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Broken Hill
PROSPECTING



12 December 2016

ASX Limited
20 Bridge Street
Sydney NSW 2000

ASX Announcement – For immediate release

**Cobalt Blue Holdings Limited ACN 614 466 607 (Company) Second Supplementary
Prospectus**

Following is a Second Supplementary Prospectus dated 9 December 2016 and is intended to be read with the Supplementary Prospectus dated 9 November 2016 and the Prospectus dated 3 November 2016 relating to the Offer to apply for Shares in the Company.

For further information please contact:

Trangie Johnston
Chief Executive Officer
Ian Morgan
Company Secretary

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This is a Second Supplementary Prospectus dated 9 December 2016 and is intended to be read with the Supplementary Prospectus dated 9 November 2016 and the Prospectus dated 3 November 2016 relating to the Offer to apply for Shares in the Company.

Cobalt Blue Holdings Limited **ACN 614 466 607** **Second Supplementary Prospectus**

Important Information

This second supplementary prospectus is dated 9 December 2016 (**Second Supplementary Prospectus**) and was lodged with the Australian Securities and Investments Commission (**ASIC**) on the same date. This Second Supplementary Prospectus supplements the Supplementary Prospectus dated 9 November 2016 (**Supplementary Prospectus**) and the Prospectus dated 3 November 2016 (**Prospectus**) issued by Cobalt Blue Holdings Limited ACN 614 466 607 (**Company**) in relation to the Offer of Shares by the Company.

Neither ASIC nor ASX takes any responsibility for the contents of this Second Supplementary Prospectus. This Second Supplementary Prospectus must be read together with the Supplementary Prospectus and the Prospectus.

Pursuant to section 719(4) of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Prospectus is taken to include the Supplementary Prospectus and the Second Supplementary Prospectus. If there is a conflict between the Prospectus, the Supplementary Prospectus and the Second Supplementary Prospectus, the Second Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined in the Prospectus have the same meaning in this Second Supplementary Prospectus.

This Second Supplementary Prospectus provides important information to assist investors in deciding whether to invest in the Company and should be read in its entirety. If, after reading this Second Supplementary Prospectus, you have any questions, you should consult your professional adviser.

This Second Supplementary Prospectus, the Supplementary Prospectus and the Prospectus can be accessed online at www.cobaltblueholdings.com.

1. Update

JORC 2012 reporting and Replacement Prospectus

Following its review of the Prospectus, the ASX raised a query about the disclosure in the Prospectus relating to mineral resources and exploration targets, and compliance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**). In particular, the ASX noted that notwithstanding the Company is a subsidiary of Broken Hill Prospecting Limited (**BPL**) and that this information had been previously reported by BPL under the 2004 JORC Code, the ASX had determined that the Company is required to report its mineral resources and exploration targets in accordance with the 2012 JORC Code (**JORC 2012**) and that it will not consider the Listing Application for the Company until this is addressed.

To satisfy the ASX's requirements, the Company is in the process of preparing a JORC 2012 compliant report with a view to issuing a replacement prospectus setting out, amongst other things, the work that has been done in the last six months on the Thackaringa Cobalt Project to improve the quality and transparency of data to support a report to the JORC 2012 standard (**Replacement Prospectus**). This includes:

- historical data compilation and a new validated drill hole database;

- geological mapping and generation of a 3D geological model;
- geotechnical logging of diamond core (Pyrite Hill);
- Pyrite Hill and Railway resource estimates reported by BPL in 2011 and 2012 respectively have been upgraded to JORC 2012 and consent obtained from the Competent Person;
- Big Hill resource (originally 1981) is undergoing a new resource estimate to JORC 2012 standard by Geos Mining; and
- preparation of a JORC 2012 Table 1, Sections 1-3 for all of the above.

Disclosure of these matters to a JORC 2012 compliant standard will be contained in the Replacement Prospectus which the Company anticipates will be issued in 5 to 10 business days.

To the extent that there will be any change to the Company's intended use of funds as a result of these matters, the Company will ensure that full disclosure will be made in the Replacement Prospectus.

The Company undertakes that that no securities will be issued under the Prospectus until such time that the Replacement Prospectus containing a JORC 2012 compliant report is lodged with ASIC.

Further, the Company notes that if the information set out in the Replacement Prospectus constitutes a new circumstance that is materially adverse from the point of view of an investor, the Company will determine, in accordance with section 724 of the Corporations Act, the rights it will offer to investors under the Replacement Prospectus.

Extension of closing date

Further, the Company has determined to extend the closing date for the Offer from 9 December 2016 to the date that is five business days after the date of lodgment of the Replacement Prospectus. The revised closing date will be noted in the Replacement Prospectus.

2. Directors' belief

The Directors believe that the information contained in this Second Supplementary Prospectus is not materially adverse from the point of view of an investor.

3. Directors' authorisation

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Second Supplementary Prospectus with ASIC.

Dated: 9 December 2016



Signed for and on behalf of
Cobalt Blue Holdings Limited
Robert Biancardi
Chairman

Note: All other details in relation to the terms of the Offer and other matters under the Prospectus remain unchanged. This Second Supplementary Prospectus must be read in conjunction with the Supplementary Prospectus and the Prospectus.