

# Market Update

11 October 2021

## 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  
**Danny Morgan** CFO & Company Secretary

### Capital Structure:

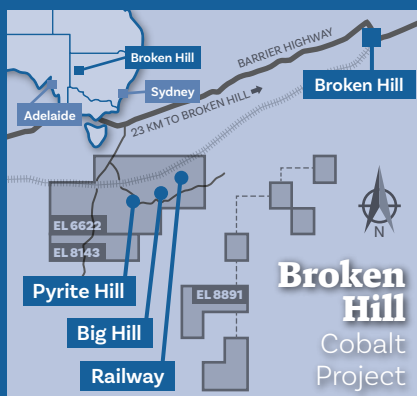
Ordinary Shares at 11/10/2021: **298.5m**

Unlisted options: **33.0m**

Market Cap (undiluted): **\$86.6m**

### Share Price:

Share Price at 11/10/2021: **\$0.29**



### Cobalt Blue Holdings Limited

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## COB Expands Broken Hill Tenure

### KEY POINTS

- Cobalt Blue Holdings Limited (ASX: COB) is pleased to announce the grant of Exploration Licence ('EL') 9254 has increased the Company's Broken Hill footprint by some 35%.
- Since January 2021, COB have added two new Exploration Licences to their tenement portfolio which now covers a total area of approximately 220 km<sup>2</sup>.

Commenting on the Company's strategic positioning across the Broken Hill region, COB's CEO, Joe Kaderavek:

*"The growth in the Company's tenement portfolio reflects a considered step toward securing long-term exploration potential to complement development of the Broken Hill Cobalt Project; having now established a strong resource base we look forward to applying this blueprint in our future targeting."*

## Strategic Rationale

The continued consolidation of ground within the Broken Hill region remains a priority for the execution of COB's long-term exploration strategy targeting discovery and delineation of cobalt mineralisation considered to complement the existing Mineral Resource inventory and proprietary processing pathway of the Broken Hill Cobalt Project ('BHCP' or the 'Project'). The Project forms part of the Company's broader tenement holding now comprising five (5) Exploration Licences and two (2) Mining Leases, for a total area of approximately 220 km<sup>2</sup> (Table 1).

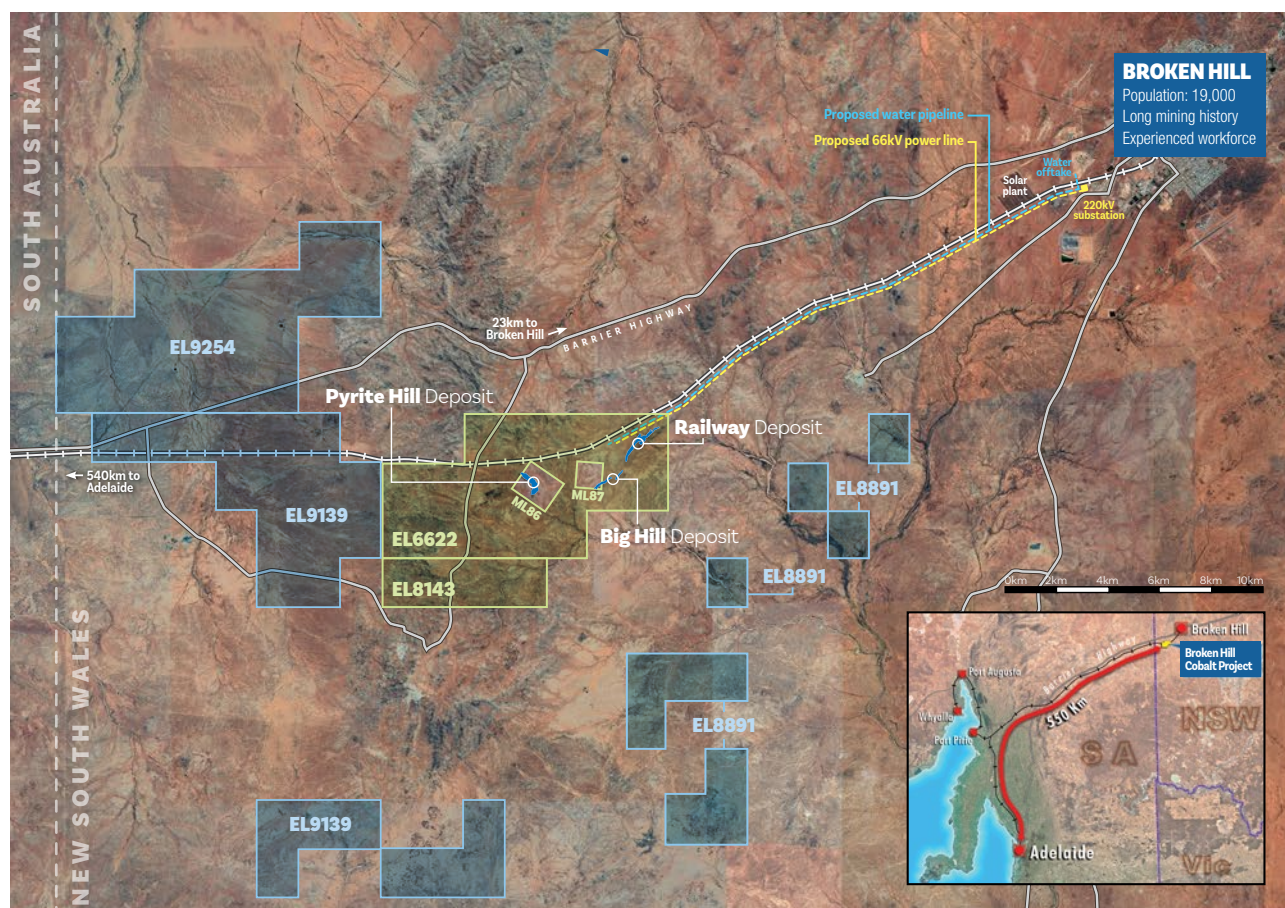
Since 2016, COB has completed 30,000 m of drilling in definition of the Pyrite Hill, Big Hill and Railway deposits. Known collectively as the Broken Hill Cobalt deposits, these were the subject of a recent Mineral Resource estimate comprising **118 Mt at 859 ppm cobalt-equivalent** (CoEq) (687 ppm cobalt, 7.6% sulphur & 133 ppm nickel) for 81,100 t contained cobalt (as released on 16 September 2021 – BHCP Resource Update)<sup>1</sup>.

<sup>1</sup>  $CoEq = Co + S \% \times 18.0078 + Ni \text{ ppm} \times 0.2639$  – refer to page 4 for assumptions used in the cobalt equivalency calculation.

Table 1 – The COB Group tenement holding comprising approximately 220 km<sup>2</sup>.

Title	Area (km <sup>2</sup> )	Grant Date	Expiry Date
EL 6622	51	30 August 2006	30 August 2026
EL 8143	12	26 July 2013	26 July 2026
ML 86	2	5 November 1975	5 November 2022
ML 87	1	5 November 1975	5 November 2022
EL 8891	30	3 September 2019	3 September 2022
EL 9139	67	15 April 2021	15 April 2027
EL 9254	58	26 July 2021	26 July 2027

Figure 1 – BHCP location approximately 25 kilometres southwest of Broken Hill.



## New Exploration Licences (EL9254 and EL9139)

The Broken Hill Cobalt Project is located in a deformed and metamorphosed Proterozoic supracrustal rock succession named the Willyama Supergroup which outcrops as a series of basement inliers known in the Olary – Broken Hill region, as the Willyama Inliers.

The Willyama Supergroup comprises a late Palaeoproterozoic metasedimentary sequence with lesser meta-volcanic intercalations deposited between ~1720 and ~1640 million years ago. It hosts most metalliferous occurrences in the region, including the giant Broken Hill Pb-Zn-Ag orebody. Of the greater Willyama Supergroup, the BHCP covers portions of the Broken Hill and Thackaringa Group successions with the latter hosting the BHCP cobaltiferous pyrite deposits.



EL9254 and EL9139 are located approximately 35 km southwest of Broken Hill and in part adjoin the BHCP. The tenements are generally bound by the Mundi Mundi Fault to the east and are dominated by shallow Cenozoic cover sequences interpretedly underlain by successions of the Willyama Supergroup including the Thackaringa Group. Comparative to areas of the Broken Hill Domain characterised by extensive outcrop, EL9254 and EL9139 have been subject to little historical exploration. The compilation and validation of these works will form an initial focus for the exploration team.

In addition, data obtained from an Airborne Electromagnetic ('AEM') survey, jointly commissioned by the Department of Regional NSW's Geological Survey and Geoscience Australia in April, is expected to be released in Q4 2021. The heliborne survey was flown on east-west orientated flight lines at an average spacing of 2.5 km across EL9254 and will be used by COB to refine future exploration activities for the tenement.

## 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.



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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 September 2021 – BHCP Resource Update
- 24 May 2021 – COB Expands Broken Hill Footprint
- 8 February 2021 – BHCP Tenement Expansion

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.

## Mineral Resource Cut-Off Grade

The Mineral Resource has been reported at a cut-off of 275 ppm cobalt equivalent based on an assessment of material that has reasonable prospects of eventual economic extraction.

In addition to cobalt, the revised cut-off grade incorporates revenue streams from elemental sulphur and nickel; economic by-products of the processing pathway defined in the 2018 PFS and subsequent 2020 Project Update. The cobalt equivalent grade has been derived from the following calculation; **CoEq ppm = Co ppm + (S ppm × (S price / Co price) × (S recovery / Co recovery)) + (Ni ppm × (Ni price / Co price) × (Ni recovery / Co recovery))**. This equates to **CoEq = Co + S % × 18.0078 + Ni ppm × 0.2639**. The parameters used for this calculation are listed below:

Assumption	Input
Cobalt Price	US\$27.50/lb
Sulphur Price	US\$145/t
Nickel Price	US\$16,000/t
Cobalt Recovery	85%
Sulphur Recovery	64%
Nickel Recovery	85%
Exchange rate (A\$ to US\$)	0.70

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