

Market Update

18 February 2019

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
Robert Waring	Company Secretary

Capital Structure:

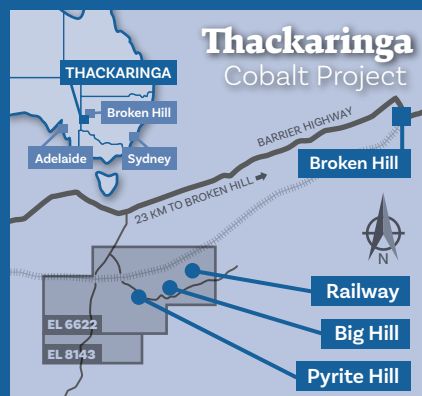
Ordinary Shares at 18/02/2019: **124.6m**

Options (ASX Code: COBO): **25.4m**

Market Cap (undiluted): **\$19.3m**

Share Price:

Share Price at 18/02/2019: **\$0.155**



Cobalt Blue Holdings Limited

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February 2019 – Highlights

Withdrawal Notice Served – BPL deemed to have withdrawn from Thackaringa Joint Venture

KEY POINTS:

- Cobalt Blue Holdings Limited (ASX:COB) believes Broken Hill Prospecting Limited's (ASX:BPL) Joint Venture interest has fallen to below 5%, the Minimum Interest specified in the Exploration Farming Joint Venture Agreement (Thackaringa).
- BPL is now deemed to have withdrawn from the Joint Venture and must surrender absolutely to COB its Joint Venture Interest and execute and deliver all documents required to complete the transfer to COB of its Joint Venture Interest.
- As a result, COB will hold a 100% beneficial and legal interest in the Thackaringa Cobalt Project once BPL transfers its Joint Venture interest to COB.

On 24 October 2018 COB elected out of the Earning Period process of the Exploration Farming Joint Venture Agreement with Broken Hill Prospecting Limited (TJV Agreement).

On 16 November 2018 a TJV Management Committee meeting was held at which work programs and budgets were discussed and approved by the TJV Management Committee. On the same day COB, as JV Manager, then issued BPL and COB with a Billing Statement specifying a Called Sum for payment within 7 days.

On 26 November 2018, after no monies were received from BPL, the JV Manager issued a Non Payment Notice to BPL.

On 29 November 2018 BPL issued an Optional Dilution Notice advising it did not wish to contribute to Joint Venture Activities.

The TJV Agreement (released 3 December 2018) provides that if a Dilution Notice has been given, then throughout the period of the Applicable Program and Budget, the Manager must recalculate the Joint Venture Interest of each Joint Venturer in accordance with a Dilution Formula, when, inter-alia, the Joint Venture Interest of a Diluting Joint Venturer reduces to the Minimum Interest or less. The Minimum Interest is 5% of the Joint Venture.

The TJV Agreement also provides that if a Joint Venturer reduces by dilution to less than the Minimum Interest, then that Joint Venturer is deemed to have withdrawn from the Joint Venture.

Following a recalculation of Joint Venture Interests, BPL has been advised that its Joint Venture Interest was computed at 4.75%. Because BPL's reduced interest is now below the Minimum Interest, BPL is deemed to have withdrawn from the Joint Venture. Consequently, in accordance with the TJV Agreement, COB has written to BPL requesting it:

- Surrender absolutely to COB all of its Joint Venture Interest.
- Within thirty (30) days execute and deliver all deeds and documents necessary for, and complete, the transfer of its Joint Venture Interest to COB.
- Pay all stamp duty and other transfer costs which become payable upon BPL transferring its Joint Venture Interest to COB.

Upon approval and registration of BPL's Joint Venture Interest to COB, BPL will be released from all future obligations relating to the Joint Venture.

Should BPL fail to comply with COB's request, COB reserves its legal rights in accordance with the TJV Agreement.

Cobalt Blue Background

Cobalt Blue Holdings Limited (ASX:COB) is an exploration and project development company focussed on green energy technology and strategic development to upgrade its mineral resource at the Thackaringa Cobalt Project in New South Wales. This strategic metal is in strong demand for new generation batteries, particularly lithium-ion batteries now being widely used in clean energy systems.

Potential to extend the Mineral Resource at Pyrite Hill, Big Hill, Railway and the other prospects is high. Numerous other prospects within COB's tenement package are at an early stage and under-explored.

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.



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Previously Released Information

This ASX announcement refers to information extracted from the following reports, which are available for viewing on COB's website <http://www.cobaltblueholdings.com>

- 04 December 2018: Thackaringa JV dilution triggered
- 03 December 2018: Thackaringa Joint Venture Agreement
- 24 October 2018: COB decides not to exercise its rights to proceed further under Thackaringa Joint Venture Farmin Earning Period Provisions