

Q3 2018

Investor Presentation

COB : ASX





Cobalt Blue – Company Overview

The Thackaringa Cobalt Project

Cobalt Blue Holdings Limited (COB) is a cobalt exploration/development company focussed on the development of the Thackaringa Cobalt Project in New South Wales.

The Thackaringa Project is 23 km west of Broken Hill and 400km by rail from Port Pirie, consists of four granted tenements (EL6622, EL8143, ML86 and ML87) with total area of 63km². The main targets for exploration are large-tonnage cobalt-bearing pyrite deposits.

The project area is under-explored, with the vast majority of historical exploration directed at or around the outcropping pyritic cobalt deposits at Pyrite Hill, the Railway Deposit and Big Hill.

Capital Structure

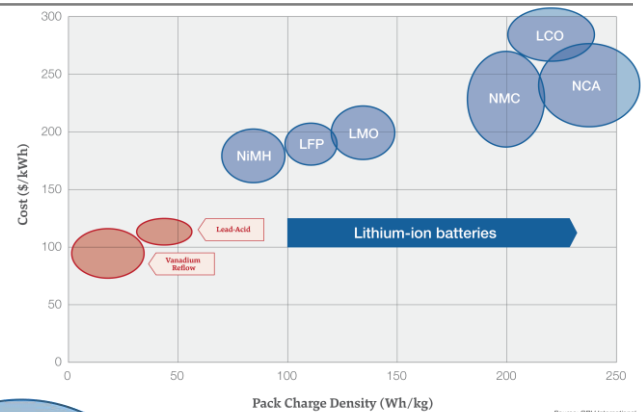
ASX Code:	COB
Share Price (1 August 2018):	\$0.52
Shares:	116.1m
Options:	24.4m
Market Capitalisation (undiluted):	A\$60m
Cash @1 July 2018:	A\$9.8m
Liabilities:	nil

Major Shareholders

Board/Executives	9.2%
Hill Family Group	7.1%
LG International	6.1%

Li ion & Cobalt Cathodes – Strong EV Credentials

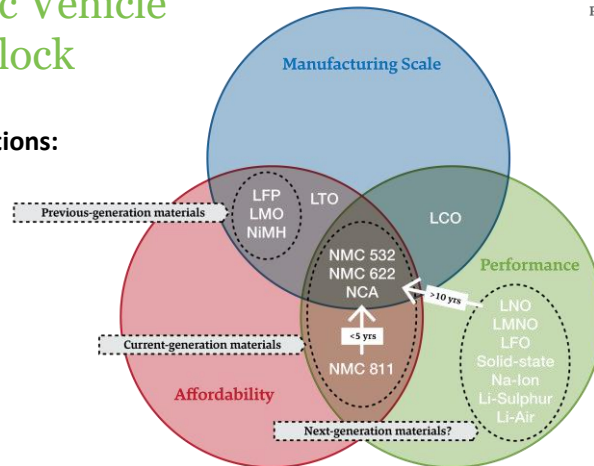
- **NMC/NCA:** EV nickel-cobalt battery chemistries.
- **LFP/LMO:** Cheaper battery chemistries.
- **Nickel-Metal Hydride:** Phased out of EV sector.
- **Lead-Acid/Vanadium:** Energy storage applications.



Cobalt = Electric Vehicle
building block

Other important considerations:

- Safety.
- Cycle lifespan.
- Availability of materials.
- Partnerships.



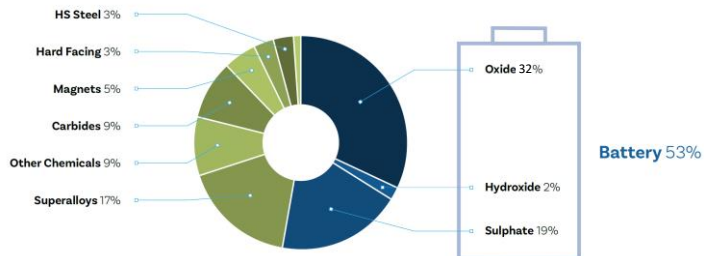
NMC = Nickel Manganese Cobalt
NCA = Nickel Cobalt Aluminium Oxide

Source: CRU International

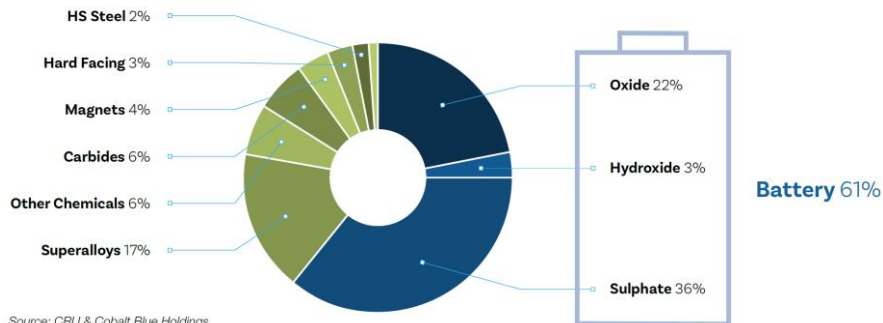
Cobalt Demand +70% next decade

.....driven by >300% Cobalt Sulphate

Cobalt Demand 2017 – Actual

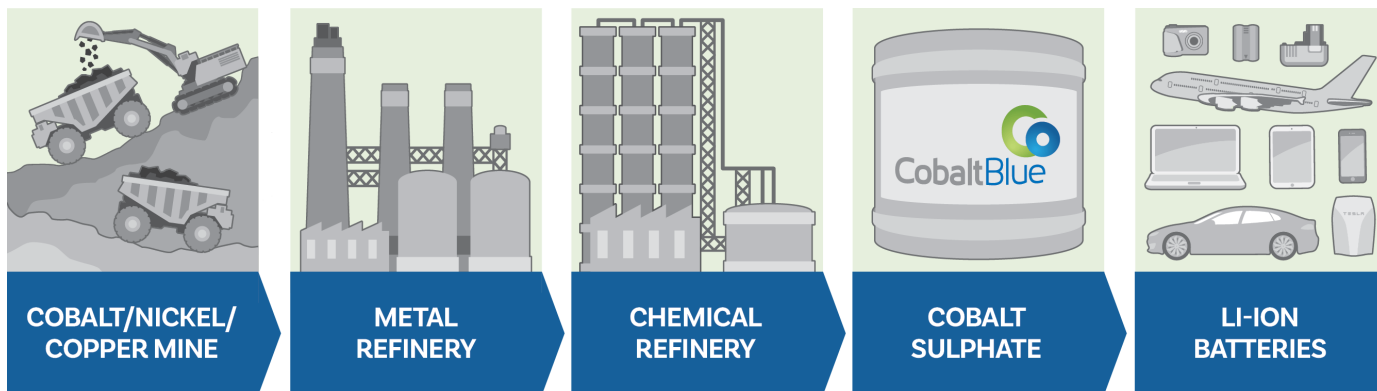


Cobalt Demand 2026 – Forecast



Source: CRU & Cobalt Blue Holdings

Thackaringa – Mine to Battery Strategy



Co ~25-35% payable
Traditional Cobalt Model

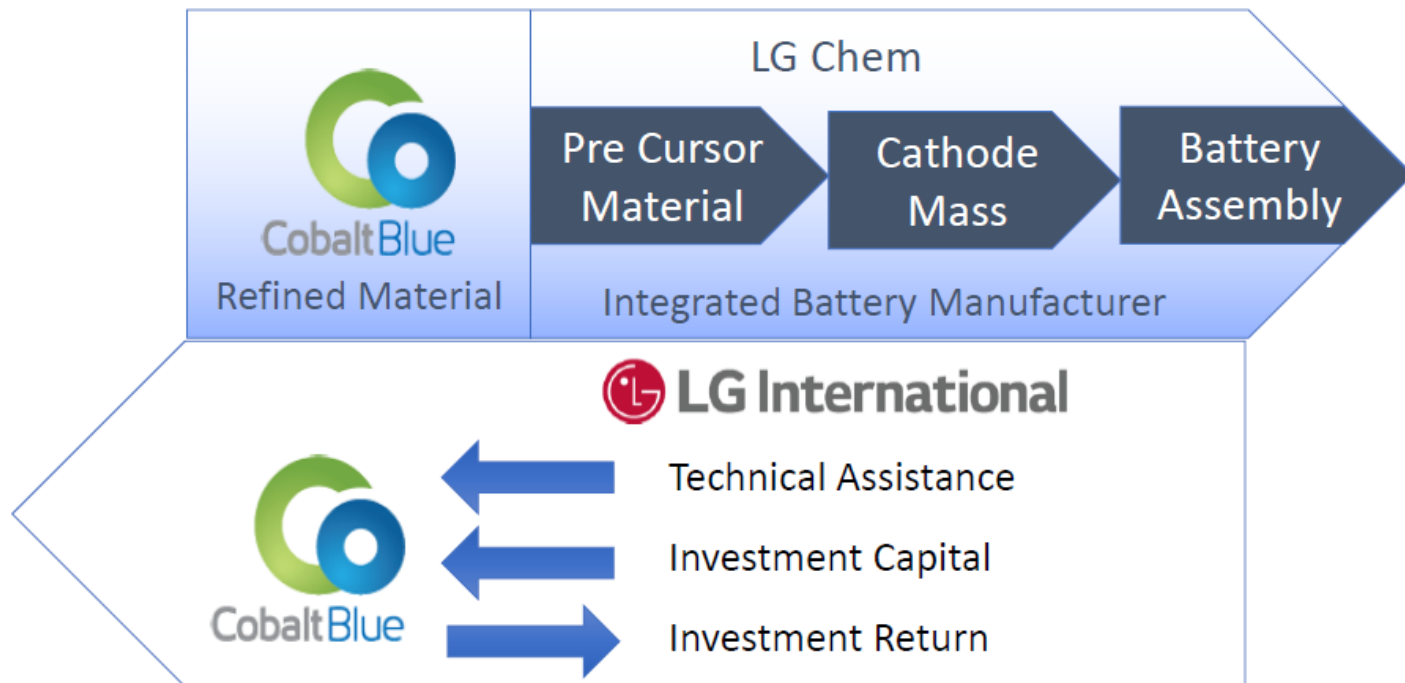


Co ~105% payable
COB Model

Source: Cobalt Blue Holdings Ltd

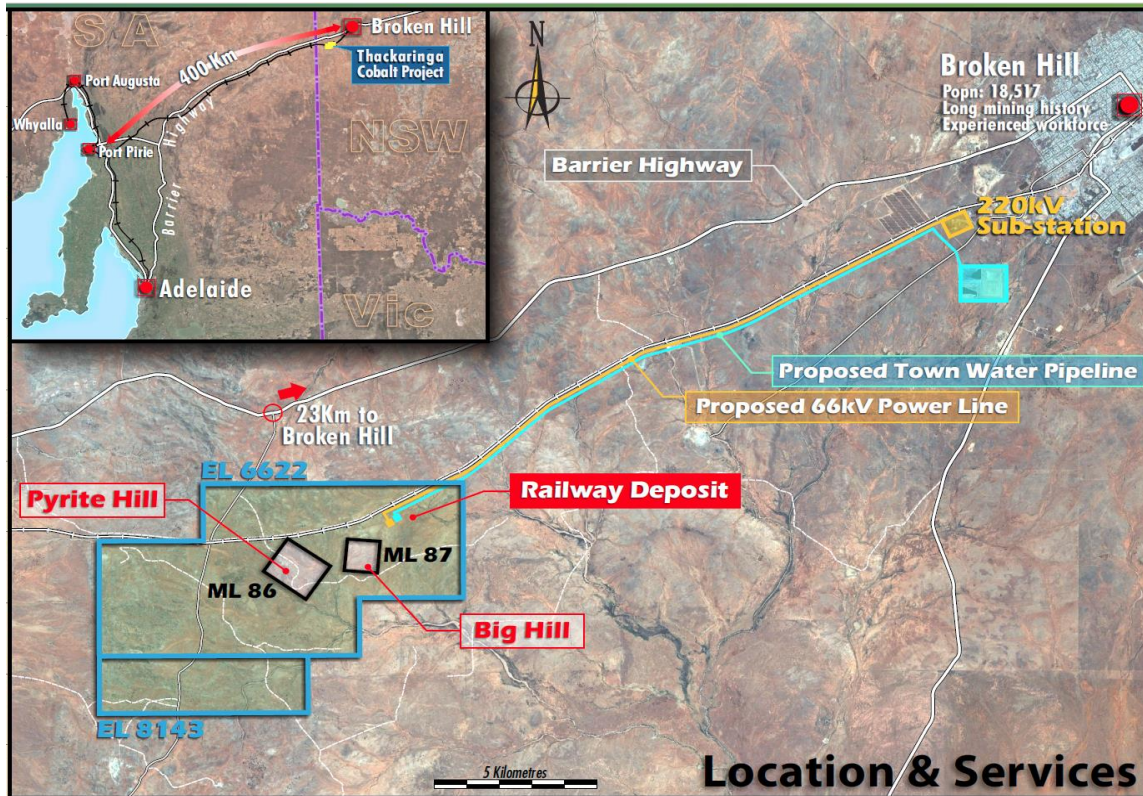
LGI & COB - First Mover Strategy

Strategic Partnership



Source: Cobalt Blue Holdings Ltd

Thackaringa – People, Power, Water, Road, Rail



Source: Cobalt Blue Holdings Ltd

Thackaringa – Significant Defined Resources

Category	Mt	Co ppm	Fe %	S %	Pyrite % ¹	Contained Co (t)	Py Mt	Density
Railway (at a 500ppm Co cut-off)								
Indicated	23	854	10.1	9.2	17	19,400	4	2.85
Inferred	14	801	10.4	9.2	17	11,100	2	2.85
Total	37	842	10.2	9.2	17	30,800	6	2.85
Big Hill (at a 500ppm Co cut-off)								
Indicated	7	712	7.2	6.9	13	5,200	1	2.77
Inferred	2	658	6.7	6.3	12	1,500	0	2.76
Total	10	697	7.1	6.7	13	6,700	1	2.77
Pyrite Hill (at a 500ppm Co cut-off)								
Indicated	22	937	10.9	10.3	19	20,300	4	2.87
Inferred	4	920	11.2	10.8	20	4,000	1	2.89
Total	26	934	10.9	10.3	19	24,200	5	2.88
Total (at a 500ppm Co cut-off)								
Indicated	52	869	10.0	9.3	17	44,900	9	2.85
Inferred	20	810	10.1	9.2	17	16,600	4	2.85
Total	72	852	10.0	9.3	17	61,500	13	2.85

Refer to Note on Slide 12.

Source: Cobalt Blue Holdings Ltd

COB – Reserve & Production Targets

Thackaringa Cobalt Project – Ore Reserve Tonnage and Grade

(Note: Minor rounding errors may have occurred in the compilation of this table)

	Tonnes (Mt)	Co (ppm)	S (%)
Proved	–	–	–
Probable	46.3	819	8.83
Total Tonnes	46.3	819	8.83

Refer Note on Slide 12.

Source: Mining One

Thackaringa Cobalt Project – Upside Production Target

Tonnes (Mt)	Co (ppm)	S (%)
58.7	802	8.7

Refer to Note on Slide 12.

Source: Mining One

COB – PFS Economics

Summary of Product Target Financial Model

Throughput, CAPEX, Costs	Input	Comments
Plant Capex (±25%)	A\$550m	Incl A\$66m in contingency, excl \$23m pre-strip
Plant throughput	5.25 Mtpa	Following commissioning period
Cobalt production (metal in sulphate)	3,558 tpa	Average over first 10 years post ramp-up
Cobalt production (metal in sulphate)	40,331 tonnes	LOM Total
C1 Cash Cost (incl sulphur credit)	US\$12.80/lb	Average based on Production Target
Initial mine life (Production Target)	12.8 years	Production Target 58.7mt @ 802ppm cobalt
Macro Assumptions	Input	Comments
A\$/US\$ Exchange Rate	Fwd curve	2018 \$0.75, 2019 \$0.73, 2020 \$0.71, 2021 \$0.71 then \$0.70 onwards
Avg LOM Cobalt Sulphate Price	US\$33.80/lb	Independent expert – CRU International
Avg LOM Sulphur Price (landed in Aus)	US\$145/t	Independent expert – CRU International
Financial Metrics	Input	Comments
Pre Tax NPV (8%)	A\$792m	Based on Production Target
Pre Tax IRR (%)	27.0%	
Post Tax (7.5%)	A\$544m	
Post Tax IRR (%)	22.0%	
Project Payback (simple)	4 years	

Refer to Note on Slide 11.

Source: Cobalt Blue



COB – 12 Month Catalysts

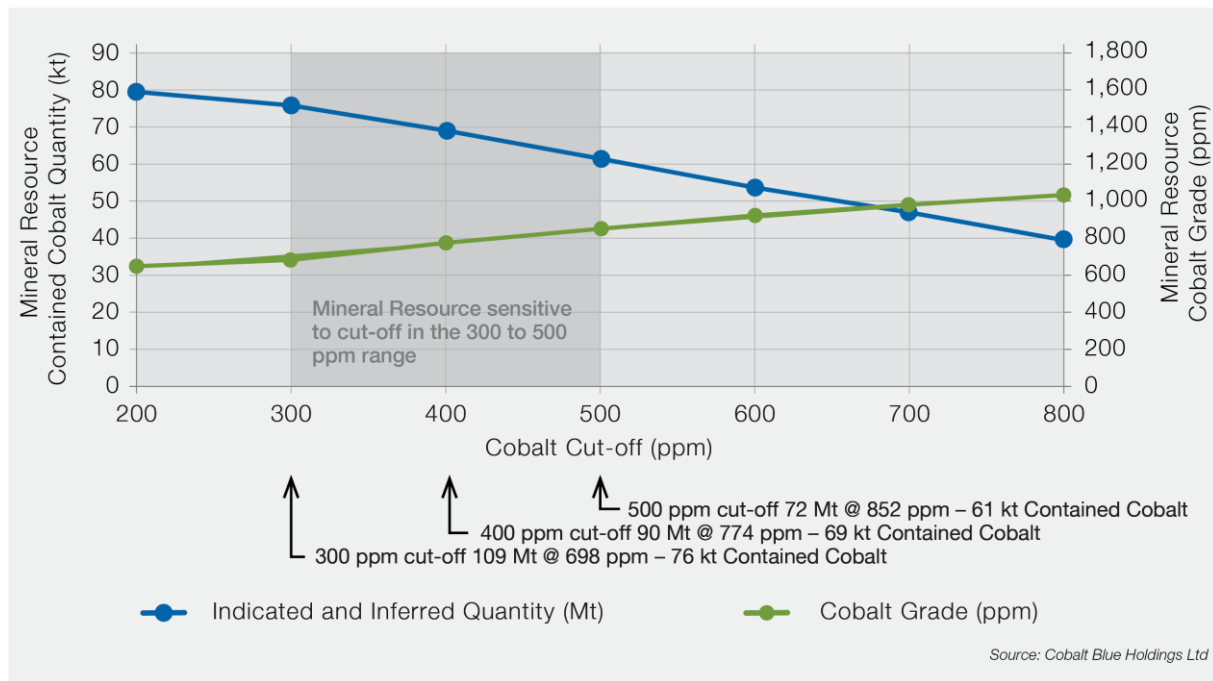
Four key optimisation opportunities:

- ❑ **Process plant tailings handling and storage:** LOM management of tailings (Capex + Opex). (Q4 2018).
- ❑ **Metal recoveries:** Design criteria used during the PFS was based on batch testwork. Larger scale testing will be conducted during the BFS targeting increased metal recoveries. (Q2 2019).
- ❑ **Power pricing:** Power represents 22% of site cash costs. Focus upon energy storage (batteries), process plant operating philosophies, frequency & grid stability options. (Q2 2019).
- ❑ **Mine life:** Extend project life by treating ore from inferred inventories from known resources and from other sources beyond Thackaringa. (Q1 2019).

Note: These estimates were first announced by Cobalt Blue Holdings Limited in *Thackaringa Cobalt Project Pre-Feasibility Study* – 4 July 2018.

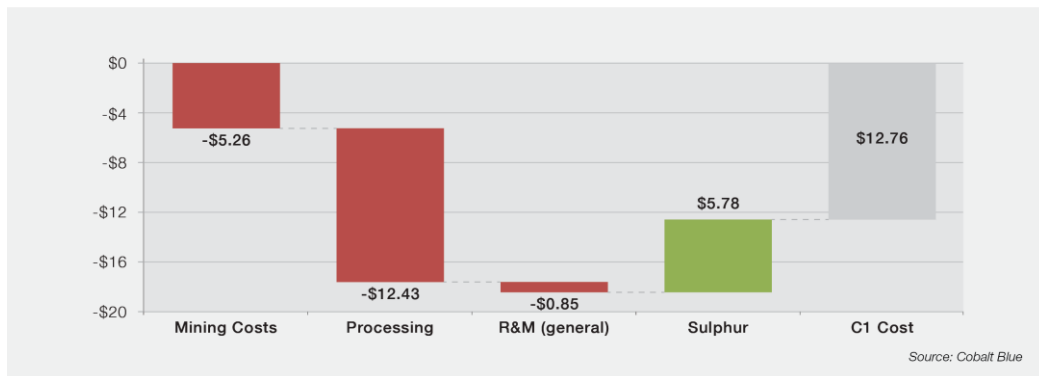
Thackaringa – Grade Tonnage Curve

Contained Cobalt – Mineral Resource Grade Tonnage Curve – Total Indicated and Inferred

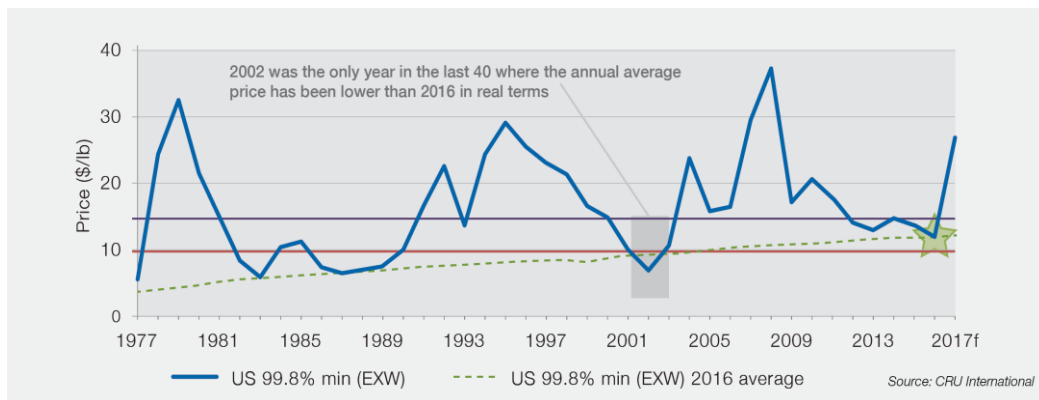


Note: These estimates of mineral resources were first announced by Cobalt Blue Holdings Limited in *Thackaringa – Significant Mineral Resource upgrade - 19 March 2018*. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement, and all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

Thackaringa – Resilient Economics



Refer to Note on Slide 11.



Thackaringa – Outstanding Capital Efficiency

New global projects running at 3 to 4x COB capital intensity

Project	First Production (Date)	US\$ Capex	Cobalt (tpa)	By-products	Cobalt (% revenue)	Cobalt Payable (% LME)	Mine Life (years)	Capital Intensity (US\$/t Co)
Kamoa-Kakula (DRC)	2020	1,000	TBD	Copper			>20	TBD
Black Butte (US)	2021	220	?	Copper				
eCobalt (US)	2021	210	1,000	Cu/Au		100%	13	210,000
NICO (Canada)	2021	589	500	Bi/Au		100%	> 20	1,178,000
Sunrise (Syerston) (Aust)	2021	1,400	3,200	Ni/Sc		100%	> 20	437,500
Thackaringa Cobalt (Aust)	2022	413	3,600	Sulphur	80%	100%	Target 20	114,583
Kalgoorlie Nickel Project	2022	560	1,450	Nickel			> 20	385,862
Wellgreen Central (Canada)	2022	450	1,000	Ni/Cu		?	20	450,000
Kabanga (Tanzania)	2022	750	2,400	Ni				312,500
Dumont (Canada)	2022	1,030	2,000	Ni/Pt		35%	20	515,000
Wingelina (Australia)	2024		3,000	Ni				—

Source: Coy data, Cobalt Blue Holdings Ltd

The Cobalt Blue Team

“Extensive expertise in mineral exploration and mine development, investment management, corporate law and energy storage.”



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

Executive Manager – Dr Andrew Tong

- Metallurgist with nearly 15 years experience in project development, operating mining and processing activities, and patenting innovative minerals processing technology
- Non-executive director of Northern Territories Resources Pty Ltd
- Owner of Minerals and Residues Pty Ltd, which provides metallurgical consulting and testwork, and corporate management and advisory services
- Formerly CEO of Compass Resources (Australia), and CEO of Goldsmith Resources (Peru)

Independent Chairman – Robert Biancardi

Independent Director – Hugh Keller

Independent Director – Matt Hill

More Information

Email

ASX Code

www.cobaltblueholdings.com

joe.kaderavek@cobaltblueholdings.com

COB

Processing - Concentrate



Testwork material - 820 kg of ore composited in August 2017.

Ore was crushed to p100 @ 1.2 mm and passed through a gravity spiral circuit. The tails were screened, with the fines subjected to froth flotation. The gravity and flotation concentrates were combined into a single concentrate.

Key outcomes:

- ❑ High (92%) cobalt recovery to concentrate from ore
- ❑ Cobalt recovery achieved with coarse crush size of 1.2 mm and gravity separation, indicating low capital and operating costs compared to fine milling and floating the entire ore



Concentrate testwork – simple gravity spirals delivering exceptional results

Source: Metallurgical testwork – Cobalt Blue Holdings

Processing – Calcine & Leach

MINE

CONCENTRATE

CALCINE

LEACH

PRODUCT RECOVERY

100 kg of concentrate produced in November is being treated through the calcine and leach unit operations.

The concentrate is thermally treated to remove some of the sulphur into the gas phase. The resulting solid calcine is then leached to extract cobalt into solution.

Key outcomes:

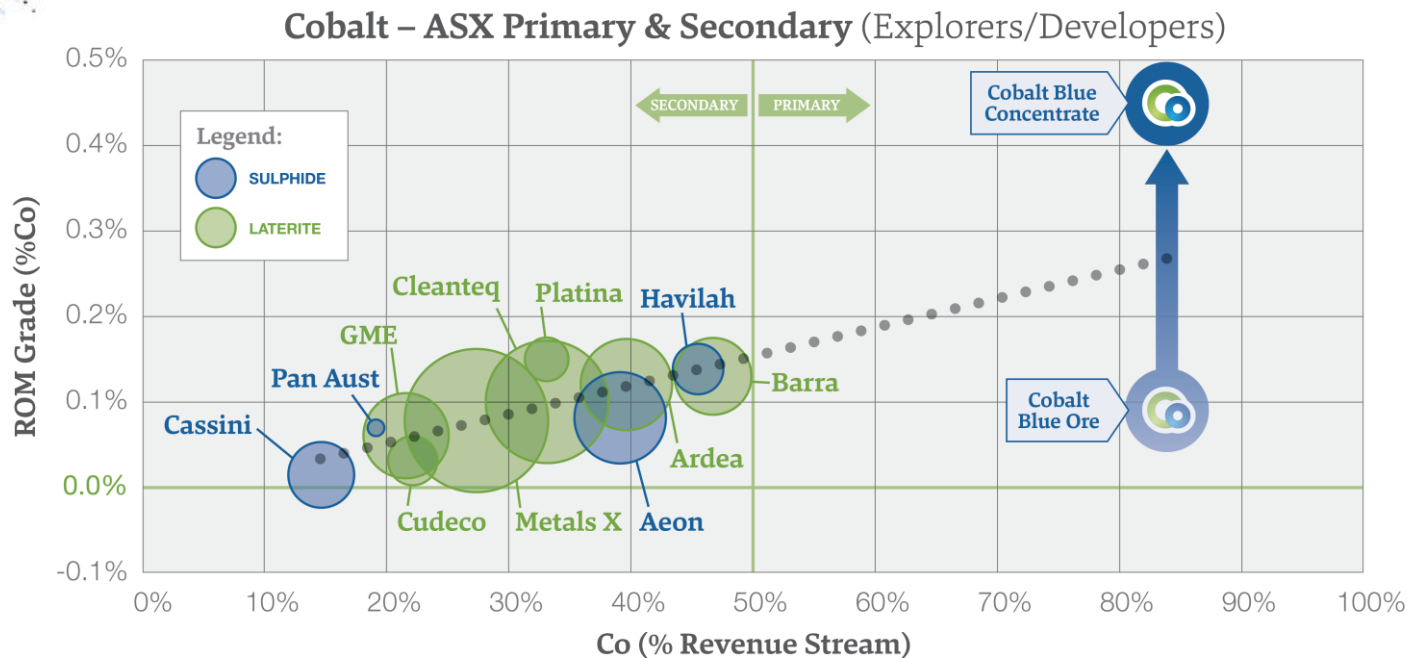
- ❑ Calcining the gravity concentrate typically removes ~35% of the sulphur from the pyrite
- ❑ The resulting elemental sulphur condensed from the gas phases averaged 97.5% Sulphur. Improved engineering design is expected to improve the quality of the sulphur in future testwork
- ❑ There are no losses of cobalt to the gas phases in the thermal treatment step
- ❑ Leaching of the calcine achieved cobalt recoveries ranging from ~70% to 96%. The leach parameters are still being optimised



Above: Laboratory-scale furnace & elemental sulphur condenser. **Below:** Photos of the feed concentrate, residual calcine and collected elemental sulphur.

Source: Metallurgical testwork – Cobalt Blue Holdings

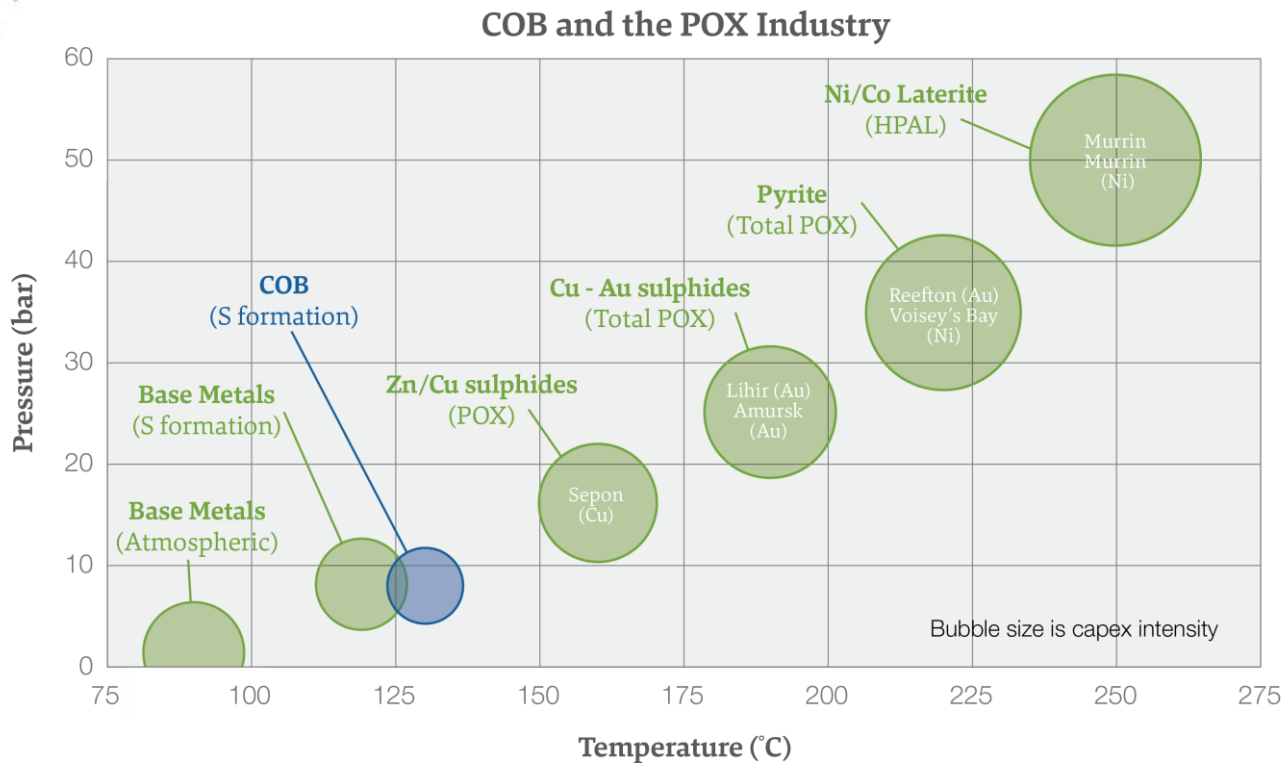
Thackaringa – Comparison with ASX peers



Source: Cobalt Blue Holdings

Note: Revenue stream figures are based solely upon head grades converted in revenues at spot prices.

COB – Position in POX Industry



Source: Cobalt Blue Holdings Ltd



Disclaimer

The information contained in this confidential document ("Presentation") has been prepared by Cobalt Blue Holdings (the "Company"). It has not been fully verified and is subject to material updating, revision and further amendment.

While the information contained herein has been prepared in good faith, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers give, have given or have the authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information in this Presentation, or any revision thereof, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as "Information") and liability therefore is expressly disclaimed. Accordingly, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Presentation.

Neither the issue of this Presentation nor any part of its contents is to be taken as any form of commitment on the part of the Company to proceed with any transaction and the right is reserved to terminate any discussions or negotiations with any prospective investors. In no circumstances will the Company be responsible for any costs, losses or expenses incurred in connection with any appraisal or investigation of the Company. In furnishing this Presentation, the Company does not undertake or agree to any obligation to provide the recipient with access to any additional information or to update this Presentation or to correct any inaccuracies in, or omissions from, this Presentation which may become apparent.

This Presentation should not be considered as the giving of investment advice by the Company or any of its shareholders, directors, officers, agents, employees or advisers. Each party to whom this Presentation is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgement, analysis and assumptions and each recipient should satisfy itself in relation to such matters.

Neither this presentation nor any copy of it may be (a) taken or transmitted into the United Kingdom, Canada, Japan or the United States of America, their territories or possessions; (b) distributed to any U.S. person (as defined in Regulation S under the United States Securities Act of 1933 (as amended)) or (c) distributed to any individual outside Australia, Canada or Japan who is a resident thereof in any such case for the purpose of offer for sale or solicitation or invitation to buy or subscribe any securities or in the context where its distribution may be construed as such offer, solicitation or invitation, in any case except in compliance with any applicable exemption. The distribution of this document in or to persons subject to other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction.

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Peter Buckley, a Competent Person who is a Member of The Australian Institute of Geoscientists (MAIG). Mr Buckley is employed by (Left Field Geoscience Services) and engaged by Cobalt Blue Holdings on a consulting basis. Mr Buckley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Buckley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The revised Mineral Resource was independently prepared by SRK Consulting using a Co-Kriging ('CK') method of estimation, suitable for the style of mineralisation. Mr Danny Kentwell, Principal Consultant (Resource Evaluation) at SRK Consulting, was engaged to estimate the Mineral Resource as the independent Competent Person. The Mineral Resource has been estimated and reported in accordance with the guidelines of the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Minerals Resources and Ore Reserves ('2012 JORC Code').

The information in this report that relates to Metallurgical Testwork Results or Engineering Design Studies is based on, and fairly represents, information and supporting documentation prepared by Dr Andrew Tong, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Andrew Tong is engaged by Cobalt Blue Holdings as Executive Manager. Dr Andrew Tong has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Andrew Tong consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.