

Cobalt Blue Holdings Ltd

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Cobalt Blue's Broken Hill project a game-changer in cobalt industry

Cobalt Blue Holdings Ltd (ASX:COB) (OTCMKTS:CBBHF) (FRA:COH) is turning heads in the global cobalt industry with its strategy targeting the ethical production of high-grade, battery-ready cobalt sulphate from the Broken Hill Cobalt Project (BHCP).

A unique and large high-grade cobalt resource at the BHCP in far west NSW, is supporting the company's plans.

A recent Project Update 2020 Study demonstrates "a capital-efficient, low-cost, long-life mine/refinery making a premium battery-ready product in a safe and stable jurisdiction".

It also reveals that COB is the largest undeveloped cobalt producer in the world outside Africa.

In this Q&A with Proactive, Cobalt Blue's consulting geologist Dr Ian Pringle explains why the BHCP will be a game-changer for the cobalt industry.

Proactive: Cobalt Blue has been steadily progressing the Broken Hill Cobalt Project (BHCP) towards production but the cobalt mineralisation is unlike most cobalt mines and the ore processing will be unique. What type of cobalt deposit is at Broken Hill?

Dr Pringle: COB's Broken Hill deposits occur as pyritic layers within the Thackaringa Group (mostly quartz-plagioclase gneiss) which is about 1.7 billion years old and which extends for more than 50 kilometres across the Broken Hill district.

Cobalt contents within the pyrite are elevated, often more than 0.4% cobalt, and so zones of abundant pyrite are anomalous in cobalt.

The Thackaringa deposits are steep-dipping, folded, cobalt-rich pyritic horizons which can be more than 40 metres thick and extend along trend for several kilometres.

Price: 0.105

Market Cap: \$24.93 m

1 Year Share Price Graph



Share Information

Code: COB

Listing: ASX

52 week High Low
0.175 0.076

Sector: Battery Metals

Website: www.cobaltblueholdings.com

Company Synopsis:

Cobalt Blue Holdings Ltd (ASX:COB) is developing its flagship Broken Hill Cobalt Project in New South Wales with feasibility studies being finalised.

action@proactiveinvestors.com.au



Typical quartz-plagioclase gneiss host rock.

Are there any other metals of value in the deposit?

Dr Pringle: Small amounts of nickel also occur within pyrite but the deposits have negligible copper content. Lead, zinc, silver and gold are insignificant and this is surprising since the Broken Hill ore body is only 25 kilometres northeast of the project, is of similar age and is the largest silver-lead-zinc deposit known on the planet.

What are the main types of cobalt deposits?

Dr Pringle: Almost 70% of cobalt production is sourced from the Democratic Republic of Congo (DRC) in central Africa and most is from the Katanga province in the south of the country. A great deal of this cobalt is a by-product from copper mining where large sediment-hosted sulphide copper deposits contain sufficient cobalt to enable economic cobalt production. Cobalt, in the form of secondary minerals such as heterogenite, is also collected from near-surface weathered deposits, often by local artisanal miners.

Cobalt is also a by-product from some nickel deposits where it can occur in significant grades of several hundred parts per million. These include nickel laterite near-surface deposits as well as intrusion-hosted nickel mines.

With very few exceptions cobalt is produced as a by-product from copper or nickel mining. This means that cobalt production depends on the viability of copper or nickel production.

Cobalt deposits without significant pyrite and where cobalt is the main economic metal are often small and environmentally unfriendly because they almost always contain high amounts of arsenic. The Bouazar mine in Morocco is of this type.

What advantage does a cobalt-pyrite deposit have compared with traditional copper and nickel deposits where cobalt is produced as a by-product?

Dr Pringle: The BHCP will not depend on the uncertainty and variability of copper and nickel markets to support cobalt production. Together with cobalt, a small amount of nickel will be extracted from the project's pyrite and although this will add to the venture's value it has not been included in recent economic analyses.

Importantly, Cobalt Blue's processing will generate sulphur pellets that will contribute significantly to project revenue. Sulphur pellets are considerably easier to handle and transport compared with sulphuric acid, and the project's pellets will supply a steadily growing eastern Australia sulphur market.

Are there opportunities to extend or discover additional resources?

Dr Pringle: Although the current mine life for the project is a robust 17 years, I believe that the size of the resource will be considerably extended to support increased production.

Not only is there substantial potential for cobalt-pyrite mineralisation to continue along trend from the deposit but the ore body is likely to persist to considerable depths beneath the planned open pits. The pyrite horizons dip steeply and may extend at depth for many hundreds of metres.

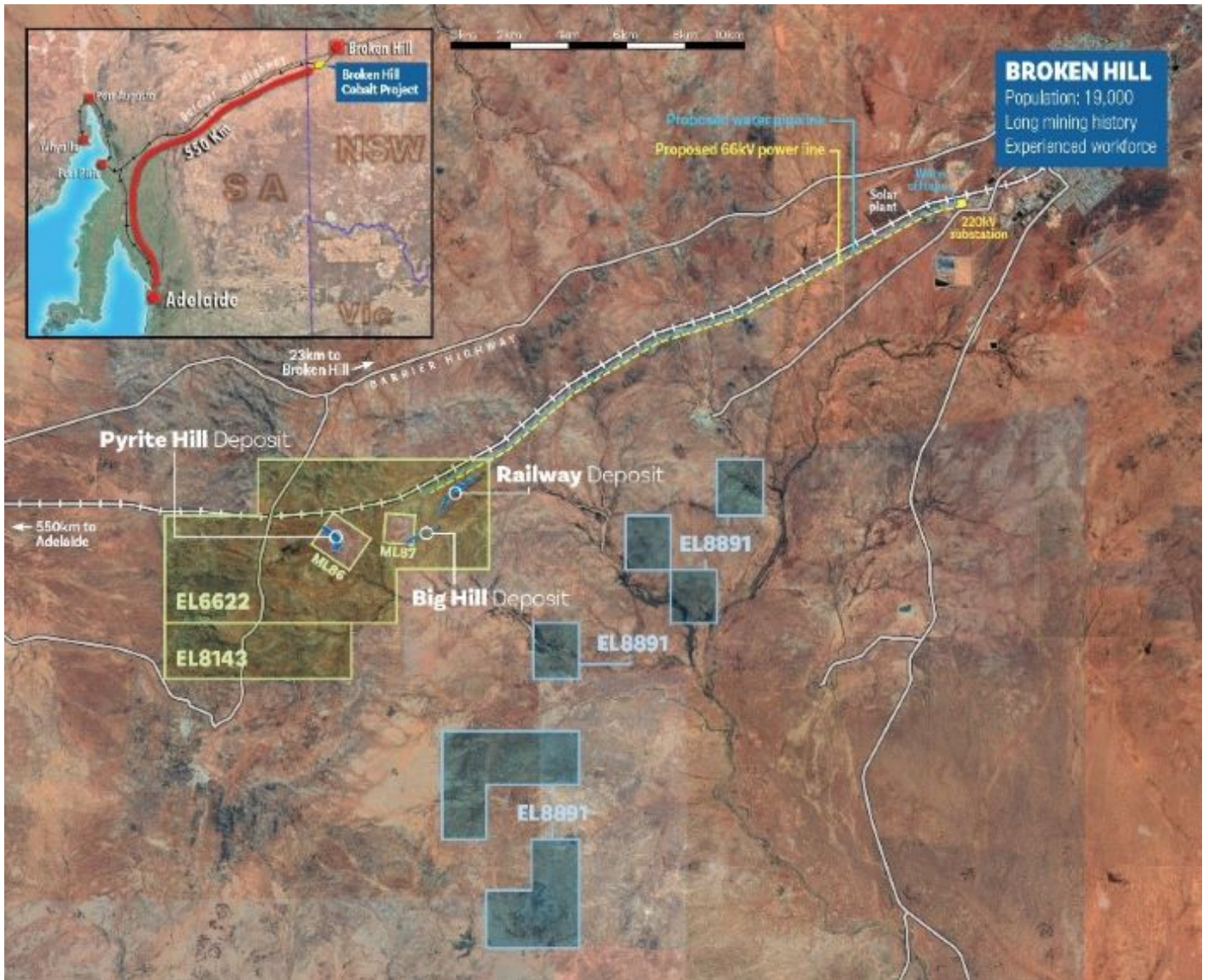
Similar pyrite horizons occur elsewhere within the district and are expected to substantially contribute to the project's future.



Drilling at the Broken Hill Cobalt Project.

Over time, erosion and weathering of cobalt-pyrite outcrops (gossan) has removed cobalt which may have accumulated in separate high-grade supergene deposits.

COB's exploration has identified targets for this style of mineralisation and is planning to evaluate these areas.



Broken Hill Cobalt Project - location.

Could cobalt-pyrite deposits provide a large portion of future cobalt production?

Dr Pringle: Pyrite is the most common sulphide mineral and pyrite deposits of many different types are widespread across the globe. Exploration of these has usually targeted gold, silver or base metals and cobalt is rarely assessed.

Elevated cobalt has been reported in many large deposits and some of these may be candidates for cobalt, sulphur and

base metal extraction using the technology developed and patented by COB. In fact, COB is evaluating several large Australian deposits.

Clearly, cobalt-sulphide deposits have the potential to make a considerable contribution to future cobalt production and could lessen the uncertainty of future DRC supply.

With an understanding of cobalt-pyrite mineralisation and proven cobalt-sulphide processing technology COB is well-positioned to assess and develop cobalt-pyrite deposits in Australia and elsewhere.

Conclusion:

Dr Pringle: Thanks, I look forward to updating on COBs exciting new exploration plans.

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