

MARKET RELEASE

11 September 2018

Queensland copper producer CuDeco Limited (ASX:CDU) announced today that it has entered into a Memorandum of Understanding with Cobalt Blue Holdings Limited (ASX:COB) to allow Cobalt Blue to undertake due diligence studies to evaluate the applicability of its minerals processing technology to the cobalt-pyrite concentrate produced by at the Rocklands Mine.

A copy of the market announcement by Cobalt Blue Holdings Limited follows that provides more information on the MOU and its potential for CuDeco.

CuDeco's Chairman, Peter Hutchison commented that should the Cobalt Blue Technology prove suitable for the recovery of Cobalt from the Rocklands ore, then this opens up a large potential opportunity CuDeco.

On behalf of the Board

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Market Update

11 September 2018

September 2018 – Highlights

Cobalt Blue Holdings Limited

A Green Energy Exploration Company



ASX Code:

COB

Commodity Exposure:

Cobalt & Sulphur

Directors & Management:

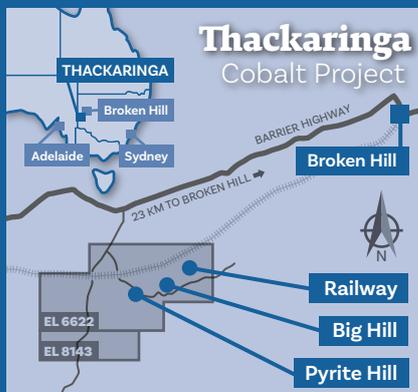
Robert Biancardi	Non-Exec Chairman
Hugh Keller	Non-Exec Director
Joe Kaderavek	CEO & Exec Director
Matt Hill	Non-Exec Director
Robert Waring	Company Secretary

Capital Structure:

Ordinary Shares at 11/09/2018:	116.2m
Options (ASX Code: COBO):	24.4m
Market Cap (undiluted):	\$47m

Share Price:

Share Price at 11/09/2018:	\$0.40
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Cobalt Blue Holdings Limited

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Cobalt Blue to investigate cobalt recovery potential at the CuDeco Rocklands Project

Cobalt Blue Holdings Limited (ASX:COB) and CuDeco Limited (ASX:CDU) announce that they have entered into a Memorandum of Understanding (MOU), an important stepping stone to determine if the cobalt-pyrite at the Rocklands project can produce cobalt products and create additional revenue for both companies.

MOU KEY POINTS:

- CDU would like to explore opportunities to monetise the cobalt-pyrite concentrate produced from the flotation concentrator circuit at the Rocklands project and will provide COB a representative 5–15 kg cobalt-pyrite sample.
- COB will perform laboratory test-work using the proprietary technology it has developed with results due within 12 weeks of receiving the sample.
- After reviewing the test results, COB and CDU will discuss what further cooperation involving marketing/processing contracts or joint venture development of cobalt products both locally and overseas may be possible.

Potential Similarity of Cobalt-Pyrite mineral resources

COB's positive metallurgical work to date has identified a processing path that is demonstrating strong recoveries of cobalt from the cobalt-pyrite mineral resources at Thackaringa. CDU has cobalt-pyrite mineral resources which are not currently being commercialised at the Rocklands copper project, located in Queensland and this MOU is designed to ascertain if the COB process has the potential to unlock economic value for CDU.

Investors should note that the CDU Rocklands Project:

- currently produces approximately 1.4t/day (100% contained cobalt) cobalt-pyrite flotation circuit tailings; and
- the 2015 Updated Resource Estimate identified 16,500t contained cobalt (<https://www.cudeco.com.au/the-resource/>).

COB View

COB's agreement with CDU, and ongoing discussions with other parties, provides considerable confidence in the COB Board's strategy to deliver a highly efficient metallurgical route for specific types of cobalt orebodies, following the development of its proprietary process.

The 5–15kg of sample material from Rocklands will provide a simple proof of the COB process for CDU. The aim is to demonstrate the ability of the process to perform the following key steps:

1. Pyrolysis, including production of elemental sulphur; and
2. Leaching of the calcine, to extract cobalt into solution.

The initial test work will not optimise recoveries, as this will be the subject of further studies, if the preliminary work is successful.

Cobalt Blue Background

Cobalt Blue is an exploration company focussed on the strategic development of the Thackaringa Cobalt Project at Broken Hill in New South Wales. COB is currently completing a Bankable Feasibility Study on the Thackaringa Project. Cobalt is a strategic metal that is in strong demand for new generation batteries, particularly lithium-ion batteries now being widely used in clean energy systems.

COB is undertaking exploration and development programs on the Thackaringa Cobalt Project pursuant to a farm-in joint venture agreement entered into with Broken Hill Prospecting Limited (ASX:BPL). Subject to the achievement of milestones, COB will be entitled to acquire 100% of the Thackaringa Cobalt Project. Currently, COB has a 70% beneficial interest in the tenements comprising the Thackaringa Cobalt Project. Until Cobalt Blue's farm-in obligations have been satisfied, its interest in the tenements located at the Thackaringa Project is beneficial. Under the terms of the farm-in joint venture agreement, Cobalt Blue's beneficial interest in the Thackaringa Project will be increased in tranches on satisfaction of certain exploration and development milestones. When Cobalt Blue has completed its farm-in obligations, it will become the registered holder of the Thackaringa Project tenements. Broken Hill Prospecting remains the registered holder of the Thackaringa Project tenements until the farm-in is complete.

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 also 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 July 2018: Thackaringa Pre Feasibility Study Announced
- 20 April 2018: Thackaringa JV – Stage One Completed
- 19 March 2018: Thackaringa – Significant Mineral Resource Upgrade
- 5 March 2018: PFS – Calcine and Leach Testwork Complete – Strong Results
- 24 January 2018: Significant Thackaringa Drilling Program complete – Resource Upgrade pending
- 27 December 2017: PFS – Bulk Metallurgical Testwork – Progress Update
- 4 December 2017: Railway Drilling Program confirms grade continuity at depth and strike
- 26 October 2017: Bulk Metallurgical Testwork – Strong Concentration Results
- 27 September 2017: CEO's Letter to Shareholders – September 2017
- 12 July 2017: Scoping Study update – Strong Potential for Commercialisation after Processing Testwork

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.

CuDeco Limited

Additionally, this ASX announcement refers to information extracted from the following report, which is available on CDU's website <https://www.cudeco.com.au>

- 29 November 2013: Updated Resources 2013