

November 2022

Capital Raising Investor Presentation

ASX: COB



Important Notice & Disclaimer

Overview

This presentation (**Presentation**) is issued by Cobalt Blue Holdings Limited ACN 614 466 607 (**Company**) on 4 November 2022 and has been prepared in relation to a placement of new ordinary shares in the Company (**New Shares**) to 'sophisticated' or 'professional' investors (as defined in section 708(8) or 708(11) of the *Corporations Act 2001* (Cth) (**Corporations Act**)) (**Placement**) and a pro-rata non-renounceable entitlement offer of New Shares (**Entitlement Offer**) (the Placement and Entitlement Offer together being the **Offer**).

Summary information

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Important Notice & Disclaimer (continued)

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If you are in New Zealand, you acknowledge that the Offer is only available to you in accordance with the restrictions set out in the foreign selling restrictions section below.



Contents

1. Executive summary
2. Business overview
3. Equity raising
4. Foreign selling restrictions

Appendix: Key risks



1. Executive summary

Announcement of up to \$16m equity raise:

- COB is seeking to raise \$14 -16m by way of a placement to sophisticated and institutional investors (**Placement**) and a 1:10 Non-Renounceable Entitlement Offer (**Entitlement Offer**) to support COB's development opportunities and working capital requirements.
- \$0.58 Offer Price, which represents a 12.1% discount to the closing price of COB's shares on 2 November 2022.
- Approximately 40m new fully paid ordinary shares ("New Shares") (equivalent to 12.1% of current issued capital) to be offered under the Placement and Entitlement Offer



2. Business overview



Our Aim: Clean, ethical cobalt supply

BHCP offers ethical Australian sourced cobalt

- 3 tenements covering 49 km² host cobalt bearing pyrite deposits with a combined Mineral Resource Estimate of 118 Mt* for contained 81.1 kt cobalt.
- Forecast 17** year life of mine with expected production of 3,500 tpa of cobalt (as Mixed Hydroxide Precipitate or Cobalt Sulphate) and 300Ktpa of Elemental Sulphur.
- Supply and ESG certainty: Chemical processing at site to specification, full supply chain transparency.
- Significant employer in Regional NSW with around 400 full-time jobs to be generated.

* A complete summary of the Mineral Resource estimate by classification is provided at slide 23.

** See Compliance Statement 1 at slide 26

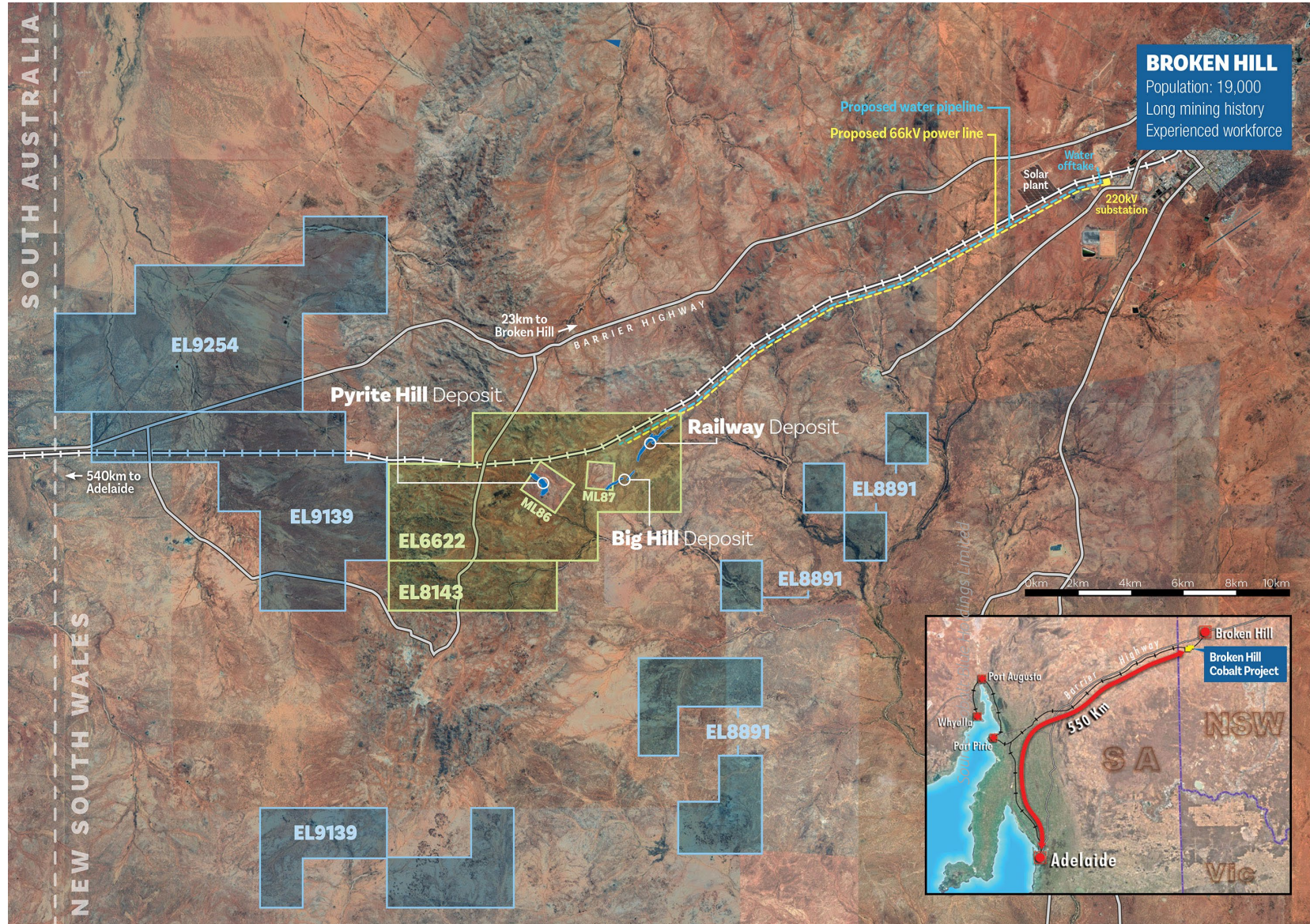
ASX:
COB



- Opportunity to integrate with emerging Australian battery industry.
- Waste Streams Project offers optionality beyond mining.



BHCP: People, power, water, road & rail benefits



BHCP: Progress + Targets

Achievements

- ✓ **Project Update 2020** (PFS update)
- ✓ **Pilot Plant development** and qualification samples (2021)
- ✓ **Major Project Status** (March 2022)
- ✓ **Participant in bilateral** Critical Minerals discussions Korea/USA (Mar/Apr 2022)
- ✓ **Critical Minerals** Accelerator Initiative grant, A\$15m (April 2022)
- ✓ **Demonstration Plant** Operations commenced (July 2022)

Goals

- 🎯 **Project Partners** (end-2022)
- 🎯 **DFS and Approvals** (2023)
- 🎯 **Cobalt in Waste Streams** project (from 2022)



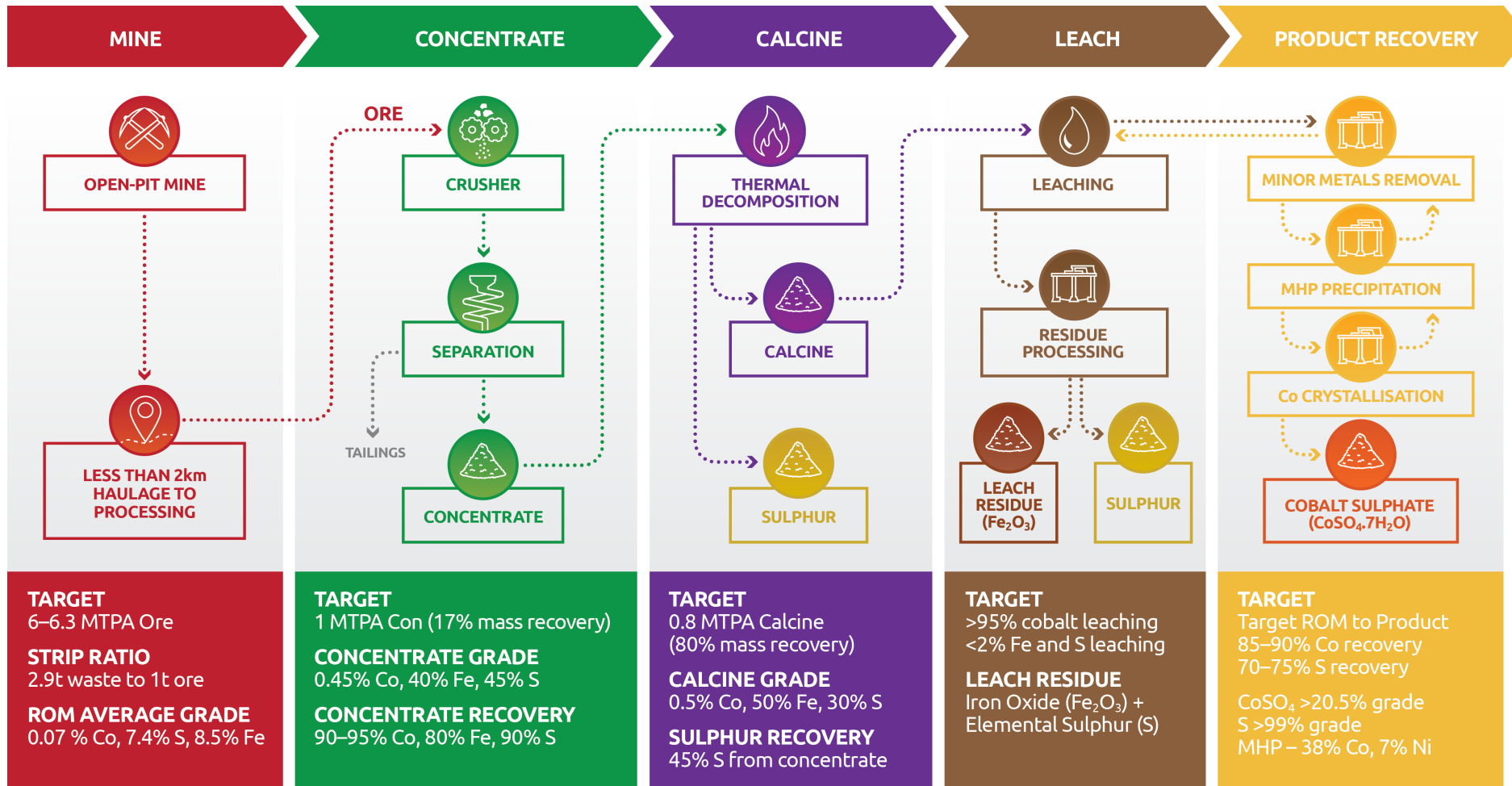
BHCP: Timeline on track

Expected Development Schedule

	PRE - 2021	2021	2022	2023	2024	2025
Broken Hill Cobalt Project						
Business Achievements	100% Project Ownership CRC-P Grant	Global Cobalt Sample Program	Offtake Cobalt Qualification Program – 2022 Major Project Status and CMAI grant	Final Investment Decision	Construction Period Mine Development EPC Renewable Power Contracts	Refinery Commissioning First Commercial Production
Technical Studies	Project Update 2020 PFS 2018	Feasibility Study	Feasibility Study	Definitive Feasibility Study and Approvals		
Process Testing	Pilot Scale Testwork	Pilot Plant – 30 Tier 1 Partners Offtake Contract Negotiations (begin)	Larger scale (24/7) Operations Commercial Qualification Samples Bulk Sample			First On Specification Production
Environmental Approvals		EIS Field Studies	EIS Field Studies	EIS Submission SSD Determination	ESG/CO ₂ Reporting	ESG/CO ₂ Reporting Operating Permits (approved)
	PRE - 2022		MILESTONES			



BHCP: Cobalt Sulphate Production Flowsheet



BHCP: Pilot Plant => Demonstration Plant

Study Level	Period	Concentrate Circuit		Pyrolysis Circuit		Leaching/Purification	
Pilot Plant	2021	45–50 t	Continuous pilot circuit 2–3 t/hr	Up to 15 t	Commercial sized furnace 100–150 kg/hr	Up to 15 t	Pilot equipment 1t batches
Demonstration Plant	2022	4,000-5,000 t	Mobile plant 10–15 t/hr	500 -600t	Commercial sized furnace 100–150 kg/hr	500 t	Demonstration samples 3 - 10 t

Crushing plant processing ore stockpile in preparation for milling



Horizontal vacuum filter belt & Pressure oxidation leach circuit



ASX: COB

Source: Cobalt Blue Holdings Limited



BHCP: Strategic Outlook

Building on existing commercial partnerships...

- **LG International:** First Mover partnership provides capital and technical assistance on high purity battery grade cobalt sulphate.
- **Cooperative Research Centre & Future Batteries Industries (FBI)** project to fund and validate our refining process research and participate in development of Australian battery industry.
- **Sojitz Corporation** (cobalt), **Mitsubishi Corporation** (sulphur).

...to develop our ambitions

- **Bilateral Critical Mineral relationships** – Korea / USA / Japan / Europe.
- **Cobalt in Waste Streams Project (CWSP)** – key QLD Govt agreement executed.
- **Enabling development of a pCAM / CAM industry** – early stages of a domestic battery supply chain district concept.



Cobalt Blue: Who We Are

“Extensive expertise – mineral development, investment management, corporate law and energy storage.”

Independent Chairman – Robert Biancardi

IBM, Citibank, Westpac and Evolution Healthcare (senior management and director). Numerous directorships of private companies.

Independent Director – Hugh Keller

Partner Blake Dawson (now Ashurst) and its predecessor firms for 35 years until retirement in 2010. Non-executive director of two other companies.

Independent Director – Rob McDonald

40 years of international mining sector experience, Investment banking/private equity investment management.

Chief Executive Officer – Joe Kaderavek

Equities research lead / investment management, resources and energy storage technology focus. Operational reviews and strategic assessments - mining, minerals processing (BHP, Rio Tinto) and infrastructure in Australia, North America and Europe.

Executive Manager – Dr Andrew Tong

Metallurgist with +15 years experience in project development, operating mining and processing activities, and patenting innovative minerals processing technology.



Chief Financial Officer – Danny Morgan

Chartered Accountant with +25 years' professional financial and commercial resource sector experience including IPO's, M&A, Project Financing, JV's and Project Developments.

Investor Relations – Joel Crane

Commodities economist with +15 years experience analyzing bulk, base and precious metals in global investment banks and major resource company (Rio Tinto).





3. Equity raising details



Key details of the equity raise

Equity raising size and structure	<ul style="list-style-type: none">• Approximately \$4 million placement to sophisticated and institutional investors (Placement)• A 1 for 10 pro rata non-renounceable entitlement offer to raise approximately \$10-\$12m (Entitlement Offer)
Offer price	\$0.58 Offer Price, which represents a 12.1% discount to the closing price of COB shares on 2 November 2022.
Entitlement Offer price	<ul style="list-style-type: none">• The Entitlement Offer will open on Tuesday, 15 November and is expected to close on Thursday, 1 December• Details will be provided to eligible shareholders in the offer booklet, expected to be dispatched to shareholders on 15 November 2022.
Director participation	Directors intend to participate in the Entitlement Offer.
Ranking	New shares will rank equally with existing COB shares.
Underwriting and syndicate	Neither the Placement or the Entitlement Offer will be underwritten.
Shortfall facility (Entitlement Offer)	Shortfall facility will enable shareholders to subscribe for any shares not taken up by other shareholders. Directors reserve the right to place any shortfall shares at their discretion within 3 months of closing date.



Sources and uses of Equity raising proceeds

Sources	
Placement	A\$4m
Entitlement Offer	A\$10-12m
Total sources:	A\$14-16m

Use of funds

In July 2022 the Company announced that after an extensive process a team of leading engineering firms had been selected to carry out Definitive Feasibility Studies (DFS) on the Company's Broken Hill Cobalt Project (BHCP). The DFS requires completion of a series of key work programs including Demonstration Plant operations, geological and resource drilling and studies, waste rock and tailings studies, metallurgical studies, engineering studies and project approvals.

The Company intends to use the proceeds from the Offer together with existing cash resources to advance its activities through to the 2H 2023 in parallel with work on completing the Definitive Feasibility Study (DFS) on BHCP. In addition to the DFS, the work will include:

- Initiation of Front-End Engineering Design (FEED) studies, to be executed post delivery of DFS
- BHCP Demonstration Plant maintenance and retention of operations staff beyond BHCP FS test work (likely to finish in Q1 2023) in order to retain a core of well-trained operators on staff through to commissioning of the BHCP (anticipated 2025)
- Cobalt in Waste Streams opportunities where current test work is expected to be expanded, potentially requiring larger scale test work at the existing Demonstration Plant
- Selective local commercial/industrial property purchases required to support future BHCP operations
- General corporate activities including partner selection and project financing investigations.

If the amount sought is not raised, the Company would need to consider scaling back the planned expansion of the programs that form part of the DFS.



Offer timetable

Event	Date
Trading halt commences	Thursday 3 November 2022
Trading halt ends	Monday 7 November 2022
Announcement of results of Placement and of Entitlement Offer	Monday 7 November 2022
Record Date for determining Entitlements to subscribe for New Shares under the Entitlement Offer	Thursday 10 November 2022
Settlement of Placement	Friday 11 November 2022
Entitlement Offer booklet despatched and Entitlement Offer opens	Tuesday 15 November 2022
Closing Date of Entitlement Offer	Thursday 1 December 2022
Issue and allotment of Entitlement Offer shares	Wednesday 7 December 2022
Entitlement Offer shares commence trading on ASX	Thursday 8 December 2022



Foreign selling restrictions

If you are in New Zealand, you :

- a) are a person who
 - i. is an investment business within the meaning of clause 37 or Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) (the **FMC Act**);
 - ii. meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
 - iii. is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
 - iv. is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
 - v. is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification);
- b) acknowledge that:
 - i. Part 3 of the FMC Act shall not apply in respect of the offer of New Shares to you;
 - ii. no product disclosure statement, register entry or other disclosure document under the FMC Act may be prepared in respect of the Offer and;
 - iii. any information provided to you in respect of the Offer is not required to, and may not, contain all of the information that a product disclosure statement register, entry or other disclosure document under New Zealand law is required to contain
- c) warrant that if in the future you, elect to direct or indirectly offer or sell any of the New Shares allotted to you, you undertake not to do so in a manner that could result in:
 - i. the Offer or such future offer or sale being viewed as requiring a product disclosure statement or other similar disclosure document or any registration or filing in New Zealand;
 - ii. any contravention of the FMC Act; or
 - iii. the Company or its directors incurring
- d) warrant that:
 - i. any person for whom you are acquiring or procuring New Shares meets one or more of the criteria specified in subclause (a) above; and
 - ii. you have delivered, where applicable, a safe harbour certificate in accordance with clause 44 of Schedule 1 of the FMC Act.





Appendix: Key risks



Risk factors

Introduction

The New Shares the subject of the Offer should be considered speculative because of the nature of the Company's business. There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Presentation (and the Entitlement Offer booklet, if applicable) and the Company's disclosures on ASX in their entirety and consult their professional advisors before deciding whether to apply for the New Shares.

Availability of Finance

The Company has no material operating revenue and is unlikely to generate any material operating revenue unless and until the BHCP is successfully developed and production commences, or alternatively the Company acquires a revenue generating asset. The Company will therefore be required to raise additional capital or enter alternative development structures in order to meet its obligations and implement its strategy of developing the BHCP.

Commodity prices

The global cobalt market is subject to demand and supply fluctuations. These fluctuations, along with fluctuations in the A\$:US\$ exchange rate, will affect the project economics of the BHCP. Climate change risk may create additional demand for lithium-ion batteries as a means to store renewable energy as part of global 'decarbonisation' strategies. Such additional demand may create upside pressure to cobalt prices in the future.



Risk factors (continued)

Management retention – The Company is reliant on its team of employees and consultants. There is a risk that the Company may not be able to retain those key personnel or be able to find effective replacements for those key personnel in a timely manner. The loss of such personnel or any delay in their replacement, could have a negative impact on the Company's ability to achieve its strategy. To address this risk, the Company is developing a remuneration framework to provide competitive remuneration to retain key personnel.

Exploration risk – Whilst the Company has already established a global Mineral Resource estimate for the BHCP of 118 Mt at 859 ppm cobalt equivalent (CoEq) (687 ppm Co, 7.6% S and 133 ppm Ni at a 275 ppm CoEq cut-off) (as released on 16 September 2021 in the market announcement titled 'BHCP Resource Update') there can be no guarantee that future exploration programs will lead to positive exploration results. Mineral exploration is a speculative endeavour and there can be no guarantee that the Company will achieve any of its mineral exploration objectives. 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; $\text{CoEq ppm} = \text{Co ppm} + (\text{S ppm} \times (\text{S price} / \text{Co price}) \times (\text{S recovery} / \text{Co recovery})) + (\text{Ni ppm} \times (\text{Ni price} / \text{Co price}) \times (\text{Ni recovery} / \text{Co recovery}))$. This equates to $\text{CoEq} = \text{Co} + \text{S} \% \times 18.0078 + \text{Ni ppm} \times 0.2639$. The parameters used for this calculation are listed below. The Company confirms all elements included in the metal equivalence calculation have reasonable potential to be recovered and sold.

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



Risk factors (continued)

The Mineral Resources estimate is summarised below by classification.

Classification	Mt	CoEq (ppm)	Co (ppm)	S (%)	Ni (ppm)	Contained Co (kt)	Contained S (kt)	Contained Ni (kt)
BHCP (inclusive of Pyrite Hill, Railway & Big Hill)								
Measured	18	1,276	1,030	10.9	191	18.3	1,935	3.4
Indicated	59	788	631	6.9	123	37.1	4,062	7.2
Inferred	41	781	619	7.2	123	25.6	2,979	5.1
Total	118	859	687	7.6	133	81.1	8,968	15.7

The Mineral Resource estimate for the BHCP (at a 275ppm CoEq cut-off) detailed by Mineral Resource classification ($\text{CoEq} = \text{Co} + \text{S} \% \times 18.0078 + \text{Ni ppm} \times 0.2639$). Note minor rounding errors may have occurred in compilation of this table.

Metallurgical recoveries - The economic viability of cobalt recovery depends on a number of factors such as the development of an economic process for the treatment of the pyrite ore. Further, changes in mineralogy may result in inconsistent recovery of cobalt. To address this risk, the Company constructed a Pilot Plant to demonstrate cobalt sulphate could be produced on a large scale and following successful operations at the Pilot Plant, a Demonstration Plant was constructed and is now operational to treat pyrite ore on an even larger and continuous basis.

Government approvals/environmental standards – Advancing the BHCP is dependent on obtaining approvals from government agencies. With increasing government and public sensitivity to environmental sustainability, environmental regulation is becoming more stringent. The Company could be subject to higher levels of environmental responsibility and liability, including laws and regulations dealing with air quality, water and noise pollution, plant and wildlife protection, greenhouse gas emissions and the storage, treatment and disposal of wastes.

Water supply - The BHCP is located near Broken Hill, New South Wales (NSW). Broken Hill has a hot arid desert climate with minimal rainfall. The project's water requirements are currently estimated at 1.2-1.5 gegalitres per annum, which are expected to be supplied from Essential Water's trunk main on the western outskirts of Broken Hill, which is supplied via a pipeline from the Murray River at Wentworth, NSW. In the event that this water is unable to be supplied or supplied at lower levels, whether due to climate change or not, the project would be significantly affected.

Power Supply - The project would also require significant power use. Increased pricing of electricity would increase project operating costs. In order to reduce this risk COB is working on power related studies, seeking to optimise waste heat capture and re-use, optimising the daily load profile and evaluating distributed energy generation and storage.



Risk factors - general risks

General Economic Conditions

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

Equity Market Conditions

Securities listed on the ASX can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

Change in Government Policy and Legislation

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.



Risk factors - general risks (continued)

Competition Risks

The industry in which the Company is involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares. Therefore, the New Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.



Compliance Statements

- 1. The production target parameters including the forecast life of mine (LOM) derived from the Project Status Update are as released on 16 July 2020 in the market announcement titled 'Broken Hill Cobalt Project (BHCP) Project Update 2020'. The Production Target is, in part, based on Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised.

