



COBALT BLUE HOLDINGS LIMITED

ABN 90 614 466 607

**HALF-YEAR**  
**FINANCIAL REPORT**  
31 DECEMBER 2025

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## Forward Looking Statements

This report contains “forward-looking statements”. All statements other than those of historical facts included in this report are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include but are not limited to cobalt metal price volatility, timely completion of project milestones, funding availability, government, and other third-party approvals. The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement”. To the maximum extent permitted by law, the Company and its respective advisers, affiliates, related bodies corporate, directors, officers, partners and employees expressly exclude and disclaim all responsibility and liability, including, without limitation, for negligence or in respect of any expenses, losses, damages or costs incurred by any person as a result of their reliance on this report and the information in this report being inaccurate or incomplete in any way for any reason, whether by way or negligence or otherwise.

# Directors' Report

The directors present their report together with the financial report of Cobalt Blue Holdings Limited ('the Company') and the entities it controlled (referred to hereafter as the 'Group' or 'Consolidated Entity') for the half-year ended 31 December 2025.

## Directors

The following persons were directors of the Company during the whole of the half-year and up to the date of this report, unless otherwise stated:

- **Joe Kaderavek** Chairman, Non-Executive Director (from 15 November 2025)  
Deputy Chairman, Non-Executive Director (until 14 November 2025)
- **Robert Biancardi** Chairman, Non-Executive Director, Independent (until 14 November 2025)
- **Andrew Tong** Chief Executive Officer & Executive Director (Director from 10 October 2025)
- **Hugh Keller** Non-Executive Director, Independent

The directors and management extend their sincere thanks and appreciation to Mr Rob Biancardi for his substantial contribution as Chairman of the Company from its inception until his resignation on 14 November 2025.

## Review of operations

The Group's focus during the half-year remained on progressing the Kwinana Cobalt Refinery (KCR), the Broken Hill Cobalt Project (BHCP) near Broken Hill, NSW, and the Halls Creek Project (Halls Creek) in WA. In addition, the Group's Broken Hill Technology Centre (BHTC) continues to serve as the Group's platform for innovation, advancing R&D and building new commercial opportunities through industry and academic collaborations.

## KCR

The Group 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.

The Group has 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 the Group 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 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.

During the half-year the Group:

- Continued to focus on optimising KCR's production flowsheet using a range of feedstocks, including cobalt hydroxide, cobalt-nickel sulphides and battery black mass.
- Produced cobalt sulphate crystals meeting target offtake specifications as outlined in the pre-FID Consortium Deed between Cobalt Blue and the IWA (dated 11 April 2025).
- Was awarded Works Approval by the Western Australian Department of Water and Environmental Regulation.
- Continued to progress offtake/project partner discussions. The Company has obtained a number of non-binding letters of intent from globally significant buyers of cobalt sulphate and related products located in USA, Japan and France.

## Cobalt Blue Holdings Limited

- Undertook a re-evaluation of the project parameters for KCR, including revisions to feedstock assumptions, diversification of product mix (to include cobalt metal alongside cobalt sulphate) and a refresh of underlying economic assumptions. These revisions have resulted in an uplift in estimated base case (Stage 1) financial metrics (on a 100% owned basis):
  - NPV8 (post tax): increased from A\$90m to A\$155m
  - IRR (post tax): increased from 23% to 32%
  - Total free cashflow: increased from A\$367m to A\$503m

Updates to the estimated financial metrics focused on the base case (Stage 1) as this is the near-term focus for FID.

### BHCP

During the half-year the Group was notified that the Minister for Industry and Innovation, Senator the Hon Tim Ayres, had extended Major Project Status for the Broken Hill Cobalt Project (BHCP) for a further three years. Major Project Status acknowledges the strategic significance of BHCP in the delivery of Australian Government's *A Future Made in Australia* agenda. Major Project Status also enhances the prospects for the Broken Hill Cobalt Project to move into development, with upside for Cobalt Blue's other projects, including the Kwinana Cobalt Refinery.

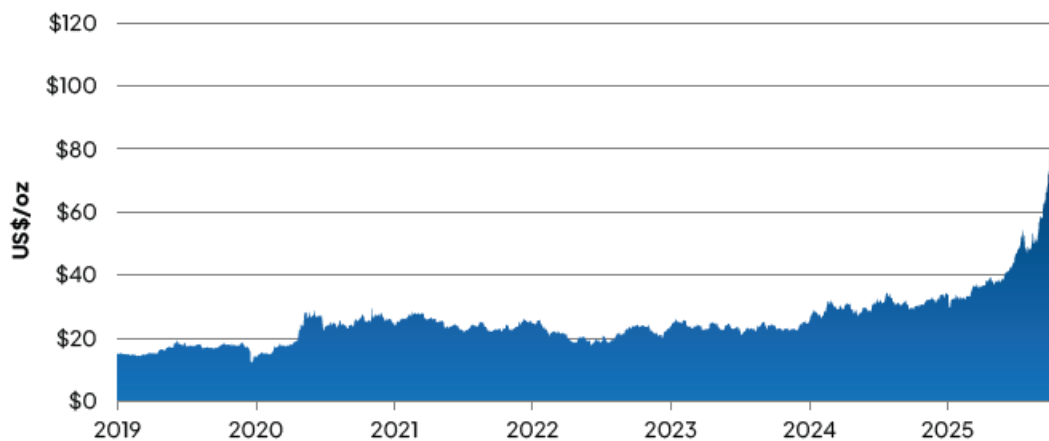
The Group also built and commissioned a new vertical tube kiln prototype to evaluate alternative configurations aimed at reducing kiln size, plant footprint and overall capital costs. The trials tested innovative heating elements that overcame key technical challenges in power supply, control, and design. The system maintained steady heat input, enabling Cobalt Blue to capture valuable new data on heat transfer rates and mineral conversion kinetics. The campaign successfully produced pyrrhotite and high-purity crystalline sulphur, confirming both the technical robustness of the process and opportunities to further optimise project economics.

Initial steps regarding submission of environmental permit applications for BHCP were taken, including engagement with the NSW Department of Climate Change, Energy, the Environment and Water. These activities had previously been paused while project throughput and plant capacities were assessed in light of cobalt pricing. It is intended that these applications be submitted during 2026.

### Halls Creek

An update was provided during the half-year on upside potential identified following a review of value engineering opportunities and historical exploration data across the Halls Creek tenement package. Of note, this included the potential inclusion of silver at Onedin, offering a potential high value stream that has to date been excluded from economic evaluation of the project. A work program to support targeted testwork assessing the potential recovery of silver commenced during the half-year. This work will focus on advancing flowsheet optimisation with preparations underway to complete metallurgical sampling of available core.

With silver prices at record highs any recoverable silver could represent a meaningful incremental revenue stream for Halls Creek.



Source: Fastmarkets.

Figure 1: Silver price US\$/oz)

### BHTC

BHTC continued with new research and development focused on testing critical minerals feedstocks, including recycled battery black mass.

During the quarter, the Group announced its intention to focus efforts at BHTC on evaluating if battery black mass material recovered from recycled lithium-ion batteries can be used as a feedstock for KCR. The target is to scale up from successful bench tests to a fully continuous circuit capable of producing cobalt metal, nickel hydroxide, and manganese sulphate.

Should battery black mass prove to be a technically and commercially viable feedstock option for KCR, COB intends to integrate this material into the refinery's long-term business plan. This would boost operational flexibility to manage supply chain risks and consolidate KCR as the gateway for both mined and recycled Australian cobalt units.

BHTC continued to provide a platform for meaningful industry and academic collaboration; notably:

- Hosting a team from the University of Queensland's Sustainable Minerals Institute as part of its partnership with the ARC Training Centre.
- Contributions to the Commonwealth Scientific and Industrial Research Organisation (CSIRO) battery projects, including:
  - provision of cobalt sulphate monohydrate samples for use in the Cathode Precursor Production Pilot Plant (C4P); and
  - finalisation of agreements to undertake a joint research project with the CSIRO's Graphite Research and Development Program. Under this program the Group and CSIRO will jointly undertake a research project to design and validate a process for the recovery and purification of graphite from battery black mass to battery-grade specifications.

### Review of results of operations

The net loss of the Consolidated Entity for the half-year was \$6,295,000 (2024: \$3,977,000). The increased loss is primarily the result of a substantial non-cash charge of \$4,453,000 in the current half-year relating to fair value losses on derivatives. This was offset by significant reductions in employee benefits expenses and project costs compared to prior period.

The Group's ongoing research and development activity resulted in \$1,069,000 of other income in the current half-year arising from a Research and Development Tax Incentive refund.

The Consolidated Entity's net assets increased during the half-year by \$7,461,000, which primarily reflects the current half-year loss, offset by retirement of debt and new capital raised during the half-year.

### Share Capital

During the half-year, the Company issued a total of 135,483,112 new fully paid ordinary shares as follows:

- 81,988,890 to institutional and sophisticated investors (share placement) raising \$6,351,000 (before costs);
- 41,071,429 to satisfy obligations to Lind Global Fund III LP pursuant to the Share Subscription Agreement dated 11 September 2025;
- 4,747,397 on conversion of unlisted options;
- 4,345,118 to staff and contractors as remuneration;
- 2,376,004 to an executive director as remuneration; and
- 477,137 to each non-executive director (total: 954,274) to satisfy \$24,000 of their director's fees for the year ending 30 June 2026.

### Rounding of amounts

The company is of a kind referred to in instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

### **Auditor's Independence Declaration**

The Company has received the Auditor's Declaration of Independence as required by section 307C of the Corporations Act 2001 and which is set out on page 7 of this report.

### **Subsequent Events**

#### **Issue of ordinary shares**

On 15 January 2026 the Company issued 3,571,429 fully paid ordinary shares to Lind Global Fund III LP (Lind) in accordance with a Share Placement Agreement dated 11 September 2025. Lind remain eligible to subscribe for a further 3,571,429 fully paid ordinary shares (the actual number may be higher depending on the actual subscription price) and continue to hold 11,110,000 unquoted options (refer to notes 11 & 13 for further information).

#### **Issue of unquoted options**

On 12 February 2026 the Company issued 65,144,446 unquoted options with an exercise price of \$0.115, and an expiry date of 15 December 2027. The options consisted of 59,144,446 free attaching options to the placement shares issued on 15 December 2025 and 6,000,000 joint lead manager options. Shareholders approved the issue of the options at a general meeting of the Company held on 6 February 2026.

Signed in accordance with a resolution of the directors made pursuant to s306(3) of the *Corporations Act 2001*.



**Joe Kaderavek**  
Chairman  
6 March 2026

# Auditor's Independence Declaration



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## **DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF COBALT BLUE HOLDINGS LIMITED**

As lead auditor for the review of Cobalt Blue Holdings Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Cobalt Blue Holdings Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Gareth Few'.

Gareth Few  
Director

**BDO Audit Pty Ltd**

Sydney, 6 March 2026

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

	Note	Consolidated	
		31 December 2025	31 December 2024
		\$'000	\$'000
<b>Revenues from ordinary activities</b>			
Other income	3	1,088	2,030
<b>Expenses from ordinary activities</b>			
ASX and registry fees		(176)	(173)
Administrative expenses		(159)	(273)
Corporate costs		(428)	(420)
Depreciation and amortisation expenses		(97)	(73)
Employee benefits expenses		(1,137)	(1,870)
Interest expense		(143)	(7)
Net fair value loss on derivatives	11	(4,453)	-
Legal and professional costs		(177)	(231)
Exploration and evaluation expenses		-	(11)
Project costs – Kwinana Cobalt Refinery		(613)	(2,949)
<b>Loss before income tax</b>		<b>(6,295)</b>	<b>(3,977)</b>
Income tax benefit		-	-
<b>Loss from continuing operations</b>		<b>(6,295)</b>	<b>(3,977)</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive loss for the year</b>		<b>(6,295)</b>	<b>(3,977)</b>
		<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings/(loss) per share		(1.4)	(0.9)

*The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the notes to the financial statements.*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2025**

	Note	Consolidated	
		31 December 2025	30 June 2025
		\$'000	\$'000
Cash and cash equivalents		6,720	1,224
Receivables	4	73	129
Other assets		233	247
<b>Total Current Assets</b>		<b>7,026</b>	<b>1,600</b>
<b>Non-current Assets</b>			
Property, plant and equipment	5	1,327	1,418
Intangibles	6	202	205
Security deposits		360	362
Exploration and evaluation assets	7	30,360	29,987
<b>Total Non-current Assets</b>		<b>32,249</b>	<b>31,972</b>
<b>Total Assets</b>		<b>39,275</b>	<b>33,572</b>
<b>Current Liabilities</b>			
Trade and other payables	8	569	911
Provisions	9	210	374
Lease liabilities		63	48
Borrowings	10	125	1,835
Other financial liabilities	11	334	-
<b>Total Current Liabilities</b>		<b>1,301</b>	<b>3,168</b>
<b>Non-current Liabilities</b>			
Provisions	9	278	137
Lease liabilities		354	386
<b>Total Non-current Liabilities</b>		<b>632</b>	<b>523</b>
<b>Total Liabilities</b>		<b>1,933</b>	<b>3,691</b>
<b>Net Assets</b>		<b>37,342</b>	<b>29,881</b>
<b>Equity</b>			
Issued capital	12	104,535	91,086
Reserves	13	4,331	4,024
Accumulated losses		(71,524)	(65,229)
<b>Total Equity</b>		<b>37,342</b>	<b>29,881</b>

*The consolidated statement of financial position should be read in conjunction with the notes to the financial statements.*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

	Ordinary Share Capital	Share-Based Payments Reserve	Accumulated Losses	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2024	89,758	3,577	(59,130)	34,205
Total loss for the half-year	-	-	(3,977)	(3,977)
Issue of ordinary shares	492	-	-	492
Share-based payments	-	185	-	185
<b>Balance at 31 December 2024</b>	<b>90,250</b>	<b>3,762</b>	<b>(63,107)</b>	<b>30,905</b>
Balance at 1 July 2025	91,086	4,024	(65,229)	29,881
Total loss for the half-year	-	-	(6,295)	(6,295)
Issue of ordinary shares	13,449	-	-	13,449
Fair value of equity options issued	-	188	-	188
Share-based payments	-	119	-	119
<b>Balance at 31 December 2025</b>	<b>104,535</b>	<b>4,331</b>	<b>(71,524)</b>	<b>37,342</b>

*The consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.*

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

	Consolidated	
	31 December 2025	31 December 2024
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(1,616)	(1,993)
Payments for project costs	(606)	(2,189)
Interest received	11	129
Interest paid	(134)	(2)
Research and development tax rebates (not capitalised)	1,182	967
GST paid	(93)	(311)
<b>Net cash flows used in operating activities</b>	<b>(1,256)</b>	<b>(3,399)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation expenditure	(365)	(1,246)
Payments for plant and equipment	(2)	-
Research and development tax rebates received	-	1,411
Payments for other assets	(13)	(4)
<b>Net cash flows provided by/(used in) investing activities</b>	<b>(380)</b>	<b>161</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares and other equity securities	7,588	-
Proceeds from exercise of options	582	-
Costs related to issues of shares and other equity securities	(445)	-
Proceeds from issue of financial liabilities at FVOCI	903	-
Proceeds from borrowings	350	-
Repayment of borrowings	(1,794)	-
Payment of lease liabilities	(52)	(113)
<b>Net cash flows provided by/(used in) financing activities</b>	<b>7,132</b>	<b>(113)</b>
Net increase / (decrease) in cash held	5,496	(3,351)
Cash at beginning of financial period	1,224	8,742
<b>Cash at end of financial period</b>	<b>6,720</b>	<b>5,391</b>

*The consolidated statement of cash flows should be read in conjunction with the notes to the financial statements.*

# Notes to the Financial Statements

## 1 Material accounting policy information

The half-year financial statements cover the Cobalt Blue Holdings Limited group as a Consolidated Entity consisting of Cobalt Blue Holdings Limited (COB or the Company) and its subsidiaries ('the Consolidated Entity').

### Basis of preparation

The interim financial report is a general-purpose financial report, prepared in accordance with AASB 134 "Interim Financial Reporting" and the requirements of the Corporations Act 2001.

The interim financial report does not include all the information required for a full annual financial report and should be read in conjunction with the most recent annual financial report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have been followed in this interim financial report as were used in the most recent annual financial statements.

### Rounding of amounts

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

### Going Concern

The interim financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the half-year ended 31 December 2025, the Consolidated Entity reported:

- a loss of \$6,295,000 (31 December 2024: loss of \$3,977,000 );
- net cash outflow from operating activities of \$1,256,000 (31 December 2024: outflow \$3,399,000 );
- net cash outflow from investing activities of \$380,000 (31 December 2024: inflow \$161,000 ); and
- net cash provided by financing activities of \$7,132,000 (31 December 2024: outflow \$113,000 ).

At 31 December 2025, the Consolidated Entity had a working capital surplus of \$5,725,000 (30 June 2025: deficit \$1,568,000) and cash of \$6,720,000 (30 June 2025: \$1,224,000).

The cash flow forecast prepared for the assessment of Going Concern factors in a number of estimates and judgements in relation to cash flows including the timing and quantum of expenditure and grant income, and contemplates the need to raise capital either by way of equity funding, income through grant applications, or a partial sale of licence interests along with a reduction of costs. The above matters give rise to a material uncertainty that may cast significant doubt over the ability of the Group to continue as a going concern

The Directors regularly monitor the Company's cash position on an ongoing basis and have demonstrated a successful track record of raising capital and other funding when required. The directors are confident the Consolidated Entity can continue to access further grant and equity funding to meet ongoing capital requirements.

On the basis of the above and the ability of the Consolidated Entity to scale back planned activities if required to preserve cash, the directors are satisfied that at the date of signing the financial report, there are reasonable grounds to believe that the Consolidated Entity will be able to meet its debts as and when they fall due and that it is appropriate for the financial report to be prepared on a going concern basis.

However, should the Company be unable to secure additional grant or equity funding, or rationalise costs sufficiently then the Company may be required to realise assets at different amounts to those recorded in the Statement of Financial Position and settle liabilities other than in the ordinary course of business.

## 2 Segment information

### A. Description of segments

The Consolidated Entity has identified its operating segments based on the internal reports reviewed and used by the Chief Executive Officer and Leadership Team to assess performance and determine the allocation of resources.

The Consolidated Entity is currently organised into three operating segments:

- **Broken Hill Cobalt Project** – a proposed cobalt mining project forming part of a broader tenement holding comprising five Exploration Licenses and two Mining Leases; and
- **Kwinana Refinery Project**- a proposed cobalt/nickel refinery located in Western Australia producing battery ready sulphates as feedstock for electric vehicle batteries.
- **Halls Creek Project** – a proposed copper/zinc mining project located in the Kimberly region of Western Australia.

These operating segments are managed separately because they have different production processes, risks and returns.

In the prior year, there were two operating segments - Broken Hill Cobalt Project and Kwinana Refiner Project.

### B. Geographical segments

Geographically, the Consolidated Entity operates in Australia.

C. Operating segment information

	Broken Hill Cobalt Project	Kwinana Cobalt Refinery	Halls Creek Project	Corporate/ unallocated	Total
2025	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	-	-	-	-	-
Profit/(loss) before tax	(30)	456	-	(6,721)	(6,295)
Total segment assets at 31 December 2025	30,897	14	713	7,651	39,275
Total segment liabilities at 31 December 2025	291	12	54	1,576	1,933

	Broken Hill Cobalt Project	Kwinana Cobalt Refinery	Corporate/ unallocated	Total
2024	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	-	-	-	-
Profit/(loss) before tax	(11)	(982)	(2,983)	(3,976)
Total segment assets at 31 December 2024	30,949	-	5,887	36,836
Total segment liabilities at 31 December 2024	533	641	4,757	5,931

3 Other income

	31 December 2025	31 December 2024
	\$'000	\$'000
Interest received	19	122
Other income – R&D Incentive refund	1,069	-
Other income – government grants	-	1,908
	<b>1,088</b>	<b>2,030</b>

4 Receivables

	31 December 2025 \$'000	30 June 2025 \$'000
Other receivables	10	2
Research and development tax incentive receivable	14	127
GST Receivable	49	-
	<b>73</b>	<b>129</b>

5 Property plant and equipment

	Land & Buildings \$'000	Leased Assets \$'000	Leasehold Improvements \$'000	Furniture & Office Equipment \$'000	Plant \$'000	Total \$'000
<b>Half-year ended</b>						
<b>31 December 2025</b>						
Opening Balance 1 July 2025	807	404	102	22	83	1,418
Disposals	-	-	-	-	-	-
Depreciation/amortisation expense	(16)	(52)	(8)	(8)	(7)	(91)
Depreciation capitalised	-	-	-	-	-	-
<b>Closing Balance</b>	<b>791</b>	<b>352</b>	<b>94</b>	<b>14</b>	<b>76</b>	<b>1,327</b>
At cost	891	543	150	97	133	1,814
Accumulated depreciation/amortisation	(100)	(191)	(56)	(83)	(57)	(487)
<b>At 31 December 2025</b>	<b>791</b>	<b>352</b>	<b>94</b>	<b>14</b>	<b>76</b>	<b>1,327</b>

6 Intangibles

	Patents \$'000	Total \$'000
<b>Half-year ended 31 December 2025</b>		
Opening Balance 1 July 2025	205	205
Additions	3	3
Amortisation expense	(6)	(6)
<b>Closing Balance</b>	<b>202</b>	<b>202</b>
At cost	256	256
Accumulated amortisation	(54)	(54)
<b>At 31 December 2025</b>	<b>202</b>	<b>202</b>

7 Exploration and evaluation assets

	31 December 2025 \$'000	30 June 2025 \$'000
Balance at beginning of the financial period	29,987	30,000
Additions	373	2,054
Written-off during the financial period	-	(32)
R&D tax incentive on exploration asset off-set	-	(1,487)
Government Grant off-set	-	(548)
<b>Balance at the end of financial period</b>	<b>30,360</b>	<b>29,987</b>
At cost	85,579	85,206
Carried forward accumulated impairment losses	(30,533)	(30,533)
Accumulated Government grants and R&D tax incentive offsets	(24,686)	(24,686)
<b>Balance at the end of financial period</b>	<b>30,360</b>	<b>29,987</b>

*Impairment of exploration and evaluation assets – Broken Hill Cobalt Project*

On 26 February 2024, the Consolidated Entity announced that the BHCP, in its current form, was unlikely to attract financing due to prevailing battery minerals pricing and an inflated capital cost environment. Consequently, completion of the DFS was paused to undertake a review to assess the viability of a condensed, higher margin project.

Following the pause to the DFS, the Consolidated Entity assessed that the BHCP may be impaired. After recoverable amount testing, the recoverable amount of BHCP was estimated with the assistance of an external valuer as \$48,400,000 (2024: \$30,000,000) at 30 June 2025, based on fair value less costs to sell, resulting in an impairment loss of \$Nil (30 June 2024: \$30,533,000) reflected in the consolidated statement of profit and loss and other comprehensive income under the line 'Impairment losses – exploration and evaluation assets'. The adjusted valuation is based on temporary factors such as price changes due to restricted supply of cobalt in the DRC rather than fundamental changes in the project within the period.

The fair value was determined by reference to implied transaction multiples for mineral resources of actual and comparable asset sale transactions, which were then applied to the current defined mineral resources of BHCP, after allowance for current commodity prices. The fair value measurement was categorised as a Level 3 fair value based on the following key assumptions:

Cobalt price: A\$51,115/t (2024: A\$40,808/t)  
 Nickel price: A\$22,906/t (2024: A\$26,321/t)  
 Sulphur price: A\$443/t (2024: A\$125/t)

The fundamental inputs into the estimate of recoverable amount by the external valuer at 30 June 2025 have remained largely unchanged or, in the case of cobalt price, are more favourable at 31 December 2025.

The current BHCP mineral resource statement is set in the Mineral Resources and Ore Reserves section of the 2025 Annual Report and has not changed materially since 30 June 2025.

8 Trade and other payables

	31 December 2025 \$'000	30 June 2025 \$'000
Trade payables	152	372
Other creditors and accruals	417	539
	<b>569</b>	<b>911</b>

9 Provisions

	31 December 2025 \$'000	30 June 2025 \$'000
<b>Current</b>		
Employee benefits	210	233
Provision for rehabilitation	-	141
	<b>210</b>	<b>374</b>
<b>Non-current</b>		
Provision for rehabilitation	278	137
	<b>278</b>	<b>137</b>
<b>Total provisions</b>	<b>488</b>	<b>511</b>

10 Borrowings

	31 December 2025 \$'000	30 June 2025 \$'000
Promissory note	-	938
Promissory note - accrued interest	-	65
R&D finance facility	-	742
Placement agreement facility	125	-
Other borrowings	-	90
	<b>125</b>	<b>1,835</b>

The placement agreement facility represents the underlying debt component of a Share Placement Agreement with Lind Global Fund III LP. Refer to note 11 for further information.

11 Other financial liabilities

	31 December 2025 \$'000	30 June 2025 \$'000
Derivative liability	334	-
	<b>334</b>	<b>-</b>
<i>Reconciliation of movement in derivative liability:</i>		
Opening balance	-	-
Issue of derivative liability	903	-
Movement in derivative liability (expense)	4,453	-
Fair value of shares issued	(5,022)	-
Balance at the end of financial period	<b>334</b>	<b>-</b>

The Company entered into a Share Placement Agreement (Agreement) with Lind Global Fund III LP (Lind) on 11 September 2025.

Under the Agreement, the Company received gross cash proceeds of \$1,500,000 (Advance Payment) in return for issuing Lind with 22,500,000 fully paid ordinary shares (Initial Placement Shares) and 11,110,000 unlisted options (Options) exercisable at \$0.08 each and expiring on 22 September 2028. Pursuant to the Agreement Lind has the right to subscribe for fully paid ordinary shares in the Company to a value of \$1,800,000 (Investment Value), over a 24-month term (Term). Such subscriptions are subject to a variable subscription price (Subscription Price) which is further described below.

Other key terms of the Agreement are set out below:

- A cash commitment fee of \$60,000 was paid to Lind at inception of the Agreement;
- The Subscription Price is either:
  - \$0.07 per share (Fixed Price); or
  - 92.5% of the average of the five lower daily VWAPs during the 20 trading days prior to the subscription (Variable Price).
- Initial Placement Shares (at Lind's election) may be applied towards satisfying the Company's subscription or repayment obligations under the Agreement or alternatively be treated as an additional placement with additional funds to be provided to the Company at the Subscription Price.
- Subscriptions by Lind are subject to the following limits:
  - Until 1 November 2025, any subscriptions by Lind will be at the Fixed Price
  - From 1 November 2025 until 31 August 2026, any subscriptions by Lind will be either at the Variable Price, with the aggregate subscription amount in any one month at the Subscription Price limited to \$80,000; or the Fixed Price, with the aggregate subscription amount unlimited.
  - From 1 September 2026 until 31 January 2027, any subscriptions by Lind will be either at the Variable Price, with the aggregate subscription amount in any one month at the Subscription Price limited to \$160,000; or the Fixed Price, with the aggregate subscription amount unlimited.
  - From 1 February 2027 until 11 September 2027, any subscriptions by Lind will be at the lesser of the Fixed Price and the Variable Price, with the aggregate subscription amount unlimited.
- The Company may elect, upon receipt of a subscription notice from Lind, to repay in cash, the value of the shares that would have been issued at the Purchase Price, plus a 5% premium. The Company may also elect, at any time after 1 December 2025, to repay in full the then remaining Investment Value balance, although it must first provide Lind the ability to subscribe, in accordance with the Placement Agreement for one-third of that amount at the Purchase Price.
- As is customary with these types of arrangements, the Placement Agreement contains typical investor protections such as negative covenants and representations and warranties.

The initial allocation of the Advance Payment was as follows:

	<b>\$'000</b>
Advance payment amount	1,500
Commitment fee	(60)
Fair value of options issued	(188)
Debt component at amortised cost	(350)
Derivative liability	(903)
	-

*Fair value of the derivative liability (share placement obligation) at 31 December 2025*

The Company's obligation under the Agreement to issue fully paid ordinary shares following a subscription by Lind constitutes a financial obligation and is therefore recognised as a financial liability. The Company has received two subscription notices prior to 31 December 2025 with a combined face value of \$1,300,000 resulting in the issue of 18,571,429 fully paid ordinary shares. In addition, Lind paid \$990,000 to acquire the Initial Placement Shares. The face value of the remaining Investment at the end of the financial period is \$500,000.

At 31 December 2025, the fair value of the remaining derivative liability has been estimated at \$334,000. The fair value measurement was categorised as a Level 3 fair value derived from a monte-carlo simulation using the following key assumptions:

- Early exercise multiple: 2.0x
- Risk free rate: 3.34%
- Volatility (annual): 104.91%

The carrying value of the financial liability at amortised cost in relation to the arrangement at 31 December 2025 is \$125,000

**12 Issued Capital**

<b>Ordinary Shares</b>	<b>Number</b>	<b>\$'000</b>
<b>Fully paid ordinary shares on issue at 1 July 2025</b>	<b>444,838,847</b>	<b>91,086</b>
Shares issued to staff and contractors as remuneration	6,721,122	492
Shares issued to non-executive directors in lieu of directors' fees	954,274	109
Share placement (at \$0.045 per share)	22,844,444	1,028
Share placement (at \$0.09 per share)	59,144,446	5,323
Shares issued on exercise of placement options	4,747,397	582
Shares issued pursuant to Placement Agreement	41,071,429	6,359
Capital raising costs		(444)
<b>Fully paid ordinary shares on issue at 31 December 2025</b>	<b>580,321,959</b>	<b>104,535</b>

**13 Reserves – share-based payments**

Options & Rights	Number	\$'000
<b>Options &amp; Rights on issue at 1 July 2025</b>	<b>52,044,086</b>	<b>4,024</b>
Amortisation of share-based payments	-	119
Options issued attached to placement shares	7,614,815	-
Options issued to placement lead manager	5,000,000	-
Options issued pursuant to Placement Agreement	11,110,000	188
Lapse of performance rights	(1,624,333)	-
Exercise of placement options	(4,747,397)	-
<b>Options &amp; Rights on issue at 31 December 2025</b>	<b>69,397,171</b>	<b>4,331</b>

**14 Related Party Transactions**

Remuneration arrangements of key management personnel (KMP) are disclosed in the annual financial report. During the half-year, the Company issued:

- 1,001,088 fully paid ordinary shares to a KMP executive as remuneration;
- 2,376,004 fully paid ordinary shares to the CEO and Managing Director as remuneration;
- 477,137 fully paid ordinary shares to each non-executive director (total: 954,274) to satisfy \$24,000 of their director's fees for the year ending 30 June 2026.

Shareholders approved the issue of securities to the directors referred to above at the 2025 Annual General Meeting.

**15 Commitments for expenditure**

At 31 December 2025 the exploration & evaluation expenditure commitments under the Consolidated Entity's tenements are set out below:

	\$'000
Payable within 1 year	470
Payable within 1-5 years	688
Payable after 5 years	-

**16 Subsequent Events**

On 15 January 2026 the Company issued 3,571,429 fully paid ordinary shares to Lind Global Fund III LP (Lind) in accordance with a Share Placement Agreement dated 11 September 2025. Lind remain eligible to subscribe for a further 3,571,429 fully paid ordinary shares (the actual number may be higher depending on the actual subscription price) and continue to hold 11,110,000 unquoted options (refer to notes 11 & 13 for further information).

On 12 February 2026 the Company issued 65,144,446 unquoted options with an exercise price of \$0.115, and an expiry date of 15 December 2027. The options consisted of 59,144,446 free attaching options to the placement shares issued on 15 December 2025 and 6,000,000 joint lead manager options. Shareholders approved the issue of the options at a general meeting of the Company held on 6 February 2026.

No other matter or circumstance has arisen since the end of the reporting period which significantly affected or could significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

# Directors' Declaration

In the Directors' opinion:

- a) the attached financial statements and notes are in accordance with the Corporations Act 2001, including:
  - i. complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001; and
  - ii. giving a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
  
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors:

On behalf of the Directors



**Joe Kaderavek**

Chairman

6 March 2026

# Independent Auditor's Review Report



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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Cobalt Blue Holdings Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Cobalt Blue Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

**Material uncertainty relating to going concern**

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

**Responsibility of the directors for the financial report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

**Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit Pty Ltd**

A handwritten signature in black ink that reads 'Gareth Few'. Above the signature, the letters 'BDO' are written in a smaller, cursive script.

Gareth Few  
Director

Sydney, 6<sup>th</sup> March 2026