

Quarterly Report



30 April 2019

January to March 2019 – Highlights

Cobalt Blue Holdings Limited
A Green Energy
Exploration
Company



ASX Code:

COB

Commodity Exposure:

Cobalt & Sulphur

Directors & Management:

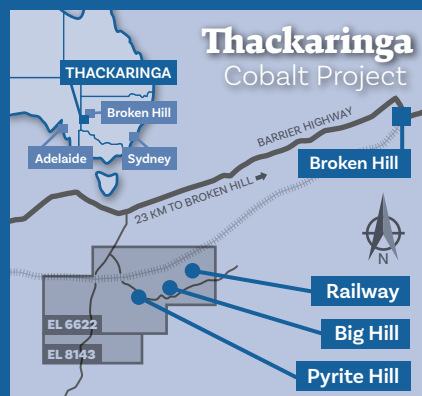
Robert Biancardi Non-Exec Chairman
Hugh Keller Non-Exec Director
Robert McDonald Non-Exec Director
Joe Kaderavek CEO & Exec Director
Robert Waring Company Secretary

Capital Structure:

Ordinary Shares at 29/04/2019: **124.6m**
Options (ASX Code: COBO): **25.4m**
Market Cap (undiluted): **\$17.4m**

Share Price:

Share Price at 29/04/2019: **\$0.14**



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](#)

Cobalt Blue March Quarterly Report

THACKARINGA PROJECT:

- Significant Resource Upgrade.
- Testwork Update.

COBALT TRENDS:

- Cobalt-Market Update.

CORPORATE NEWS:

- Update on Joint Venture Disputes and Independent Expert Progress.
- General Meeting Results.

Thackaringa Project

Thackaringa Cobalt – Broken Hill NSW

Significant Resource Upgrade (4 April 2019)*

Completion of the April 2019 Mineral Resource estimate reflects the culmination of a sustained exploration effort by COB (30,000 m drilled from 2016) to realise a 235% increase in resource tonnes and a 189% uplift in contained cobalt since COB issued its prospectus and became an independent company listed on the ASX.

The April 2019 Thackaringa Mineral Resource update followed ~9,500 m drilling completed during Q4 18 – Q1 19 targeting definition of a component of Measured Mineral Resource through enhancement of geological confidence and data density by infill drilling. The infill program focussed on the upper extent (<200 m from surface) of the Pyrite Hill deposit which extends over 1.2 km along strike and is currently drill tested to approximately 300 m down dip. At Pyrite Hill, the drilling fleet successfully navigated steep terrain to increase data density through the oxidation profile. Drilling intersected variable zones of sulphide mineralisation intercalated with localised oxidation providing sufficient constraint to include 'transition' (partially weathered)

* These estimates of mineral resources were first announced by the Company in *Significant Thackaringa Resource Upgrade* released to ASX on 4 April 2019. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement, and all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

material for Pyrite Hill. The recent campaign also allowed completion of an initial phase of drilling to test down-dip extensions of the Pyrite Hill deposit with holes intersecting mineralisation approximately 180–280 m below surface.

With completion of the Thackaringa Preliminary Feasibility Study (mid-2018) and Ore Reserve estimate (mid-2018), COB had established a technically feasible and economic project for production of cobalt sulphate heptahydrate and elemental sulphur from the Thackaringa deposits. The more recent work has provided a robust basis for the revision of the resource cut-off grade to 400 ppm CoEq. The previous 500 ppm cobalt cut-off did not take into account sulphur as a revenue producing co-product.

The revised cut-off grade considers modifying factors guided by the PFS and appropriately incorporates revenue streams from elemental sulphur in addition to cobalt.*

The 2019 Mineral Resource is listed in Table 1 below. The total Mineral Resource is 111 Mt @ 889 CoEq.

Table 1. 2019 Mineral Resource estimates for the Thackaringa Cobalt deposits (at a 400ppm CoEq cut-off) per Mineral Resource classification (CoEq = Co ppm + S % * 22.235).

Category	Mt	Co ppm	CoEq ppm	Fe %	S %	Pyrite %	Contained Co (t)	Pyrite Mt
Pyrite Hill (at a 400ppm CoEq cut-off)								
Measured	18	928	1150	10.7	9.9	19	17,100	3
Indicated	7	759	940	9.7	8.1	15	5,600	1
Inferred	7	820	1020	10.4	8.9	17	5,700	1
Total¹	33	867	1070	10.4	9.3	17	28,400	6
Railway (at a 400ppm CoEq cut-off)								
Indicated	37	677	843	8.5	7.4	14	25,100	5
Inferred	24	650	821	9.0	7.7	14	15,300	3
Total¹	61	667	834	8.7	7.5	14	40,500	9
Big Hill (at a 400ppm CoEq cut-off)								
Indicated	11	629	767	6.7	6.2	12	6,800	1
Inferred	7	553	678	6.2	5.6	11	3,900	1
Total	18	599	732	6.5	6.0	11	11,000	2
Total (at a 400ppm CoEq cut-off)								
Measured	18	928	1150	10.7	9.9	19	17,100	3
Indicated	55	679	841	8.3	7.3	14	37,500	8
Inferred	38	663	831	8.8	7.5	14	24,900	5
Total¹	111	715	889	8.9	7.8	15	79,500	16

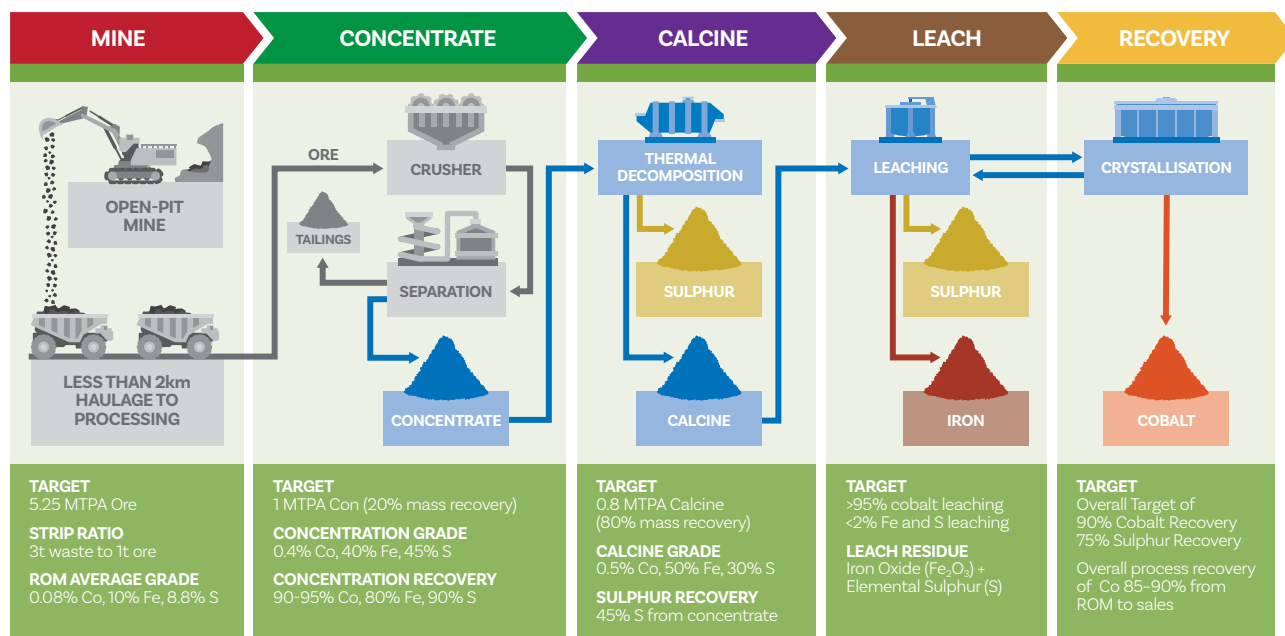
¹ Totals may not add due to rounding.

* The cobalt equivalent grade has been derived from the following cut-off calculation: $CoEq\ ppm = Co\ ppm + [S\ ppm \times (S\ price / Co\ price) \times (S\ recovery / Co\ recovery)]$. Using the Mineral Resource parameters, the CoEq equation simplifies to: $CoEq\ ppm = Co\ ppm + [S\% \times 22.235]$

Testwork Update (26 February 2019)

COB has progressed a series of metallurgical testwork programs. These include optimisation of process parameters along with scaling up testwork. A conceptual flow diagram is shown in Figure 1.

Figure 1. **Conceptual flowchart for processing ore and production of cobalt sulphate**

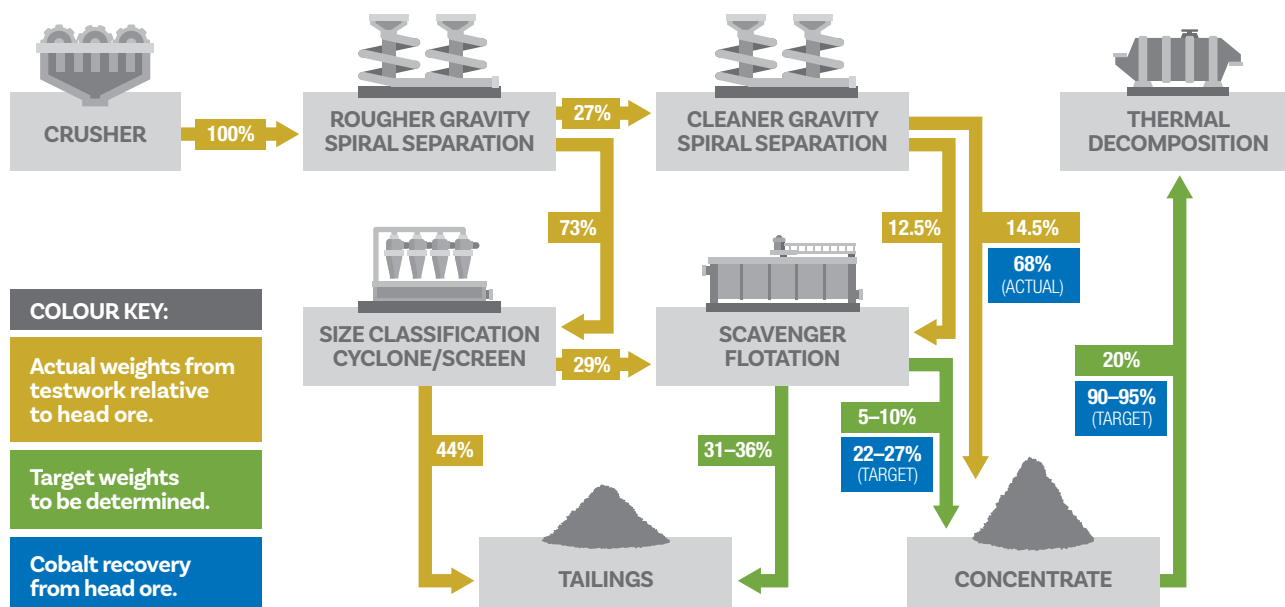


ALS Metallurgy (Burnie) was engaged to produce cobalt-pyrite concentrates from 45 tonnes (t) of ore samples (RC chips). The ore originated from the previous two drilling campaigns and had been preserved in cold storage.

The weighted average recovery of cobalt from the entire 45 t of ore to the primary cleaner gravity concentrate was 69%, from a weighted average head ore grade of 1239 ppm. The concentrate cobalt grade averaged 4655 ppm, and the mass recovery was 15.7%. Recoveries from the secondary scavenger float circuit will be released when available.

Figure 2 shows the weighted average mass and cobalt recoveries achieved through the spiral circuit, and the target recoveries in the flotation circuit.

Figure 2. **Summary of concentrate circuit mass and cobalt recoveries (secondary flotation recoveries to be confirmed)**



COB is encouraged by these results, which add confidence that the target mass recovery to concentrate is ~ 20% and a target cobalt recovery from ore to concentrate of >90%. These are in line with key results obtained in the PFS. The ability to upgrade the ore to a concentrate (and discard ~80% of the mass as tailings) significantly differentiates the Thackaringa Project from laterite projects, which generally need to treat “whole-of-ore” through a high pressure acid leaching plant.

Additional testwork was undertaken by COB in the reporting quarter, including processing 150 kg of concentrate through a continuously operating pyrolysis furnace at Harper (USA), purification and production of cobalt sulphate from leach liquors at ALS Metallurgy (Perth), and waste rock and process plant tailings characterization at Bureau Veritas (Adelaide).

As results are finalised on each of these metallurgical work programs, COB will release further updates to the market. A summary of the work programs is presented in Table 2.

Table 2. **Key metallurgical work program summary**

	Concentrate Circuit		Pyrolysis Circuit		Leaching/Purification	
Scoping Study	20–30 kg	Lab scale	1 kg	Lab scale	1 kg	Lab scale
Pre-Feasibility Study	820 kg	Single bulk trial in batch mode	100 kg	2-3 kg batch mode	30 kg	0.2-1 kg batches
Current Work to date	45 t	Pilot circuit in continuous mode at 2-3 t/hr	150 kg	Pilot circuit in continuous mode at 4-8 kg/hr	20 kg	1-3 kg batches
Planned Work	45–50 t	Full circuit	Up to 10 t	Commercial sized furnace	Up to 10 t	Pilot equipment

Estimates regarding the PFS were first announced by the Company in *Thackaringa Cobalt Project Pre-Feasibility Study* on 4 July 2018.

Cobalt Trends

Cobalt–Market Update

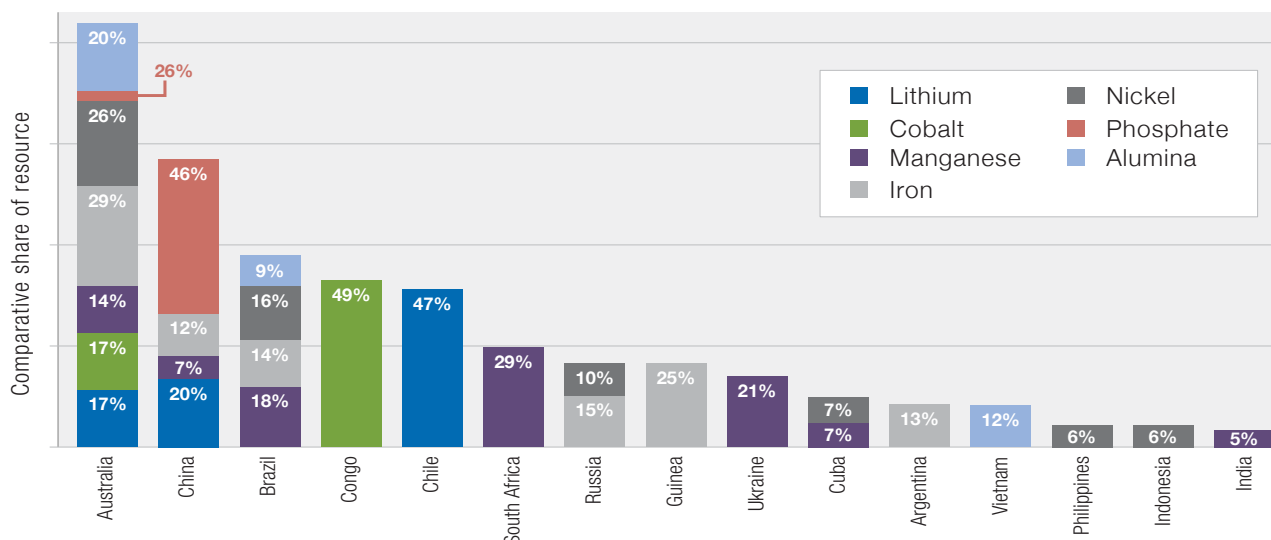
The Lithium Ion Battery Value Chain – New Economic Opportunities for Australia.

The Commonwealth government is seeking to develop Australia’s lithium-ion battery industry via the publication of its “The Lithium Ion Battery Value Chain – New Economic Opportunities for Australia” report released by Austrade. Australian minerals reserves cover 90% of the elements required in lithium-ion battery chemistry, the report underlines that Australia is well-positioned to become a world leader in this rapidly growing market.

Australia is ranked second for global cobalt resources and has 14% of world resources. In terms of production, Australia is ranked fifth, accounting for just four percent of global production, significantly behind the Democratic Republic of the Congo (over 65% of production globally). COB is specifically identified as a key project by the Austrade paper.

Australia has domestic supplies of every mineral required to produce all lithium-ion battery anodes and cathodes, as well as access to the necessary chemicals.

Figure 3. **Countries with reserves of relevant cathode material**



Despite its abundant resources and ability to source, refine and produce all key materials in lithium-ion battery chemistry, Australia has done little to explore the opportunities along the supply chain. This report demonstrates the critical components in advanced battery production — precursor, anode, cathode, electrolyte — can be manufactured in Australia. Battery manufacturing technology central to downstream lithium processing therefore stands as the critical gap in the Australian supply chain.

The Future Battery Industries – Cooperative Research Centre (FBI-CRC) is seeking to support Australian development of mineral processing, battery manufacturing, deployment, reuse and recycling. The FBI-CRC hopes to do this by enabling Australian industry, governments and researchers to optimise the cost competitiveness and productivity of Australian energy storage metals, materials and systems to meet market growth.

The FBI-CRC has been granted \$A25 million in Commonwealth funding over a five-year period, commencing on 1 July 2019. The 42 partners in the FBI-CRC (including COB) are committing \$A26.18 million in cash and \$A13.15 million of in-kind contributions. The estimated impact of the partner investment matched with \$A25 million Commonwealth investment is forecast to be A\$1.23 billion over a 15-year period. Three research programs, with multiple research activities, will address the requirements of industry including: battery industry development; battery resources, processing and recycling; and battery materials, components, manufacturing, testing and deployment.

China – EV Subsidies Update

China represents over 65% of the global Battery Electric Vehicle (BEV) market. Chinese vehicle subsidies therefore have a material effect on global BEV demand. Current subsidies continue to favour vehicles with large ranges and high-performance batteries, both of which result in more demand for cobalt. However, this is being offset by a current slowdown in Chinese EV sales growth, caused by issues with credit and consumer spending as Chinese economic growth shows signs of cooling in 2019.

Chinese subsidies for 2019 are being reapplied away from low-quality, low-range vehicles which make up the bulk of Chinese EV sales at present. Vehicles will now need to have a range of more than 250 km and a minimum energy density of 125 Wh/kg to qualify for subsidies, which excludes a substantial portion of the current market.

China has raised its minimum energy density requirements. Vehicles made with lower-quality battery chemistries (dominated by Lithium Iron Phosphate cathodes) are now exempt from subsidies. China has also raised its minimum range requirement from 150 km to 250 km, which will cut off a substantial portion of the Chinese domestic market from accessing subsidies.

The Chinese government wishes to stimulate its high-performance EV sector. As BEVs near price parity with their Internal Combustion Engine (ICE) counterparts, China continues to reduce subsidies – especially for shorter-range, cheaper models. However, stimulating production and sales of mid-range and luxury BEVs remains of significant interest. The way these subsidies are designed – namely that they only apply to good quality, high-range vehicles – further proves that the Chinese government is keen to stimulate its nascent mid- and high-range EV sector. These sectors will rely heavily on Nickel Manganese Cobalt (NMC) 622, NMC 811 and Nickel Cobalt Aluminium Oxide (NCA) battery chemistries that consume a significant amount of nickel and cobalt.

** COB acknowledges that the data in the previous paragraphs above is sourced from CRU China EV subsidies March 2019.*

Corporate News

Update on Joint Venture Disputes and Independent Expert Progress

To promote market visibility, COB has previously released the Exploration Farmin Joint Venture Agreement (JVA) (3 December 2018) between COB and Broken Hill Prospecting Limited (ASX:BPL).

Seeking to finalise matters, COB announced (8 February 2019) that it had referred four dispute notices to an Independent Expert (Expert) for a final and binding decision. Consistent with the terms of the JVA, this referral occurred after having exhausted intercompany negotiations. These dispute notices are:

- Dispute Notice (1): Thackaringa Drilling Campaign – received 13 November 2018
- Dispute Notice (2): Dilution Clause – received 3 December 2018
- Dispute Notice (3): Stage 2 Compliance – received 7 December 2018
- Dispute Notice (4): JV Manager – received 17 December 2018

On 8 February 2019 COB also announced that it had issued a dispute notice - Dispute Notice (5)- with regard to a Transfer of Title issue.

On 18 February 2019 COB announced that it believed that BPL's Joint Venture Interest had fallen to below 5%, the Minimum Interest specified in the JVA. Since BPL's reduced interest is now below the Minimum Interest, BPL is deemed to have withdrawn from the Joint Venture. Consequently, in accordance with the JVA, COB subsequently wrote to BPL requesting it:

- Surrender absolutely to COB all of its Joint Venture Interest.
- Within thirty (30) days execute and deliver all deeds and documents necessary for, and complete, the transfer of its Joint Venture Interest to COB.
- Pay all stamp duty and other transfer costs which become payable upon BPL transferring its Joint Venture Interest to COB.

On 26 February 2019 BPL issued Dispute Notice (6) - Dilution of Interest below 5% - in relation to the withdrawal notice.

COB further updated the market (19 March 2019) on progress within the Expert process. COB now expects that case submissions to the Expert will be concluded during May, with a determination likely in June.

Dispute Notices (5) and (6) are currently the subject of mediation between the parties.

No progress was made during the quarter for Dispute Notice (7) – Net Smelter Royalty dispute (non JVA; received 3 December 2018). COB is still awaiting further information from BPL on this dispute.

General Meeting Results

COB held a General Meeting (5 March 2019) with the following resolutions passed by members:

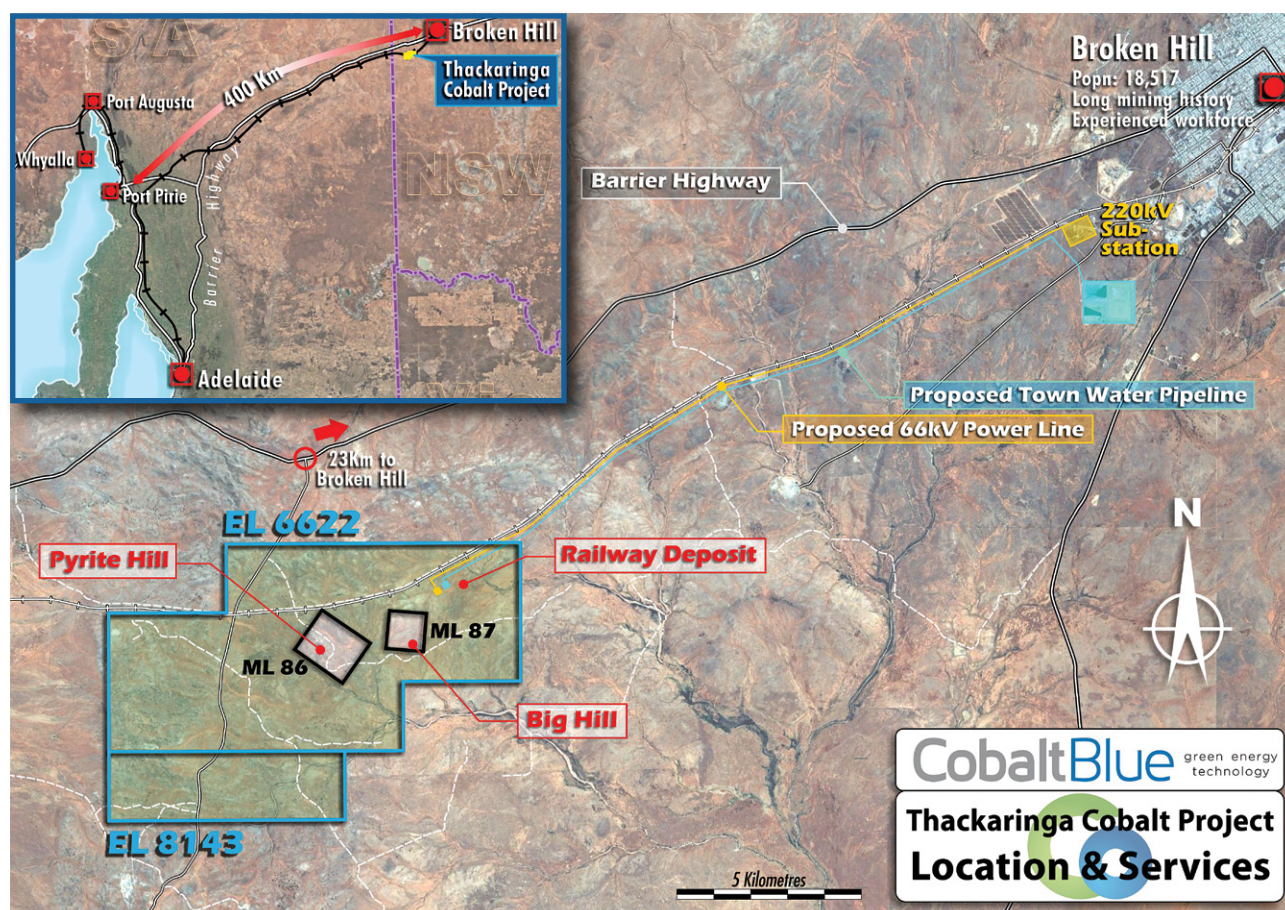
1. Approval of Issue of Shares on 12 December 2018
2. Approval of Proposed Issue of Shares
3. Approval of Issue of Options to a Non-Executive Director – Mr Robert McDonald
4. Approval of Issue of Options to a Non-Executive Director – Mr Hugh Keller
5. Approval of Issue of Options to a Non-Executive Director – Mr Robert Biancardi

Resolutions 1 to 5 above were all carried.

The Thackaringa Cobalt Project

The Thackaringa district map below shows the proximity to Broken Hill, the supporting rail and road network, as well as the availability of both power and water utilities to support future production.

Figure 4. Thackaringa Cobalt Project district map



COB's activities relate to exploration and evaluation as the Thackaringa Joint Venture Manager. There were no activities relating to production or development. Following is a summary of COB's expenditure incurred¹ on exploration and evaluation activities during the quarter:

Exploration and Evaluation Expenditure	\$'000
Technical services & consumables	1,556
General and administration	80
Other	41
Total	1,677

¹ Refers to expenditure incurred on an accounting accruals basis as distinct from expenditure reported in the Appendix 5B which refers to expenditure on a cash basis. These amounts were extracted from the unaudited Balance Sheet of the Company.

Finance

The Company continues to take steps to support the funding of its future exploration and evaluation activities, and the dispute resolution process. A placement of 8,435,000 shares at \$0.20, which raised \$1,687,000, was completed on 12 December 2018. This placement capacity was refreshed at the General Meeting on 5 March 2019. At the General Meeting of Shareholders on 5 March 2019 Shareholders also approved the issue and allotment of up to 19,000,000 shares to investors that are not related parties of the Company. Consequently, COB has sufficient shareholder approval capacity to further its various work programs.

COB regularly reviews its funding requirements in view of its planned activities which may be modified in line with the availability of existing and potential funding sources. The Company is in active dialogue with the investment community regarding its planned activities and believes that, when the Board forms the view on when the timing is appropriate, a capital raising would be supported. COB is also investigating other sources of funding.

COB anticipates shortly receiving an R&D tax rebate of approximately \$300,000.

During the quarter COB's share price fluctuated between a low of 14 cents and a high of 21 cents.

Cobalt Blue Background

Cobalt Blue Holdings Limited (ASX:COB) is an exploration and project development company focussed on green energy technology and strategic development to advance its mineral resource at the Thackaringa Cobalt Project in New South Wales. This strategic metal is in strong demand for new generation batteries, particularly lithium-ion batteries now being widely used in clean energy systems.

The Thackaringa Project, 23 km west of Broken Hill, with railway line passing through the project area, consists of four granted tenements (EL6622, EL8143, ML86 and ML87) with total area of 63km². The main targets for exploration are well known and document large-tonnage cobalt-bearing pyrite deposits. The project area is under-explored, with the vast majority of historical exploration directed at or around the outcropping pyritic cobalt deposits at Pyrite Hill and Big Hill.

Potential to extend the Mineral Resource at Pyrite Hill, Big Hill, Railway and the other prospects is high. Numerous other prospects within COB's tenement package are at an early stage and under-explored.

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

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 April 2019: Significant Thackaringa Resource Upgrade
- 19 March 2019: Update on Progress with Independent Expert Determination
- 05 March 2019: Results of General Meeting
- 26 February 2019: Positive Large Scale Testwork Results
- 18 February 2019: JV Withdrawal Notice Served
- 08 February 2019: Dispute Notices Progress
- 05 February 2019: Drilling Campaign Update
- 31 January 2019: Notice of General Meeting/Proxy Form
- 16 January 2019: Drilling Campaign Paused. Technical Work Programs Continue
- 07 December 2018: Capital Raising
- 05 December 2018: Thackaringa Cobalt Project Drilling and Water Supply Update
- 03 December 2018: Thackaringa Joint Venture Agreement
- 01 November 2018: Thackaringa Feasibility Study Drilling Campaign Commences
- 04 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 announcements, 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 Person's Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Peter Buckley, a Competent Person who is a Member of The Australian Institute of Geoscientists (MAIG). Mr Buckley is employed by Left Field Geoscience Services and engaged by Cobalt Blue Holdings on a consulting basis. Mr Buckley 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' (2012 JORC Code). Mr Buckley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Metallurgical Testwork Results or Engineering Design Studies is based on information compiled by Dr Andrew Tong, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Andrew Tong is engaged by Cobalt Blue Holdings as Executive Manager. Dr Andrew Tong 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 JORC Code. Dr Andrew Tong consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

Mineral Resource Estimate Overview

The revised Mineral Resource was independently prepared by SRK Consulting using a Co-Kriging ('CK') method of estimation, suitable for the style of mineralisation. Mr Danny Kentwell, Principal Consultant (Resource Evaluation) at SRK Consulting, was engaged to estimate the Mineral Resource as the independent Competent Person. The Mineral Resource has been estimated and reported in accordance with the guidelines of the 2012 JORC Code.

Tenement Holding

The beneficial interests in tenements held by Cobalt Blue Holdings Limited at the end of the quarter and the related percentage of ownership:

Thackaringa Cobalt Project

- EL 6622 – 100%* beneficial interest Cobalt Blue Holdings Limited
- EL 8143 – 100%* beneficial interest Cobalt Blue Holdings Limited
- ML 86 – 100%* beneficial interest Cobalt Blue Holdings Limited
- ML 87 – 100%* beneficial interest Cobalt Blue Holdings Limited

* Refer COB's announcement dated 18 February 2019 for the basis of COB's interests in the tenements.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

COBALT BLUE HOLDINGS LIMITED

ABN

90 614 466 607

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(234)	(745)
(e) administration and corporate costs	(470)	(1,051)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	64
1.5 Interest and other costs of finance paid	(10)	(32)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(712)	(1,764)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	(16)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets (see Note 4)	(3,955)	(7,038)
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(3,955)	(7,054)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,712
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(62)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(34)	(100)
3.10	Net cash from / (used in) financing activities	(34)	1,550

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,232	9,799
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(712)	(1,764)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,955)	(7,054)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(34)	1,550
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,531	2,531

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,433	7,134
5.2	Call deposits	98	98
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,531	7,232

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	127
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
	Director fees / salary	

+ See chapter 19 for defined terms

7. Payments to related entities of the entity and their associates**Current quarter
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8. Financing facilities available*Add notes as necessary for an understanding of the position***Total facility amount at
quarter end
\$A'000****Amount drawn at
quarter end
\$A'000**

8.1 Loan facilities

-

-

8.2 Credit standby arrangements

-

-

8.3 Other (please specify)

-

-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9. Estimated cash outflows for next quarter**\$A'000**

9.1 Exploration and evaluation - Thackaringa Cobalt Project

(550)

9.2 Development

-

9.3 Production

-

9.4 Staff costs

(230)

9.5 Administration and corporate costs

(430)

9.6 Other (provide details if material)

-

9.7 Total estimated cash outflows**(1,210)**

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	EL 6622 EL 8143 ML 86 ML 87 All tenements are located in the Broken Hill region, NSW	Beneficial ownership	93.68%	100.00%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Company Secretary)

Date: 30 April 2019

Print name: Robert J Waring

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. Line item 2.1 (d) includes Exploration and Evaluation Expenditure for the Thackaringa Cobalt Project.