



A compelling copper play

Coda Minerals (ASX: COD) is a Perth-based copper explorer-developer whose flagship asset is the 100%-owned Elizabeth Creek copper-cobalt project in the world-class Olympic Copper Province in South Australia's Eastern Gawler Craton. Coda offers rare ASX exposure to the combination of an unfolding development/optimisation play, combined with the potential for significant value uplift associated with 'near-mine' exploration for deposit extensions/repeats and deeper exploration for a potential Tier-1 IOCG discovery.

Elizabeth Creek is a low-risk and low-capex project

Elizabeth Creek is an open-pit and underground project based on a large Zambian Copper Belt-style copper-cobalt deposit. A recently completed Scoping Study shows the project has compelling economics including a net present value (NPV) of A\$570m, an internal rate of return (IRR) of ~26.5% and a payback period of ~4.75 years. The copper-cobalt mineralisation will be mined via a combination of conventional satellite open-pits and underground, long-hole open stope operations. Since listing in 2020, COD's exploration team has added new Resources to the copper-cobalt deposit, uplifting total JORC compliant Resources from 250kt (upon listing) to over 1.1Mt of contained copper equivalent. The project boasts high-quality geology, a favourable location, a low CAPEX relative to peers and is consequently a low-risk investment for potential investors.

Massive upside across multiple horizons

Following completion of the Scoping Study, Coda is pursuing value improvement through optimisation (*economics-changing*) as well as driving massive upside through ongoing exploration for additional sedimentary (copper-cobalt) mineralisation (*game-changing*) plus exploration targeting a Tier-1 IOCG (copper-gold) deposit similar to BHP's Oak Dam West deposit to the north (*life-changing!*). Coda's Emmie IOCG is a rare and important discovery in the Gawler Craton, which hosts some of the largest IOCG systems on earth. In an area famed for rich deposits, Emmie IOCG stands out due to its significantly high grades (some of the best in the region) and extensive mineralisation. If Coda can build on early IOCG success, this is potentially transformational opportunity.

Valuation range of A\$0.44–0.64 per share

Using a discount to project NPV approach we have valued COD at A\$0.44 per share in a base-case scenario and A\$0.64 per share in a bull-case scenario. The valuation is based purely on the published Scoping Study, and we see significant upside potential for investors from here. The key risks (outlined on page 34) include: commodity pricing risk, funding risk, project delays and geological risk.

Share Price: A\$0.19

ASX: COD

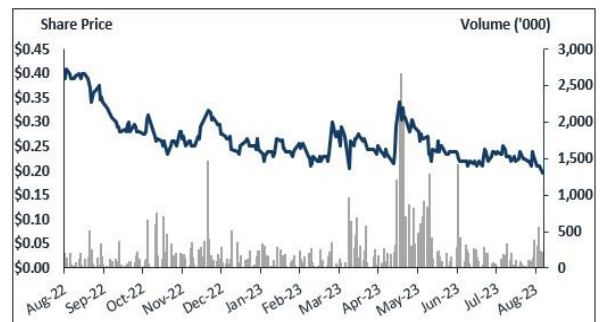
Sector: Materials

22 August 2023

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|------------------------------|--|
| Market Cap. (A\$ m) | 26.9 |
| # shares outstanding (m) | 141.8 |
| # share fully diluted (m) | 154.1 |
| Market Cap Ful. Dil. (A\$ m) | 29.3 |
| Free Float | 100.0% |
| 12-months high/low (A\$) | 0.410 / 0.195 |
| Avg. 12M daily volume ('000) | 238.3 |
| Website | www.codaminerals.com |

Source: Company, Pitt Street Research

Share price (A\$) and avg. daily volume (k, r.h.s.)



Source: Refinitiv Eikon, Pitt Street Research

| | |
|----------------------------|-----------|
| Valuation metrics | |
| Fair valuation range (A\$) | 0.44-0.64 |

Source: Pitt Street Research

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Analysts: Stuart Roberts, Nicholas Sundich

Tel: +61 (0)447 247 909

Stuart.roberts@pittstreetresearch.com



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Introducing Coda Minerals

Coda Minerals (ASX:COD) is focused on the Elizabeth Creek copper-cobalt project, in the highly prospective Olympic Copper Belt in South Australia. COD went public on ASX in October 2020, after the project's name (then Mt Gunson) was changed to the more euphonious Elizabeth Creek.

Since listing, Coda has added to the existing two small-scale open pit deposits through the definition of the flagship Emmie Bluff copper-cobalt resource, delivered a robust Scoping Study and made a significant IOCG copper-gold discovery. The project hosts different styles of copper mineralisation – the Zambian Copperbelt-style sediment-hosted copper-cobalt deposit and what appears to be a large IOCG copper system with Tier-1 potential. COD's initial exploration strategy at Elizabeth Creek was twofold. Firstly, it sought to build out known Zambian Copperbelt-style resources across multiple prospects including Emmie Bluff, the lead prospect. Secondly, it went after the copper-gold IOCG targets that had only been lightly touched by previous drilling.

Benefits of the Elizabeth Creek Project

Elizabeth Creek has several key advantages such as a favourable location, favourable infrastructure, solid geology, and superior project economics. One of the key investment attributes of Coda is the fact that Elizabeth Creek is located only 100km south of the mammoth Olympic Dam copper mine of BHP and only 135km north of Port Augusta. The eastern part of the Gawler Craton has already yielded the world-class Olympic Dam, Carrapateena, and Prominent Hill mines, now all owned by BHP, but also hosts BHP's Oak Dam West deposit, which is shaping up to be the greatest copper-discovery of the last 50 years.

The Elizabeth Creek Project offers exposure to a commodity which is likely to be a major beneficiary the increasing global trend towards decarbonisation. The project also provides the company with access to Australia's greenest electricity grid (i.e., South Australia) while the cobalt co-product provides exposure to the growing critical minerals space. The Tier-1 location means Elizabeth Creek also has a low-risk profile alongside its excellent ESG characteristics.

Significance of Emmie IOCG

Iron oxide copper gold deposits (IOCG) deposits are a crucial source of copper globally. These deposits often contain economic or anomalous gold, and the gold distribution is important both for economic significance and ore genesis.

Emmie IOCG is a rare and important discovery in the Gawler Craton, which hosts some of the largest IOCG systems on earth. The grades are also among the best in the region with mineralised intercepts featuring world-class copper-gold grades in an area famed for deposits. The first deep exploration drill hole in June 2021 resulted in the discovery of a major IOCG system beneath the shallower mineralisation that had previously been identified at Emmie Bluff. The initial deep drilling intersected 200 metres of intense IOCG alteration at the Emmie IOCG target, with 50 metres of copper sulphide mineralisation included in it.

Since then, COD has undertaken a significant exploration programme of 21 drill holes for over 23,000 metres of diamond drilling, to follow up and define the discovery. All but three of these holes hit IOCG mineralisation and the grades were consistently above the mined grades at Carrapateena and Olympic Dam.

The Elizabeth Creek project is a beneficiary of a favourable location, favourable infrastructure, and superior project economics.



Following a major geophysics programme exercise, COD now has updated and refined drill targets proximal to one of the world's great copper discoveries.

Following a pause in drilling, COD has since focused on refining target generation and completed Exosphere Ambient Noise Tomography (ANT) and tightly spaced gravity surveys at Emmie Bluff. The Exosphere ANT surveys offer various advantages, including coverage of a large area and indication of depth of structures within the cover and basement rock. Four surveys have been completed, three of which covered the broader Emmie Bluff area (including Emmie IOCG) while the fourth covered the Elaine IOCG prospect. The final interpretation of data from the surveys' geophysical model has resulted in a material improvement in COD's understanding of the mineralising system that controls the copper-cobalt at Emmie Bluff. The relationship between the Emmie Bluff sediment-hosted copper-cobalt deposit and the deeper Emmie IOCG system beneath was also understood better through the data interpreted from the geophysical model.

COD has thought through its mining and processing strategy

The sedimentary copper-cobalt mineralisation at Elizabeth Creek was long considered to be challenging to mine and process. The March 2023 Scoping Study demonstrated credible technical solutions for mining and processing or mineralisation at Elizabeth Creek and a clear path forward to overcome historical challenges.

COD plans to mine its shallow, high-grade MG14 deposit first followed by the underground Emmie Bluff deposit, with the lower grade, open pit Windabout deposit filling in as the Emmie Bluff decline is completed.

COD is further undertaking a two-step approach to mineral processing. Stage 1 of the process consists of 1 year of copper-cobalt concentrate production to drive early cash flows. Phase 2 involves construction of an Albion atmospheric leach processing facility to produce higher-value saleable end products, namely copper cathode, battery-grade cobalt sulphate, zinc carbonate and silver dore¹.

Stellar results were achieved with the 2023 Scoping Study

In March 2023, the results of a Scoping Study undertaken over the previous 15 months were released. The Study showed that the project has compelling economics, with a pre-tax NPV of A\$570m and a 26.5% IRR.

The study modelled steady-state production of 25,000 tonnes a year of copper and 1,000 tonnes a year of cobalt, but only 14 years of mine life, with only the current resources included.

Given the significant under-explored potential of the area adjacent to Emmie Bluff, Coda completed the Scoping Study prior to fully defining all Resources at Elizabeth Creek. It is understood that the decision to undertake a Scoping Study at this early stage was to ensure that the company had a credible plan for processing and mining prior to any significant expansion work.

COD is now focused on driving value through optimisation of the study as well as significant upside potential through additional discovery. This has the potential to add value materially beyond the already robust baseline economics noted above.

The March 2023 Scoping Study demonstrated robust economics and compelling technical solutions for mining and processing at Elizabeth Creek.

This leaves Coda primed to capitalise on future exploration success while enhancing the project via optimisation initiatives.

¹ Crude silver containing a small amount of gold, obtained after removing lead in a cupelling furnace.



Ten key reasons to look at Coda Minerals

The Elizabeth Creek project has a huge contained copper equivalent of 1.1Mt achieved through the conversion from 250,000t of contained copper equivalent when it was listed

- 1) **The Elizabeth Creek Project is a rare investment opportunity** – Elizabeth Creek has huge potential to be a major source of ethical Australian copper and cobalt. It lies in an enormous copper-rich area and hosts two projects in one – the advanced sedimentary copper-cobalt project and the higher risk/higher reward IOCG discovery.
- 2) **A growing resource base** – COD has demonstrated exploration skills listing with just 250,000t of contained copper equivalent. Since it is hard to base a project off just a quarter of a million tonnes contained, the need of the hour was to find more copper. COD started drilling for as soon as it was listed. Over the last three years, this has resulted a fourfold lift in the JORC resource to 1.1Mt, representing a significant amount of exploration success. The early drill holes have underpinned a significant resource of 43Mt at rich grades of 1.84% copper equivalent. COD has significant ongoing Resource expansion potential with drill-ready copper-cobalt targets and recently announced areas unconstrained by drilling to the east of the existing Emmie Bluff Resource.
- 3) **Elizabeth Creek's** **Zambian Copperbelt-style** – The Elizabeth Creek project contains several Zambian Copperbelt-style deposits. It is a mixture of conventional satellite open-pits at the MG14 and Windabout deposits and underground, long-hole open stope operation at Emmie Bluff. The Emmie Bluff prospect has high-grade large tonnage underground copper and has been delivered from an exploration hypothesis to a development prospect within 14 months.
- 4) **Emmie IOCG offers game-changing upside in copper 'elephant country'** – Extensive evidence exists for an IOCG system below Emmie Bluff at about 800 metres total depth, with historic drilling encountering low-grade copper and gold mineralisation, considerable hematite alteration and brecciation². We believe that exploration at Emmie IOCG offers excellent upside, with COD building its geological knowledge of the area.
- 5) **Exosphere ANT surveys are likely to give a boost to the Elizabeth Creek Project** – Exosphere ANT surveys offer various advantages, including the coverage of a large area and an indication of depth of structures within the cover and basement rock. Four surveys have been completed, three covering the broader Emmie Bluff area (including Emmie IOCG) and the fourth covering the Elaine IOCG prospect. The ANT surveys mark a new pivotal exploration phase to unlock the wider potential of the Emmie Bluff Project, as well as following up on the discovery of the Emmie IOCG copper-gold deposit in June 2021. The ANT geophysical surveys combined with drilling results have changed the interpretation of the structures controlling the IOCG mineralisation and have provided new drilling targets. The new targets provided by the ANT surveys are exciting not just for IOCG but also for extensions to Emmie Bluff.
- 6) **COD's mining and processing strategy is well thought out** – COD's current mining strategy for MG14 and Windabout is based on the deposits' shallow depth and free-dig overburden, and the sheet-like and sub-horizontal structure. The first deposit to be mined will be MG14 due to its high grades and shallow depth. Windabout is likely to be mined subsequently due to its lower grade, longer life, and higher stripping ratio. MG14 and Windabout will allow COD to generate cashflows while the decline is being developed at Emmie Bluff. COD is also undertaking a two-

The MG14 is likely to be the first deposit to be mined due to its high grades and shallow depth followed by Windabout which has lower grades, longer life, and a higher stripping.

² Breccia is a rock formed from angular gravel and boulder-sized clasts cemented together in a matrix. The angular nature of the clasts indicates that they have not been transported very far from their source.



step approach to mineral processing. In Stage 1, which will run for 12 months, will consist of an initial period of copper-cobalt concentrate production to drive early cash flows. This is likely to be followed by a second phase with construction of a hydrometallurgical plant to produce higher value products such as copper cathode, battery-grade cobalt sulphate, zinc carbonate and silver dore.

- 7) **The Scoping Study produced strong results** – In March 2023, COD completed a Scoping Study for its sedimentary copper-cobalt mineralisation at Elizabeth Creek. It has generated stellar results in terms of mining plans, processing and infrastructure at the top end of its peers. The study resulted in an average forecasted steady-state annual production of 25,000tpa copper and 1,000tpa cobalt at a lifetime average grade of 1.86% CuEq, 1.29% Cu and 515ppm Co. The study also resulted in pre-tax revenue of ~A\$5.73bn over a long life of the mine of 14 years, cash flows of A\$1.3bn, a competitive AISC of US\$2.19/lb Cu produced, NPV of A\$570m, IRR of 26.5%, payback period of 4.75 years (pre-tax) and an upfront capex of only A\$277m. Through the study, the company has established a viable go-forward processing flowsheet and project economics across the deposits.
- 8) **The Scoping Study has positioned the company well to undertake a Pre-Feasibility Study** – Following the completion of the Scoping Study, COD has recently commenced a Pre-Feasibility Study (PFS) in which it is building on the work undertaken on the copper-cobalt mineralisation. It follows a three-pronged approach which includes optimisation in mining methods, the potential use of mechanical cutting methods at the Emmie Bluff deposit and an X-Ray Fluorescence (XRF)³ ore sorting approach for processing. COD is also focused on field-based environmental monitoring work. Approvals for a hydrogeological test bore programme at Emmie Bluff are underway.
- 9) **COD's management** – As we outline in Appendix I, COD has a strong management team that has been a key reason behind the company's exploration success. We believe COD's leadership – given their experience and track record with the company to date – has the required expertise to enable the company to achieve its long-term objectives.
- 10) **COD is undervalued** – We believe the stock is undervalued at its current market value. Purely based on released Study metrics and without consideration to significant exploration potential, we value the company at A\$0.44 per share in our base case and A\$0.64 per share in our optimistic case using the asset based comparable approach.

³ XRF is one of the sensing technologies used for bulk ore sorting. The grade of the bulk material is predicted based on XRF measurement that is correlated to a grade using a calibrated algorithm.



Background to Coda Minerals

Coda Minerals originated from efforts to build shareholder value for the old shareholders of Gindalbie Metals. Back in April 2006 Gindalbie Metals, ASX: GBG, had brought in Ansteel, China's second largest steel producer, to develop the gigantic Karara iron ore deposit in the in the Mid-West region of Western Australia. With a change of Chairperson and executive following the write down of the Karara asset in 2013, the new team set to attempt to create shareholder value from Gindalbie's remaining cash assets. Gindalbie commenced a farm-in with Torrens Mining in 2016 to earn up to 75% of the Mt Gunson Copper Project and subsequently span-out these assets into Coda Minerals, renaming the project to Elizabeth Creek along the way. That company, Coda Minerals, went public on ASX in October 2020 after a brief period as an unlisted public company following the spin-out.

COD's flagship asset is the 100% owned Elizabeth Creek copper-cobalt project located in South Australia's most productive copper belt – the eastern part of the Gawler Craton.

Coda Minerals and Elizabeth Creek were well received. The IPO, which raised \$8.5m at 30 cents a share, was heavily oversubscribed. Investors liked the fact that Elizabeth Creek was in 'elephant country', only 100 km south of the mammoth Olympic Dam copper mine of BHP and only 135 km north of Port Augusta. The eastern part of the Gawler Craton had already given the world not only Olympic Dam but also the Carrapateena and Prominent Hill mines of Oz Minerals. The investors also liked the fact that there was already a JORC-compliant resource of 159,000 tonnes of copper and 9,400 tonnes of cobalt on an indicated basis within the 700 sq. km project area. And they liked the fact that there were different styles of copper mineralisation in the project area – Zambian Copperbelt-style sediment-hosted copper-cobalt, as well as IOCG copper deposits - increasing the chances that something bigger would show up.

Coda's initial exploration strategy at Elizabeth Creek was twofold. Firstly, it sought to build out known Zambian Copperbelt-style resources across multiple prospects, including Emmie Bluff, the lead prospect. Secondly, it went after the copper-gold IOCG targets that had only been lightly touched by previous drill work. When the first IOCG mineralisation was intersected at Emmie Bluff Deeps in June 2021 the market bid Coda stock up to north of \$1.40 a share. However there remained two important questions about Coda. One was the small scale of the deposit as it then existed. The other related to how the deposit would be mined given the angle it sits in the earth.

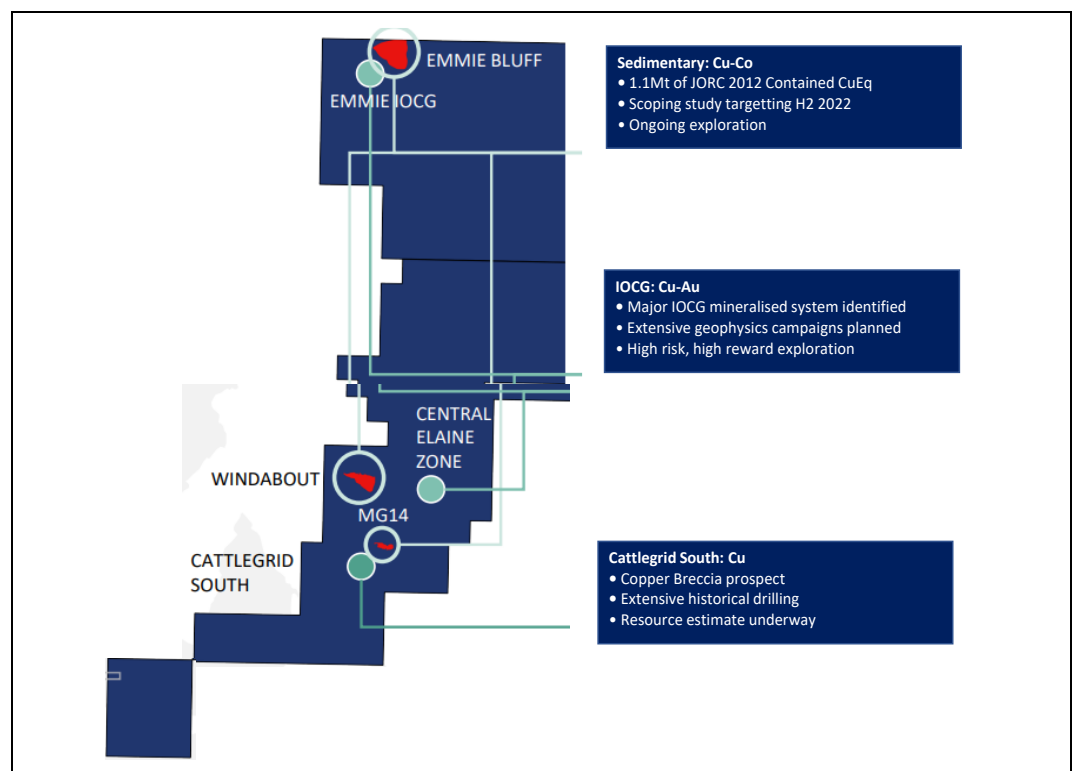
By December 2021 Coda had a much larger resource, with 1.1 million tonnes of contained copper equivalent across three deposits. There were 43 million tonnes in indicated and inferred resources grading a very healthy @ 1.84% copper equivalent at Emmie Bluff. There were 18 million tonnes indicated at @ 1.14% CuEq at another prospect called Windabout. And there were 1.8 million tonnes, also indicated, at @ 1.67% CuEq at the MG14 prospect. And Coda was reasonably sure there was more where that came from given the number of untested targets. The exploration success of 2021 prompted Coda to acquire Torrens Mining in February 2022, to get the 30% of Elizabeth Creek it didn't yet own.

The problem with mining at Elizabeth Creek had been theoretically solved by November 2022. Windabout and MG14 were easy because they were open-pittable. Emmie Bluff was a different story because it is a long and flat but very thin seam (i.e. only two to 15 metres in thickness) of Zambian Copperbelt-style mineralisation about 400 metres from surface. That may have looked challenging to get to via conventional mechanised hard rock mining. However, Coda was able to engage highly qualified mining engineering consultants with extensive experience of similar deposits in Zambia and the DRC. These consultants identified long hole open stoping as



a viable method for mining ore bodies with Emmie Bluff's geometry. With this approach a series of holes would be drilled through the orebody, explosives would then be placed to create a series of stopes from which ore could be extracted, but pillars would be left behind to keep the stopes open. The result would be multiple faces to work simultaneously, no backfilling required and low ore body dilution. Coda estimated that this could allow Emmie Bluff to be worked for 13 years at a steady-state rate of 2.5 million tonnes or ore p.a. With the right mining technique Coda was able to move quickly to the Scoping Study which was published in March 2023.

Figure 1: Overview of the Elizabeth Creek project



Source: Company, Pitt Street Research

Elizabeth Creek – A tale of two mineralisation styles

An important aspect of Elizabeth Creek to appreciate is that there are two mineralisation styles in play. As far as MG14, Windabout and Emmie Bluff, the resources that have been estimated are hosted by **Zambian Copperbelt-style mineralisation**. Underneath Emmie Bluff Coda Minerals is now working on the potential to find deposits in **Iron Oxide Copper Gold (IOCG) mineralisation**.

So far only the Zambian Copperbelt-style mineralisation has been scoped, with the March 2023 scoping study only using the resource base that has been established. The inclusion of IOCG mineralisation would be game changing if the encouraging exploration work of the last couple of years translates into new resources at depth.



Zambian Copperbelt-style mineralisation – the core of a future mine at Elizabeth Creek

What is Zambian Copperbelt-style mineralisation? One of the world's richest copper provinces lies in the Copperbelt, an arc of around 400 km that straddles the border between northern Zambia and the southern DRC⁴. The Neoproterozoic rocks of this arc have a massive copper endowment, in the order of 140 million tonnes, as well as 6 million tonnes of cobalt, in a series of rich sediment-hosted stratiform deposits. The deposits are sediment-hosted in that they occur within sedimentary basins, with the host rocks terrestrial and shallow marine sedimentary rocks of the Katanga Supergroup. And they are stratiform in that they are restricted to a narrow range of layers within the host sedimentary sequence but do not necessarily follow sedimentary bedding. Within those narrow layers, copper can be either vein-hosted or disseminated, the deposits often come with cobalt, and chalcopyrite is the main copper-bearing mineral.

Why is Zambian Copperbelt-style mineralisation potentially important? Zambian Copperbelt-style deposits are valuable because they usually have consistent grades and lateral continuity along the bedding plane, and because the cobalt credits can markedly lower the cost of copper production. There are often silver and base metals credits as well. The fact that around 20% of the world's identified copper resources are sediment-hosted stratiform deposits means that knowledge about processing the ore abounds.

IOCG – why this deposit style is important for Coda Minerals

What is IOCG? The term IOCG, short for Iron Oxide Copper Gold, represents a type of copper deposit that is hydrothermal in origin, where there is a high content of magnetite and/or haematite, with low titanium content, and, importantly, where there are economic levels of gold as well as enrichment or other elements such as uranium and the rare earths. In IOCG deposits the main copper ore is chalcopyrite but other low-sulphur base-metal sulphides and arsenides can be found such as bornite, chalcocite, pyrrhotite and arsenopyrite. IOCG deposits are structurally controlled, commonly contain significant volumes of breccia, and show up in the alteration halo of regions where metasomatized rocks and breccias have undergone major iron oxide alkali alteration. The term Iron Oxide Copper Gold is a relatively recent one. It was first coined in 1992⁵ after it became apparent that Olympic Dam in South Australia, discovered in 1975 and brought into production by WMC in 1988, was a type of ore system new to geology. By the 1990s there were various IOCG deposits that were known about, most notably La Candelaria in Chile, discovered by Phelps Dodge in 1987 and commissioned in 1995⁶, and in the years since then the economics of IOCG have been proved again and again. Other IOCG deposits to have turned into major mines have been Mantoverde in Chile, Salobo and Sossego Mines in Brazil, and, significantly, Prominent Hill and Carrapateena in South Australia, the mines which created enormous shareholder value for Oz Minerals in the same region as Olympic Dam.

IOCG deposits can sometimes be monsters – just think Olympic Dam and La Candelaria

⁴ It is covered by Copper Belt Province in Zambia and Haut-Katanga Province in the DRC. While past its mid-20th Century glory days, the Copperbelt still hosts major mines such as the Kansanshi mine in Zambia, 80% owned by First Quantum, and there are likely to be more mines to come should economic and political situation encourage further exploration.

⁵ See Hitzman et.al. *Geological characteristics and tectonic setting of Proterozoic iron oxide (Cu-U-Au-REE) deposits*, Precambrian Research, v. 58, p. 241–287.

⁶ Several IOCG deposits were discovered in the 1980s and 1990s in the Mt Isa Inlier in Queensland, namely, Starra (1980), Osborne (1988) and Ernest Henry (1991). Alemao, the first of the Brazilian IOCGs, was discovered in 1996.



Why IOCG deposits are important. The thing about IOCG deposits is that they can often be large, with ore that is relatively straightforward to treat, while the by-products significantly lower the production costs when measured in terms of copper:

- **Large size.** Not all IOCG deposits are large, but they can be, given their association with iron oxide and alkali-calcic alteration that is regional in scale⁷. Consider Olympic Dam. At the time of the BHP/WMC merger in 2005 Olympic Dam was the world's fourth largest copper resource, the fourth largest gold resource and by far the largest known uranium resource. Just the Measured Resource for copper as at June 2022 was 4.1 billion tonnes at 0.77% copper.
- **An 'easy' flow sheet.** IOCG deposits, being mostly breccia and the feed material mostly sulphides, have proved over the years to be amenable to conventional flowsheet design. Take La Candelaria as a good example - its multi-stage flotation circuit, featuring an arrangement of mechanical cells, regrind mills, and column cells to produce copper concentrate, rarely causes problems for its 80% owner, Lundin, and can produce at under US\$2.00 a pound cash costs⁸.
- **By products.** This is the biggest argument as to why IOCG deposits can be valuable - the credits from gold, but also uranium, bismuth, and cobalt can markedly lower production costs. In the current excitement over rare earths many explorers are considering the potential of IOCG for these credits.

Why the Gawler Craton has potential to host more IOCG deposits, at depth.

Olympic Dam, Prominent Hill and Carrapateena lie in the so-called Olympic Domain of the Gawler Craton, one of the largest blocks of Archaean-Proterozoic crystalline basement in Australia. The same widespread Mesoproterozoic hydrothermal-magmatic event that laid down the gold and base metal deposits in the central Gawler Craton was also responsible for the Olympic Domain IOCGs. The relevant magmatic rocks were the Gawler Range Volcanics and the Hiltaba Suite. The sheer scale of the felsic large igneous province associated with these magmas suggest that there are more IOCGs waiting to be found, but only by explorers willing to go deep. BHP's Oak Dam exploration success in 2018 is an example of an IOCG deposit not far from Olympic Dam that was not fully appreciated by work in the 1970s and 1980s. To get to the new mineralisation required BHP's drillers to get through around 800 metres of cover. BHP's exploration target estimate for Oak Dam is 500 million tonnes to 1.7 billion tonnes at 0.8 to 1.1% copper⁹.

The Zambian Copperbelt style copper-cobalt mineralisation is a mix of open pits at MG14 and Windabout copper-cobalt-silver deposits and the flagship underground deposit Emmie Bluff

Elizabeth Creek – The three existing deposits

The three identified copper-cobalt deposits at Elizabeth Creek are hosted in Zambian Copperbelt-style mineralisation. They comprise is a mixture of conventional satellite open-pits at the MG14 and Windabout copper-cobalt-silver deposits and the flagship underground, long-hole open stope operation of Emmie Bluff. They cumulatively host 1.1Mt of contained copper equivalent, up from the original 250,000 (ie 0t thanks to exploration work at Emmie Bluff, which lies at about 400 metres below the ground. The early drill holes were turned into a significant 43Mt at rich grades of 1.84% copper equivalent resource.

⁷ For some background thinking on IOCG, a useful paper is Groves et. al. (2010), Economic Geology, v. 105, pp. 641–654.

⁸ Source: Lundin Mining Fourth Quarter and Full Year 2022 Results, February 22, 2023

⁹ See BHP's ASX release from 20 July 2023.



MG14

MG14 is a concealed, flat lying body of disseminated copper sulphide mineralisation located at a depth of 25 metres. It is oriented east-west and is ~1400 metres long and 400 metres wide. Its thickness varies and ranges between 3 and 8 metres. It is a good solid relatively high-grade (ie 1.24% Cu at a 0,5% Cu cutoff) open pit and is located in the southern half of Elizabeth Creek tenements along with being discovered first in 1973 and defined in 1983.

Windabout

Windabout is like MG1 with copper sulphide mineralisation dipping 5 degrees to the north-east and located at a depth from 55 metres to 80 metres. The deposit is elongated east to west and is ~2000 metres long by 1000 metres wide with varying thickness between 3 metres and 8 metres. It is located ~5km north-northwest of the MG14 deposit and was discovered and drilled out in the 1990s. COD has optimised Windabout by changing the fundamental bulk mining paradigm to a selective paradigm. COD has also developed a highly selective mining plan to lean into the grade on the deposit.

Emmie Bluff

COD's core focus has been to prove up its flagship Emmie Bluff Copper-Cobalt Deposit. Emmie Bluff is one of the largest sedimentary copper deposits in Australia. It has high-grade large tonnage underground copper and has been delivered from an exploration hypothesis within 14 months. It is comprised of the same style of Tapley hosted Cu-Co-Ag mineralisation style as MG14 and Windabout. Emmie Bluff is in the north-west of Elizabeth Creek project area near the boundary with EL5372 and was discovered by accident in the 1990s during the exploration focussed on deeper IOCG deposits. It is an underground target with mineralisation at ~400 metres. The host rock is largely flat lying with mineralisation being split into an upper and lower lode at the Tapley Hill's contact horizons. COD also retained consultants familiar with underground shallow dipping ore bodies like what is seen in the Zambian Copperbelt.

COD's main focus is on the flagship Emmie Bluff copper-cobalt deposit which comprises of the same style of Tapley hosted copper, cobalt and gold mineralisation as MG14 and Windabout

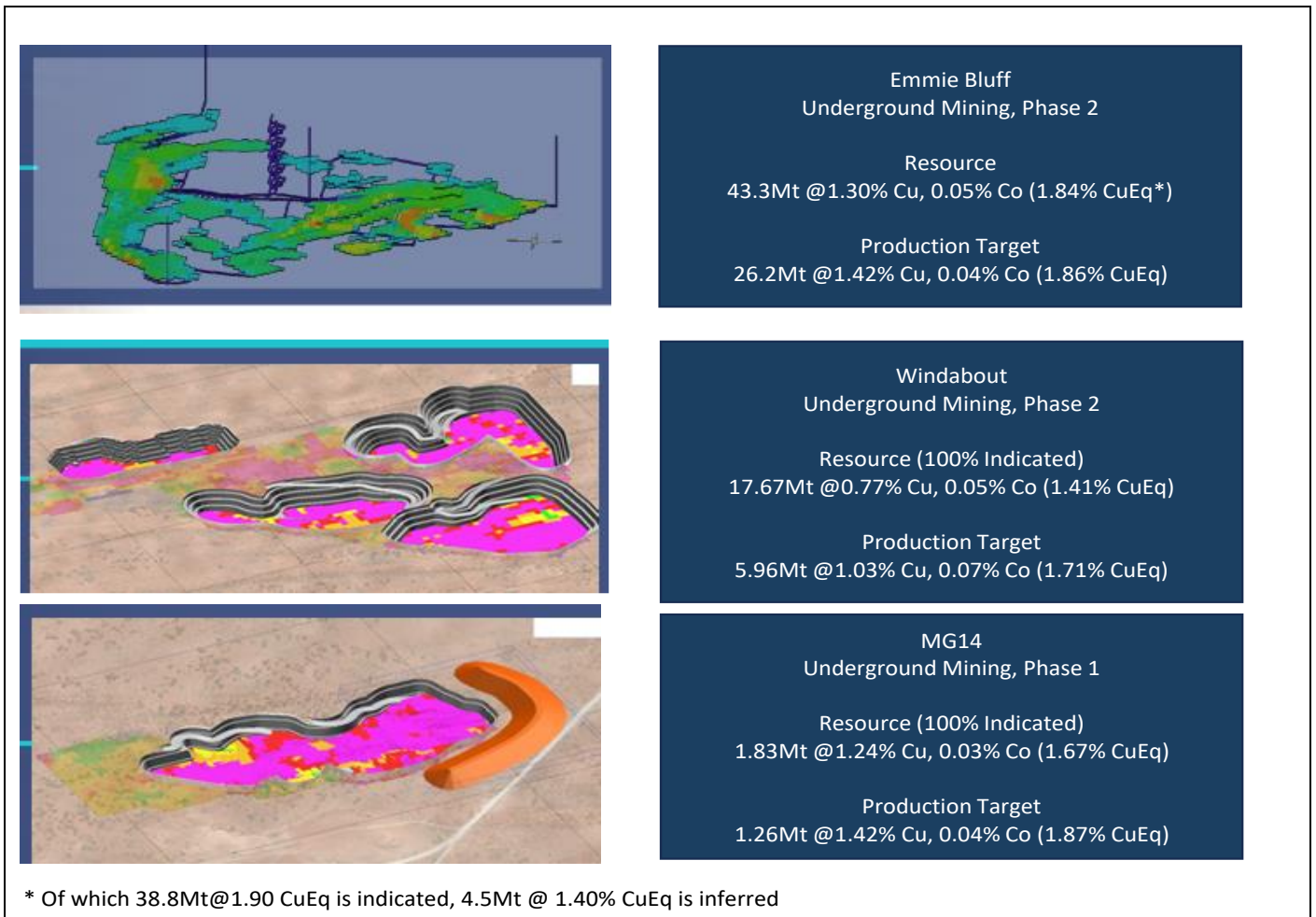
Emmie Bluff, MG14 and Windabout – a comparison

Emmie Bluff is comparable to MG14 and Windabout as it is hosted in the Tapley Hill formation and comprises two mineralised lodges at the upper and lower contact. The MG14 deposit is expected to be mined as an open pit just 25 metres below the ground. The MG14 deposit is split into an upper and lower lode at the upper and lower Tapley Formation contacts. The upper is the more intensely mineralised of the two, with peak grades of ~5% copper in brecciated material in a narrow (<0.5 metre) horizon. The lower lode is thicker up to 3 metres but has a lower grade with peak grades of ~1% copper in coarser grained dolarenites. In comparison to MG14, Windabout is larger, deeper, and lower grade but is similar geologically and mineralogically. Like MG14, the Windabout deposit is split into an upper and lower lode, though the lower lode is thinner and less mineralised than the upper lode between 60 metres and 70 metres below the surface and maintains an average thickness of ~3 metres, dipping shallowly to the north-east.



In December 2021, COD announced a maiden indicated and inferred Mineral Resource Estimate for the Emmie Bluff copper-cobalt deposit at Elizabeth Creek comprising ~43.3MT at 1.30%Cu, 470ppm cobalt, 11g/t of silver, 0.15% Zinc and a 1.84% CuEq, containing ~562kt of copper, 20kt cobalt, 15.5Moz of silver and 66kt of Zinc with 66Kt Zinc (800Kt CuEq). 92% of the contained metal is classified in the higher confidence 'Indicated Resource' category and is available for use in mining studies. Mineralisation occurs at the upper and lower contacts of the shale and extends over an extensive area of 4.5 km² (at a depth of 400 metres). MG14 holds an indicated Mineral Resource of ~1.83 mt at 1.24% Cu, 334 ppm Co, 14g/t Ag and a cutoff of 1.67% Copper Equivalent (CuEq). Mineralisation is relatively shallow, typically commencing from 20-25 metres. Windabout is ~1500 metre by 500 metres in plan view and supports an indicated Mineral Resource of 17.67mt at 0.77% Cu, 492 ppm Co, 8g/t Ag and 1.41% CuEq cutoff (Figure 2). Mineralisation is typically found within coarser grained arenites and breccias where permeability allowed for fluid flow during mineralisation.

Figure 2: Resources and Mining



Source: Company, Pitt Street Research

We believe that the grades for both MG14 and Windabout are very strong compared to globally mined open pit grades as they provide COD a strong foundation for processing down to the final product.



Elaine

The Elaine prospect is a large-scale zone of gravity and magnetic anomalism highs to the immediate east of the Cattlegrid fault. It is backed by geophysics and the recent success at Emmie Bluff Deeps. This zone is internally complex with coincident and discrete gravity and magnetic anomalies which have been inverted in three dimensions and considered for their IOCG potential.

Cattlegrid South

This copper-breccia prospect has been subject to extensive historical drilling and there is potentially a rapid pathway to the resource estimate.

IOCG and Elizabeth Creek – The story so far

Coda Minerals has been going after IOCG mineralisation at Emmie Bluff since 2020. Coda postulated, at the time of the spinout and based on its read of magnetic data and evidence of large-scale hydrothermal systems from historical drilling, that it would find IOCG mineralisation in the basement rocks below Emmie Bluff at depths of around 700 metres to 1,000 metres. What Coda now has is early-stage evidence of a large-scale IOCG copper-gold deposit approximately 400 metres below the Emmie Bluff sediment hosted copper-cobalt deposit.

The 2021-2022 drilling campaign was a success

The first drillcore evidence for Emmie IOCG came in mid-2021. That was when DD21EB0018, the first deep diamond hole at Emmie Bluff testing a high-gravity, low magnetic geophysical signature, cut through around 200 metres of haematitic and altered sediments and granites and registered around 50 metres of copper sulphide mineralisation. That mineralisation included chalcocite, chalcopyrite and bornite¹. The assays from the hole, as reported on 28 July, came back with 35 metres of mineralisation grading more than 1% copper, beginning around 797 metres, with peak grades of 5.4% copper. Coda put down three wedge holes from DD21EB0018 looking for early confirmation that this was the IOCG it had been looking for, and these were very encouraging. Wedge 2, for example, came back with 24 metres at 2.2% copper from 815 metres and 12.9 metres at 3.5% copper from 902 metres¹⁰.

Subsequent deep drilling at Emmie Bluffs was very encouraging. In 2021 and 2022 Coda put down 23,000 metres of diamond holes into the theoretical Emmie Bluffs IOCG zone, through a mixture of eight original holes including DD21EB0018 and wedges off some of those holes. The drilling was kept tight spaced after initial success with when DD21EB0018, and followed the model Coda was using at the time, which suggested a north-northwest trending structure. Half the holes went through copper-rich areas dominated by bornite. The other half went through peripheral areas dominated by chalcopyrite and pyrite. In all, some three major conduits at Emmie IOCG, including two distinct bornite zones, and demonstrated lateral continuity of the deposit beyond these zones. The bornite intersections were exciting, featuring assays such as:

¹⁰ See the 23 August 2021 market release headlined 'High-grade assays confirm bornite zone at Emmie Bluff'.

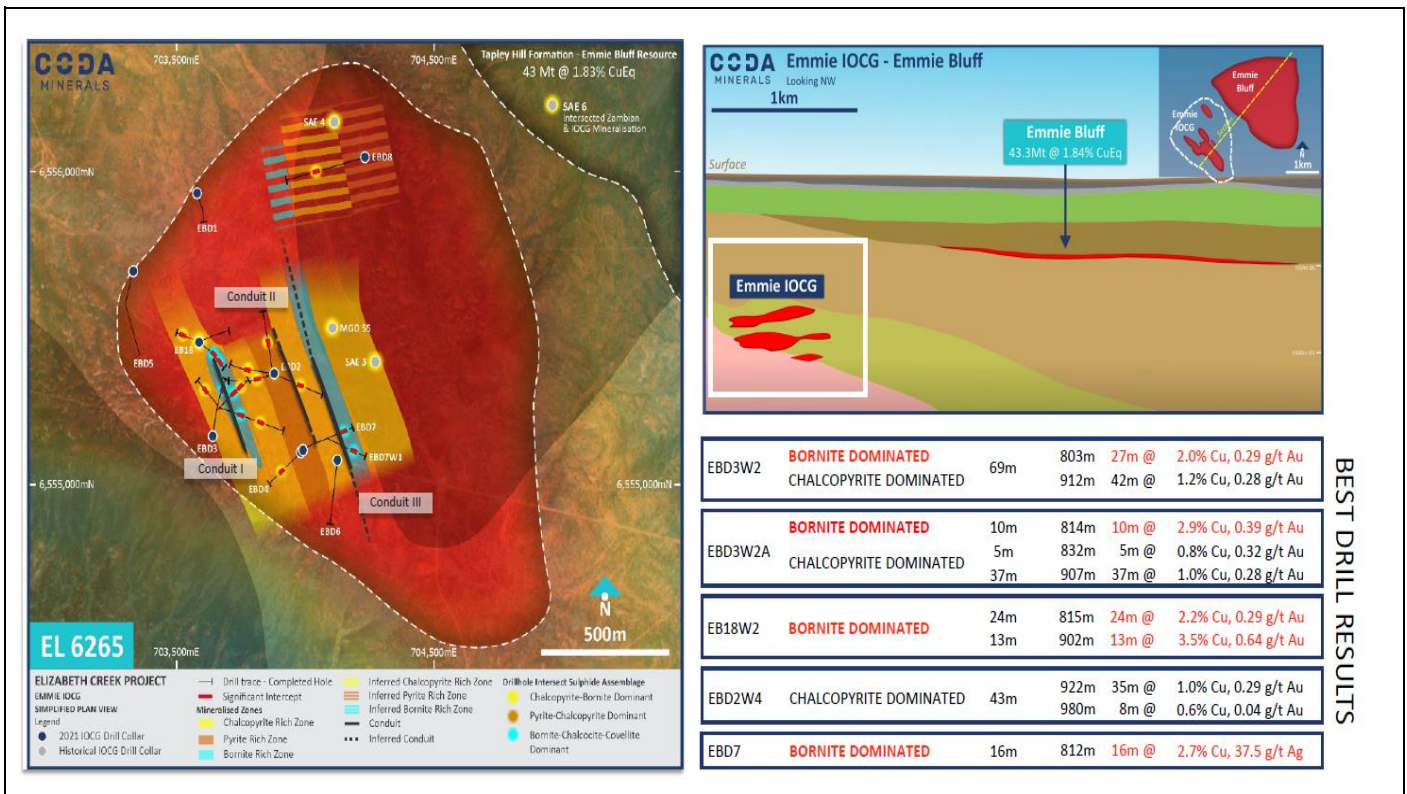


- A 69-metre intercept from Wedge 2 of DD21EBD000, with 26.9m @ 1.95% Cu, 0.29 g/t Au from 803.5m and 41.8m @ 1.21% Cu and 0.28 g/t Au from 911.5m (December 2021);
- 16m @ 2.66% Cu and 37.5 g/t Ag from 812m in EBD7 (June 2022);
- 42m @ 1.2% Cu and 27m @ 2.0% Cu for a total 69m of mineralisation, in EBD3W2 (August 2022).

The Emmie IOCG discovery has multiple conduit zones, and it is open in multiple directions

The best is yet to come (it would seem). The June 2022 Coda released some results from EBD8, the last of the holes of the 2021-2022 IOCG programme. What was interesting about this hole was that it was about 900 metres from where EBD7 had been put down, so it represented the first 'step out' drilling. The hole was drilled at the edge of the geophysical anomaly that had guided the programme and encountered multiple zones of visible copper sulphide mineralisation. The intercepts from the hole came back with grades ranging from 0.3 to 0.8%, but what it showed was that the Emmie IOCG discovery has multiple conduit zones, and that was open in multiple directions.

Figure 3: Early stage drill success at Emmie IOCG



Source: Company, Pitt Street Research

The ANT Surveys were conducted to guide further drilling. After this initial work Coda management felt that more geophysical work was needed to guide step out drilling from this initial campaign. The team decided to use is ambient noise tomography (ANT), a seismic method that is adept at creating a 3D representation of underground structures without the need for a source for mechanical wave generation. Preliminary ANT results show that the initial hypothesis of a north-northwest trending structure previously formed from the initial drill programme may be incorrect. Results show a northeast-to-southwest trending fault that may be controlling the IOCG structure.



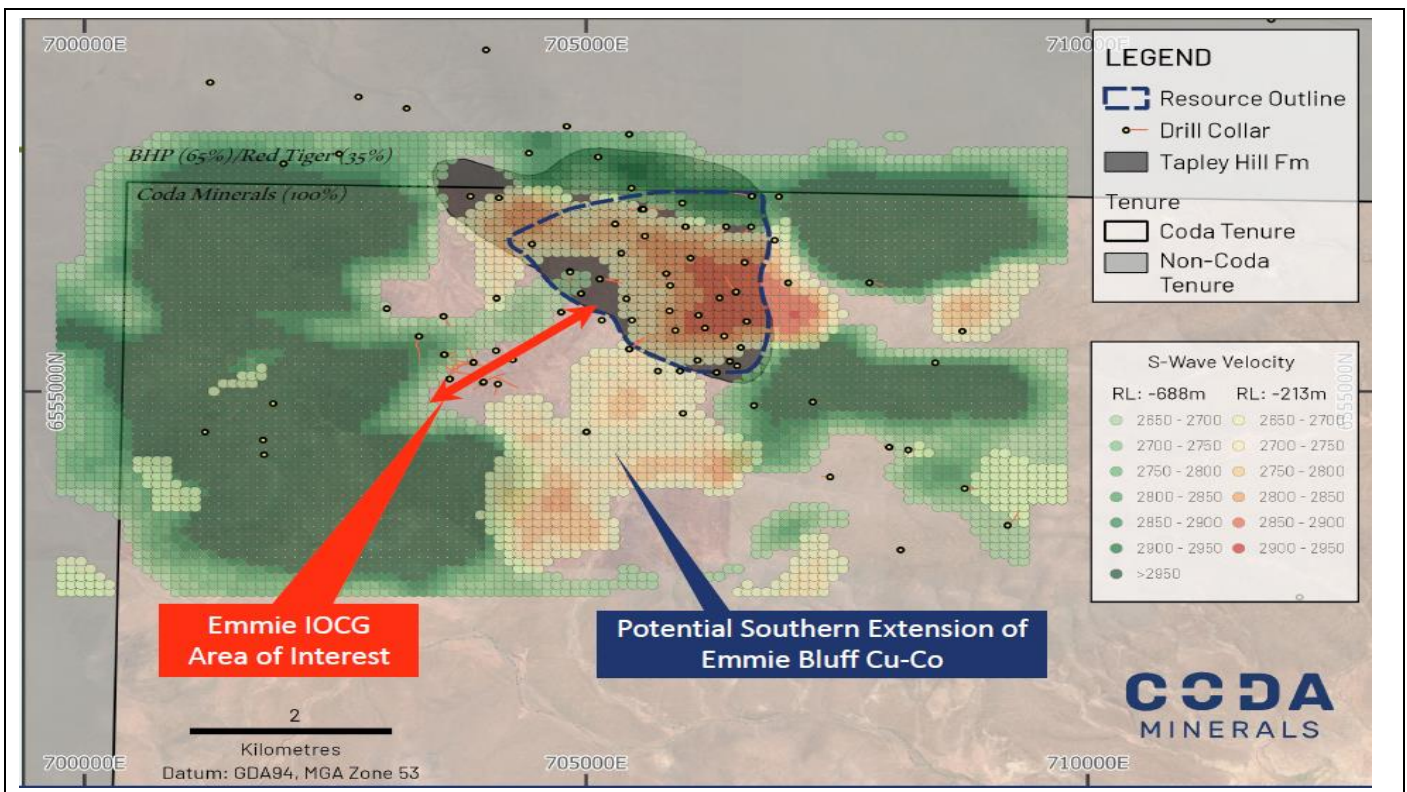
ANT surveys well positioned to address the challenges in the Emmie system

In late 2022 and into 2023 COD completed Exosphere Ambient Noise Tomography (ANT) surveys covering the Emmie Bluff IOCG, Emmie Bluff and Elaine prospects. Exosphere is a real-time ANT passive seismic exploration technique that uses pervasive seismic noise from natural and anthropogenic sources for the visualisation of a three-dimensional subsurface shear wave velocity model.

Exosphere ANT surveys mark a significant new exploration phase for unlocking significant potential of the Emmie Bluff project coupled with following up on the discovery of the Emmie IOCG deposit in 2021

ANT surveys offer various advantages, including the coverage of a large area, ability to visualise more than 1000m and indication of depth of structures within the cover and basement rock. The surveys provide COD the ability to cover a much greater area at a significantly lower cost than drilling, enabling it to refine and update the next stage of exploration work programmes. Four surveys have been completed, three covering the broader Emmie Bluff area (including Emmie IOCG) and the fourth covering the Elaine IOCG prospect. Out of this, two geophysical surveys were conducted in Emmie IOCG.

Figure 4: ANT Survey scope



Source: Company, Pitt Street Research

The details of the surveys are as follows:

- **ANT for Emmie IOCG** – The advanced passive exploration technique offered by ANT surveys has produced a detailed sub-surface velocity map to assist in the identification of IOCG mineralisation close to IOCG deposits. The technology has successfully achieved the principal objective of an IOCG exploration tool, providing detailed mapping of the basement



and the data required for improvement in its gravity models. The ANT surveys for IOCG have provided a new paradigm and new targets. A strong structure having a strong association with mineralisation and gravity anomalism has been identified, in providing new targets for IOCG.

The majority of the best-mineralised intercepts from the recent drill campaign at Emmie IOCG are clustered to the southeast of a previously unrecognised North East or South West structure and is clearly visible in the ANT data. The interpreted mineralising structure is also tested with a flat dripping drillhole oriented northwest and intersecting the interpreted fault immediately west of the most mineralised area currently drilled. The fault is considered to be an excellent candidate for structural driver of the IOCG system. 19 out of 21 of the drill intercepts have been mineralised and majority of them are thicker and of higher grade than the discovery hole. Additionally, smaller scale faults are common in horst and graben systems and help in explaining smaller haematite conduit structures previously intersected during drilling.

- **ANT for shale hosted Cu-Co at Emmie Bluff** – In addition to assisting IOCG styled mineralisation, the surveys aided in the identification of additional areas of Tapley Hill formation (THF) shale, which is the host rock for the shallower copper-cobalt deposits occurring across its tenure. The central graben forms a roughly north-south trending valley in the interpreted palaeosurface, which is a high-velocity data.

The THF is critical as the rock's REDOX properties are largely responsible for the copper-cobalt mineralisation indicating that the shale serves as an important prerequisite for mineralisation. The surveys indicated clear ANT anomalism, coincident with the mineral resource at Emmie Bluff and other locations at the stratigraphic level. In particular, the Graben valley and the directly imaged anomalism suggests strong potential for southern extension of the host rock in Emmie Bluff and also to some isolated sub basins to the east. Horst-and-Graben features occur in groups with 6km of undrilled space to the east and with initial sub basins already visible in that direction.

- **ANT for Elaine** – ANT surveys are further likely to be deployed in the Central Elaine Zone area which hosts compelling evidence of IOCG mineralisation and remains highly prospective.

We believe that the deployment of Fleet Space Technologies' "Exosphere" ANT surveys marks a pivotal new exploration phase to unlock the wider potential of the Emmie Bluff project, along with following up on the discovery of the Emmie IOCG copper-gold deposit in June 2021. The surveys have further identified potential extensions to the shallower THF shale which hosts COD's sedimentary copper-cobalt mineralisation at Emmie Bluff. The ANT surveys have transformed the company's understanding of the IOCG opportunity and the potential for extensions to the shallower Emmie Bluff copper-cobalt mineralisation. Additionally, the final interpretation of data from the geophysical model has also resulted in a material improvement in COD's understanding of the relationship between the Emmie Bluff sediment hosted copper-cobalt deposit and the deeper Emmie IOCG system beneath it. The two deposits Emmie IOCG and Emmie Bluff are related structurally rather than genetically.

We believe that the ANT geophysical surveys combined with the drilling results have changed the interpretation of the structures controlling the IOCG mineralisation and have provided new drilling targets. The new targets provided by the ANT surveys are exciting not just for IOCG but also for extensions to Emmie Bluff. Along with the recently completed scoping study,

The combination of ANT geophysical surveys and drilling results has changed the interpretation of structures for the IOCG mineralisation and has provided new drilling targets



The tight gravity survey combined with the recently completed ANT surveys have helped COD in coming up with a geologically constrained 3D inverted Emmie system

the opportunity for further expansion of the Mineral resources provides real near-term exploration upside.

Following the completion of ANT surveys, a tight spaced gravity survey was conducted. The survey consisted of 3634 total stations covering an area of 65 km² (encompassing the Emmie IOCG, Emmie Bluff Mineral Resource and surrounding IOCG and sediment hosted prospects). The main aim of the gravity survey was to register improvements in the resolution of historical gravity surveys, in turn bringing the prospect area to 125 metre by 125 metre grid. This work in combination with detailed results from the company's recently completed ANT surveys and other historical drilling and geological data provides the basis for a geologically constrained 3D inversion of the Emmie system for which COD has engaged external consultants.



COD’s robust strategy will reap benefits

The current mining strategy for MG14 and Windabout deposits is based on the shallow depth, free dig overburden and the sheet-like and sub-horizontal structure. The first deposit to be mined will be MG14 due to its high grades and shallow depth, while Windabout is likely to be mined subsequently due to its lower grade, longer life, and higher stripping ratio.

COD is undertaking a two-step approach to mineral processing. The process consists of 1 year of copper-cobalt concentrate production to drive early cash flows (with capex of A\$277m). Under Phase 1, the material from MG14 is likely to be processed in a nominal 2.5Mtpa capacity floatation concentrator. The produced concentrate is likely to be sold to the market without further processing. This is likely to be followed by a second phase with the construction of a hydrometallurgical plant using Albion process Atmospheric leach technology to produce higher value saleable end products such as copper cathode, battery-grade cobalt sulphate, zinc carbonate and silver dore (Figure 5).

Under Phase 2, the material produced from Windabout and Emmie Bluff is likely to be concentrated through the same flotation plant before being processed through the downstream hydrometallurgical plant down to final battery grade cobalt sulphate and copper cathode. Copper cathode and battery-grade cobalt sulphate are the co-products and zinc carbonate and silver dore produced are the by-products. The co-products have an anticipated steady rate of production of ~25 ktpa Cu and 1ktpa Co. Not only is the copper like Zambian Copperbelt-style, but the cobalt is carolite (which is pure cobalt sulfide and is not locked up with iron). This means that it is relatively easy to process as well.

Figure 5: Concentrate product from the mined deposits

| Deposit | Cu Grade (%) | Co Grade (%) | Zn Grade (%) | Ag grade (%) | Cu recovery (%) | Co Recovery (%) | Zn Recovery (%) | Ag Recovery (%) |
|-------------|--------------|--------------|--------------|--------------|-----------------|-----------------|-----------------|-----------------|
| MG14 | 25.3% | 1.53% | 2.80% | 248.1 | 57.90% | 85.30% | 66.10% | 47.20% |
| Windabout | 12.0% | 1.10% | 1.60% | 133.7 | 66.50% | 90.50% | 61.70% | 68.10% |
| Emmie Bluff | 18.0% | 0.80% | 2.10% | 145.2 | 77.20% | 90.20% | 92.90% | 78.80% |

Source: Company, Pitt Street Research

In July 2022, an initial Albion Process amenability test was conducted. Through the test, it was concluded that initial recoveries of >99% for copper and cobalt from Emmie Bluff concentrates were exceptional. This was a standout result for a base metals project and a major boost for the scoping study. The Albion Process is a well-established oxidative leach process which is used in the extraction of base metals from concentrates of the Emmie Bluff deposit.

The Albion process atmospheric leach technology resulted in exceptional initial recoveries of >99% for copper and cobalt from Emmie Bluff concentrates

The Albion process is a more efficient option for taking the concentrate through the final steps (from both a capital and operating cost perspective) compared with options such as pressure oxidation, in turn making the development of the plant much more viable. The Albion process technology also forms the basis for downstream processing. Going downstream offers some significant advantages. It gives much greater potential for eligibility to future grants and provides COD with control over the product mix, which the company is aiming to achieve through pressure oxidation and the Albion technology. COD is likely to be the first company to have a downstream processing plant capable of dealing with cobalt that accompanies



sedimentary copper mineralisation with the opportunity of acquisition of stranded assets presenting itself.

In late 2022, a non-oxidative leaching process called NONOX was identified. Among COD's assessed options, NONOX is unique as it selectively leaches certain metals, potentially allowing the production of a highly capital-efficient product mix of battery-grade copper sulphate, zinc carbonate and a separate stream of highly enriched copper-silver concentrate. The process is an optimal one as it provides maximum value uplift to achieve a highly saleable cobalt end product while removing capital items to upgrade copper-concentrate to copper cathode and silver dore on site.

In our view, COD's ability to economically process high-value metals such as copper and cobalt and achieve robust recoveries represents a major upside for the Elizabeth Creek project as a potential major producer of critical future minerals and sell value-added products such as copper cathode or copper sulphate which has historically sold at a substantial premium to LME cobalt.

Scoping study delivers strong project economics

In March 2023, a pivotal scoping study was completed for the shallower copper-cobalt mineralisation at Elizabeth Creek. The project outlined an economically robust, long-life project with a potential to further improve several key metrics. The results of the study were released almost two years after a larger IOCG style called Emmie Bluff Deeps was identified by COD and its merged JV partner Torrens Mining. The scoping study generated stellar results in terms of mining plans, processing and infrastructure at the top end of its peers.

The study resulted in an average forecasted steady-state annual processing of 25000tpa copper and 1000tpa cobalt at a lifetime average grade of 1.86% CuEq, 1.29% Cu and 515ppm Co. The study also resulted in pre-tax revenue of ~A\$5.73bn over a long life of the mine of 14 years, cash flows of A\$1.3bn, a competitive AISC of US\$2.19/lb Cu produced, NPV of A\$570m, IRR of 26.5%, payback period of 4.75 years (pre-tax), a peak net debt of A\$438m and a staged process that provides COD the ability to derive revenue in the early stages with an upfront capex of only A\$277m (Figure 6 and Figure 7 on page 19).

COD has established a viable go-forward processing flowsheet and mineability across the three deposits – MG14, Windabout and Emmie Bluff through the scoping study



Figure 6: Results of Elizabeth Creek scoping study

| Area | Measure | Unit | LOM |
|-------------------------|----------------------------------|-----------|--------|
| Production | Mine Life | Years | 14 |
| | Ore Process Rate | Mtpa | 2.5 |
| | Feed from Indicated Resource | % | 94% |
| | Feed from Inferred Resource | % | 6% |
| | Copper produced | Kt | 317 |
| | Cobalt produced | Kt | 14.4 |
| Capital | Pre-production capital - Phase 1 | A\$m | 277 |
| | Pre-production capital - Phase 2 | A\$m | 320 |
| Operating | C1 Cash cost | USD/lb Cu | 1.88 |
| | All in sustaining cost | USD/lb Cu | 2.19 |
| Financials (Pre-tax) | Revenue | A\$m | 5728 |
| | Net Cash Flow (Pre-tax) | A\$m | 1298 |
| | Net Present Value (NPV) | A\$m | 570 |
| | Peak negative cash flow | A\$m | 438 |
| | IRR | % | 26.50% |
| | Capital payback | Years | 4.75 |

Source: Company, Pitt Street Research

Figure 7: Macroeconomic assumptions of the scoping study

| Area | Unit | Assumption |
|---------------|-----------------|------------|
| Discount rate | % | 8% |
| Exchange rate | USD:AUD | 0.68 |
| Tax rate | % | 30% |
| Royalty rates | Refined Product | 3.50% |
| | Concentrate | 5% |
| Copper Price | USD/tonne | \$8800 |
| Cobalt Price | USD/tonne | \$60,627 |
| Silver Price | USD/oz | \$21 |
| Zinc price | USD/tonne | \$2,700 |

Source: Company, Pitt Street Research

Some investors did not favourably receive the pre-production capital cost, but we think this shouldn't have been a concern. The project is located in South Australia – a jurisdiction that is Tier-1 and better than other copper cobalt jurisdictions, which makes the project's returns more certain and capex reasonable (Figure 8). Another key reason was that there is a lot more exploration upside at Elizabeth Creek. This makes it reasonable to expect more NPV as more exploration occurs and further studies are completed.



Figure 8: Results of Elizabeth Creek scoping study

| Pre-Production capital estimate | A\$m |
|---|------------|
| Underground Mining | 24 |
| Process Plant | 120 |
| Camp | 31 |
| Site Infrastructure | 52 |
| Tailings Storage Facility | 22 |
| Contingency | 25 |
| Owners costs | 3 |
| Total Pre-production Capital Expenditure | 277 |

Source: Company, Pitt Street Research

Through the studies completed to date (particularly the recent scoping study), COD has established a viable go-forward processing flowsheet and mineability across the deposits. We believe that the pivotal scoping study is a huge milestone for COD. The scoping study has also helped in defining the future of copper-cobalt mineralisation and opens the strategic pathway to commercial deals for advancement in the development of the Elizabeth Creek project. The study indicates that Emmie Bluff, Windabout and MG14 have one of the lowest capital intensities and highest rates of returns of any copper development project in Australia.

COD is well on track for later stages of development

Due to the strong results obtained from the scoping study, it hasn't been too difficult for COD to push forward (Figure 9 on page 21). Following the recently released Scoping Study, COD has recently commenced a Pre-Feasibility study based on the flagship Emmie Bluff underground deposit and the satellite MG14 and Windabout open pit copper-cobalt-silver deposits. In its current PFS work, COD is building on the incredible work done in copper-cobalt. The company follows a three-pronged approach which includes key value driver pieces, necessary critical pathwork and exploration.

The key value drivers for the project (and therefore the company) include optimisation in mining methods, mechanical cutting methods at Emmie Bluff and the xrf ore sorting technology. The mechanical cutting methods have a significant potential to improve mining operational expenditure, the mining rate and cut-off grade and better integrate with ore sorting. The ore sorting xrf work is an add-on to mechanical cutting methods and represents a major upside. The ore sorting technology has the potential to reduce cut-off grades and extend the life of the mine, particularly on being paired with mechanical cutting. This is likely to be a key priority area in the PFS study. Additionally, there is significant potential to expand into the new South Australian sediment hosted copper-cobalt projects, through business development or partnering and providing access to the processing of infrastructure. Furthermore, COD is likely to conduct exploration for the sedimentary copper-cobalt deposits through near term targets, extension of mine life and discovery-driven value accretion. COD is also focussed on the critical path. Field based environmental monitoring work and approvals for a hydrogeological test bore programme at Emmie Bluff are underway.

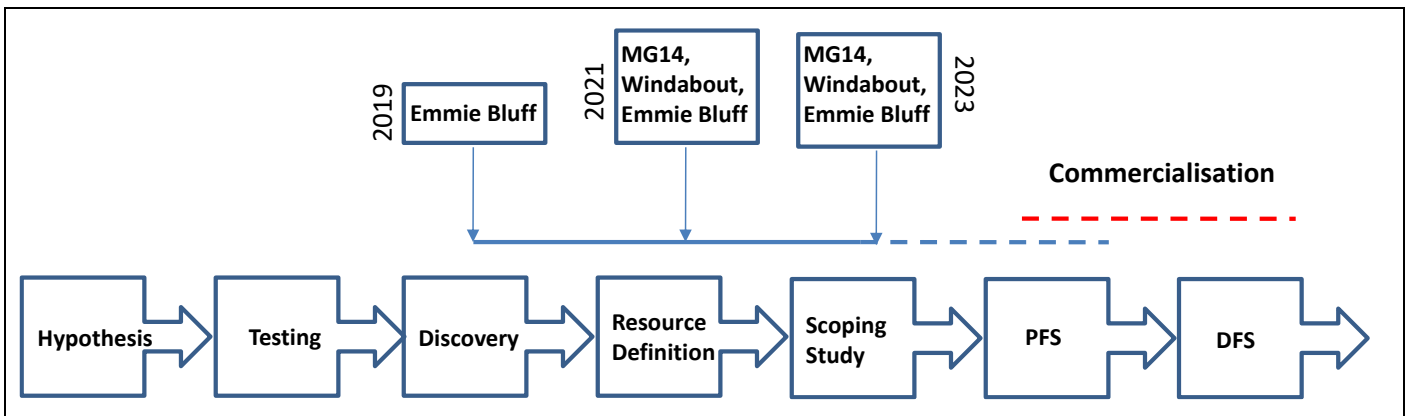
COD is engaged in ongoing study work which includes the optimisation of mining methods, mechanical cutting methods for underground at Emmie Bluff, an xrf ore sorting technology and acid neutralisation



COD is pursuing multiple pathways as it pushes through PFS and well-funded programmes

Given the project’s robust economics based on the scoping study, COD is currently not short of inquiries or would-be investors and/or financiers to talk to - there are many pathways available. In the short term, organic funding will suffice as the company pushes through PFS and its well-funded programmes. As of June 2023, the company remains well funded to progress the project with A\$4.7m cash. Down the track, COD plans to look at project level and equity deals. The company is also focussing on commercialisation structures which include making organic advancements with an ability to raise money. COD plans to follow a similar approach for its IOCGs.

Figure 9: The expected journey of COD



Source: Company, Pitt Street Research

Strategic benefits for COD

COD’s flagship asset the Elizabeth Creek Project is an open pit underground project. The project attracted COD’s interest due to its highly prospective geological setting with proven mineralised mining areas.

Favourable location

The Elizabeth Creek project covers 701km² in the Olympic Dam Copper Province (Australia’s most productive copper belt). The project is located in the Eastern Gawler Craton region of South Australia - the world’s premier Tier-1 copper exploration jurisdiction that is close to both Carrapateena and Oak Dam West and hosts BHP’s flagship copper assets. It is located down the road where BHP merges with Oz Minerals for consolidating the massive Olympic Dam, Prominent Hills and Carrapateena mines into one portfolio. Copper deposits have been mined around the Elizabeth Creek area since the end of the 19th century with ~170,000 tonnes of historical copper production. The region already has a JORC compliant resource of 159,000 tonnes of copper and 9,400 tonnes of cobalt on an indicated basis at MG14 and Windabout, and another 562,000 tonnes of copper and 20,000 tonnes of cobalt at Emmie Bluff.

The project is further likely to benefit from operational synergies for its copper-cobalt mineralisation with BHP and Oz Minerals in the form of shared infrastructure, power, camps, and management. The Elizabeth Creek project is also likely to be a beneficiary of regional synergies and potential processing synergies for its IOCG deposits.

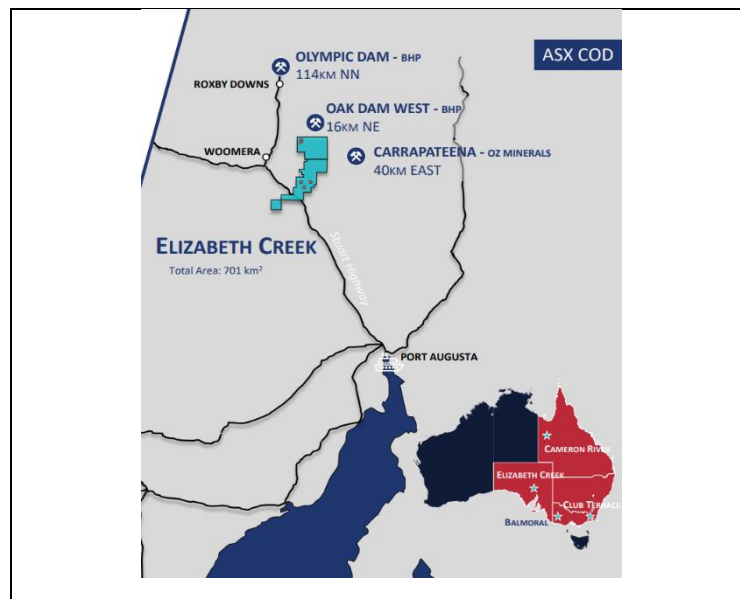
The Elizabeth Creek project boasts of not only a robust go-forward copper-cobalt project and excellent exploration potential. It is also a beneficiary of

The Elizabeth Creek project is benefitting from a geographic South Australian location, a stable and supportive government, robust access to skills and services and forward looking renewable policies



the geographic South Australian location, a stable and supportive government, robust access to skills and services required for the development of projects and forward-looking renewable energy policies. The Elizabeth Creek project is located in the highly prospective Gawler Craton which is 50km west of Oz Mineral's Carrapateena copper-gold project, 15km south of BHP's recent Oak West Dam copper discovery, 100km south of BHP Billiton's Olympic Dam copper-gold-uranium mine, 135km north of the town of Port Augusta, 500km north of Adelaide and 30km south-east of the town of Woomera in South Australia (Figure 10).

Figure 10: The Elizabeth Creek Project has a favourable location



Source: Company, Pitt Street Research

The Elizabeth Creek project is strategically positioned, with direct access to the established infrastructure including road, rail, air, power and water

Favourable infrastructure

Elizabeth Creek is located in a world class mining district and is surrounded by large operating mines. It is strategically positioned, with direct access to the established infrastructure. It is well served by transport and power infrastructure in particular and requires minimal incremental work for upgrading the elements as per the scoping study. The infrastructure can be bifurcated into the following:

- **Road, Rail and Air** - COD's priority target at Elizabeth Creek is Emmie Bluff and is located ~27km east of the sealed Olympic Dam Highway and accessed by established unsealed roads. The Elizabeth Creek project also enables easy access from the sealed Stuart Highway which runs through the project. The Adelaide to Perth/Darwin railway runs parallel to the Stuart Highway. Additionally, there are excellent dirt roads on site, including the Mt Gunson mine access road and the recently completed Oz Minerals Access Corridor Road. An ~ 40km long haul road is required to ship open pit mine to the concentrator at Emmie Bluff, with electrical transmission lines to the road being connected at the Mt. Gunson substation. The Emmie Bluff copper-cobalt deposit can be accessed via the well-maintained Arcoona station homestead across the road and by station tracks for the remaining 10-15kms. Additionally, regular air services are available at Roxby Downs.



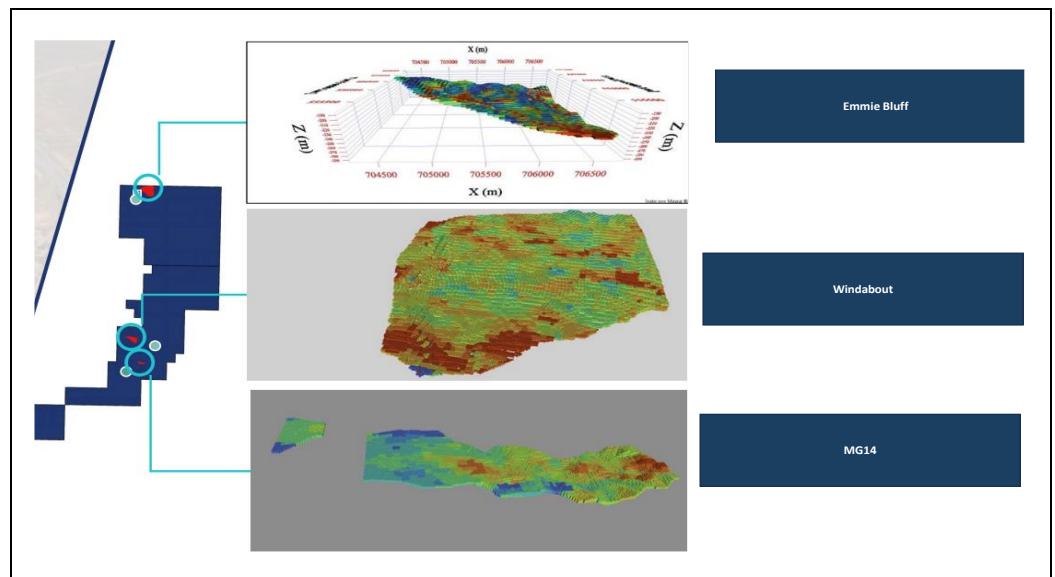
- **Power and water** – The Elizabeth Creek project will likely have options to access electrical grid power at Mt. Gunson or Pimba. The project, being in South Australia, will benefit from significant green energy advantages. The South Australian grid is a beneficiary of one of the world’s highest renewable energy penetrations. The project has excellent on-site solar and wind power generation potential. Scheme water is also available in the area. The scoping study assumes a nominal 12-hole water bore field for the onsite extraction of groundwater and a 450-bed camp, which is likely to be sufficient for both construction and ongoing operations.

Regional Geology

The Elizabeth Creek Project is situated within the Stuart Shelf, a Neoproterozoic sedimentary assemblage covering the extensive region of the eastern part of Southern Australia. The represented assemblages refer to the Wilpena and Umbertana groups that unconformably overlie the much older Pandurra formation. The MG14 and Windabout copper-cobalt deposits at Elizabeth Creek are hosted by flat-lying undeformed sedimentary rocks of the Late Proterozoic Age deposited on the Stuart Shelf.

These platform sediments are referred to as the Cover Sequence and unconformably overlie complexly deformed and metamorphosed igneous rocks of the eastern margin of the Archaean Gawler Craton. The project area is almost entirely covered by quaternary cover, primarily in the form of aeolian dune sands, lake sediments and fluvial sands, with the finding of only a minor outcrop.

Figure 11: Resources and geology



Source: Company, Pitt Street Research



Elizabeth Creek Geology

There are three types of copper deposits at Elizabeth Creek – the IOCG, which we discuss below, the Cattlegrid type deposits and the MG14 type deposits.

- **Cattlegrid type deposits** – These are copper-silver-cobalt deposits discovered at the unconformal contact between the Pandurra formation and the Whyalla sandstone and are hosted mainly in brecciated Pandurra sandstones. Some examples include Cattlegrid, Main Open Cut, Lagoon and other mined deposits as well as the unmined mineralisation at Cattlegrid South.
- **MG14 type deposits** – These are stratabound copper-cobalt-silver deposits hosted in the dolomitic shales and narrow dolarenite interbeds of the THF, primarily in the top and bottom, several metres immediately adjacent to the upper and lower contacts with the overlying Whyalla sandstone and the underlying Pandurra formation. This type of mineralisation is broadly comparable to the Central African (Zambian) style Cu-Co deposits or central European Kupferschiefer deposits.

The copper-cobalt-silver deposits are composed of sediment hosted fine grained sulphides. In both instances, the mineralisation is mainly represented by chalcopyrite and chalcocite with accessory bornite, sphalerite, galena and substantial pyrite. Primary ore minerals are chalcopyrite and bornite for copper and carrolite for cobalt. Accessory silver is common to both types of deposits, with cobalt being found mainly as carrolite, a copper cobalt sulphide with the formula of CuCo_2S_4 . The main mineralisation occurs as well-defined stratabound zones at the upper and lower contacts of dolomitic shales and arenites of the host THF. Elevated base metal values such as copper, lead and zinc occur throughout the unit, but large-scale economic deposits are rare outside of the Elizabeth Creek area. However, there are some differences between the mineralisations in Cattlegrid and MG14 deposits. Cobalt mineralisation is present in Cattlegrid type deposits but is not as well understood as MG14 type deposits. In MG14 deposits, the mineralisation is likely to be found in more porous strata within THF, with concentrations in narrow breccias or dolomitic arenite laminae within a broader dolomitic mudstone.

A robust business strategy

COD has been successful in turning the best brownfield exploration projects into a significant accumulation of resources. The focus of COD's business strategy lies on building shareholder value through the exploration and commercialisation of copper, gold, cobalt and other battery minerals in the world's premier mining jurisdictions. The company has followed a dual strategy for its Elizabeth Creek project – one being the building of Zambian Copperbelt-style resources across its multiple prospects, including Emmie Bluff, which is the lead prospect, and the other seeking copper-gold IOCG targets, following the intersection of IOCG mineralisation activity in June 2021. The company aims to sell the copper-cobalt concentrates mainly from MG14, which has a lower cobalt content during the first 2 years.

Superior project economics

In November 2022, COD completed an underground mining study for Emmie Bluff with a strong go-forward initial mine plan and no technical barriers. The mining study confirmed a technically viable pathway to a steady-state 2.5mtpa of production from the Elizabeth Creek project. The mine plan

COD is pursuing a dual business strategy – one being the build of Zambian Copperbelt-style resources across multiple prospects including the Emmie Bluff lead prospect, and the other seeking of copper-gold IOCG targets.



utilises conventional drill-and-blast techniques and an industry-standard mining fleet with flat long-hole open stoping with pillars selected as the mining methodology for the underground Emmie Bluff copper-cobalt deposit. The studies also yielded exceptional mineralogical characteristics with the completion of the advanced processing flowsheet and cobalt in carrolite form now amenable to floatation. As detailed in the earlier section of the note, COD completed the scoping study in March 2023, demonstrating robust project economics.

Low risk profile

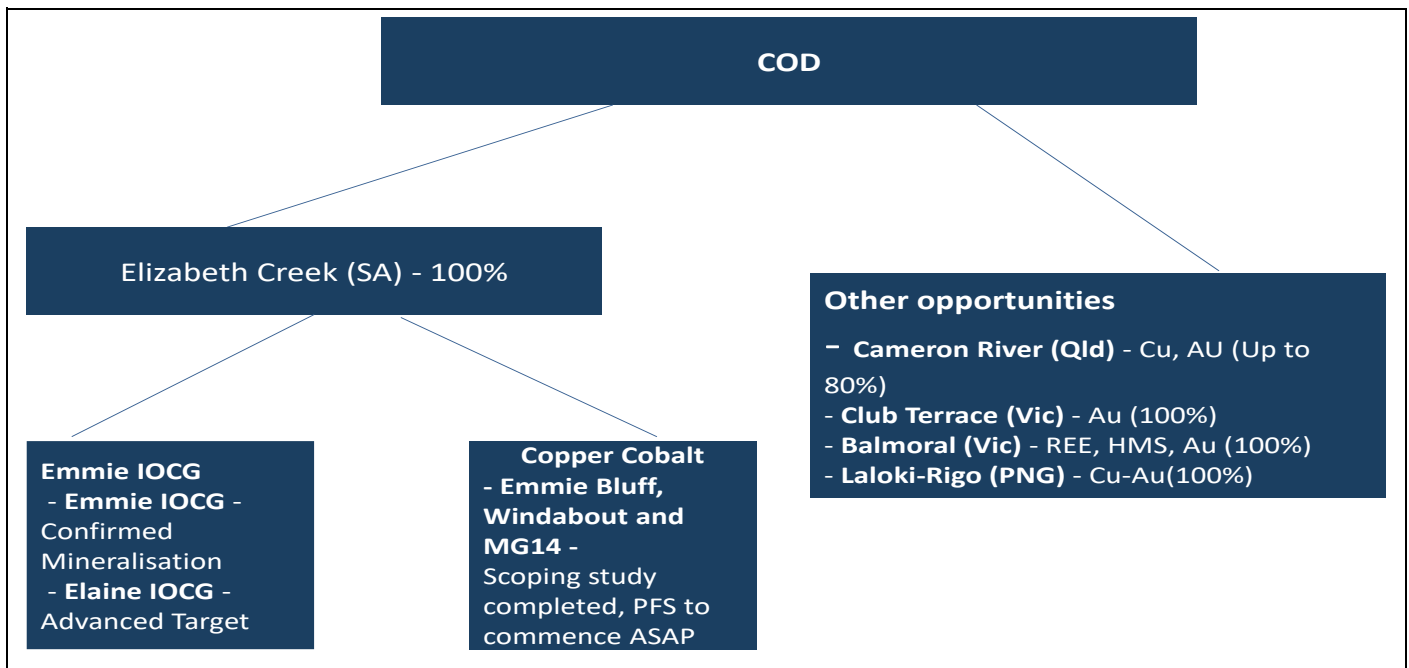
The project has a low-risk profile in terms of jurisdiction, environmental and ESG characteristics. Additionally, no significant heritage or environmental studies have been identified from preliminary environmental surveys. Overall, we believe that the three deposits – MG14, Windabout and Emmie Bluff - are geologically homogeneous, and this instills confidence in the low-risk aspect of the project.

Excellent ESG characteristics

The Elizabeth Creek project has very strong characteristics in terms of ESG, economics and product mix. The favourable Australian location offers world-leading ESG credentials for the production of ethical copper and cobalt. The sound ESG characteristics further help the company access selective national critical minerals markets.

The favourable Australian location lends world leading ESG characteristics to the Elizabeth Creek project for the production of ethical copper and cobalt

Figure 12: COD’s projects



Source: Company, Pitt Street Research



Additional exploration opportunities

In addition to its core exploration prospects at Emmie Bluff, Emmie Bluff Deeps and Elaine, COD is pursuing exploration prospects of lower priority and is seeking additional Zambian Copperbelt-style sediment-hosted copper-cobalt deposits which could be metallurgically compatible with existing deposits (Figure 12).

COD has made advancements in its work in Cameron River by defining multiple high priority targets across the tenure

I. Cameron River

In March 2021, COD entered into a farm-in and JV agreement with Wilgus Investments Pty Ltd for the acquisition of 80% ownership of the Cameron River copper-gold project located in Mt. Isa province in North Queensland. Cameron River is an identified copper-bearing system with anomalous copper. In September 2022, COD commenced a maiden drill testing programme to test targets comprising of ~30 holes for 3000 metres of Reverse Circulation Drilling. Final assay results were also received from the drilling of multiple targets at Cameron River in September and October 2022.

The results showed intersection of holes at several intervals of low-grade anomalous copper with the best intercept of 4 metres at 0.59% Cu plus anomalous gold, silver and cobalt. The drilling targeted the surface expression of mineralisation at the Rebound, Copper Weed and Clifford prospects. It also targeted the associated Gradient Array Induced Polarisation (GAIP), Dipole-Dipole Induced Polarisation (DDIP) geophysical anomalies and the coincident geophysical and surface geochemical anomalies at Bingo and Bluey. Currently, the company has reached the threshold of 51% ownership under the agreement.

II. Hannibal

The Hannibal prospect is an east-west aligned 9km Magnetotellurics (MT) anomaly (of which ~5km is contained in the Elizabeth Creek tenure) extending west from areas of known THF shale in an embayment structure, geometrically similar to Emmie Bluff but shallower with depth to the Pandurra unconformity estimated at ~200-250 metres.

III. MG 14 North

In 2019, COD undertook a sighter study for the evaluation of effectiveness of passive seismic technology at its MG14 deposit. The trial proved that the technology could identify shallow THF shale effectively and accurately and also indicated a shale extension upto 400 metres beyond the historically interpreted northeastern boundary. Additionally in 2022, a Reverse Circulation Drill programme was conducted. The programme encountered mineralisation to the east of the JORC-compliant MG14 Mineral Resource thereby opening up the potential for future expansion of the deposit.

IV. Powerline

The Powerline Embayment is a body of THF shale where historical drilling has produced anomalous results with peak grades of 1.43% Cu. The Powerline Embayment is located ~7km southwest of the Cattle Grid pit. The area has been considered prospective for a long time, partly due to the presence of



the Cattlegrid fault passing directly through the prospect and is believed to be a mineralising structure associated with the Cattlegrid deposit.

V. Other Opportunities

Elizabeth Creek also remains the prime IOCG real estate with several untested and undertested anomalies. These include:

- **Intercept Hill South** - This is an unexplained IOCG mineralisation immediately north of the tenement boundary, with gravity anomaly extending to Coda ground.
- **AD8** - This is a geophysically attractive anomaly structurally related to Emmie IOCG, extending to Coda ground. There is no drilling to basement depth.
- **Con Ryan** - This is an underexplored coincident magnetic or gravity anomaly immediately east of Emmie IOCG.

Bullish outlook for copper prices likely to help COD

A further benefit for COD is the expected bullish outlook for copper prices, even despite short-term volatility. Leading price agency and commodity forecaster S&P Global expects the demand for copper to double from 25Mt currently to 50Mt by 2050. The LME copper price came under pressure after hitting its highest level at US\$9,080/tonne on April 14.

Despite the recent pullback in copper prices, copper prices are likely to witness an increase in the near term due to the recovery of China's base metals import market (Figure 13 on page 28). At US\$8,264/t, the prices are already at strong levels as per historical standards. A mere 20% upside to the current spot price delivers over a billion US dollars, resulting in a credible outcome. Price forecasts for copper remain strong with the supply of copper being critical to changes in the way energy is produced, stored and transmitted.

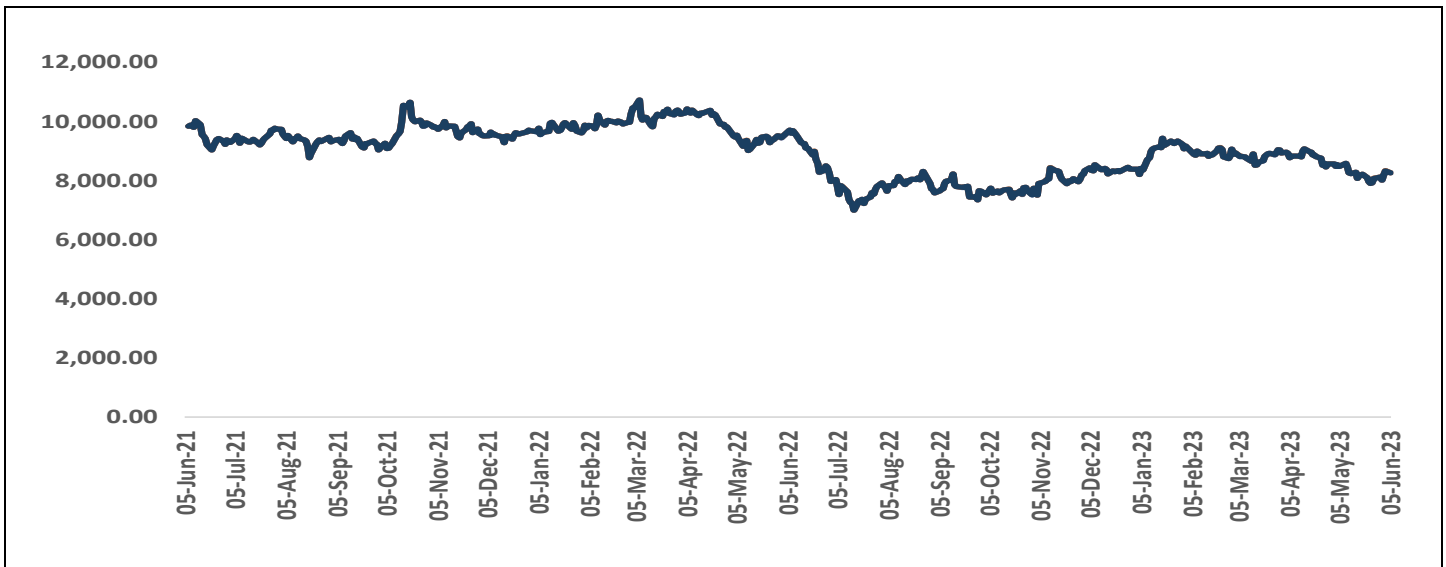
These forecast price increases have been registered against the backdrop of declining mining grades, falling production, increasing demand due to requirements of electrification, rising input costs and scarcity of high-quality projects over the past few decades. With 1% of copper demand currently being in EVs, copper prices are likely to go up to 30%. Some are of the view that copper prices would *need* to increase further in the longer run to encourage investments in mines that were not developed previously. Most of the large discoveries have already been made in this regard, but price increases in copper are required for more copper to be mined. The future of copper is less likely to be concentrated on a small number of very large mines (which do not exist in Australia) but will cater to more regional plays.

We believe that in the longer term (5-10 years), copper is likely to be a beneficiary of clean energy industrial policies relying on electrification. Copper plays a key role in decarbonisation as the replacement of fossil fuels with renewable power requires large quantities of the metal for distribution of electricity over longer distances – from diffuse wind and solar farms to households and factories consuming it. The growing demand for renewable energy and EVs is further likely to result in improvement in copper demand. Copper is a key component used in electric motors, batteries, wiring and charging stations. Copper doesn't have any substitute in EVs, wind and solar energy. This makes the key green metal appealing to investors and supports higher prices over the next few years.

Price forecasts for copper remain strong against the backdrop of declining mining grades, falling production, increasing demand due to electrification, rising input costs and scarcity of high-quality projects



Figure 13: Copper prices have faced some pressure in 2023



Source: Refinitiv Eikon, Pitt Street Research

On the supply side, copper is currently facing a supply crunch, dwindling of grades and scarcity of exploration. Recently, a warning was issued by metal traders that in a few years, a massive shortfall is likely to emerge for copper, the world's most critical metal. The supply deficit for copper has been forecasted to be up to 9.9Mt by 2035 (Figure 14 on page 29). Copper differs from other battery mineral markets in the sheer size of it. A large amount of it is dependent on the Chinese economy on construction with ~50% of copper consumption going to Chinese infrastructure and buildings. It is a US\$200bn market vis-à-vis US\$5bn for lithium and US\$6bn for cobalt. There are a few constraints that exist for the supply of copper which include:

- Supply Constraints

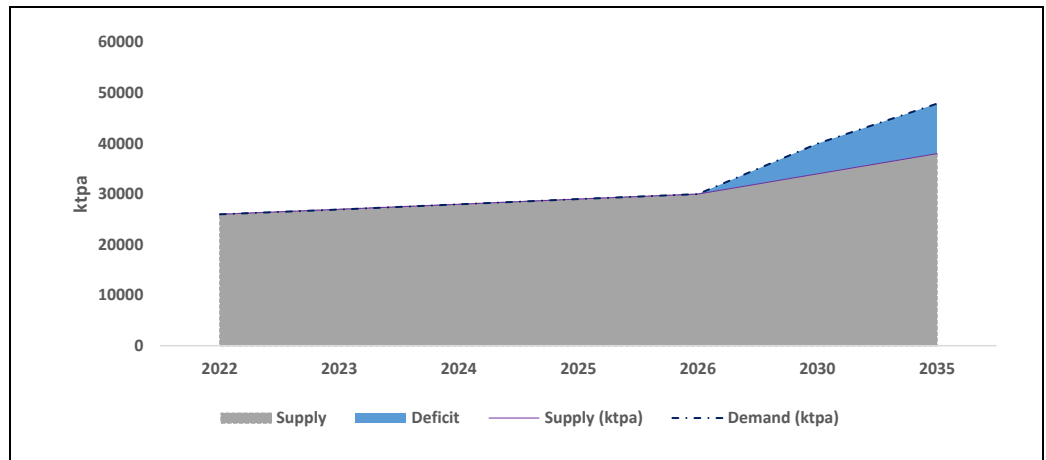
- Exhaustion point reached by existing mines along with geopolitical instability in key copper-producing nations impacting short term supply
- Decline in globally mined grades which has been accentuated by a lack of exploration opportunities and new discoveries
- Historical low points in copper exploration expenditure with supply deficits exacerbated by the average 16-year cycle from discovery to production

- Demand Drivers

- Net-zero emission goals driving the push for decarbonisation through the generation of renewable energy (such as wind and solar farms and battery storage) and electrification
- Electric vehicles (EVs) are expected to account for 1/5th of copper demand by 2035.



Figure 14: Supply shortfall to increase over the next few years



Source: Company, Pitt Street Research

Cobalt is a key mineral in the global transformation to new energy sources amid a growing market share in EVs and increased reliance on energy storage systems

Cobalt is set for strong growth too

Cobalt is a type of chemical element found in the earth’s crust in a chemically combined form. It is produced by reductive smelting and is a by-product of copper and nickel. Cobalt is a key contributor to the development of a greener society and acts as a catalyst in desulphurisation reactions for clean fuel and gas-to-liquid technology. It is a key mineral that assists in the global transformation to new energy sources amid a growing market share in EVs and an increased reliance on energy storage systems. The major application of cobalt is battery production which uses 41% of the metal.

The global cobalt market was valued at US\$8.6bn in 2021 and is likely to grow at a CAGR of 12.9% to US\$22.8bn by 2029. The market for cobalt is driven by rapid expansion of lithium-ion battery production, better energy density, recyclability of cobalt and the strong presence of large construction businesses.

However, the current cobalt market is facing a lack of diversity in the supply chain for battery manufacturers and automakers. About 70% of mined cobalt comes from the Democratic Republic of Congo (DRC) and over 70% of cobalt processing occurs in China. The DRC has the largest number of cobalt reserves in the world and exports the raw materials to China. China is the largest global lithium consumer with investments of US\$4.2bn in lithium deals in South America alone. China’s push to become the global supplier of rechargeable batteries is likely to be a strong driver of the cobalt market.

Elizabeth Creek is likely to benefit from ongoing drive towards electrification

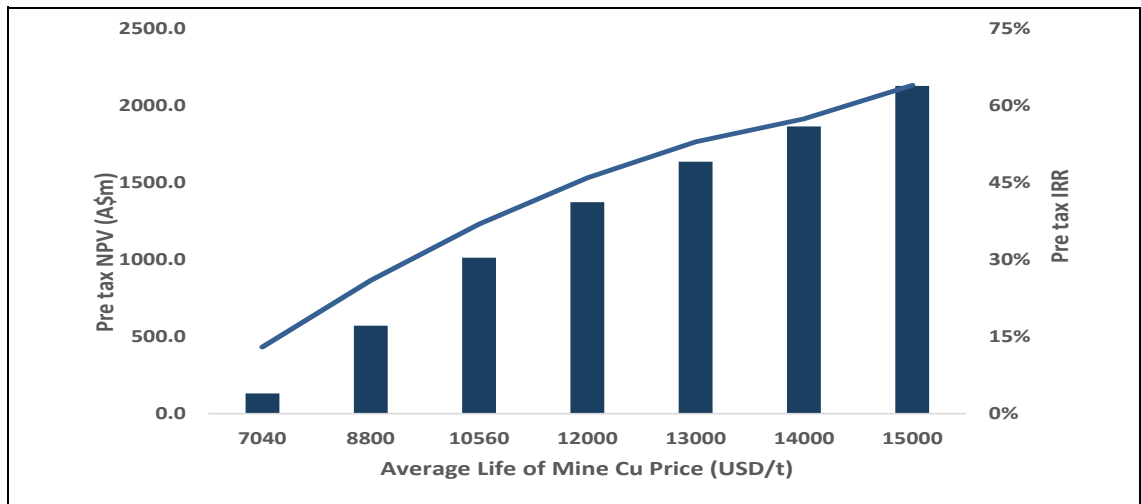
COD’s focus lies on key commodities such as copper and cobalt that drive the green revolution with strong anticipated demand growth. Ensuring the correct product mix at the highest possible economic efficiency is critical for the success of the Elizabeth Creek project, due to both copper and cobalt serving as key inputs for the ongoing electrification of the global economy and the green energy revolution.

Ethical Australian copper and cobalt are likely to be produced in one the nation’s most mining friendly states. Conflict-free and ethical supplies of



cobalt are rare and are sought after by manufacturers and are likely to attract a premium. Ethical cobalt also serves as a strong product differentiator from other major global suppliers. COD is well placed to benefit from global energy transformation through electrification and adoption of renewable energy technologies amid expectations of supply crunch faced by copper and cobalt. With an increasing trend towards decarbonisation, the Elizabeth Creek project offers some of the greatest exposure to copper which is likely to be a large beneficiary of electrification (Figure 15). The robust scoping study further positions the company for strong growth against the backdrop of surging demand for copper as an enabler of global decarbonisation.

Figure 15: COD has exceptional copper exposure



Source: Company, Pitt Street Research

We believe that the company's low corporate costs along with expansion in its quality copper asset base positions it well to capitalise on the high forecasted demand for copper with the increasing move towards decarbonisation. Optimisation in operational expenditure has been achieved through new approaches to mining and processing (Figure 16). Additionally, COD has a low sensitivity to CAPEX which indicates low capital intensity. The cobalt co-product provides exposure to the growing critical minerals space and associated support infrastructure.

Figure 16: Opex per tonne of ore mined

| Unit operating costs | | MG14 | Windabout | Emmie Bluff |
|------------------------------|------------------|--------------|--------------|---------------|
| Mining | A\$/t ore | 40.07 | 71.23 | 53.73 |
| Processing - Flotation | A\$/t ore | 19.59 | 17.88 | 19.43 |
| Processing - downstream | A\$/t ore | N/A | 21.87 | 23.85 |
| Residual Management | A\$/t ore | 1.74 | 1.74 | 1.74 |
| General and Administration | A\$/t ore | 3.58 | 3.58 | 3.58 |
| Total operating costs | A\$/t ore | 64.98 | 116.3 | 102.33 |

Source: Company, Pitt Street Research



Our valuation of COD

We valued Coda Minerals based on percentage of NPV. We assume that mining projects that have reached the stage where a project study has been performed, where that study includes a Net Present Value, warrant trading at standard percentage of NPV, as follows:

Figure 17: Preferred % of NPV

| Stage of Development | % of NPV |
|----------------------|----------|
| Scoping | 10% |
| PFS | 20% |
| BFS | 30% |
| Funded BFS | 50% |

Source: Street Research

We used 10% and 15% of NPV. While Coda is some way away from having a PFS it does have the makings of a good PFS, given the expanding resource and the favourable metallurgical testwork. Consequently, we have used 15% for our optimistic case. This approach suggests a valuation range of \$0.44 to \$0.64 per share. Importantly, this is only on the foundational sediment hosted Zambian-Style Copper-Cobalt Deposits. Does not consider the massive rerate opportunity that may arise from drilling the IOCG targets, which we discuss below.

Figure 18: Our valuation range for Coda Minerals

| COD Valuation (A\$ m) | Current valuation | Base Case | Bull Case |
|--|-------------------|-------------|-------------|
| Elizabeth Creek scoping study project value | 570.0 | 570.0 | 570.0 |
| Sector Average (EV/Total resource* in A\$m/t CuEq) | 4.4% | 10.0% | 15% |
| Implied project value | 25.3 | 57.0 | 85.5 |
| Cash | 5.9 | 5.9 | 5.9 |
| Provisions and Liabilities | -0.05 | -0.05 | -0.05 |
| Minority Interest | - | - | - |
| Total Value | 31.2 | 62.9 | 91.4 |
| Number of shares (m) | 141.8 | 141.8 | 141.8 |
| Implied price (A\$) | 0.22 | 0.44 | 0.64 |
| Current price (A\$) | 0.19 | 0.19 | 0.19 |
| Upside (%) | 15.8% | 133.4% | 239.2% |

Source: Pitt Street Research



Coda is trading below comparable company valuations

The average percentage of NPV for a range of five comparables is about 12% of NPV (Figure 19), with the market clearly confident of KGL Resources and not so confident about the others.

Figure 19: Peer valuations on ASX

| S. No | Company | Ticker | Project NPV (A\$m) (pre-tax) | Market Cap (A\$m) | Market Cap % NPV |
|---------------------|---------------------|----------|---------------------------------|----------------------|---------------------|
| 1 | Caravel Minerals | ASX: CVV | 1,100 | 101 | 9% |
| 2 | Rex Minerals | ASX: RXM | 1,252 | 117 | 9% |
| 3 | Havilah Resources | ASX: HAV | 903 | 85 | 9% |
| 4 | KGL Resources | ASX:KGL | 177 | 82 | 46% |
| 5 | New World Resources | ASX:NWC | 1,200 | 72 | 6% |
| Peer Median | | | 1,100 | 85 | 9% |
| Peer Average | | | 926 | 92 | 16% |
| Coda Minerals | | ASX:COD | 570 | 26.9 | 5% |

Source: Pitt Street Research

Catalysts for a re-rating of COD

We believe COD can re-rate to our valuation range driven by the following factors:

- Increases in copper prices.
- An increase in Elizabeth Creek indicated and inferred resources.
- Favourable geophysical work guiding the next drilling campaign.
- Future drilling, particularly related to the IOCG opportunity at Emmie Bluff.

What can an IOCG discovery do for Coda Minerals?

When a decent IOCG discovery is made, a lot of shareholder value tends to emerge. Take three examples from the last two decades:

- **Minotaur Resources, November 2001.** This company reported high-grade hits at its Prominent Hill prospect within its Mt Woods copper-gold joint venture ground, 200 km northwest of Olympic Dam. Minotaur reported 107m of mineralisation at 1.94% copper and 0.66 g/t gold from the first hole drilled at Prominent Hill. The share price re-rated significantly at the time and added around A\$20m in value¹¹. Three years later Minotaur was merged into Oxiana only for Prominent Hill in a \$110m transaction¹². Copper was around US\$1.40/lb at the time.
- **OZ Minerals / Carrapateena, March 2011.** OZ Minerals bought the Carrapateena copper-gold project from the private investor Rudy Gomez (58%), the Australian subsidiary of the Canadian mining house Teck (34%), and various minorities (8%). The initial purchase price was US\$250m (the

¹¹ The share price peaked at \$2.25, from a low 17c before the results were announced, and finished the week at \$1.48, leaving Minotaur capitalised at A\$26m.

¹² The other assets formed the basis for Minotaur Exploration (ASX: MEP), ASX-listed in early 2005.



AUDUSD rate was at parity at the time), with a further US\$50m payment to be made on start of commercial production¹³. Gomez, a Philippines-born metallurgist based in Adelaide, and his colleagues had discovered Carrapateena in June 2005, and Teck had acquired its interest and became manager of the project later that the same year.

- **BHP Group, November 2018.** The day the initial discovery was announced for Oak Dam, on Tuesday, 27 November 2018, BHP shares rose 44 cents to \$30.87. That represented a A\$2.3bn re-rate on the day. What warranted the announcement was the key intersection, which was 180 metres from 1,070 metres grading 6.07% copper, 0.92 grams of gold per tonne, 12.77 g/t silver and 401 ppm uranium.

If the intersection is good, the re-rating could be significant. What the above analysis suggests is the potential for A\$100-\$200m in valuation to be attributed to Coda in the event of a particularly rich IOCG intersection. Increased interest in the IOCG endowment of the Gawler Craton since 2001 heightens the possibility that the market will pay attention to drilling reported by Coda.

¹³ Actually it was US\$50m on first commercial production of either copper, uranium, gold or silver, plus another US\$25m on first commercial production of rare earths, iron or any other commodity.



Risks

Although we believe that COD is an interesting story, especially with the increasing shift towards decarbonisation and electrification, we foresee the following risks to our investment thesis:

- **Underlying commodity risk** – Any decline in copper prices is likely to expose the company to commodity price risk, which depends on macroeconomic factors and the global demand and supply dynamics of the underlying metal.
- **Funding risk** – The inability to raise funds on a timely basis is likely to pose a significant challenge for the company's objectives.
- **Delays in execution** – COD's management is working on the PFS for the Elizabeth Creek project. Any potential delay in the finalisation of the feasibility study or receiving environmental clearance will jeopardise investor sentiment. Additionally, any difficulty faced by the company in commercialisation of its assets is further likely to dampen investor confidence.
- **Geological risk:** For a mining company such as COD, there exists a risk of downward estimates of reserve figures.
- **Key personnel risk:** There is the risk that the company could lose key individuals and be unable to replace them and/or their contribution to the business.

Appendix I – Experienced board and strong management

COD has an experienced board and management team. All individuals who constitute the team come with diverse experience (Figure).

Figure 20 COD’s management and board members

| Name and Designation | Profile |
|--|--|
| <p>Chris Stevens CEO & Executive Director</p> | <ul style="list-style-type: none"> Chris Stevens is an experienced resources executive and mineral economist who joined COD after holding the role of CEO at Gindalbie Metals. Mr Stevens has over 18 years of experience in working with commercial consulting and private equity. He also possesses experience in executive resources. Mr Stevens is a Fellow of the AusIMM, holds an Honours degree from the University of Oxford, a Master of Science in Mineral Economics from Curtin University, and is a fluent Chinese speaker. |
| <p>Keith F Jones Non-Executive Chairman</p> | <ul style="list-style-type: none"> Keith Jones is an experienced public company Chairman with a background of over 40 years of professional experience providing advisory and consulting services to the mining and resources sector. Mr Jones served for 10 years on the Board of Deloitte Australia and was elected Chairman of Deloitte Australia for four years. He is the former Chairman of Gindalbie Metals Limited and Cannings Purple and currently serves as a Non-Executive Director of ASX listed Ora Banda Mining Limited. Mr Jones has significant executive leadership experience and has served as the Managing Partner of Deloitte in Western Australia for 15 years. He has also served as the Leader of the National Chinese Services Group and National Energy and Resources Group. |
| <p>Colin Moorhead Non-Executive Director</p> | <ul style="list-style-type: none"> Colin Moorhead is an experienced mining professional. He is well-recognised in the mining industry. He is also recognised as a leader in the areas of health, safety, environment and community. Mr. Moorhead is a former President of the Australasian Institute of Mining and Metallurgy (AusIMM) and a former member of The JORC Committee. He is also a graduate of Harvard Business School Advanced Management Program (AMP183, 2012). |
| <p>Andrew Marshall Non-Executive Director</p> | <ul style="list-style-type: none"> Mr Andrew (Robin) Marshall has previously been involved in managing the successful delivery of some of the world’s largest resource projects, including major projects for BHP Billiton, Vale Inco, Western Mining and North Limited. He provides consulting services to major companies and has extensive experience with overseas projects and operations. |



| | |
|--|--|
| <p>Paul Hallam Non-Executive Director</p> | <ul style="list-style-type: none"> • Paul Hallam has more than 40 years Australian and international resource industry experience. His operating and corporate experience is across a range of commodities and includes both surface and underground mining. • Mr Hallam is a qualified mining engineer and holds a BE (Hons) degree in mining from Melbourne University and a Certificate of Mineral Economics from Curtin University. He is a Fellow of the Australian Institute of Company Directors and the Australasian Institute of Mining & Metallurgy. |
| <p>Kudzai Mstambiwa Chief Financial Officer</p> | <ul style="list-style-type: none"> • Kudzai Mstambiwa is a Chartered Accountant with 14 years' experience in the international resources sector, Mr Mtsambiwa has joined COD after working with the leading West African-focussed gold producer Perseus Mining. He joined Perseus as a Group Accountant in 2010. • Mr Mtsambiwa holds an Honours degree from the University of Western Australia, and a Master of Science in Mineral Economics from Curtin University. |
| <p>Susan Park Company Secretary</p> | <ul style="list-style-type: none"> • Susan Park has over 23 years' experience in the corporate finance industry and extensive experience in Company Secretarial and Non-Executive Director roles with ASX, AIM and TSX listed companies. • Ms Park holds a Bachelor of Commerce, is a Member of the Australian Institute of Chartered Accountants and a Fellow of the Financial Services Institute of Australasia. She is currently Company Secretary of several ASX- listed companies. |
| <p>Matt Weber Manager – Economics & Geology</p> | <ul style="list-style-type: none"> • Matt Weber is an exploration geologist with approximately ten years of experience in the WA mining and exploration sector. Begore joining Gindalbie, Mr Weber held a role in the resources policy division at the WA Department of Mines, Industry Regulation and Safety. • Mr Weber holds Bachelor's degrees in Applied Geology and Environmental Biology, and a Master of Science in Mineral Economics from Curtin University. |

Appendix II – Capital Structure

| Class | In millions | % of fully diluted |
|--------------------------------|--------------|--------------------|
| Quoted Securities | | |
| Ordinary shares on issue | 141.8 | 92.0% |
| Options and performance rights | 12.3 | 8.0% |
| Fully diluted shares | 154.1 | |

Source: Company, Pitt Street Research



Appendix III – Major Shareholders

| Investor Name | Ownership (%) |
|--|---------------|
| Angang Group Mining Co | 8.4 |
| Jones B. Bus, FAICD, FCA, Keith Francis Independent Non-Executive Chairman | 5.5 |

Note: Shareholding data as of 21 August 2023

Source: CapIQ

Appendix IV – Analyst certification

Stuart Roberts, lead analyst on this report, has been an equities analyst since 2002.

- Stuart obtained a Master of Applied Finance and Investment from the Securities Institute of Australia in 2002. Previously, from the Securities Institute of Australia, he obtained a Certificate of Financial Markets (1994) and a Graduate Diploma in Finance and Investment (1999).
- Stuart joined Southern Cross Equities as an equities analyst in April 2001. From February 2002 to July 2013, his research speciality at Southern Cross Equities and its acquirer, Bell Potter Securities, was Healthcare and Biotechnology. During this time, he covered a variety of established healthcare companies, such as CSL, Cochlear and Resmed, as well as numerous emerging companies. Stuart was a Healthcare and Biotechnology analyst at Baillieu Holst from October 2013 to January 2015.
- After 15 months over 2015–2016 doing Investor Relations for two ASX-listed cancer drug developers, Stuart founded NDF Research in May 2016 to provide issuer-sponsored equity research on ASX-listed Life Sciences companies.
- In July 2016, with Marc Kennis, Stuart co-founded Pitt Street Research Pty Ltd, which provides issuer-sponsored research on ASX-listed companies across the entire market, including Life Sciences companies.
- Since 2018, Stuart has led Pitt Street Research's Resources Sector franchise, spearheading research on both mining and energy companies.

Nick Sundich is an equities research analyst at Pitt Street Research.

- Nick obtained a Bachelor of Commerce/Bachelor of Arts from the University of Sydney in 2018. He has also completed the CFA Investment Foundations program.
- He joined Pitt Street Research in January 2022. Previously he worked for over three years as a financial journalist at Stockhead.
- While at university, he worked for a handful of corporate advisory firms.

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