

Market Update

28 April 2022

Cobalt Blue Holdings Limited
A Green Energy
Exploration
Company



ASX Code:

COB

Commodity Exposure:

Cobalt & Sulphur

Directors & Management:

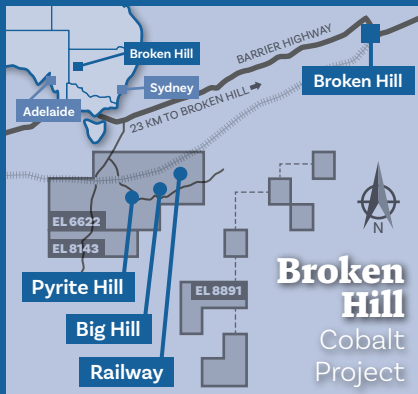
Robert Biancardi Non-Exec Chairman
Hugh Keller Non-Exec Director
Robert McDonald Non-Exec Director
Joe Kaderavek CEO & Exec Director
Danny Morgan CFO & Company Secretary

Capital Structure:

Ordinary Shares at 28/04/2022: 315m
Unlisted options: 24.9m
Market Cap (undiluted): \$261m

Share Price:

Share Price at 28/04/2022: \$0.83



Cobalt Blue Holdings Limited

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Highlights

Broken Hill Cobalt Project awarded \$15m Critical Minerals Accelerator Initiative Grant

KEY POINTS

- Cobalt Blue Holdings Limited (ASX:COB) has been awarded \$15m* through the Critical Minerals Accelerator Initiative (CMAI) for the Broken Hill Cobalt Project (BHCP) by the Australian Government.
- CMAI funding will enable COB to accelerate the development of the BHCP by expanding the scope of Feasibility Studies, bring forward infrastructure and services work packages, and decrease start-up commissioning risks.
- CMAI funding follows on the heels of Major Project Status, providing strong support for COB to commercialise the first Australian cobalt sulphate refinery.

** In order to access the grant monies, COB will need to enter into a grant agreement with the Commonwealth. The grant agreement will include standard industry grant conditions, including reporting requirements and using grant monies only on eligible project expenditure.*

Cobalt Blue's Chairman, Rob Biancardi said:

"The Broken Hill Cobalt Project has received a significant boost by being awarded \$15m via the Australian Government's Critical Minerals Accelerator Initiative. We applaud the Australian Government's support in assisting mid-stage critical minerals projects overcome the substantial technical, regulatory and financial barriers for the establishment of greenfield projects such as the BHCP.

This grant, in conjunction with the recent Major Project Status award, is further recognition of the strategic importance of the BHCP in delivering supply chain security and enhanced sovereign capacity in the high-tech minerals refining space, as well as significant capital investment and employment generation in regional Australia."

Australian Critical Minerals Strategy

Australia's Critical Minerals Strategy outlines the government's policy framework for the critical minerals market. Key priority areas include:

- growing Australia's critical minerals resource knowledge base and moving into downstream processing, to contribute to growing global demand for critical minerals;
- providing incentives for innovation to lower costs and increase competitiveness; and
- economic development and jobs growth in regional communities.

In 2022, the Australian Government is providing additional financial support to help strategic early and mid-stage projects to overcome technical and market barriers. The Critical Minerals Accelerator Initiative supports projects through vulnerable points in the development process to help accelerate them towards a point at which they are sufficiently advanced to seek financing, including under the Australian Government's \$2 Billion Critical Minerals Loan Facility.

The objectives of the CMAI are to:

- help Australian critical minerals projects contribute to supply chains of strategic importance; and
- support and lower the risk associated with critical development activities to help progress towards offtake qualification and seeking debt financing to proceed to production.

The intended outcomes of the CMAI are to:

- support projects in accelerating the development of their critical minerals resource, including through activities which will help projects obtain offtake contracts and finance.

Alignment of BHCP with Australian Critical Minerals Strategy

The BHCP will significantly add to the sovereign capacity of Australia, by:

- doubling Australia's cobalt production from 3,500 tpa to 7,000 tpa;
- building the first Australian cobalt refinery to produce cobalt sulphate;
- enabling development of a downstream battery industry, through supply of cobalt sulphate as a raw material into a Precursor Cathode Active Material plant;
- lowering the economic hurdle for additional (primary and secondary) cobalt supply by providing an intermediate to cobalt sulphate refining capacity;
- being the first domestic producer of elemental sulphur, with potential to displace up to 1/3 of national imports; and
- providing up to 400 FTE regional jobs in critical minerals for the 20+ year duration of the project, with a significant socio-economic multiplier effect.

The BHCP is the only large scale, ex-African, greenfield primary cobalt project globally – a top five cobalt project (ex-Africa). BHCP production will significantly elevate Australia to become a top three global cobalt producer.

CMAI Impact upon BHCP

The CMAI grant will deliver significant benefits and value:

- Accelerate BHCP to "Execution Ready Status" for Project Finance. This is defined as having offtake agreements, approvals/permits, contracts, or deposits paid for long-lead items, and a defined schedule and contract for EPCM.
- Reduce BHCP implementation risks, by expanding the technical scope of FS-DFS studies and commencing workforce planning and regulatory approvals earlier. In turn, this would improve investor or lending institution confidence to support the project.

BHCP Definitive Feasibility Study

COB is now intending to progress the project through an internal Feasibility Study based upon the Demonstration Plant outcomes, followed by a Definitive Feasibility Study (DFS) in 2023 for Project Financing.

The DFS will include bringing forward some work packages from an EPCM FEED Study as follows:

- Power studies and connection application to NEM.
- Expansion of Project owner's team – with longer-term cross over into EPCM roles.
- Progression of long-lead items to contract or deposit stage (e.g. autoclave, filters, mill, mine haul fleet, kiln).
- Secondary project approvals and operating work plans.
- Workforce planning, recruitment, and training.

In conjunction with the DFS, the FS will be expanded to include greater focus on:

- Increasing drilling and field work for mine site design, waste management, geotechnical foundations, and groundwater studies.
- Optionality to implement a fully electric mine haul fleet, and reduce CO₂ intensity by minimising diesel consumption.
- Fast-tracking infrastructure and services connections for rail, road, water, and power, so that these are completed in parallel with the FS-DFS, whereas these are typically done during the EPCM stage.
- Strategic review and business case for expanding the cobalt sulphate refinery to include additional units of cobalt from sources outside of the BHCP open pit mine.
- Additional metallurgical testwork beyond the initial Demonstration Plant program in 2022, to reduce scale-up and commissioning risks.

COB Timeline

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Broken Hill Cobalt Project	Development Timeline		
Business Achievements	Global Cobalt Sample program – 2H 2021	Major Project Status Cobalt qualification program	Final Investment Decision – Q3 2023
Technical Studies	Feasibility Study		Definitive Feasibility Study – Q3 2023
Metallurgical Studies	Pilot Plant	Demonstration Plant	Cobalt sulphate refinery studies
Approvals/Permits	Environmental Impact Statement (EIS) and Mine Site Field Work		EIS and State Significant Development completion Mining Lease approval

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.

This announcement was approved by the Board of Directors.

For more information, please contact:

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