

Cobalt Blue Holdings Ltd

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Cobalt Blue results support potential to improve and upgrade Thackaringa cobalt resource

Cobalt Blue Holdings Ltd (ASX:COB) has received strong cobalt results from drilling at the Thackaringa joint venture project near Broken Hill which support the potential for improving the resource estimate and classification.

Infill drilling at the Pyrite Hill deposit has returned results of up to 60 metres at 1,691ppm cobalt, 17.2% iron and 17.8% sulphur from 57 metres.

These results provide encouragement for an improved resource classification at Pyrite Hill.

READ: Cobalt Blue's Thackaringa drilling returns broad, high-grade cobalt results

Deep drilling results of up to 36 metres at 1,018ppm cobalt, 10.9% iron and 9.7% sulphur from 266 metres have confirmed continuity of mineralisation at depth at Pyrite Hill.

Pyrite Hill represents 36% of the existing 72 million tonne mineral resource and about 39% of the contained cobalt inventory of 61,500 tonnes.

This resource is based on three large tonnage cobalt-bearing pyrite deposits - Pyrite Hill, Railway and Big Hill - with Cobalt Blue endeavouring to upgrade resource classification and increase resource tonnage.

Price: A\$0.14

Market Cap: A\$20.99M

1 Year Share Price Graph



July 2018 January 2019 July 2019

Share Information

Code: COB

Listing: ASX

52 week **High** **Low**
 A\$0.62 **A\$0.13**

Sector: Mining

Website: www.cobaltblueholdings.com

Company Synopsis:

Cobalt Blue Ltd (ASX:COB) continues to advance the Thackaringa Cobalt Project in New South Wales, where Bankable Feasibility Studies are underway.

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Existing resources and target areas at the Thackaringa joint venture project.

Numerous other prospects within the tenement package are at an early stage and under-explored.

READ: Cobalt Blue bolsters board through appointment of seasoned mining industry executive

Thackaringa Cobalt Project is about 25 kilometres west-southwest of Broken

Hill and comprises four tenements for a total area of 63 square kilometres.

The project is subject to a joint venture agreement between Cobalt Blue and Broken Hill Prospecting Ltd (ASX:BPL).

An updated resource model is expected by the end of the current quarter.

Thackaringa mineral resource grade tonnage curve.

Infill drilling success

The infill drilling has been aimed at upgrading resources by enhancing geological confidence and data density.

It focused on the upper extent of the Pyrite Hill deposit which extends over 1.2 kilometres along strike and is drill tested as continuing to approximately 300 metres down dip.

Other strong results from the infill program are:

- 70 metres at 1,150ppm cobalt, 11.5% iron and 12.5% sulphur from 30 metres;
- 92 metres at 1,253ppm cobalt, 12.1% iron and 12.5% sulphur from 45 metres
- 90 metres at 1,086ppm cobalt, 10.3% iron and 10.7% sulphur from 52 metres;
- and - 62 metres at 1,271ppm cobalt, 13% iron and 12.7% sulphur from 42 metres.

Positive results have reinforced the validity of the existing geological model.

Mineralisation at depth

A potential down-dip extension of Pyrite Hill deposit was identified as a significant opportunity for resource growth during the preliminary feasibility study (PFS).

The recent campaign allowed for an initial phase of drilling to test this target with holes intersecting mineralisation around 180-280 metres below surface and mineralisation remains open at depth.

Apart from the 36-metre intersection, the deep drilling also returned 47 metres at 985ppm cobalt, 12.8% iron and 11.6% sulphur from 283 metres.

Pyrite Hill cross section showing strong continuity of mineralisation grade and thickness down-dip.

These results have confirmed strong continuity of mineralisation grade and thickness.

Sulphur a potential by-product

The resource update is expected to consider a revised cut-off grade potentially incorporating revenue streams from elemental sulphur, an economic by-product of the processing pathway defined in the PFS.

A revised cobalt equivalent cut-off grade has the potential to increase the reportable mineral resource where sulphur revenues are included.

Resource quantities at selected lower cobalt cut-off grades include:

- 400ppm cut-off: Potential for a mineral resource increase to 90 million tonnes with 69,000 tonnes of contained cobalt (+13%); and - 300ppm cut-off: Potential for a resource increase to 109 million tonnes with 76,000 tonnes of contained cobalt (+25%). **READ: Cobalt Blue receives commitments to raise \$1.687 million in share placement**

Cobalt Blue is also assessing the potential inclusion of partially oxidised, near-surface material in the pending estimate where the recent drilling intersected variable zones of sulphide mineralisation throughout the oxidation profile.

Shallow intersections that support this concept include 24 metres at 673ppm cobalt, 9.8% iron and 7.1% sulphur from 6.9 metres; and 15.05 metres at 658ppm cobalt, 11.3% iron and 7.6% sulphur from 18.65 metres.

Enhancing positive PFS

While the drilling campaign is currently on hold, Cobalt Blue continues to advance other work programs.

These include further bulk test work, optimisation of power studies, tailings studies, project mining, environmental and engineering studies.

This work is being done to further enhance the positive PFS delivered for the project last year.

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