

2024
ASX RELEASE

CODA
MINERALS

16 May 2024

ASX Code: COD

Elizabeth Creek – Critical Minerals Production Tax Incentive

Coda Minerals welcomes the Federal Government's budget announcement that \$7 billion has been set aside for production tax incentives for downstream processing of critical minerals, including cobalt.

Highlights

- The "Critical Minerals Production Tax Incentive" announced in the Australian Federal Budget for 2024-25 will see substantial Federal Government support for downstream processing of critical minerals in the form of a 10% production tax credit.
- Although full details are still pending, Coda understands that the policy will apply to all critical minerals including cobalt, which is a critical co-product at Elizabeth Creek.
- Hydrometallurgical downstream processing to battery-grade cobalt sulphate is planned to be a fundamental part of the Elizabeth Creek Project development.
- The Company is continuing discussions with numerous parties to advance feasibility studies into the project and expects that the recently announced policy will strongly incentivise investment into the critical minerals sector generally and have a materially positive impact on the Elizabeth Creek Project economics.

Coda Minerals Limited (ASX: COD, "Coda", or "the Company") notes the Federal Government's "Critical Minerals Production Tax Incentive", which was announced as part of the broader "Future Made in Australia" agenda in the recent Federal budget.

The incentive, which is slated to have an effective date of the 1st of July 2027, will come in the form of a production tax credit valued at 10 percent of relevant processing and refining costs for critical minerals for up to 10 years per project between 2027-28 to 2039-40. Australia's Critical Minerals List is made up of 31 metals and materials, including cobalt, a key co-product of Coda's flagship Elizabeth Creek Copper-Cobalt Project ("ECCCP").

Copper, the project's primary product, is one of six "Strategic Materials" also identified by the Federal Government. The government has earmarked over \$7 billion over the decade for this incentive.

A further \$10.2 million dollars has been assigned for pre-feasibility studies into common-user processing facilities to enhance Australia's capacity to process critical minerals.

Coda Minerals CEO Chris Stevens said: *"We congratulate the Federal Government on this policy, and support the decision to invest in this vital sector and in the benefits that will come with downstream processing in Australia."*

"This policy is designed to incentivise investment in companies exactly like Coda. Based on our current plans, Elizabeth Creek is projected to come online during the effective period and has always been envisioned as a downstream project, with a hydrometallurgical processing plant capable of producing battery-grade cobalt sulphate."

"This policy will ultimately be of enormous benefit not only to Coda and its shareholders, but more broadly to stakeholders in the Elizabeth Creek Project, such as nearby communities and the broader state of South Australia, where the Company intends to establish all of its downstream processing facilities."



“Policies such as these support companies such as Coda, and in so doing, support the nation more broadly. The majority of Australia’s cobalt production comes from nickel laterites – a historically volatile sector, and one which is highly dependent on a buoyant nickel price to ensure supply.

“With nickel supply growth from Indonesia looking likely to be a long-term reality, it may be some time before the nickel price recovers. By contrast, Elizabeth Creek is expected to produce cobalt as a co-product with copper, a metal with an enormous forecast supply deficit in the coming years. Incentives such as this one will go a long way to supporting the establishment of a nickel-independent cobalt industry right here in Australia.

“We look forward to the development of the relevant legislation and the release of details specifically outlining the mechanism. Additionally, we welcome the funding towards pre-feasibility studies, and intend to fully assess the potential for Coda’s participation in this programme to assist in the development of its hydrometallurgical processing facility.”

This announcement has been authorised for release by the Board of Coda Minerals Ltd

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Forward Looking Statements

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