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MEDIA RELEASE

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CEO's Update to Investors

I am delighted to provide investors with a recap of our business strategy and discuss the current market environment.

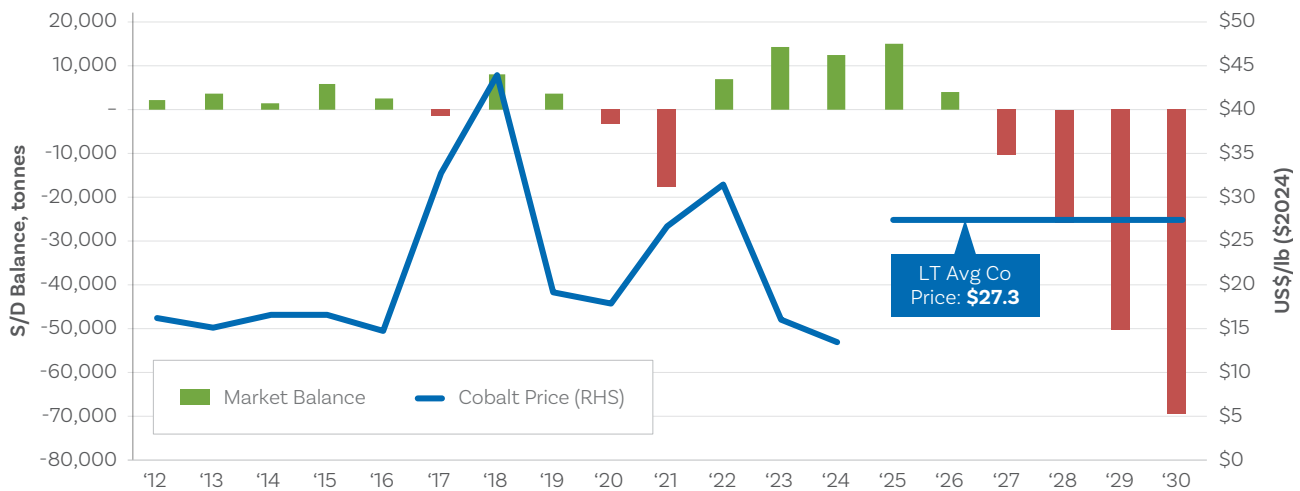
As investors will be aware, there are three pillars to the COB business:

1. The Cobalt-Nickel Refinery: Australia's first proposed Cobalt-Nickel refinery
2. The Broken Hill Cobalt Project: A potential cobalt intermediate feedstock mine
3. Waste Streams/Re-mining: Leveraging our flowsheet to recover critical minerals from waste



While acknowledging the current challenges of the macroeconomic backdrop in the critical minerals sector, there are numerous reasons we remain optimistic about the cobalt and broader critical minerals space. We continue to see support from Australian Government policy and funding as well as increasingly effective legislation in our target markets of the USA, Europe, South Korea and Japan. Importantly, while market dynamics have been challenging for many critical minerals, there is evidence market pricing is set to improve as a more balanced market looms (refer cobalt market chart on the following page).

Figure 1 – The global cobalt market balance will shift from surplus to deficit in the next two years



Source: Benchmark Minerals Intelligence, Cobalt Blue Holdings

COB to become a major player in critical minerals supply chain

Developing Australia’s first cobalt-nickel refinery

Our near-term focus remains on developing the Cobalt-Nickel Refinery in the Kwinana Industrial Area. We have tested two large scale lots of feedstock from separate producers (representative US/EU market-compliant feedstock from Australian and international sources) and successfully produced cobalt sulphate from both sources. The results of these samples have been shared with potential customers globally. Trials are ongoing at our Broken Hill Technology Development Centre. Please [click here](#) to experience a short, virtual tour of our Refinery testwork.

Detailed engineering design for the Refinery has commenced and the permitting process remains on schedule for submission by mid-2024. With all workstreams progressing according to schedule, a decision to proceed with construction is anticipated by September this year. See [here](#) for the latest update on the Refinery’s development progress.

Figure 2 – Proposed refinery site adjacent to Iwatani (Doral Fused Material) operation



BHCP Review to deliver a 'right size' project

The Broken Hill Cobalt Project (BHCP) Definitive Feasibility Study (DFS) programs were close to finalisation. However, given current battery minerals pricing as well as the current inflated capital cost environment, the BHCP (in its current form) is presently unlikely to attract project financing. Rather than deliver a DFS that effectively 'sits on the shelf', waiting for a future upturn in the macro environment, we have decided to undertake a Review to assess the viability of a condensed, higher margin project. The Review will make substantial use of the extensive library of technical studies, reports and other work undertaken for the DFS.

We were delighted to announce that Iwatani Corporation, already a potential partner for the Refinery, executed a nonbinding Heads of Agreement with us to also potential partner in the BHCP. This endorsement further supports our longer-term strategy of integrating BHCP feedstock into the Cobalt-Nickel Refinery in Kwinana. The cyclical nature of the global cobalt market has simply delayed our strategy, not derailed it.

Recovering critical minerals from waste

The Waste Streams segment of our business is progressing well. We continue to advance testwork studies in cooperation with Hudbay Minerals in examining the use of COB technology to treat their Flin Flon tailings.

We were proud to announce in March a partnership with Regeneration Enterprises to commercialize and restore mine waste deposits. Cobalt Blue Project Acquisition Manager, Dr Helen Degeling, and Investor Relations Manager Joel Crane discussed this opportunity in a recent Webinar.

Successful institutional placement

In April we successfully raised A\$5.0 million via a share placement that was well supported by several domestic and offshore institutional investors.

Domestic and International policy support and legislation

The Great Energy Transition has prompted governments at home and abroad to adopt new policies to provide economic impetus to the surrounding sectors. Australia's Critical Minerals Strategy acknowledges the country's mineral wealth and seeks to promote domestic processing operations via the recently launched Future Made in Australia Act. The USA is in year two of a generously funded, decade-long piece of legislation (The Inflation Reduction Act or IRA) with a primary goal of securing critical mineral supplies for its strategic economic and defence needs. Policy makers in Europe are also concerned over supply chain security, and have also prioritised environmental and ethical standards in the sources of its critical minerals.

Cobalt Blue's strategy aligns with the policies in place and we have requested direct government support; with potential benefits including grants, agency loans and international partnerships. We are not guaranteeing outcomes but continue to hold fruitful discussions. A prime example of a building block is a Letter of Support COB received from the Premier of Western Australia acknowledging the importance of a new critical minerals processing plant in the state.

Australian government sector support creates a stable operating environment

As part of the 2024/25 Federal Budget, the Australian Government launched the Future Made in Australia Act which includes several new measures to support the development of domestic critical minerals processing. Cobalt Blue applauds this commitment as it validates our long-standing strategy to develop Australia's first cobalt sulphate refinery. This level of policy certainty creates an essential stability that will ensure Australian projects operate in a stable environment.

There are two important features in the Future Made in Australia Act that have potential benefits for Cobalt Blue. Firstly, a Critical Minerals Production Tax Incentive will provide a 10% tax credit to companies undertaking downstream processing that value-add to raw minerals. The tax credits are scheduled to begin in 2027, the year COB expects its Cobalt-Nickel Refinery to ramp up to full capacity.

Secondly, the Battery Breakthrough Initiative (A\$523m over 7 years) aims to promote the development of Australian battery manufacturing capabilities through production incentives. Given our country's natural abundance of all key ingredients in lithium-ion batteries, major global battery industry players have been assessing Australian based opportunities to establish centralised, downstream capacity. Support for this segment of the battery supply chain enhances the investment opportunity in our refining capacity.

Federal and State governments in Australia are also looking to issue concessional funding commitments including:

- Australian Government – International Partnerships in Critical Minerals Program:** This Department of Industry, Science and Resources program supports early to mid-stage critical minerals projects that contribute to building end-to-end supply chains with Australia’s international partners.
- Western Australian Government – Industry Attraction Fund:** This WA Department of Jobs, Tourism, Science and Innovation program supports project development leading to job creation and contributing to a more diversified economy.

The USA tightens IRA compliance and further limits Chinese technology

The USA has identified Foreign Entities of Concern (FEOC) dominance in the battery supply chain as a national security issue and over the past month has adjusted policies to reduce the dependency. In May, the Department of Treasury issued its final rules on qualifying for the US\$3,750 ‘Critical Minerals’ credit that stipulates manufacturers must prove FEOC extracted/processed materials are not present in the EV battery. In an effort to further ringfence its domestic industry, in May, the US Government imposed significant tariff increases on EVs and lithium-ion battery imports from China as well as introducing new duties on some critical minerals (including cobalt).

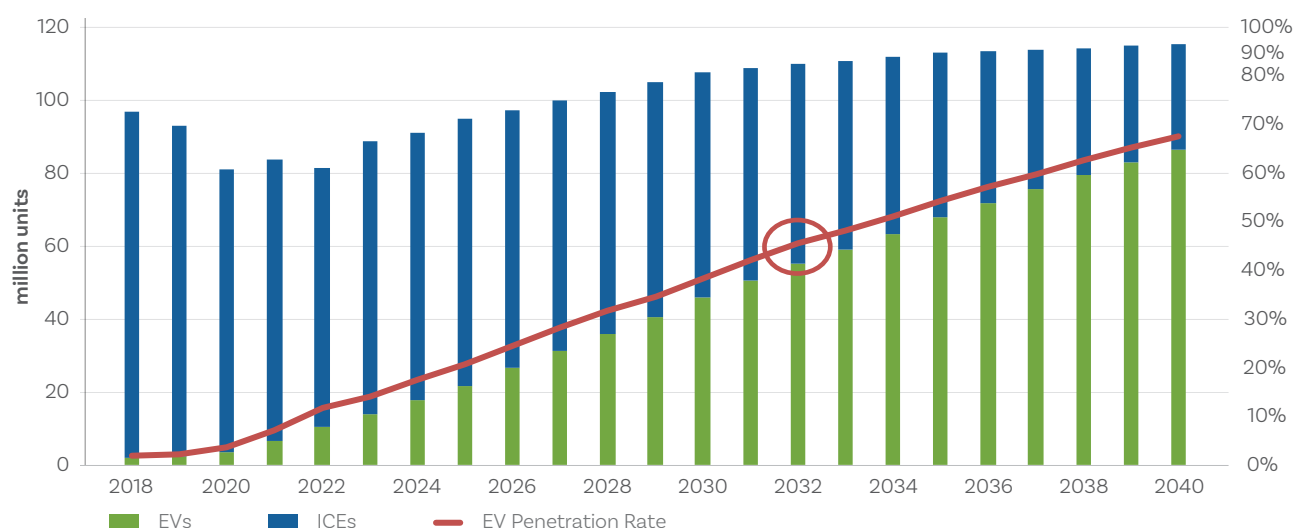
The intention of these policies is to protect the US auto industry and to promote critical minerals supply chain diversification. The government is trying to create a more competitive environment for US and Allied EV and battery makers vs Chinese counterparts. Jose Fernandez, the US Under-Secretary for Economic Growth, Energy and the Environment, recently gave the opening address to the annual Cobalt Institute Congress and said, “We need to do deals to diversify our supply chains ... We want to join forces with the private sector”.

Market Dynamics: Future supply gap suits the COB Strategy

Despite the current period of below-average cobalt pricing, we remain assured the downturn is cyclical and a recovery is coming. This faith is grounded by important components of demand and supply dynamics.

EV thematic intact: The electrification of global vehicle fleets will continue. Even though some headlines in recent months have focused on ‘lower than expected growth’ in EV sales, annual sales are still on pace to more than triple between 2023 and 2030 and will reach 50% penetration by 2032.

Figure 3 – Internal Combustion Engine (ICE) vs Electric Vehicle (EV) sales and penetration rate



Source: Rho Motion, Cobalt Blue Holdings

In a recent Webinar, Cobalt Blue Investor Relations Manager Joel Crane and Rho Motion’s Head of Research recently discussed key issues surrounding EV sales in China, North America and Europe and also broke down the debate between the competing battery cathode chemistries of lithium iron phosphate (LFP) and nickel cobalt manganese (NCM).

Tighter market to drive competition for compliant supply: Following three years of unprecedented supply expansion, growth in output is set to ease in the next year or so. The global gigafactory buildout to supply the growing EV fleet will ensure cobalt demand remains solid. When layered with the IRA's FEOC stipulations and other geographic and quality incentives, sourcing top-tier battery raw materials will become increasingly competitive.

Conclusion: Right projects, right time

As demand for cobalt and other critical minerals expands, the major global economies are putting policies in place to ensure the supply of these important materials is secure. Our strategy is designed to ensure Cobalt Blue is at the forefront in the first wave of new entrants into the Allied supply chain.

A handwritten signature in black ink, appearing to read "Joe Kaderavek".

Joe Kaderavek
Chief Executive Officer

This announcement has been authorised for release by the Board.

Forward looking statement

This Presentation contains certain “forward-looking statements” and comments about future matters. Forward-looking statements can generally be identified by the use of forward-looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” “outlook”, “continue”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Forward-looking statements include but are not limited to statements about the future performance of Cobalt Blue and statements about Cobalt Blue’s plans, future developments and strategy. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this document speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates.

Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this Presentation are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Cobalt Blue, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. The forward-looking statements are based on information available to Cobalt Blue as of the date of this Presentation.

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