

Market Update

22 August 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:

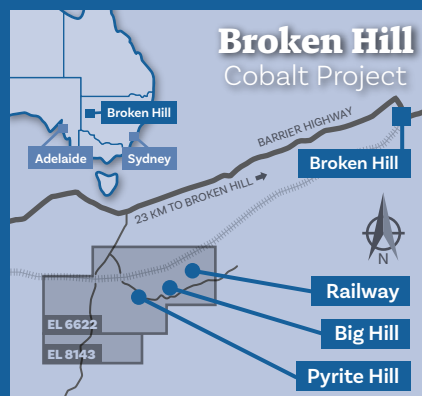
Ordinary Shares at 22/08/2019: **149.9m**

Options (ASX Code: COBO): **29.6m**

Market Cap (undiluted): **\$19.5m**

Share Price:

Share Price at 22/08/2019: **\$0.13**



Cobalt Blue Holdings Limited

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August 2019 – Highlights

Cobalt Blue Strengthens Broken Hill Exploration Footprint

KEY POINTS

- Cobalt Blue Holdings (ASX:COB) is pleased to announce it has received notice of proposed grant for Exploration Licence Application 5805 ('ELA5805'). The tenement application comprises eleven (11) units with COB's strategic exploration footprint in the Broken Hill region to increase by over 50% on grant.
- ELA5805 for Group 1 Minerals, inclusive of cobalt and sulphur, is unencumbered by the Thackaringa Joint Venture.
- The application area is dominated by stratigraphy of the Willyama Supergroup, including the prospective Thackaringa Group successions known to host the Thackaringa Cobalt deposits.

COB's exploration strategy includes securing long-term exploration potential within the Broken Hill region. CEO Joe Kaderavek commented:

"The southern Curnamona Province is considered prospective for a number of cobalt-bearing mineralisation styles. While Broken Hill has a long-dated history, we believe cobalt exploration across the region is in its infancy and are excited by the potential for resource growth".

ELA5805 Magnetic Hill

ELA5805 comprises a total of eleven (11) units for approximately 32km². The units are positioned along a series of northeast - southwest trending shear zones with basement geology dominated by stratigraphy of the Willyama Supergroup, including the Thackaringa and Broken Hill Group successions. In consideration of the strong, stratigraphically controlled metallogenic affinity, this sequence is considered highly prospective for the targeted cobaltiferous pyrite mineralisation.

Approximately 15km west of ELA5805, the characteristic quartz-albite gneiss of the Himalaya Formation (Thackaringa Group) hosts the Pyrite Hill, Big Hill and Railway cobalt deposits. In April 2019, these deposits were the subject of an updated Mineral Resource estimate comprising 111Mt at 889ppm cobalt equivalent (CoEq) (715ppm Co & 7.8% S) for 79,500t contained cobalt (at a 400ppm CoEq cut-off)¹.

¹ The 2019 Mineral Resources are as released on 4 April 2019 'Significant Thackaringa Resource Upgrade' at a 400ppm CoEq cut-off (CoEq = Co ppm + S % * 22.235). A complete summary of Mineral Resources by deposit and Mineral Resource classification is provided in Table 1.

COB has accepted the proposed licence conditions and lodged all departmental fees and levies. The application will now progress through the final stages of processing with anticipation of grant by mid-September. The application is unencumbered by the Thackaringa Joint-Venture and 100% owned by COB.

On grant, the new tenement will significantly enhance the Company's existing exploration footprint with tenure to cover approximately 93km². Initial activities are proposed to refine targeting through historical data compilation, geological mapping, geochemical sampling and applied geophysics.

Figure 1. **ELA5805 Magnetic Hill is located approximately 15km east of EL6622 and comprises a total of eleven (11) units for approximately 32km².**

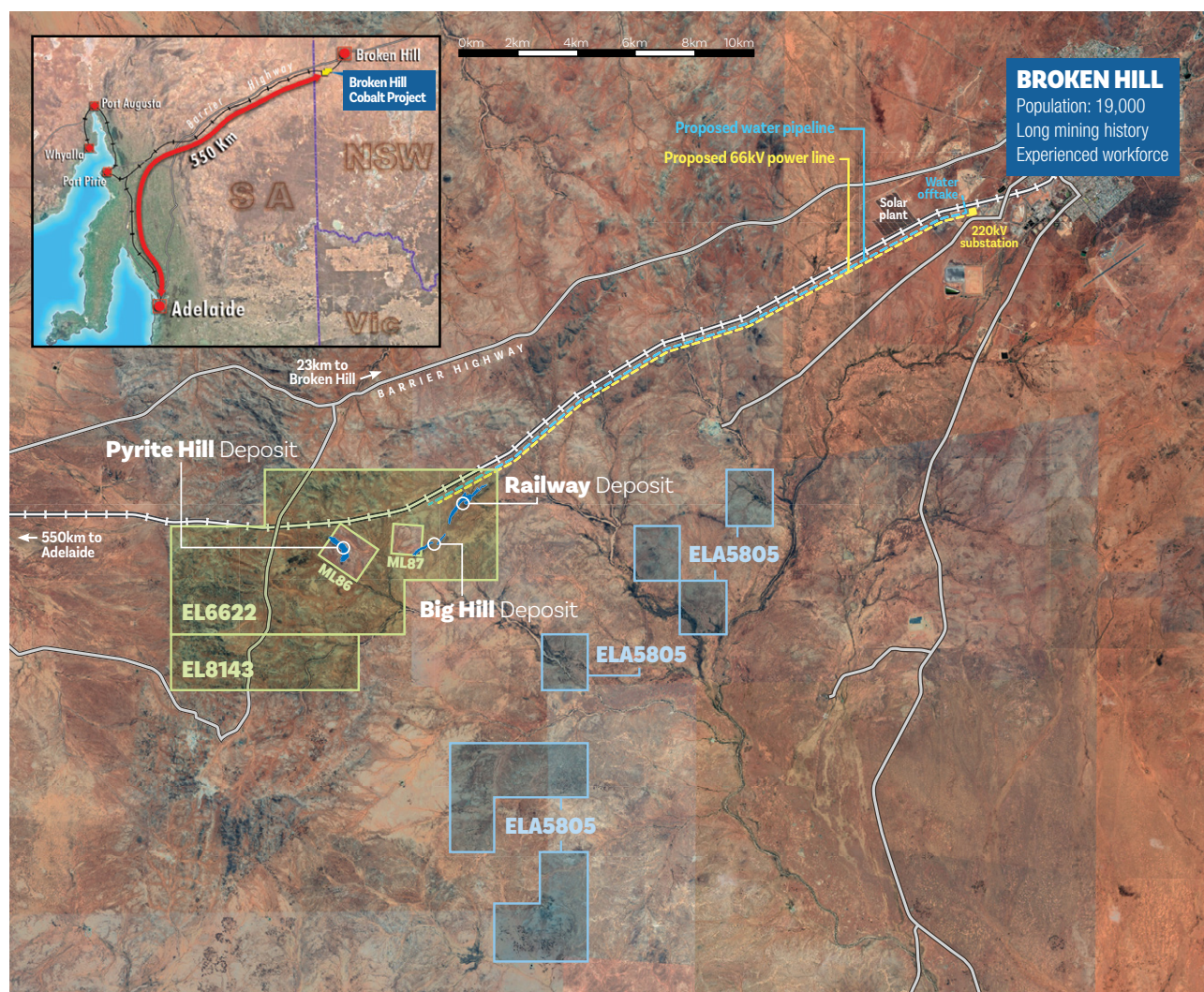


Table 1. **The 2019 Mineral Resource estimates for the Thackaringa Cobalt deposits (at a 400ppm CoEq cut-off) detailed by Mineral Resource classification (CoEq = Co ppm + S % * 22.235).**

Note minor rounding errors may have occurred in compilation of this table.

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
Total	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
Total	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
Total	111	715	889	8.9	7.8	15	79,500	16

Cut-off Grade

The Mineral Resource has been reported at a cut-off of 400ppm cobalt equivalent based on an assessment of material that has reasonable prospects of eventual economic extraction.

The revised cut-off grade incorporates revenue streams from elemental sulphur; an economic by-product of the processing pathway defined in the PFS. The cobalt equivalent grade and has been derived from the following cut-off calculation

$$\text{CoEq ppm} = \text{Co ppm} + (\text{S ppm} \times (\text{S price} / \text{Co price}) \times (\text{S recovery} / \text{Co recovery}))^2.$$

This equates to $\text{CoEq ppm} = \text{Co ppm} + (\text{S\%} \times 22.235)$. The parameters used for this calculation are listed in the table below.

Assumption	Input
A\$/US\$ Exchange Rate	0.74
Cobalt Price	US\$27/lb Co ³
Sulphur Price	US\$150/t
Cobalt Recovery	85%
Sulphur Recovery	75%

The information in this report that relates to the 2019 Mineral Resource estimate is extracted from the report entitled 'Significant Thackaringa Resource Upgrade' which is based on and fairly represents information compiled by Mr Peter Buckley and Mr Danny Kentwell. This report was released on 4 April 2019 and is available to view at <http://www.cobaltblueholdings.com>. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

2 The Company confirms all elements included in the metal equivalence calculation have reasonable potential to be recovered and sold.

3 Cobalt price sourced from SRK Consulting.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation 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'. 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.

Compliance Statement

COB confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcements and in the case of Mineral Resources, Ore Reserves and production targets, all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Cobalt Blue Background

Cobalt Blue Holdings Limited (ASX: COB) is an exploration and project development company. Work programs advancing the Broken Hill Cobalt Project in New South Wales continue. Cobalt is a strategic metal in strong demand for new generation batteries, particularly lithium-ion batteries now being widely used in clean energy systems.

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.



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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 April 2019: Significant Thackaringa Resource Upgrade
- 26 February 2019: Positive Large Scale Testwork Results
- 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
- 01 November 2018: Thackaringa Feasibility Study Drilling Campaign Commences
- 13 September 2018: Bankable Feasibility Study Commences with Drilling Campaign and Project Optimisation Studies
- 04 July 2018: Thackaringa Pre-Feasibility Study Announced
- 22 November 2017: Multiple large exploration targets identified at Thackaringa Cobalt Project