

Market Update

08 February 2019

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:

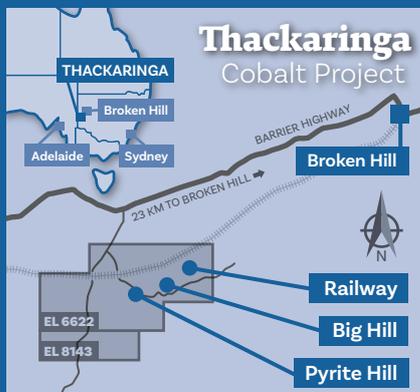
Ordinary Shares at 08/02/2019: **124.6m**

Options (ASX Code: COBO): **25.4m**

Market Cap (undiluted): **\$20.6m**

Share Price:

Share Price at 08/02/2019: **\$0.165**



Cobalt Blue Holdings Limited

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February 2019 – Highlights

Independent Expert Determination + Additional Dispute Notice

KEY POINTS:

- Cobalt Blue Holdings Limited (ASX: COB) and Broken Hill Prospecting Limited (ASX: BPL) are in a Joint Venture to develop the Thackaringa Cobalt Project.
- BPL has previously lodged four Dispute Notices in relation to the Joint Venture Agreement, which COB has now elected to forward to an Independent Expert determination after exhausting intercompany negotiations.
- COB believes strongly in its legal position and considers that an Independent Expert determination is the most prudent and expedient means forward for all parties.
- Using the Resolution Institute (RI) determination process, COB believes that all submissions can be finalised by late April 2019, from which an Independent Expert can form a binding decision upon both parties.
- Additionally, COB has issued a Dispute Notice to BPL in relation to its failure to register COB's legal title ownership over the Thackaringa Cobalt Project tenements with the Department of Planning and Environment, Resources and Geoscience. COB is entitled to be registered as a Joint Titleholder of the tenements with BPL, which will enable regulatory approvals to be obtained by COB, so that the Thackaringa Cobalt Project can proceed in an expeditious manner.

Four Joint Venture Dispute Notices have been lodged by BPL to date; namely:

- 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

Please note that the Net Smelter Royalty Dispute Notice – lodged 3 December 2018 is not a Joint Venture Agreement dispute. COB is still awaiting further information from BPL on this dispute.

To promote market visibility, COB had previously released the Joint Venture Agreement (3 December 2018). In all four Joint Venture disputes the process has involved extensive negotiations between company representatives and subsequently company CEOs. Agreement has not been reached within these processes.

Seeking to finalise these matters, COB has now elected to move to an Expert Determination for all four Dispute Notices. The process will follow the Expert Determination Rules as outlined by Resolution Institute (formerly the Institute of Arbitrators & Mediators Australia) (<https://www.resolution.institute/dispute-resolution/expert-determination>). These rules may be downloaded from their website.

The Determination process will provide certainty for our shareholders and confirm the workings of the Joint Venture Agreement.

Whilst a final and binding Expert Determination is pending, COB will continue to manage the Thackaringa Joint Venture.

COB has issued a Dispute Notice to BPL in relation to its failure to register COB's legal title ownership over the Thackaringa Cobalt Project tenements with the Department of Planning and Environment, Resources and Geoscience. COB is entitled to be registered as a Joint Title-holder of the tenements with BPL, which will enable regulatory approvals to be obtained by COB, so that the Thackaringa Cobalt Project, can proceed in an expeditious manner.

Currently COB has the following beneficial interests in the tenements:

- EL 6622 – 93.68%* beneficial interest Cobalt Blue Holdings Limited
- EL 8143 – 93.68%* beneficial interest Cobalt Blue Holdings Limited
- ML 86 – 93.68%* beneficial interest Cobalt Blue Holdings Limited
- ML 87 – 93.68%* beneficial interest Cobalt Blue Holdings Limited

* Refer COB's and BPL's ASX announcements dated 4 December 2018 for COB's explanation of the dilution of BPL's interest in the Joint Venture to 6.32% and for the steps BPL is taking to dispute this.

Cobalt Blue Background

Cobalt Blue ("COB") is an exploration company focussed on green energy technology. Work programs are advancing to enable an upgrade of the Mineral Resource at the Thackaringa Cobalt Project in New South Wales to include Measured Resources.

Cobalt is a strategic metal in strong demand for new generation batteries, particularly lithium-ion batteries now being widely used in clean energy systems.

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. COB is in a Joint Venture with BPL to develop the Thackaringa Cobalt Project.

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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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>

- 05 February 2019: Drilling Campaign Update
- 16 January 2019: Drilling Campaign Paused. Technical Work Programs Continue
- 05 December 2018: Thackaringa Cobalt Project Drilling and Water Supply Update
- 04 December 2018: Thackaringa JV dilution triggered
- 01 November 2018: Thackaringa Feasibility Study Drilling Campaign Commences
- 24 October 2018: COB decides not to exercise its rights to proceed further under Thackaringa Joint Venture Farmin Earning Period Provisions