock prospects referenced in this announcement are at an early stage of exploration and have not been subject to any drilling to inform the geometry and or true widths of mineralisation.
Diagrams	<ul style="list-style-type: none"> ■ <i>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.</i> 	<ul style="list-style-type: none"> ■ Appropriate diagrams are presented in the body of this announcement.
Balanced reporting	<ul style="list-style-type: none"> ■ <i>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.</i> 	<p>Historical Rock Chip Sampling</p> <ul style="list-style-type: none"> ■ A complete summary of rock chip samples relevant to the Pyrite Hill South, Railway South and Ram Paddock prospects is provided in Table 3. ■ Rock chip samples are not included in or considered during Mineral Resource estimation. The Pyrite Hill South, Railway South and Ram Paddock prospects referenced in this announcement are at an early stage of exploration and have not been subject to any drilling. Accordingly, estimation of Mineral Resources is not applicable.

Criteria	JORC Code Explanation	Commentary
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> In September 2017, the Company completed a heliborne electromagnetic ('EM') survey (VTEM-Max) over the extent of EL6622, EL8143, ML86 and ML87. This survey delineated the geophysical anomalies referenced in this announcement; namely BH01, BH32, BH03, BH04 and BH18. The results of the survey were initially released on 22 November 2017 ('Multiple large exploration targets identified at Thackaringa Cobalt Project') available on the Company's website.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg 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. 	<ul style="list-style-type: none"> Additional field work is being planned to suitably test the geophysical and geochemical anomalies relevant to the Pyrite Hill South, Railway South and Ram paddock prospects. This is expected to comprise a series of scoping holes with potential down-hole geophysical surveying subject to results. Activities are expected to be scheduled with reference to other field work required for the Broken Hill Cobalt project Feasibility Study.