

6 March 2020

Dear Shareholder,

### VOLUNTARY SHARE SALE FACILITY

On behalf of the Board of Directors (**Board**) of Coda Minerals Limited (ACN 625 763 957) (**Company**), I am pleased to advise that the Company is in the process of establishing a voluntary off-market share sale facility (**Facility**).

The Board appreciates that it has been over 7 months since the Company was demerged from Gindalbie Metals Limited and that there is currently no liquid market into which shareholders may sell their shares in the Company. Though the Company intends to pursue an initial public offering with a view to listing on the Australian Securities Exchange at some time in the future, there is no assurance as to when this may occur or that it will occur at all. Therefore, shareholders' investment in the Company may remain illiquid for an indefinite period.

The Facility is being established to provide existing shareholders who do not wish to remain invested in the Company with an opportunity to sell their shares and exit their investment. The Company has engaged CPS Capital Group Pty Ltd (AFSL 294848) (**CPS**) to manage the Facility.

The Facility will also provide small holding investors with the opportunity to sell into an aggregated pool. Reducing the number of small parcel holdings will benefit the Company by reducing the associated administration cost of the same.

The directors of the Company do not intend to sell their own shares through the Facility.

### **Overview of the Facility**

Under the Facility, eligible shareholders will be entitled to tender all or part of their shareholding for sale. The sale price will be \$0.15 per share. CPS will seek to identify and match potential buyers for the shares tendered, up to an aggregate of 13,333,333 shares from all shareholders. Tenders by small holders (i.e. persons who hold 5,000 shares or less) must be for that holder's entire holding, and will be processed first. Thereafter, tenders will be processed on a first-come basis. If more shares are tendered for sale than the Facility limit, tenders will be scaled-back on the same basis.

Shareholders wishing to participate in the Facility will need to submit a Tender Form. Personalised Tender Forms will be provided to each eligible shareholder. A Tender Form constitutes a binding commitment to sell the nominated shares and cannot be withdrawn once it is submitted.

After submitting a Tender Form, the relevant shares will be transferred to a nominee holding company, Coda Minerals SaleCo Pty Ltd (ACN 639 132 817) (**SaleCo**). SaleCo is a wholly-owned subsidiary of the Company. It will hold all shares tendered for sale under the Facility and will effect the transfer of shares to the allocated buyers on sale.

The Facility is entirely voluntary. Shareholders who do not wish to sell their shares do not need to do anything.

Proceeds received from the sale of tendered shares will be paid to the relevant participating shareholders. Shareholders will not be required to pay brokerage costs as these will be covered by the Company.

The following table sets out the indicative timetable for the Facility. This timetable is subject to change by the Company in consultation with CPS.

Event	Target Date
Facility opening date	12 March 2020
Facility closing date – last date for submission of Tender Forms	5:00pm (Sydney time), 2 April 2020
Transfer of shares to SaleCo	6 April 2020
Proceeds of sale to be transferred to participating shareholders Transfer of shares sold to buyers under the Facility Statements of sales to be sent to participating shareholders	29 May 2020

The terms and conditions of the Facility are set out in the schedule to this letter.

### Value of Shares

The Company has engaged BDO Corporate Finance (WA) Pty Ltd (**BDO**) to prepare an Independent Expert's Report in relation to the Facility (**IER**). A copy of the IER is **enclosed** with this letter.

In the IER, BDO considers the value of shares in the Company and whether the proposed sale price is fair and reasonable to those shareholders wishing to sell shares through the Facility. It is intended to enable eligible shareholders to assess the merits of, and decide whether, to participate in the Facility.

BDO has estimated the value of a share in the Company to be between \$0.124 and \$0.219.

The sale price of shares under the Facility incorporates a discount to account for the following:

- holdings of approximately 6% of the issued shares have been sold off-market at a price of \$0.15 per share between sellers who are professional investors under the Corporations Act and sophisticated buyers;
- there is no liquid market for the Company's shares at present;
- the timetable for the proposed IPO and ASX listing is uncertain; and
- there is no guarantee that the IPO and ASX listing will proceed.

On this basis, BDO considers that the proposed sale price is **fair and reasonable** to those shareholders who wish to participate in the Facility.

The Company encourages shareholders to read the IER in its entirety.

### Potential Advantages of the Facility

The advantages or benefits from participating in the Facility are largely particular to each shareholder. However, the following are some potential advantages to participation:

- The Facility offers eligible shareholders an opportunity to sell their shares and realise their investment in the Company. Whilst there is no guarantee, the Company and CPS are reasonably confident that there will be reasonable buyer demand for shares tendered under the Facility, up to the nominated limit.

- Shareholders may not receive another opportunity to sell all or a substantial portion of their shareholding in the Company for some time or at all. Even if the Company ultimately lists on the Australian Securities Exchange, there is no guarantee as to the level of demand for the Company's shares on market or that the market price will be more than the Facility sale price.
- As noted above, it is not known when the Company will undertake an initial public and Australian Securities Exchange listing, if at all. Further, there is no guarantee that the Company will be successful in this respect.
- The Facility will also provide small holding investors (i.e. shareholders with a parcel 5,000 shares or less) with the opportunity to sell into an aggregated pool.
- Sale of shares under the Facility allows shareholders to crystallise any tax potential losses or gains from their investment in the Company before the end of 2019/2020 financial year.
- The Company will cover the brokerage and costs of finding buyers and effecting the sale of shares through the Facility.

### **Potential Disadvantages of the Facility**

The following are some potential disadvantages and risks associated with participating in the Facility:

- There is no guarantee that a participating shareholder will be able to sell all or any of the shares tendered under the Facility. A shareholder may only be able to sell some of their shares.
- The proceeds of sale that a participating shareholder will receive depends upon the demand from buyers as well as the number of shares tendered by other shareholders under the Facility. If more shares are tendered than the Facility limit, tenders may be scaled-back on a 'first come' basis.
- A participating shareholder may receive a lower price for their shares under the Facility than they may otherwise be able to achieve under alternative transactions.
- The sale price under the Facility is not necessarily the market value or the highest price achievable for shares.
- The Company may successfully complete an initial public offering and list on the Australian Securities Exchange. This could potentially allow shareholders to sell their shares on-market for a higher price.

### **Disclosure Information**

The Company is a disclosing entity which complies with the continuous disclosure regime under the *Corporations Act 2001* (Cth). Continuous disclosure notices can be obtained on the Company's website, <https://www.codaminerals.com/investors/>. Shareholders are encouraged to consider these notice before making a decision as to whether or not to participate in the Facility.

### **Professional Advice**

Shareholders should consider the Facility and their own individual circumstances before deciding whether or not to participate in the Facility.

Further, shareholders are strongly encouraged to seek their own professional advice on the Facility from an appropriately qualified and experienced stockbroker, financial planner, accountant, lawyer and/or other professional advisor (as applicable) before making a decision as to whether or not to participate. Neither the Company nor CPS provides any financial advice or makes any recommendation as whether shareholders should participate in the Facility.

### ASIC Relief

The Company has been granted relief by the Australian Securities & Investments Commission (**ASIC**) from certain provisions of the *Corporations Act 2001* (Cth) relating to managed investments, Australian financial services, takeovers, product disclosure and unsolicited sale offers to the extent applicable to the Facility.

Copies of the instruments of relief (references 20-0184 and 20-0185) can be obtained from the Company on request or otherwise from the ASIC Gazette – <https://asic.gov.au/about-asic/corporate-publications/asic-gazette/>.

### Forward-Looking Statements

This letter contains forward-looking statements (such as ‘intends’, ‘may’, ‘could’, ‘believes’, ‘proposes’, ‘estimates’, ‘targets’ or ‘expects’) which are subject to elements of uncertainty, risk and other factors which could cause the actual results or outcomes to differ materially from those stated. These statements are based on an evaluation of current economic, financial, market, contractual and operating conditions, as well as assumptions regarding future events. Such events are, as at the date of this letter, expected to take place, but there cannot be any guarantee that such events will occur as anticipated, when anticipated or at all given that many of the events are outside the Company’s control.

Neither the Company, CPS nor any of their respective directors, officers, employees, contractors or agents, gives any assurance that the forward-looking statements expressed or implied in this letter will actually occur as and when anticipated.

### Enquiries

If you have any questions in relation to the Facility, please contact Jason Peterson of CPS by email at [coda@cpscapital.com.au](mailto:coda@cpscapital.com.au).

Yours faithfully,



**Keith Jones**  
Chairman  
Coda Minerals Limited

## Schedule – Terms of Share Sale Facility

<p>1. What is the Facility?</p>	<p>Coda Minerals Limited (ACN 625 763 957) (<b>Company</b>) will establish an off-market share sale facility to assist certain holders (<b>Shareholders</b>) of fully-paid ordinary shares in the Company (<b>Shares</b>) to sell their Shares (<b>Facility</b>).</p> <p>The Facility will be provided on and subject to these Terms of Share Sale Facility and the terms of the accompanying Tender Form (collectively, <b>Facility Terms</b>).</p>
<p>2. Why is the Facility being provided?</p>	<p>There is currently no liquid market for Shares. The Company may undertake an initial public offering of its securities and apply to list on the Australian Securities Exchange at some time in the future, but there cannot be any assurance as to if and when this may occur.</p> <p>The Facility is being provided to assist certain Shareholders who wish to exit their investment in the Company to sell their Shares, as well as to provide holders of small parcels of shares with the opportunity to sell into an aggregated pool.</p>
<p>3. Who will manage the Facility?</p>	<p>The Company has engaged CPS Capital Group Pty Ltd (ACN 088 055 636) (AFSL 294848) (<b>Manager</b>) to act as manager of the Facility.</p>
<p>4. Who do I contact if I have any questions?</p>	<p>Questions regarding the Facility should be addressed to Jason Peterson of the Manager by email at <a href="mailto:coda@cpscapital.com.au">coda@cpscapital.com.au</a></p>
<p>5. Who is eligible to participate in the Facility?</p>	<p>The Facility will be available to all Shareholders with an address in Australia (<b>Eligible Shareholders</b>).</p> <p>The Facility is not, and is not intended to constitute, an offer or invitation in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.</p> <p>The Company notes that its largest shareholder, Angang Group Hong Kong (Holdings) (<b>Angang</b>), which currently holds 35.56% of the issued Shares in the Company, is not an Eligible Shareholder (as it does not have an address in Australia – see item 5 above) and will therefore not participate in the Facility as a seller.</p> <p>The Directors of the Company are Eligible Shareholders but have each elected to not participate in the Facility as sellers.</p>
<p>6. How many Shares may be tendered in the Facility?</p>	<p>Up to an aggregate of 13,333,333 Shares from may tendered for sale by Eligible Shareholders under the Facility.</p> <p>The Company may accept tenders in excess of this amount at the Company’s discretion, subject to buyer demand and consulting with the Manager.</p>
<p>7. What is the sale price of Shares under the Facility?</p>	<p>The price at which Shares will be sold under the Facility is \$0.15 per Share (<b>Sale Price</b>).</p>

<p>8. Do I have to participate in the Facility?</p>	<p>No. Eligible Shareholders are not required to take any action. Participation in the Facility is entirely voluntary.</p>
<p>9. Can I sell some but not all of my Shares?</p>	<p>An Eligible Shareholder can elect to sell some or all of their Shares <b>provided that</b> the Eligible Shareholder holds more than 5,000 Shares and will continue to hold more than 5,000 Shares after selling Shares through the Facility.</p> <p>However, an Eligible Shareholder who participates in the Facility and who holds, or would hold following close of the Facility, 5,000 Shares or less (<b>Small Holder</b>) will be deemed to have tendered <b>all of their Shares</b> for sale through the Facility.</p>
<p>10. Can I transfer my right to participate in the Facility?</p>	<p>No. An Eligible Shareholder’s entitlement to participate in the Facility is personal and not transferrable.</p>
<p>11. How do I participate in the Facility?</p>	<p>An Eligible Shareholder who wishes to participate and sell Shares under the Facility (<b>Participant</b>) must complete and return a Tender Form to the Company’s securities registry, Link Market Services (<b>Registry</b>).</p> <p>A Participant must specify in their Tender Form:</p> <ul style="list-style-type: none"> <li>• the number of Shares that they want to sell under the Facility – a Participant who holds (or would hold following close of the Facility) less than 5,000 Shares will be deemed to have tender all of their Shares for sale;</li> <li>• an Australian bank account into which proceeds are to be deposited following sale of Shares.</li> </ul> <p>Bank account details may be provided by completing and returning the enclosed Direct Credit of Payments form to the Registry.</p> <p>To update their bank account details online, Participants can visit Link Market Services’ Investor Centre (<a href="http://investorcentre.linkmarketservices.com.au">investorcentre.linkmarketservices.com.au</a>).</p> <p><b>Cheque payments will not be issued unless the Company determines otherwise.</b></p>
<p>12. Where do I submit my Tender Form?</p>	<p>Completed Tender Forms must be returned to either of the 3 addresses below:</p> <ul style="list-style-type: none"> <li>• email: <a href="mailto:coda@linkmarketservices.com.au">coda@linkmarketservices.com.au</a></li> <li>• post: Coda Minerals Limited, C/- Link Market Services Limited, PO Box 1524, Sydney South NSW 1234</li> <li>• hand delivery: Coda Minerals Limited, C/- Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.</li> </ul>
<p>13. When do I need to return my Tender Form?</p>	<p>Completed Tender Forms must be received by <b>5:00pm (Sydney time) on 2 April 2020</b>. Tender Forms received after this time may not be accepted.</p>
<p>14. What if my Shares are held jointly with another holder?</p>	<p>A Tender Form received from a Participant who is a joint holder will be accepted provided that it is completed by one of the joint holders.</p> <p>The joint holder who submits a Tender Form warrants and represents that they have the full authority and consent of the other joint holder to sell Shares nominated in the Tender Form.</p>

<p>15. Is a Tender Form legally binding?</p>	<p>Yes. Submitting a completed Tender Form constitutes a <b>binding</b> election and agreement by a Participant to sell and transfer the Shares nominated in that form to the Manager or its nominee (including directly to a buyer) under the Facility, in accordance with the Facility Terms.</p>
<p>16. What will happen to my Shares if I elect to participate?</p>	<p>All Participants' Shares will be transferred to a nominee holding company, Coda Minerals SaleCo Pty Ltd (ACN 639 132 817) (<b>SaleCo</b>).</p> <p>SaleCo is a wholly-owned subsidiary of the Company established for the purpose of holding Shares tendered for sale under the Facility and effecting transfer of those Shares on a sale being secured.</p> <p>SaleCo will hold all tendered Shares for the duration of the Facility. SaleCo will not hold any beneficial interest in such Shares, and will not vote at any general meeting of shareholders in relation to the tendered Shares.</p>
<p>17. What is the priority for processing Tender Forms?</p>	<p>Tender Forms will be assessed and, if a buyer for the relevant Shares is available, actioned on the following basis:</p> <ul style="list-style-type: none"> <li>• first, Tender Forms submitted by Small Holders; and</li> <li>• second, in the order in which Tender Forms are received by the Registry.</li> </ul> <p>In the event that buyers are not secured to take up all Shares tendered by Small Holders, Tender Forms submitted by Small Holders will be assessed in the order in which they are received by the Registry.</p> <p>Eligible Shareholders wishing to participate in the Facility are therefore encouraged to complete and return Tender Forms to the Registry as soon as possible after the Facility opens.</p>
<p>18. Who will buy my Shares?</p>	<p>The Manager will seek to identify buyers for those Shares tendered for sale by Participants under the Facility (<b>Buyers</b>) on a 'best endeavours' basis. There is <b>no guarantee</b> that there will be sufficient demand from potential Buyers for all the Shares tendered.</p> <p>Buyers will be persons to whom securities may be offered without a prospectus or other disclosure document, as specified in section 708 or 708A of the <i>Corporations Act 2001</i> (Cth).</p> <p>The Company and the Manager will take all reasonable steps to ensure that no Buyer obtains a 'relevant interest' (for the purposes of the <i>Corporations Act 2001</i> (Cth)) in Shares which exceeds 20%, or increases an existing 'relevant interest' which is already above 20%, by acquiring Shares under the Facility, except to the extent permitted under Chapter 6 of the <i>Corporations Act 2001</i> (Cth).</p> <p>However, the Company reserves the right to seek shareholder approval for a Buyer to exceed this 20% relevant interest threshold at its discretion.</p> <p>The Company notes that its largest shareholder, Angang, will not be offered the opportunity to participate in the Facility as a Buyer due to restrictions under the takeovers provisions of the Corporations Act.</p> <p>The Directors of the Company reserve the right to participate in the Facility as Buyers on the same terms as all other Buyers, subject to availability.</p>

<p>19. How will my Shares be sold?</p>	<p>SaleCo will facilitate the transfer of Shares tendered for sale under the Facility to allocated Buyers. The sale of Shares will be subject to demand from potential Buyers.</p> <p>Shares tendered for sale under the Facility may be aggregated into parcels to meet applications from Buyers. This may result in the Shares being sold in multiple separate transactions.</p> <p>By submitting a completed Tender Form, a Participant appoints SaleCo as the Participant’s agent for the purposes of offering the tendered Shares of the Participant for sale to potential Buyers, and signing all documents and doing all things necessary to effect the sale and transfer of the nominated Shares to one or more Buyers, in accordance with the Facility.</p> <p>Without limiting this authority, each Participant specifically authorises SaleCo to execute all off-market transfer instruments required to effect the transfer of Shares tender for sale under the Facility to the relevant Buyers.</p>
<p>20. Will my Shares definitely be sold?</p>	<p>No. There is no guarantee that all of the Shares tendered by a Participant will be sold.</p> <p>The number of Shares that may be sold under the Facility will largely depend upon:</p> <ul style="list-style-type: none"> <li>• the number of Shares tendered for sale by Participants; and</li> <li>• the demand from Buyers to purchase those Shares.</li> </ul> <p>These factors are outside of the control of both the Company and the Manager.</p>
<p>21. Will a scale-back be applied?</p>	<p>If more Shares are tendered for sale under the Facility that the limit in clause 6, a scale-back will be applied on in the same order of priority as under clause 17 (i.e. Small Holders first, then on a ‘first-come’ basis).</p>
<p>22. How much will I receive for the sale of my Shares?</p>	<p>Participants whose Shares are sold through the Facility will receive proceeds calculated by multiplying the Sale Price by the number of Shares sold (<b>Proceeds</b>).</p> <p>For example, if a Participant sold 20,000 Shares through the Facility, the Participant would be entitled to receive \$3,000 in Proceeds (i.e. 20,000 x \$0.15).</p> <p>For the sake of clarity, neither the Company nor the Manager are the Buyers of Shares under the Facility and are therefore not liable to pay the Proceeds to any Participant themselves.</p>
<p>23. Will I have to pay brokerage?</p>	<p>No. The Company will cover all brokerage costs in relation to the sale of Shares through the Facility.</p>
<p>24. Will tax be payable?</p>	<p>The sale of Shares by Participants under the Facility may tax implications. For example, there may be tax payable on gains made on the same of Shares. The potential tax implications will depend on each Participant’s own tax position and circumstances.</p> <p>Participants will be responsible for tax liabilities in relation to the sale of their Shares through the Facility, including personal income tax or capital gains tax.</p> <p>Participants should consider obtaining their own taxation and accounting advice on the Facility.</p> <p>Neither the Company nor the Manager (including their respective directors, officers, employees, agents and contractors) do not provide any tax advice in relation to the Facility.</p>



<p>25. When will I know whether my Shares have been sold?</p>	<p>All sales of Shares through the Facility will occur by 29 May 2020 (refer to clause 31 below).</p> <p>The Registry will provide a statement to Participants setting out details of:</p> <ul style="list-style-type: none"> <li>• the number Shares sold through the Facility;</li> <li>• the date (or dates) that Shares were sold through the Facility; and</li> <li>• the Proceeds received.</li> </ul>
<p>26. When will I receive my Proceeds?</p>	<p>Proceeds received under the Facility will be paid in Australian dollars to the relevant Participants by 29 May 2020, though this date is subject to change.</p> <p>Proceeds will be deposited by electronic funds transfer into the bank account recorded with the Registry on the Participant’s shareholding. Payment of Proceeds is at the Participant’s own risk.</p>
<p>27. Can I withdraw my Tender Form?</p>	<p>No. A Participant cannot withdraw a Tender Form once submitted, except to the extent permitted under clause 29.</p>
<p>28. Can the Facility be terminated?</p>	<p>Yes. The Company reserves the right to suspend and/or terminate the Facility at any time, with or without notice to Eligible Shareholders.</p> <p>Eligible Shareholders (including Participants) are bound by such suspension or termination regardless of whether they have received notice of the same.</p>
<p>29. Can the Facility Terms be amended?</p>	<p>Yes. The Company reserves the right to amend the Facility Terms at any time by giving written notice to Eligible Shareholders.</p> <p>An amendment to the Facility Terms will not apply to any transaction for the sale of Shares under the Facility which has settled.</p> <p>If an amendment to the Facility Terms is materially adverse to the interests of Participants, then the Company will offer Participants the ability to withdraw their Tender Form within 7 business days of the Company giving notice of the relevant amendment.</p>
<p>30. Do I have to give any warranties?</p>	<p>Yes. By submitting a Tender Form, a Participant warrants and represents to the Company, SaleCo and the Manager that the following statements are true, accurate and not misleading:</p> <ul style="list-style-type: none"> <li>• <b>(title)</b> the Participant is the legal holder of the Shares nominated for sale in the Tender Form;</li> <li>• <b>(authority and approvals)</b> the Participant has all lawful authority and obtained all necessary approvals/consents to tender for sale the Shares nominated in the Tender Form and to perform the Participant’s obligations under the Facility Terms;</li> <li>• <b>(no encumbrances)</b> the Shares nominated for sale in the Tender Form are free of security interests or other encumbrances (including options to acquire those Shares); and</li> <li>• <b>(clear title)</b> a Buyer will receive clear title to the Shares nominated for sale in the Tender Form upon paying the Proceeds for the same.</li> </ul>

<p><b>31. What is the timetable for the Facility?</b></p>	<p>The indicative timetable for the Facility is set out below. This timetable may be amended (including to close the Facility early) by the Company.</p> <p><b>Facility opening date</b> 12 March 2020</p> <p><b>Facility closing date</b> 5:00pm (Sydney time), 2 April 2020</p> <p><b>Transfer of Shares to SaleCo</b> 6 April 2020</p> <p><b>Last day for transfer of Shares sold under Facility to Buyers</b> 29 May 2020</p> <p><b>Transfer proceeds of sale to Participants</b></p> <p><b>Send statements of Shares sold under Facility to Participants</b></p>
<p><b>32. What law applies to the Facility?</b></p>	<p>The Facility (including the Facility Terms) is governed by the laws of the State of Western Australia and the Commonwealth of Australia (as applicable).</p>