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15 June 2021

Company Announcements Office  
Australian Securities Exchange

## SUCCESSFUL A\$15 MILLION INSTITUTIONAL PLACEMENT

### Highlights

- Firm commitments received to raise A\$15 million
- Proceeds to be used to accelerate construction of a demonstration plant
- Led by domestic and offshore institutional investors
- Cobalt Blue is now fully funded to complete construction of a demonstration plant to provide battery grade cobalt sulphate to end-users and potential strategic partners

Cobalt Blue Holdings Limited (ASX: COB or the Company) is pleased to announce that it has received firm commitments to raise A\$15.0 million (before costs) via a two-tranche share placement to institutional, sophisticated and professional investors through the issue of 50 million new fully-paid ordinary shares at A\$0.30 per share (**New Shares**) and 25 million free-attaching options exercisable at \$0.45 each on or before 15 August 2022 (**Options**) on the basis of one (1) Option for every two (2) Shares issued (the **Placement**).

The Placement was well supported by a number of domestic and offshore institutional investors to issue the Tranche 1 and Tranche 2 Placement securities.

In commenting on the Placement, Chief Executive Officer Joe Kaderavek said;

*“We welcome a number of highly regarded domestic and international institutional investors onto the Cobalt Blue register in what was a strongly supported capital raising that will fund the continued development of the Broken Hill Cobalt Project (BHCP).”*

Blue Ocean Equities Pty Ltd and Canaccord Genuity acted as Joint Lead Managers and Bookrunners to the Placement.

In line with earlier guidance, Cobalt Blue expects to complete the entire pilot plant sample program over the next weeks and will report a program summary upon completion and the overall specifications of the BHCP Global Sample Partner Program. The Placement will permit

COB to transition to a larger scale Demonstration Plant and advance BHCP Feasibility Studies. The proceeds from the Placement will also be used to fund geological and site activities, approvals and permits, additional tenement acquisition, partner and financing investigations and working capital.

#### **Further details of the Placement**

Pursuant to the Placement, the Company will issue a total of up to 50 million New Shares at a price of \$0.30 (a discount of 15% to the 30-day VWAP) in two tranches:

- In the first tranche, the Company will issue 25.9 million new shares and 12.95 million unquoted options (Exercise Price: \$0.45 per option, Expiry date: 15 August 2022), under the Company's current placement capacity pursuant to ASX Listing Rule 7.1 (18.90 million New Shares and 12.95 million Options) and 7.1A (7 million New Shares), to raise approximately A\$7.8 million before costs. Settlement of Tranche 1 is expected to occur on or around 18 June 2021.
- In the second tranche, the Company will issue 24.1 million New Shares and 12.05 million unquoted options (Exercise Price: \$0.45 per option, Expiry date: 15 August 2022), to raise approximately A\$7.2 million before costs, subject to shareholder approval at a general meeting of shareholders which is expected to be held in early August 2021.

Shares issued under the Placement will be fully paid ordinary shares in the Company and will rank equally with shares currently on issue.

If all of the options are ultimately exercised, the Company will raise a further A\$11.25 million, which will be directed towards project development and general working capital purposes.

Yours sincerely

#### **Cobalt Blue Holdings Limited**



**Danny Morgan**  
Company Secretary  
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For the purpose of ASX Listing Rule 15.5, the Board has authorised this announcement to be released. All dollar amounts are in Australian dollars unless otherwise indicated.

#### **Not an offer in the United States**

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

## MATERIAL TERMS OF PLACEMENT OPTIONS

The Placement Options have an exercise price of A\$0.45 per option, subject to any adjustment referred to below, and an expiry date of 15 August 2022. The material terms of the Placement Options are as follows:

- (a) The Options will be issued for no consideration.
- (b) Each Option entitles the holder to be issued one Share.
- (c) The Options may be exercised at any time prior to the expiry date, upon payment of the exercise price per Option. The Option Holder may only exercise options in multiples of 1,000, unless the Option Holder holds less than 1,000 Options, in which case they must exercise all Options held when exercising Options.
- (d) The Options are non-transferable and no application will be made for quotation.
- (e) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). Options may only be exercised by the Option holder completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be issued and the identity of the proposed subscribers. The Notice of Exercise by an Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Option.
- (f) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company must apply to ASX for quotation of Shares issued on exercise of Options.
- (g) There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that Option holder will be notified of a proposed issue after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (h) If from time to time on or prior to the Expiry Date the Company makes a bonus issue of securities to holders of Shares in the Company (**Bonus Issue**), then upon exercise of their Options a holder will be entitled to have issued to them (in addition to the Shares which they are otherwise entitled to have issued to them upon such exercise) the number of securities which would have been issued to them under that Bonus Issue if the Options had been exercised before the record date for the Bonus Issue.
- (i) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option holder shall be reconstructed (as appropriate) in accordance with the Listing Rules.
- (j) The Options may not be exercised by or on behalf of a person in the United States unless the Options and the underlying Shares have been registered under the US Securities Act of 1933 and applicable state securities laws, or an exemption from such registration requirement is available.