

# Market Update

24 March 2021

## Highlights

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



ASX Code:

**COB**

#### Commodity Exposure:

**Cobalt & Sulphur**

#### Directors & Management:

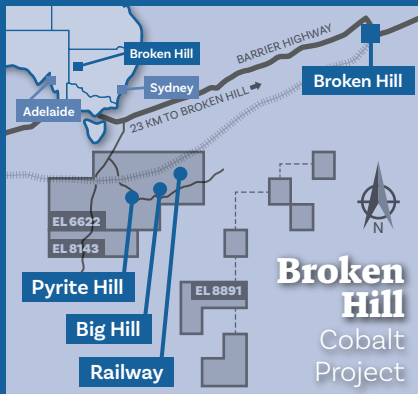
<b>Robert Biancardi</b>	Non-Exec Chairman
<b>Hugh Keller</b>	Non-Exec Director
<b>Robert McDonald</b>	Non-Exec Director
<b>Joe Kaderavek</b>	CEO & Exec Director
<b>Danny Morgan</b>	CFO & Company Secretary

#### Capital Structure:

Ordinary Shares at 24/03/2021:	<b>248.5m</b>
Unlisted options:	<b>8.8m</b>
Market Cap (undiluted):	<b>\$98.2m</b>

#### Share Price:

Share Price at 24/03/2021:	<b>\$0.395</b>
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#### Cobalt Blue Holdings Limited

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## Broken Hill Cobalt Project – Successful Groundwater Allocation

### KEY POINTS

- Cobalt Blue Holdings Limited (ASX:COB) is pleased to announce a purchase of 650 unit shares\* for the allocation of groundwater within the Adelaide Fold Belt MDB Groundwater Source and Adelaide Fold Belt North Western Groundwater Source. This allocation of groundwater will ensure the Broken Hill Cobalt Project (BHCP) will comply with the requirements of the Water Management Act 2000 for the estimated groundwater interception attributed to the proposed open cut mining operations.
- Existing groundwater allocation shares are limited and tightly held amongst a small number of license holders within the Adelaide Fold Belt MDB Groundwater Source. This purchase represents a substantial building block for the BHCP and removes a significant project risk associated with the future purchase of sufficient groundwater share units at a reasonable cost to enable the BHCP to commence operations.

Reflecting on key deliverables of the BHCP Feasibility Study to attain the necessary approvals to construct and operate the Project, COB's CEO, Joe Kaderavek commented:

*"The purchase of this groundwater allocation delivers one of the regulatory requirements for the Broken Hill Cobalt Project. This de-risks the Project by not having to purchase on market tightly held groundwater licenses in the Adelaide Fold Belt MDB Groundwater Source."*

In accordance with the NSW Aquifer Interference Policy, the BHCP will be required to ensure that the necessary Water Access Licenses are held with sufficient share component to account for all water taken from the groundwater sources as a result of an aquifer interference activity, both for the life of the activity and after the activity has ceased. The BHCP must also demonstrate in the Environmental Impact Statement (EIS) that sufficient water allocation(s) are available for the activity. The proposed open cut mining activity will interfere with the groundwater resource, and therefore Water Access Licenses with sufficient share components from the affected groundwater sources will be required.

\* A unit share is determined annually by the Minister for Water but is nominally 1 ML



Based on groundwater modelling, the BHCP has purchased 600 share units from the Adelaide Fold Belt MDB Groundwater Source (pink hatched area in Figure 2) and a further 50 share units from the adjacent Adelaide Fold Belt North Western Groundwater Source (blue hatched area in Figure 2).

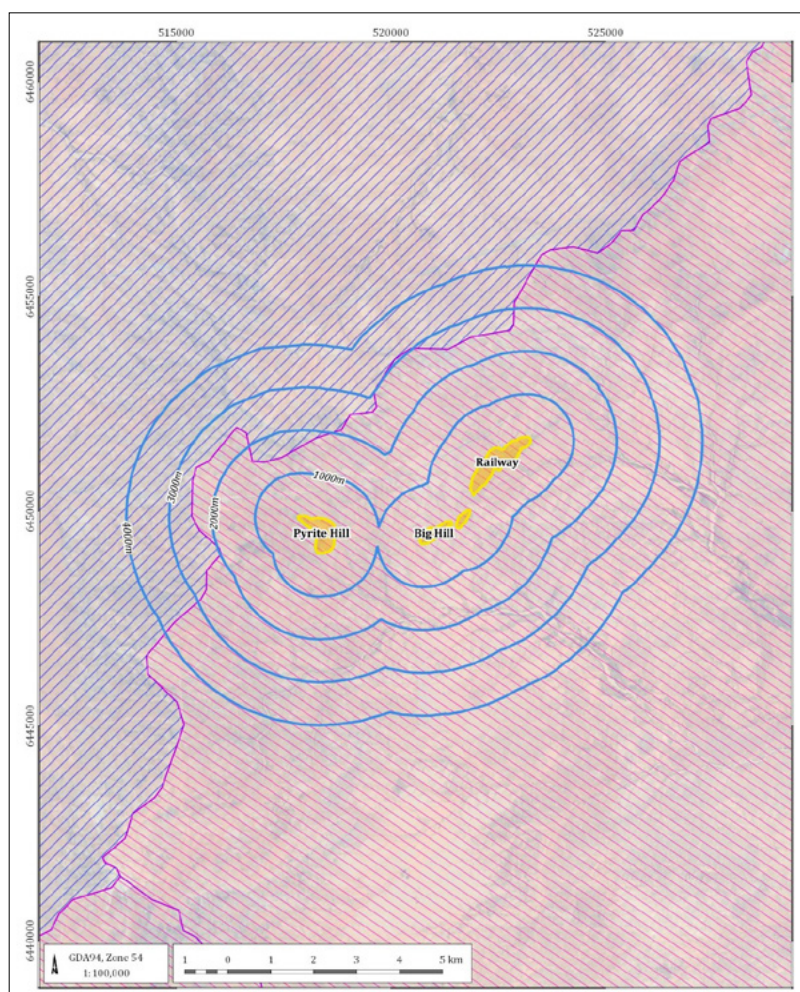
Further groundwater modelling will be undertaken in the EIS to comprehensively quantify the groundwater interception implication of the BHCP, however this purchase is likely to be sufficient for the duration of the project. The BHCP will now make an application to WaterNSW to have the allocations attached to a Water Access License for the Project.

The successful bid for the 650 unit shares from the Adelaide Fold Belt MDB Groundwater Source and Adelaide Fold Belt North Western Groundwater Source from the Controlled Allocation Order (2017) both represents a substantial building block whilst mitigating a significant regulatory risk for the BHCP. From a strategic risk management perspective, it is interesting to note that the NSW Government only made available 78 unit shares in Adelaide Fold Belt MDB Groundwater Source in the Controlled Allocation Order (2020). As such, securing 600 unit shares from the Adelaide Fold Belt MDB Groundwater Source where the BHCP mining activities will occur is of strategic importance to the Project.

Figure 1 – Groundwater monitoring bores at the Broken Hill Cobalt Project





Figure 2 – Groundwater sources at the Broken Hill Cobalt Project





Pit Inflow Estimates

### Water Sharing Plans and water sources

#### Legend

-  Pit extent
-  Distance buffer from pits

#### Water sharing plan boundary

-  North Western Unregulated and Fractured Rock Water Sources 2011 Water Sharing Plan – Adelaide Fold Belt MDB Groundwater Source
-  NSW Murray Darling Basin (MDB) Fractured Rock Groundwater Sources 2011 Water Sharing Plan – Adelaide Fold Belt MDB Groundwater Source

## 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. Our ambitious goals are subject to funding availability. 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.



Joe Kaderavek

Chief Executive Officer

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This announcement was approved by the Board of Directors.

## 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>

- 16 July 2020: Broken Hill Cobalt Project (BHCP) Project Update 2020.
- 19 December 2019: Conceptual Project Development Plan Delivered.

COB confirms 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 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.