

26 February 2019

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### ASX Announcement – For immediate release

- **BPL retains a 30% beneficial interest in the Thackaringa Cobalt Project (Project)**
- **BPL has 100% legal ownership of the tenements where the Project is based**
- **BPL also retains all base and precious metals rights**
- **BPL has a 2% Net Smelter Royalty on all future production**
- **BPL rejects all of Cobalt Blue's current claims**

### BPL's Position is Consistent and Responsible

BPL directs its shareholders to the clear and consistent announcements it has made in recent months.

1. We announced on **30 October 2018** that, as a result of COB's notice of withdrawal from the TJV Earning Period:
  - COB was no longer entitled to earn any additional ownership interests in the Project via the earning process. This means the equitable ownership interest remains with BPL holding 30% and COB holding 70%. This is a considerable positive shift in value to BPL's shareholders.
  - COB's appointment then ceased as Manager of the Thackaringa Cobalt Project under the TJV.
  - COB was solely responsible for the risk and cost of work being undertaken at Thackaringa that was approved by the TJV Management Committee (**TJVMC**) during the Earning Period
2. BPL announced on **20 November 2018** that resolutions purported by COB to have been passed at the TJVMC meeting on 16 November 2018 were considered by BPL to be invalid. Under the TJV, certain critical decisions require a unanimous vote. They include the 'scope and standard' of a Bankable Feasibility Study.

### New Dispute Issued

BPL rejects all of COB's recent claims announced on 18 February and has issued a new Dispute Notice regarding the dilution claims.

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#### 4-Step Action Plan

BPL proposed a vision on **21 November 2018** to restore value to the Project for both companies and their respective shareholders. Our vision involves a **4-Step Action Plan** to ensure the professional delivery of the Project:

1. Appointing a respected, professional and independent manager.
2. Correct fundamental technical and commercial deficiencies in the Pre-Feasibility Study (PFS) released in July 2018 while taking into account current market conditions and the major correction in commodity prices in the battery space.
3. Jointly determining an appropriate scope and standard for the next stage of the project.
4. Both companies utilising available cash resources effectively and living within our means to achieve these goals.

#### BPL Prefers to Negotiate an Amicable Resolution

BPL prefers to negotiate an agreed path with COB so the Project can be advanced. Regrettably, we have had no success to date. The large common shareholder base between BPL and COB makes it important for us to continue in our endeavours. COB's 18 February announcement seeks to remove 4 of the 7 current disputes between the two parties from mediation and put them to an expert determination. This is inappropriate given the nature of the disputes and BPL has formally given notice to COB to move to mediation.

#### For further information please contact:

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