

March 2017

# Investor Presentation

COB : ASX



# Cobalt – our increasing dependency

## Consumer Electronics

### SMART PHONE

Size = 5.5 Wh

**Cobalt: 6grams**  
(\*A\$0.40)



### TABLET

Size = 20 Wh

**Cobalt 23 grams**  
(\*A\$1.55)



### LAPTOP

Size = 30 Wh

**Cobalt 33 grams**  
(\*A\$2.20)



## Technology Disruption

### FIXED STORAGE

Size = 7 kWh

**Cobalt: 3 kgs**  
(\*A\$200)



### BATTERY ELECTRIC VEHICLE

Size = 85 kWh

**Cobalt 15 kgs**  
(\*A\$1,000)



### WIDE BODY AIRCRAFT

A380 shown (4 engine)

**Cobalt: 250 kgs**  
(\*A\$17,000)



## Evolution of Superalloys

### 1958: BOEING 707

**Cobalt: 15 kgs**  
(\*A\$1,000)



### 1994: BOEING 747

10x cobalt for  
<4x weight B707

**Cobalt: 150kg**  
(\*A\$10,000)



### 2006: Airbus A380

20x cobalt for  
<6x weight B707

**Cobalt: 250kg**  
(\*A\$17,000)



\* LME Cobalt Spot Price – March 2017

# Cobalt Demand – the new energy revolution

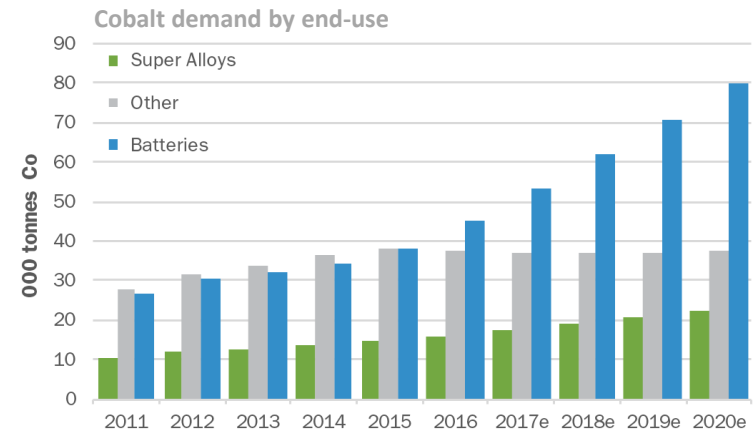
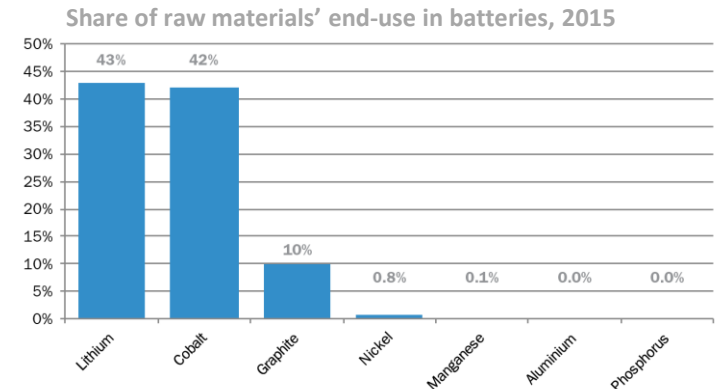
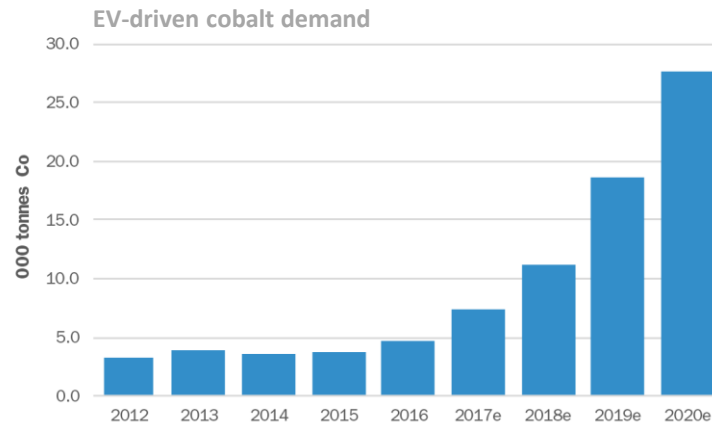
**The New Energy sector is disruptive, rapidly evolving, and delivering returns**

## **INCREASINGLY INVESTABLE:**

- Cyclical winners and losers as the sector progresses.

## **RAW MATERIALS:**

- Cobalt is a vital component in rechargeable batteries
- EV penetration rate of 1% by 2020 increases auto battery cobalt demand by 44% CAGR



Source: CDI, USGS, company data, Hillcrest Consulting research estimates

# Cobalt Demand – the new energy revolution

**Low supply + high demand growth  
= long-dated price strength**

## DEMAND

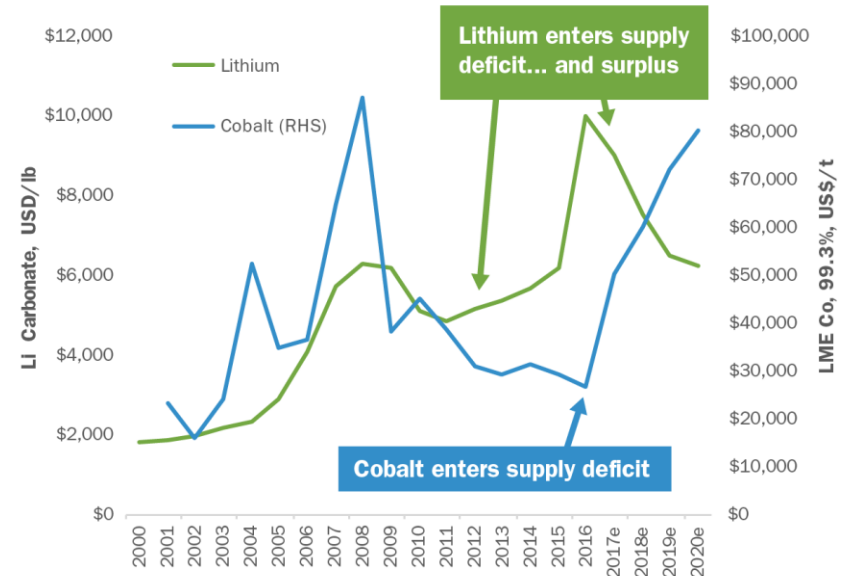
- 9% CAGR to 2020 – EV battery demand initial driver, battery storage will prolong growth rates.

## SUPPLY

- 3% CAGR to 2020 – Cobalt prices have little influence on primary producers' decision-making, e.g. Lithium, new resources are rapidly being developed following price signal.

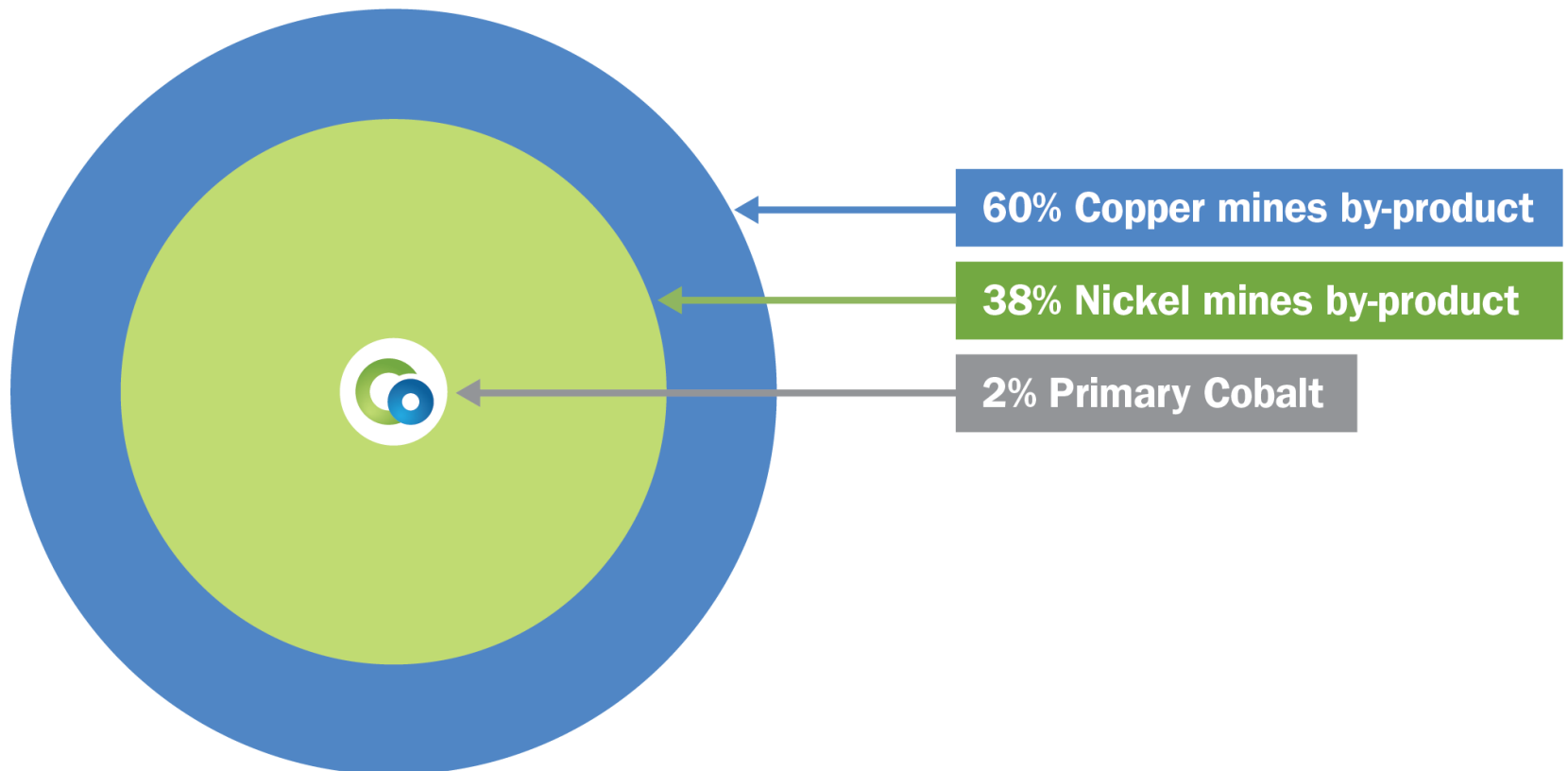
## PRICE OUTLOOK

- 2017 marks the beginning of a sustained price rally, set to revisit previous cyclical highs.



Source: CDI, USGS, company data, Hillcrest Consulting research estimates

# Cobalt Sources

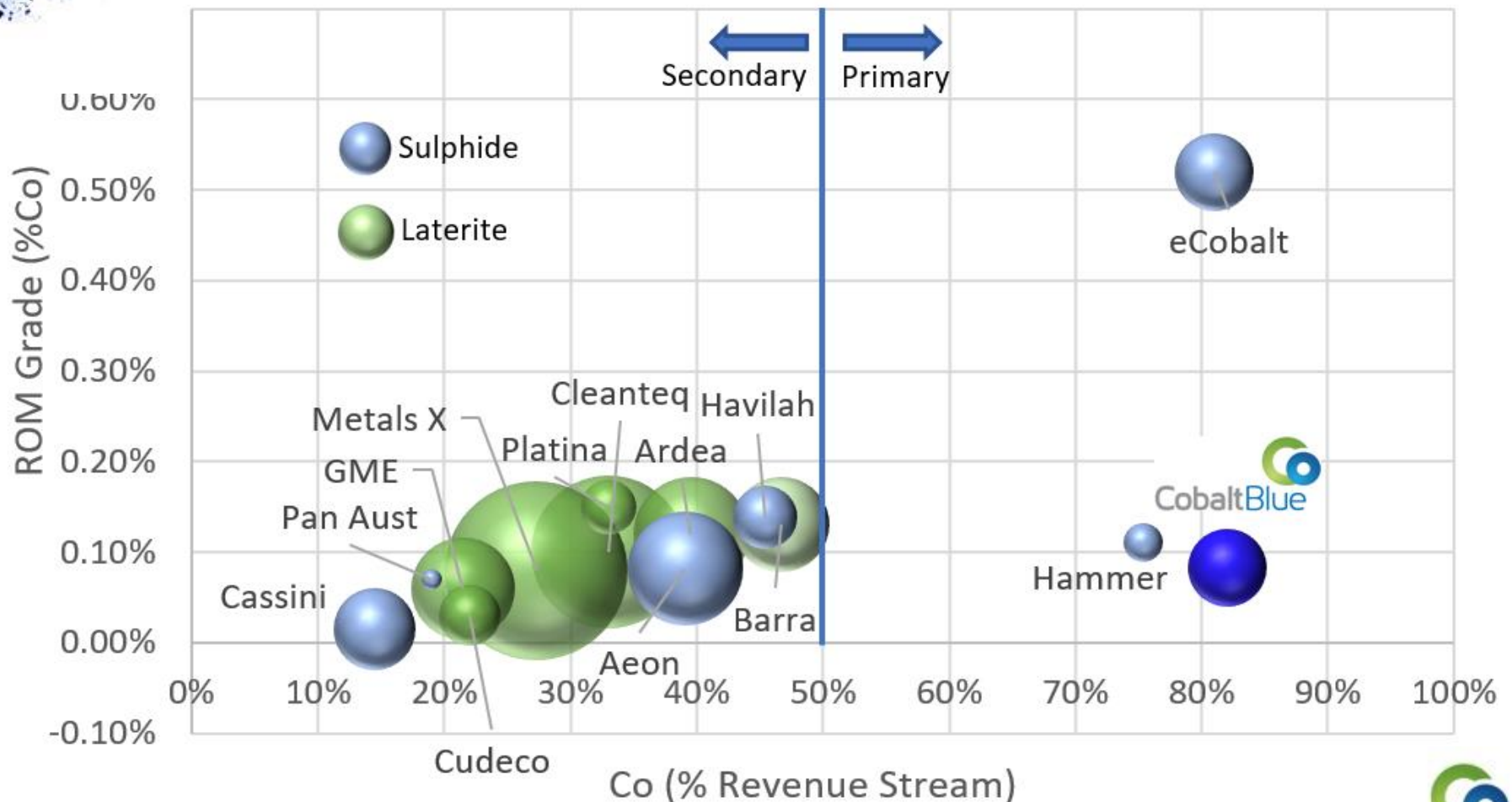


Source: CRU



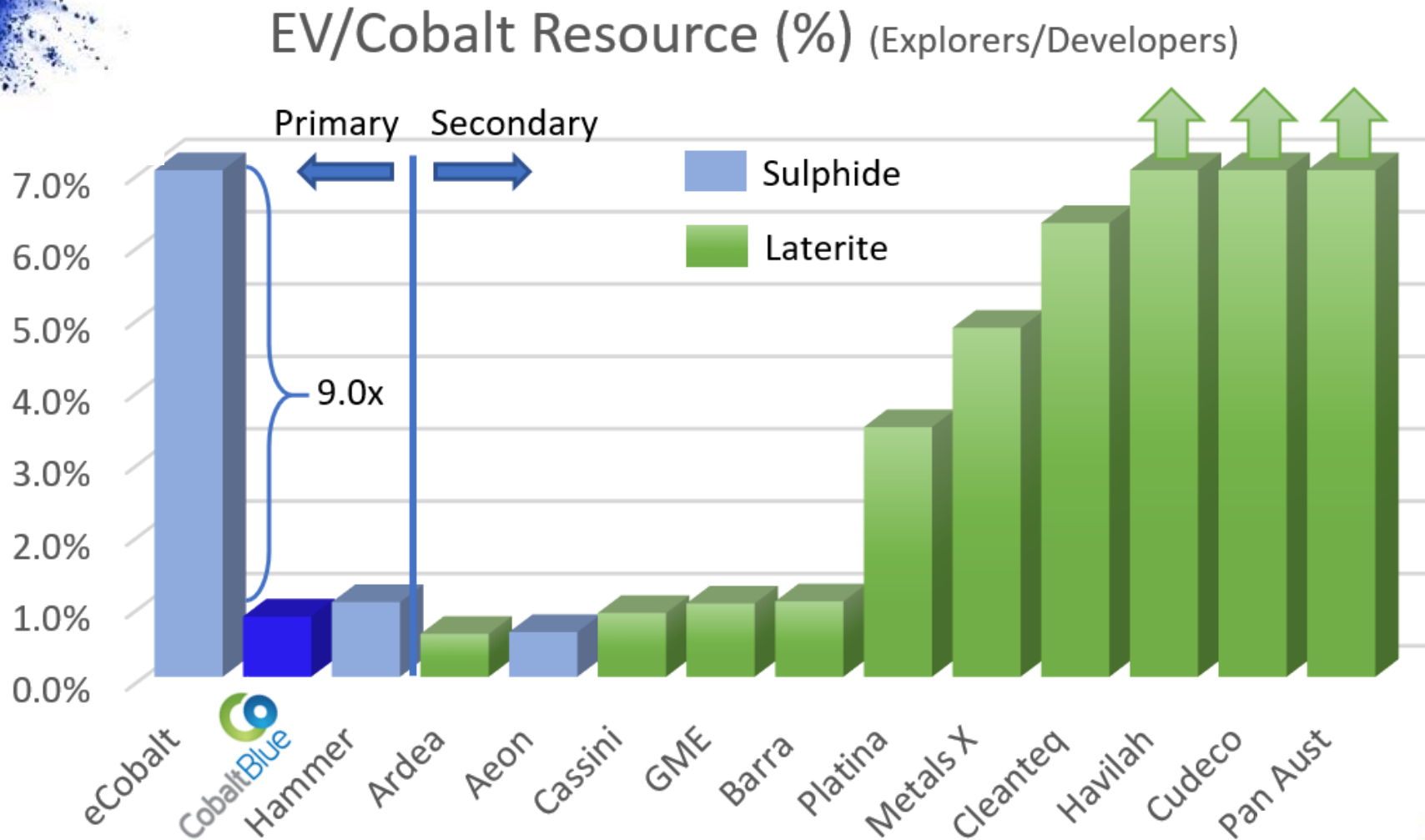
# Cobalt Explorers/Developers - Resources

## Cobalt - Primary & Secondary (Explorers/Developers)



Source: Company Reports

# Cobalt Explorers/Developers - Valuation



Source: Company Reports, Bloomberg

# “2017 is shaping up to be a big year for Cobalt Blue”

+ 3,000 metres of diamond drilling completed shortly  
+ 5,100 metres RC drilling in progress.

= One of the largest cobalt exploration commitments on the ASX

**ASPIRATIONAL TARGET:** Triple the current size of the Thackaringa cobalt deposit (>80,000 t of contained cobalt)

= A global top 10 mining operation with 20 year + life

## OUR SCHEDULE OF WORK IS AS FOLLOWS:

30 June 2017	30 June 2018	30 June 2019	30 June 2020
<b>Stage One</b> A\$2m expenditure in the ground – Inferred Resource Target Deliver: Scoping Study Target Date: 30 June 2017	<b>Stage Two</b> A\$2.5m expenditure in ground – Indicated Resource Target Deliver: Preliminary Feasibility Study Target Date: 30 June 2018	<b>Stage Three</b> A\$5.0m expenditure in ground – Measured Resource + Reserves Target Deliver: Bankable Feasibility Study + Project Approvals Target Date: 30 June 2019	<b>Stage Four</b> Decision to Mine Project Financing Approved Target Date: 30 June 2020



# World Class Cobalt “Pure Play”

## Location, Location, Location

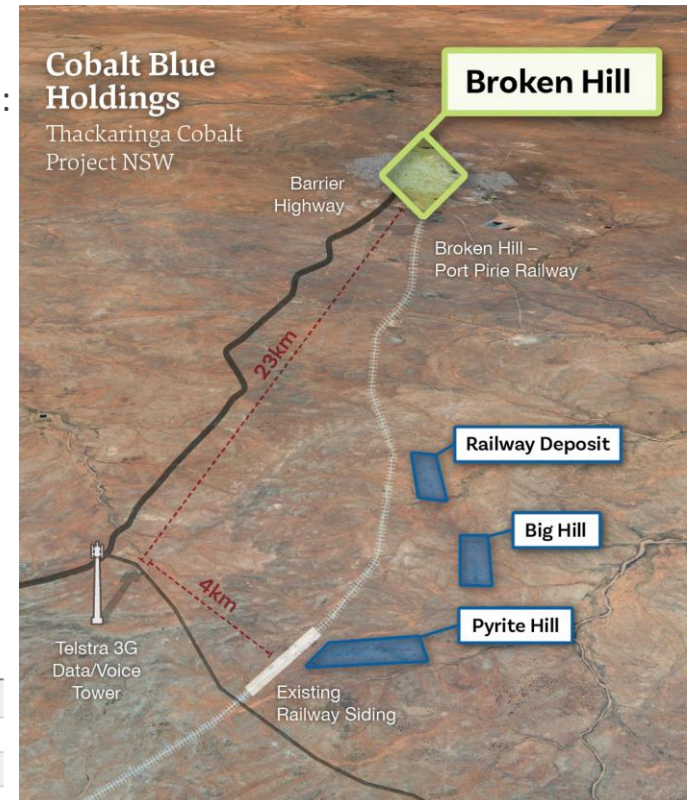
Industrial estate on outskirts of Broken Hill (population 30,000) with:

- ✓ large skilled human resource base,
- ✓ 220kVA power and mains water,
- ✓ 400km from Port Pirie by rail plus highway,

80% of waste removed with 5km of mining = **low cost operation**.

## Thackaringa Mineral Resources – JORC 2012 Compliant

Resource Category	Tonnes (millions)	Grade Co (ppm)	Contained Metal Co (kt)
<b>RAILWAY   Cut-off Grade 500ppm Co as released herein under JORC 2012</b>			
Inferred	14.9	831	12.3
<b>PYRITE HILL   Cut-off Grade 500ppm Co as released herein under JORC 2012</b>			
Inferred	16.4	830	13.6
<b>BIG HILL   Cut-off Grade 500ppm Co as released herein under JORC 2012</b>			
Inferred	1.8	870	1.6
<b>Total</b>	<b>33.1</b>	<b>833</b>	<b>27.5</b>





# Cobalt Blue – fit for purpose vehicle

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- ✓ Tight Register (95 m shares) + \$9.5m cash
- ✓ Pure cobalt metal focus – no nickel, copper, gold - Strongest leverage to cobalt amongst listed companies
- ✓ Sustainable, green cobalt – Australian based operations, large and clean orebody

## Share Catalysts:

- ✓ 6 months– Resource Upgrade + Scoping Study = global mine potential + first economics
- ✓ 18 months – Tighter Resource Definition + Prelim Feasibility Study = introduce Thackaringa as a world class asset
- ✓ 30 months – Bankable Feasibility Study + stakeholder permits in place = decision to mine

**COBALT BLUE ASPIRES TO BE A TOP 10 GLOBAL MINER**

# The Cobalt Blue Management Team

“Extensive expertise in mineral exploration and mine 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 including Rockridge Private Equity, Hutchisons Child Care (successful ASX listing)
- Board Member of the Heart Foundation of Australia, Diabetes Association and the “Bread & Butter” Project

## Chief Executive Officer – Joe Kaderavek

- Deutsche Bank, Head of Resources, equities / investment management, resources and energy storage technology focus
- PricewaterhouseCoopers performing operational reviews and strategic assessments across mining, minerals processing, railway and port facilities throughout Australia, North America and Europe; worked extensively on secondment to BHPB and Rio Tinto
- International consulting role focused on renewable energy / battery storage technologies

## Director – Anthony “Trangie” Johnston

- Geologist with 20 years experience in exploration, project development and mining activities
- Career spans the private, public, consulting and government sectors, with experience both throughout Australia and internationally
- CEO of Broken Hill Prospecting, a diversified minerals sands developer
- Highly experienced in a diverse range of deposit types, commodities and operations from Australia, South America, Africa, Saudi Arabia & New Zealand

## Independent Director – Hugh Keller

- Partner Blake Dawson (now Ashurst) and its predecessor firms for 35 years until retirement from full time legal practice in 2010.
- Non-executive director of ASX listed Thakral Holdings Ltd and of LJ Hooker Ltd and in both companies was a member of the Audit Committee; Chairman of a large private investment company with over \$150m of net assets.





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## COMPETENT PERSONS STATEMENT

The information in this document that relates to exploration results and Mineral Resources is based on information compiled by Mr Anthony Johnston, BSc (Hons), who is a member of the Australia Institute of Mining and Metallurgy and a full time employee of Broken Hill Prospecting. Mr Johnston has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves”.