

20 November 2018

ASX Limited
20 Bridge Street
Sydney NSW 2000

ASX Announcement – For immediate release

Thackaringa Cobalt Project Update

At 8.24pm AEDT on Friday, 16 November 2018, Cobalt Blue Holdings Ltd (**COB**) made a short ASX release titled 'Thackaringa Cobalt Project Update'.

Broken Hill Prospecting Ltd (**BPL**) wishes to clarify a number of the matters discussed in COB's release as follows:

1. There was no "informal" meeting of the Thackaringa Joint Venture partners on Friday 9 November, as stated in COB's market announcements made on Monday 12 November and Friday 16 November.
2. Resolutions reported by COB to be passed at the Thackaringa Joint Venture Management Committee (TJVMC) meeting on Friday 16 November are considered by BPL to be invalid. Critical decisions under the Thackaringa Joint Venture Agreement require a unanimous vote, including those of a scope and standard required for completion of the Scoping Study, Pre-feasibility Study and Bankable Feasibility Study that form part of Thackaringa Joint Venture (TJV) activities.

As a TJV joint venturer, COB sought the TJVMC's approval for proposed feasibility study work programs and budgets totalling \$28.6 million of cash expenditure over the period to June 2020. BPL voted against COB's proposal, due to the lack of detailed reporting and the financial capacity of BPL and COB.

3. COB continues to assert that it's the TJV's Manager. This position is incorrect. All attempts by BPL to arrange a meeting between Joint Venturers to discuss the appointment of an independent professional manager of the Thackaringa Project have been ignored.
4. BPL announced several times and repeats that current unauthorised drilling activities underway at Thackaringa remain the sole risk and cost of COB.
5. As BPL announced on 13 November 2018, BPL issued a Dispute Notice on 12 November 2018 with regard to COB's commencement of drilling activities at the Thackaringa Cobalt Project. The Dispute Resolution Process requires, subject to either party seeking relief, that BPL and COB negotiate in good faith and then by mediation or expert determination, failing agreement.

Further information will be provided as it becomes available.

For further information please contact:

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