

# Market Update

1 Feb 2018

## February 2018 – Highlights

### Cobalt Blue Holdings Ltd A Green Energy Exploration Company



ASX Code:

**COB**

#### Commodity Exposure:

**Cobalt & Sulphur**

#### Directors & Management:

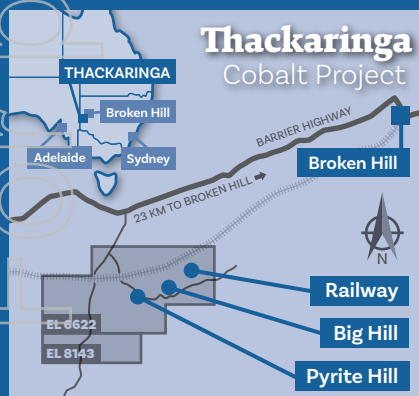
<b>Robert Biancardi</b>	Non-Exec Chairman
<b>Hugh Keller</b>	Non-Exec Director
<b>Trangie Johnston</b>	Non-Exec Director
<b>Matt Hill</b>	Non-Exec Director
<b>Joe Kaderavek</b>	CEO & Exec Director
<b>Ian Morgan</b>	Company Secretary

#### Capital Structure:

Ordinary Shares at 01/02/2018:	<b>106.5m</b>
Options (ASX Code: COBO):	<b>26.8m</b>
Market Cap (undiluted):	<b>\$68.2m</b>

#### Share Price:

Share Price at 01/02/2018:	<b>\$0.64</b>
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#### Cobalt Blue Holdings Limited

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[in cobalt-blue-holdings](#)

## Examining the fit – Thackaringa and Mutooroo Projects

Cobalt Blue (ASX:COB) and Havilah Resources (ASX:HAV) today signed a Memorandum of Understanding (MOU).

#### MOU KEY POINTS:

- COB will carry out due diligence on the Mutooroo copper-cobalt deposit by 30 April 2018.
- HAV will provide COB a representative 10kg Mutooroo sulphide ore sample. COB will perform laboratory test-work using its proprietary technology including crushing, grinding, flotation, calcining and leaching. Full results to be provided to HAV by 30 April 2018.
- Looking forward, further cooperation involving larger scale samples and joint marketing of cobalt sulphate is possible.
- The MOU may be terminated by either party.
- Potential to unlock cobalt district in Broken Hill.

#### Similarity of Pyrite Hosted Cobalt

COB's positive metallurgical work to date has identified a potential processing path that is demonstrating strong cobalt recoveries, for its pyrite hosted cobalt at Thackaringa. Based on ASX releases and discussions between technical staff, the parties believe HAV may have similar metallurgical requirements to commercialise cobalt from Mutooroo. The key question is whether the COB process has the potential to unlock economic value for Mutooroo.

#### COB View:

The 10kg of test material proposed will provide a simple proof of the COB process for Mutooroo ore. The aim is to demonstrate the ability of the process to perform the following steps:

1. Concentration/flotation,
2. Pyrolysis, including production of elemental sulphur, and
3. Cobalt extraction into solution

The test work will not optimise recoveries, which will be the subject of further studies.



## Thackaringa and Mutooroo Projects

Figure One – Location of Thackaringa and Mutooroo Projects

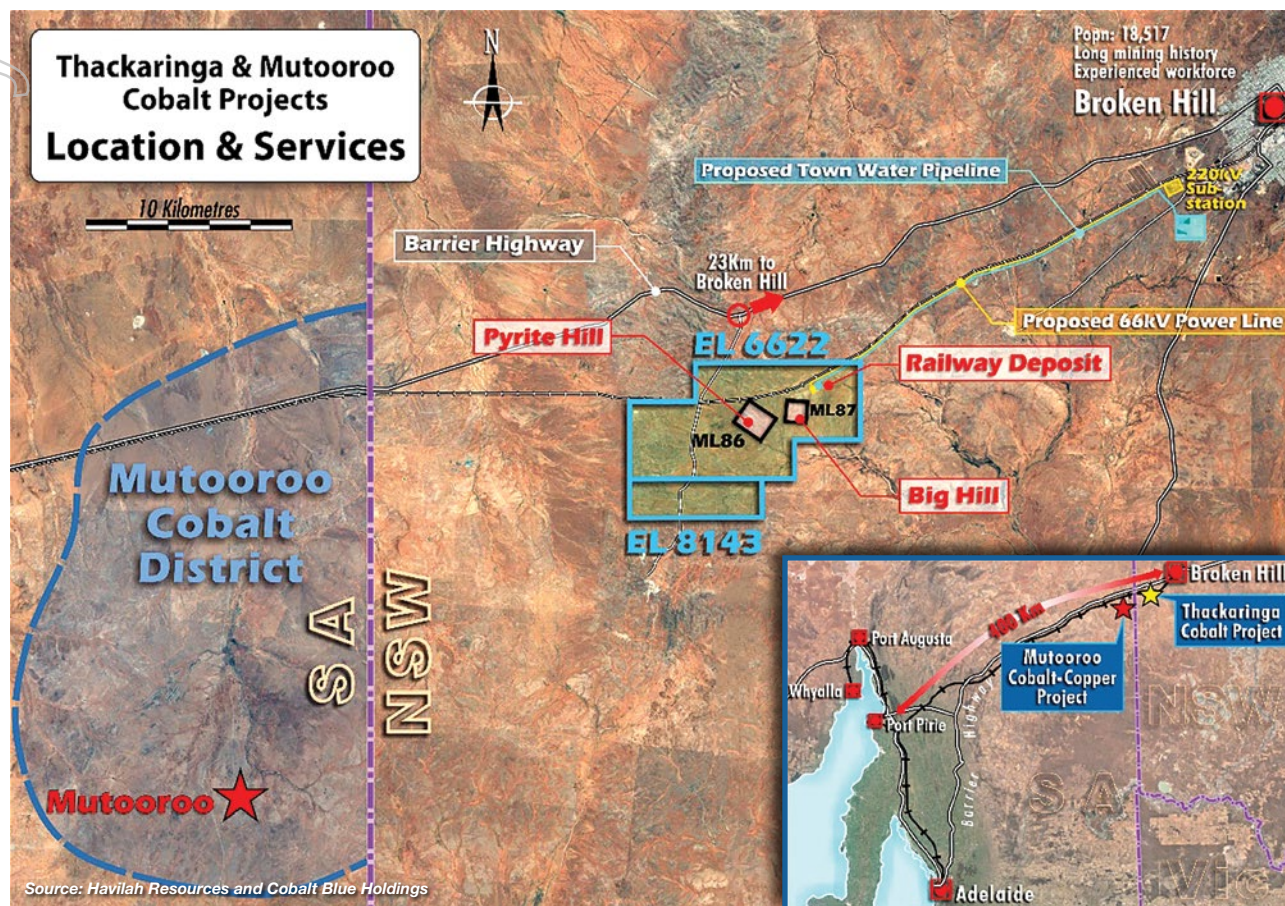


Table One – Thackaringa Total Mineral Resource

Category	Mt	Co ppm	Fe %	S %	Pyrite %	Co Tonnes	Py Mt	Density
<b>Pyrite Hill (at a 500ppm Co cut-off)</b>								
Indicated	2.8	1001	10.99	10.42	19.54	2,758	0.54	2.87
Inferred	20.8	948	11.03	10.22	19.16	19,710	3.98	2.87
<b>Total</b>	<b>23.5</b>	<b>954</b>	<b>11.02</b>	<b>10.24</b>	<b>19.21</b>	<b>22,468</b>	<b>4.52</b>	<b>2.87</b>
<b>Big Hill (at a 500ppm Co cut-off)</b>								
Indicated	0.8	787	7.41	6.77	12.7	596	0.1	2.76
Inferred	7.4	760	7.42	7.19	13.49	5,638	1	2.78
<b>Total</b>	<b>8.2</b>	<b>763</b>	<b>7.42</b>	<b>7.15</b>	<b>13.41</b>	<b>6,234</b>	<b>1.1</b>	<b>2.78</b>
<b>Railway (at a 500ppm Co cut-off)</b>								
Indicated	3	947	10.93	10.29	19.29	2,828	0.58	2.87
Inferred	20.2	913	10.23	9.63	18.05	18,456	3.65	2.85
<b>Total</b>	<b>23.2</b>	<b>917</b>	<b>10.32</b>	<b>9.71</b>	<b>18.21</b>	<b>21,284</b>	<b>4.22</b>	<b>2.85</b>
<b>Total (at a 500ppm Co cut-off)</b>								
Indicated	6.5	951	10.54	9.93	18.63	6,182	1.21	2.86
Inferred	48.4	905	10.14	9.51	17.83	43,804	8.63	2.85
<b>Total</b>	<b>54.9</b>	<b>910</b>	<b>10.19</b>	<b>9.56</b>	<b>17.92</b>	<b>49,986</b>	<b>9.84</b>	<b>2.85</b>

(Pyrite grade generated stoichiometrically from sulphur assay using formula Pyrite = (sulphur/53.333) \* 100)

Source: Cobalt Blue Holdings

The Thackaringa Project, 23 km west of Broken Hill and 400km by rail from Port Pirie consists of four granted tenements (EL6622, EL8143, ML86 and ML87) with total area of 63km<sup>2</sup>. 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, Big Hill and the Railway deposit.

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. Pyrite Hill, Big Hill, Railway deposits are currently undergoing Pre Feasibility Studies due by mid 2018.

## Cobalt Blue Background

Cobalt Blue ("COB") is an exploration company focussed on the strategic development of the Thackaringa Cobalt Project in New South Wales. COB is currently completing a Pre Feasibility Study on the Thackaringa Project due for delivery by mid 2018. This strategic metal 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 ("BPL"). Subject to the achievement of milestones, COB will be entitled to acquire 100% of the Thackaringa Cobalt Project. Currently, COB has a 51% 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

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## Competent Person's Statement – Thackaringa

The information in this report that relates to exploration results, Mineral Resources and Targets is based on information compiled by Mr Anthony Johnston, BSc (Hons), who is a Member of the Australian Institute of Mining and Metallurgy and who is a non-executive director of Cobalt Blue Holdings Limited and the Managing Director of Broken Hill Prospecting Limited. Mr Johnston has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 & 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Johnston consents to the inclusion in the announcement of the matters based on his information in the form and context that the information appears.

## 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>

- 27 December 2017: PFS – Bulk Metallurgical Testwork – Progress Update
- 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
- 5 June 2017: Significant resource upgrade for the Thackaringa Cobalt Project
- 25 May 2017: Stage One Drilling Program delivers robust results – resource upgrade to follow
- 4 May 2017: 2017 Update – Strong Drilling Results Continue
- 27 March 2017: Assays confirm Thackaringa as a Significant Cobalt-Pyrite Project

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.