

Cobalt Blue Holdings Limited: Kwinana Cobalt Refinery Update

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Sydney, Australia - [Cobalt Blue Holdings Ltd.](#) (ASX:COB) (FRA:COH) (OTCMKTS:CBBHF) is pleased to provide updated project cost estimates and revenue analysis for the Kwinana Cobalt Refinery (KCR) to support financing processes and the transition to KCR construction. The update also includes cost estimates for future capacity expansion.

KCR is a proposed cobalt-nickel facility representing Australia's first cobalt sulphate refinery that will produce high-quality, batterygrade cobalt sulphate intended for US Inflation Reduction Act (IRA) and European Union (EU) markets. Stage One capacity is set at 3,000 tonnes per annum (tpa) cobalt (as cobalt sulphate) and ~500 tpa nickel (as nickel metal), producing raw ingredients to supply the Precursor Cathode Active Material (pCAM) industry. Construction is expected to commence in 1H25, with completion expected within 12 months.

This Update presents an evaluation of a defensive cobalt and nickel refining business that is expected to generate stable margins throughout the highs and lows of the cobalt price cycle. On a 100% owned basis, the Refinery has the following financial metrics:

- Estimated capital cost: A\$60m (including 15.5% contingency)
- Stage One NPV8 (post tax): A\$68m, IRR (post tax): 23%
- Value Engineering Study - Stage Two Expansion (additional +3,000 tpa cobalt as cobalt sulphate): The estimated additional capital expenditure for Stage Two is A\$23m, representing a lower capital requirement for doubling cobalt capacity compared to the initial build cost. Incremental Stage Two financial metrics are shown in link below*.
- Estimated capital cost: A\$23m
- Stage Two (incremental) NPV8 (post tax): A\$90m, IRR (post tax): 64%
- Combined (Stage One + Stage Two) Refinery: NPV8 (post tax): Cobalt Blue Holdings Limited A\$158m, EBITDA: A\$46m pa

Joe Kaderavek, CEO of Cobalt Blue, said, "We are pleased to be able to update investors with pre financing capital estimates. This latest study further demonstrates the Kwinana Refinery is a compelling, low-cost investment that rapidly injects Cobalt Blue into the midstream segment of the Strategically Aligned Nations' critical minerals supply chain. The longer-term returns from expansion stages are particularly attractive."

Kan Ueda, Managing Director, Iwatani Australia Pty Ltd (Iwatani Corporation's wholly owned subsidiary) commented "Iwatani Australia is pleased to note the considerable commercial, financial and technical progress made over the last six months to develop Australia's first cobalt sulphate refinery. We look forward to a long-term relationship with COB, delivering and operating the Kwinana Cobalt Refinery".

Cobalt Blue proposes to build and operate a cobalt-nickel refinery in the Kwinana Industrial Area located 30 kilometres from the Perth metropolitan area in Western Australia (WA). The plant site is in East Rockingham near the Kwinana Bulk Terminal. Cobalt Blue had previously named Iwatani Corporation as our partner in developing the Kwinana Cobalt Refinery (KCR) (subject to final agreement).

Iwatani Australia (IWA) owns and operates the Doral Fused Materials (DFM) plant in the Kwinana industrial district, which is currently permitted for industrial use and has sufficient space to support the operation of a refinery.

The strategic rationale for Cobalt Blue and IWA to pursue the development of a cobalt refinery in Australia includes:

- Growing demand for Electric Vehicles (EVs) coupled with the increasing requirement for responsibly sourced critical minerals;

- Strategic and economic advantages and permitting requirements for locating the refinery location in the Kwinana Industrial Area;
- Favourable long-term outlook for international cobalt market supply and demand dynamics; and
- Aligning with a major Japanese trading house, Iwatani Corporation.

COB completed a Refinery Project Update in November 2023 that provided a preliminary evaluation of the construction, operation, and financial outcomes of KCR. Throughout 2024, COB has been advancing workstreams covering:

- detailed engineering design with Tetra Tech Coffey Pty Ltd, our engineering partner;
- flowsheet development and optimisation at the Broken Hill Technology Development Centre;
- negotiations for KCR feedstock and sales contracts;
- supporting studies for the operating permits and development consent applications; and
- KCR Joint Venture agreements negotiations with IWA.

This Update discusses the results of the latest engineering design project cost estimates and subsequent revenue analysis.

*To view full details of this release, please visit:
<https://abnnewswire.net/lnk/ADHPCEO2>

About Cobalt Blue Holdings Limited:

Cobalt Blue Holdings Ltd (ASX:COB) (FRA:COH) (OTCMKTS:CBBHF) has a strategic approach that positions us to be among the first wave of new entrants into the allied battery materials supply chain. We are committed to playing a leading role in securing a stable and sustainable future for critical minerals.

Source:
Cobalt Blue Holdings Limited

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