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ASX Announcement **30 September 2022**

INVESTOR WEBINAR

Cobalt Blue Holdings Limited (ASX: COB) is pleased to announce a live online investor webinar with Investor Relations Manager Mr Joel Crane and Rho Motion Senior Research Analyst Mr William Roberts.

TOPIC: Update on cobalt market developments and legislative implications for the EV markets.

Date: Wednesday 5 October 2022
Time: 5:00 PM AEST
Format: Presentation update followed by Q&A
Duration: 45 minutes

Please register in advance for this free webinar:
https://us06web.zoom.us/webinar/register/WN_x5lqmnCeQLKl6TTqlfPmBA

After registering, you will receive a confirmation email containing information about joining the webinar.

For enquiries, please email allysia.robinson@cobaltblueholdings.com

Questions may be submitted ahead of time at registration or during the event using the webinar software.

A copy of the Presentation follows.

This announcement has been authorised for release by the Company's board of directors.

Danny Morgan
Company Secretary
(02) 8287 0660

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5 October 2022

COB & Rho Motion Webinar

ASX: COB

CobaltBlue

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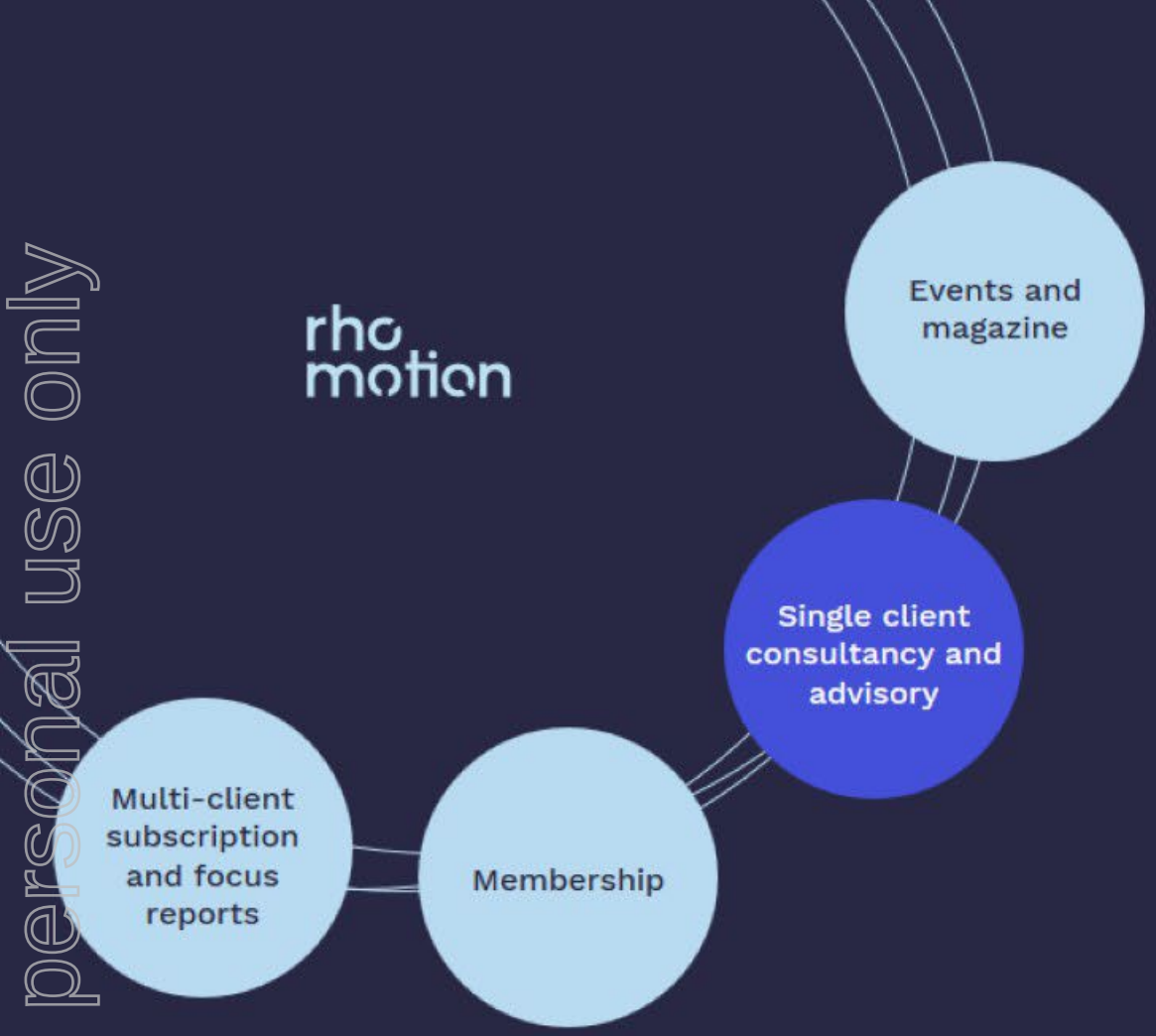

ABOUT RHO MOTION

Rho Motion offers the most comprehensive and well-informed forecasts and analysis for the energy transition

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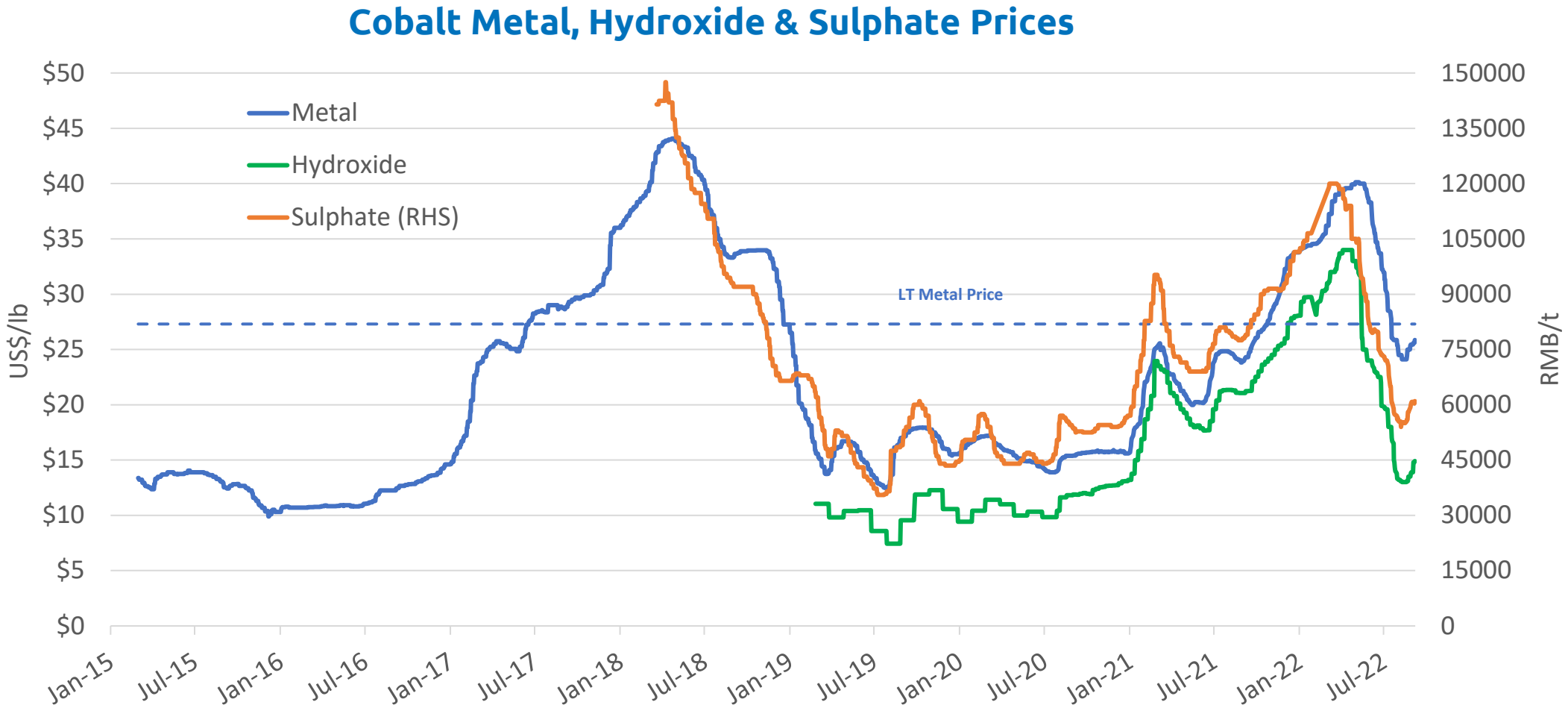
Prices stabilising after 3Q slide



Source: S&P Global Commodity Insights, Cobalt Blue Holdings Limited

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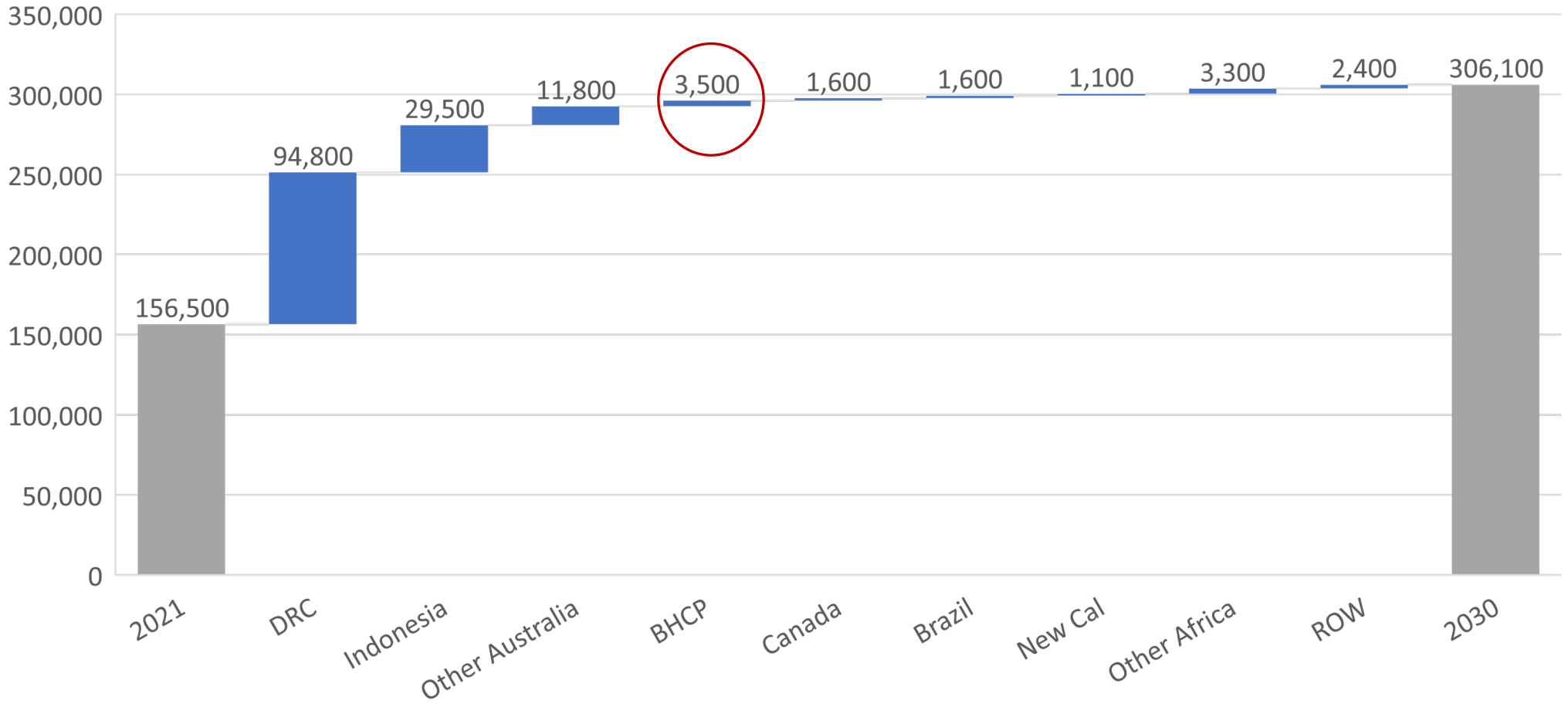
Contributors to supply growth



Source: Cobalt Blue Holdings Limited
Other Australia includes Sunrise, Sconi, QPM, Kalgoolie Nickel Project, Wingellina and Mt Thirsty

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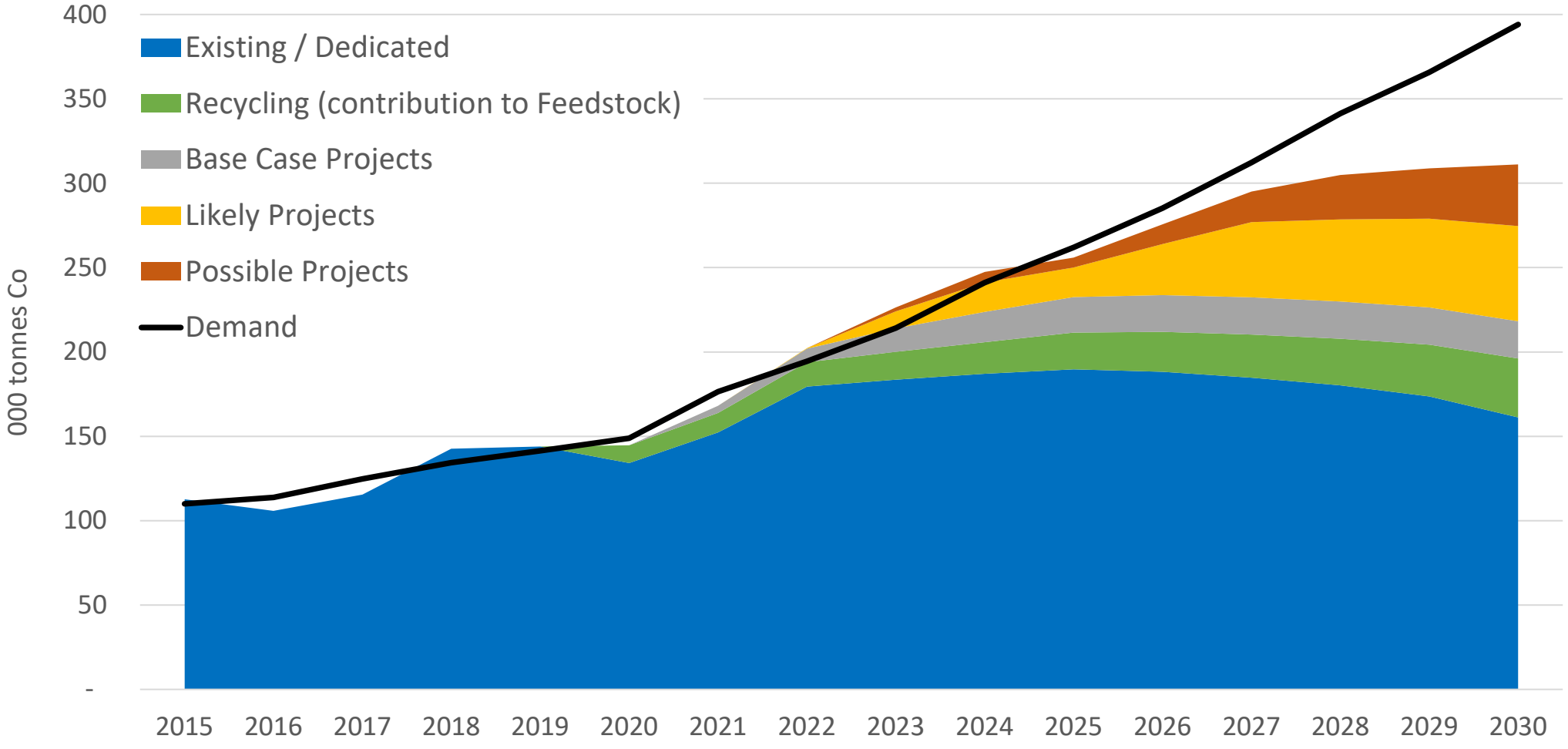
Demand growth to outpace supply



Source: Cobalt Blue Holdings Limited, Wood Mackenzie, Rho Motion

Legislation will create new partnerships

- **All Party Parliamentary Group (APPG) for Critical Minerals:** Australia–UK (2020)
- **US–Canada Joint Action Plan for Critical Minerals** (2021)
- **Canada and EU Critical Mineral alliance** (2021)
- **US–Australia** (2022)
- **Minerals Security Partnership (MSP):** Australia, Canada, Finland, France, Germany, Japan, the Republic of Korea, Sweden, the United Kingdom, the United States, and the European Commission (2022)

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Source: Cobalt Blue Holdings Limited

ASX: COB

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EV & BATTERY • CHARGING • INFRASTRUCTURE

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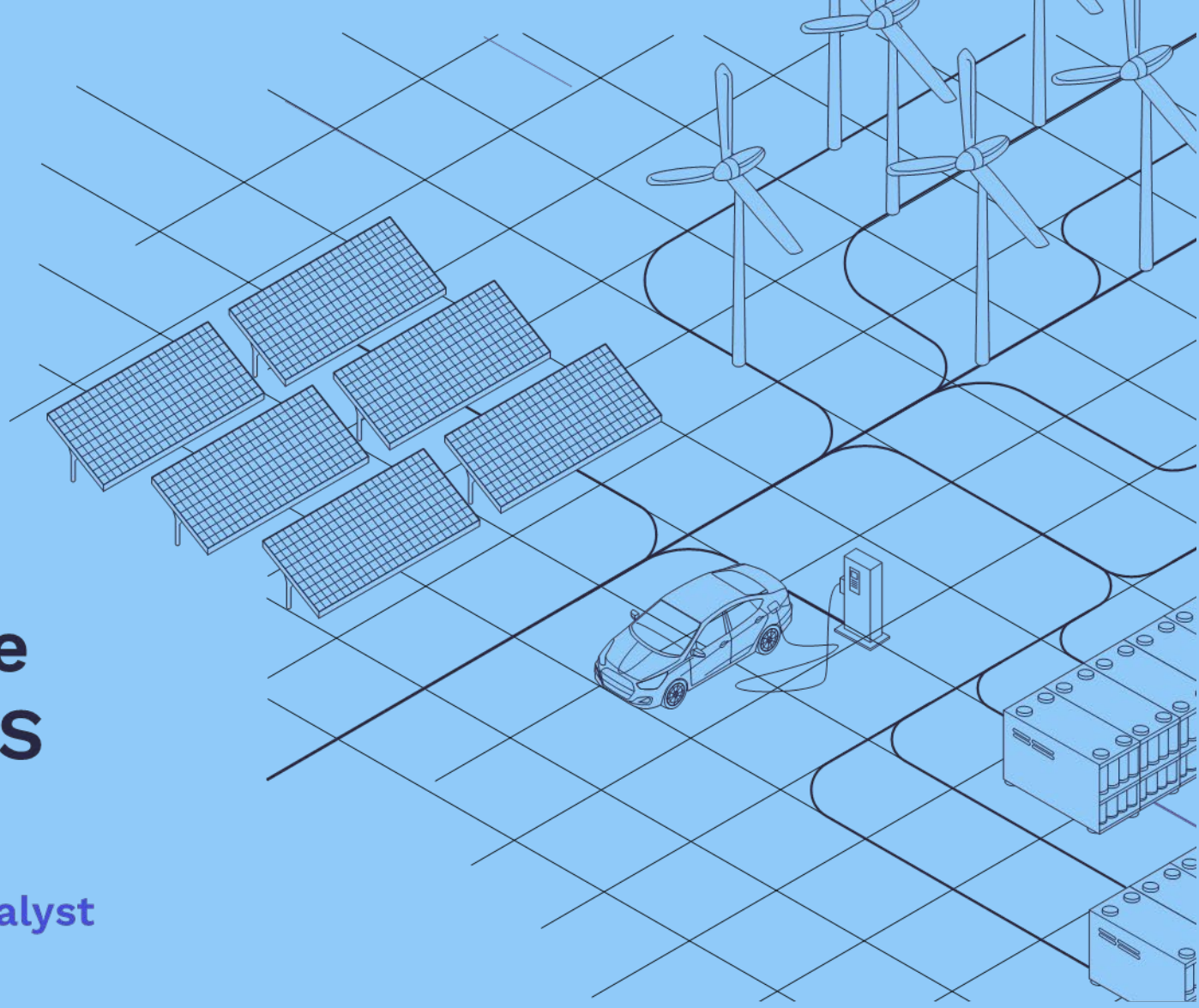

Legislative implications for the EV Market in the US and Europe

Will Roberts, Senior Research Analyst

COB & Rho Motion Webinar

5th October2022

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Despite setbacks growth continues in 2022

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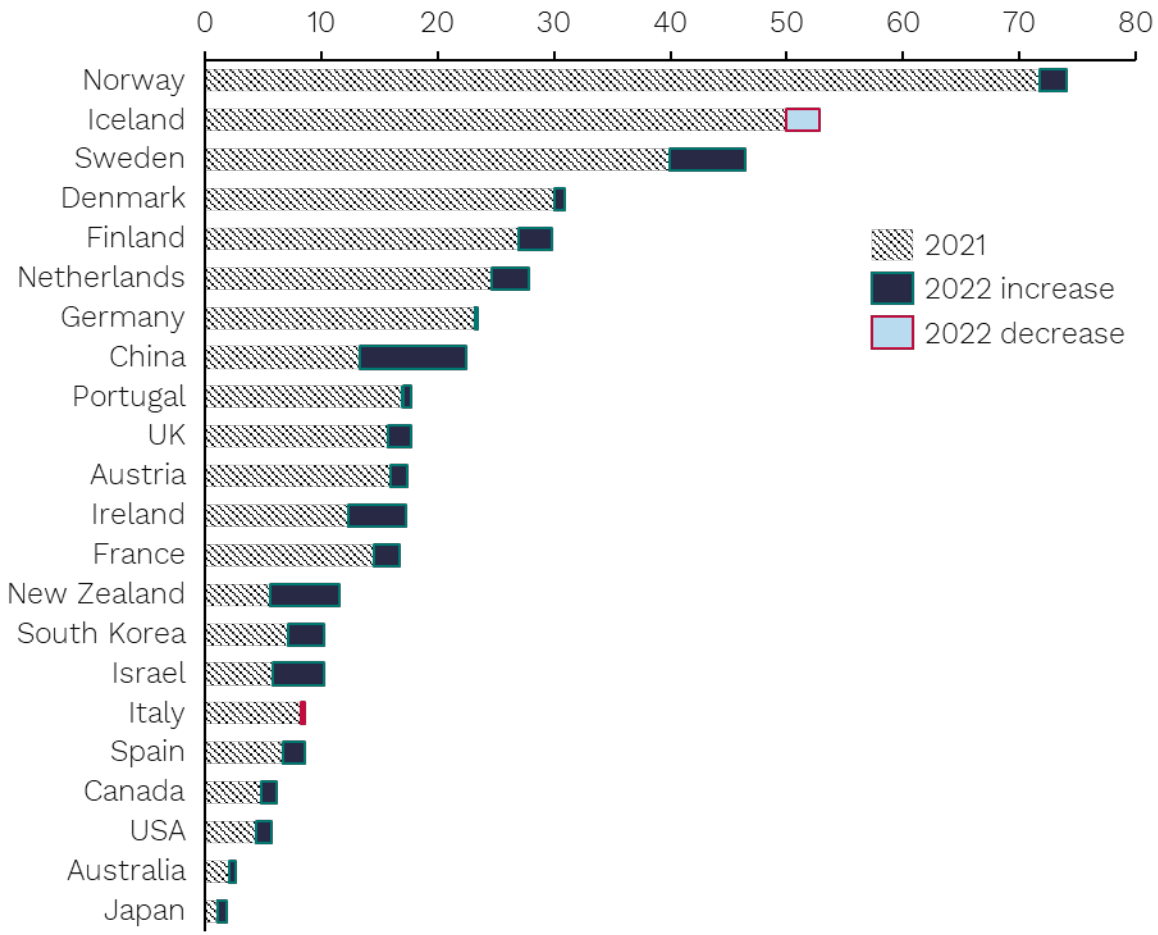
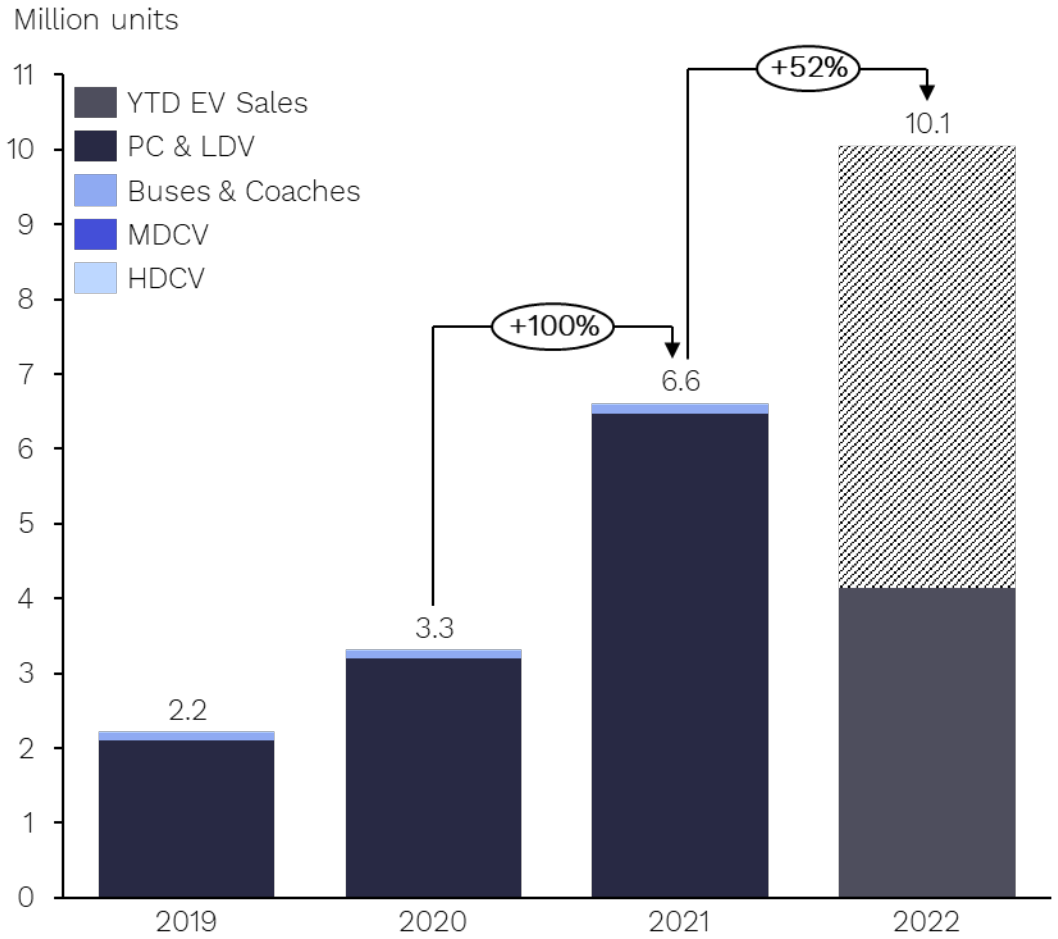
EV PC & LDV penetration rates, %, 2021 vs 2022



EV sales outlook by vehicle class



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Inflation Reduction Act – The numbers

Following months of failed negotiations for the Build Back Better Bill, a reduced and reworked budget reconciliation bill named the Inflation Reduction Act of 2022 passed in August 2022.

- The bill is very broad, and the list of provisions includes a number of different sources of revenue (USD737 billion), as well as spending (USD437 billion) and deficit reduction (USD300 billion).
- For the energy transition, the new bill will invest **USD369 billion** in Energy Security and Climate Change programs over the next 10 years and is projected to have a significant impact on helping the US meet its climate goals with wide-ranging support for several clean technologies.

TOTAL REVENUE RAISED	USD737 billion
15% Corporate Minimum Tax	222 billion
Prescription Drug Pricing Reform	265 billion
IRS Tax Enforcement	124 billion
1% Stock Buybacks Fee	74 billion
Loss Limitation extension	52 billion
TOTAL INVESTMENTS	**USD437 billion**
Energy Security and Climate Change	369 billion
Affordable Care Act Extension	64 billion
Western Drought Resiliency	4 billion
TOTAL DEFICIT REDUCTION	**USD300+ billion**

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Source: https://www.democrats.senate.gov/inflation-reduction-act-of-2022

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Inflation Reduction Act - Key points

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Manufacturer limit of 200,000 removed

$7,500 (split into 2x $3,750)

'Battery Components' rules of origin to be met

'Critical Materials' rules of origin to be met

MSRP restrictions:
$55,000 for Cars
$80,000 for SUV/Pickup

Income Limits:
$150,000 (single filer)
$300,000 (joint filers)

Can be used as down payment – previously tax credit only

Advanced manufacturing credit for battery cells and modules

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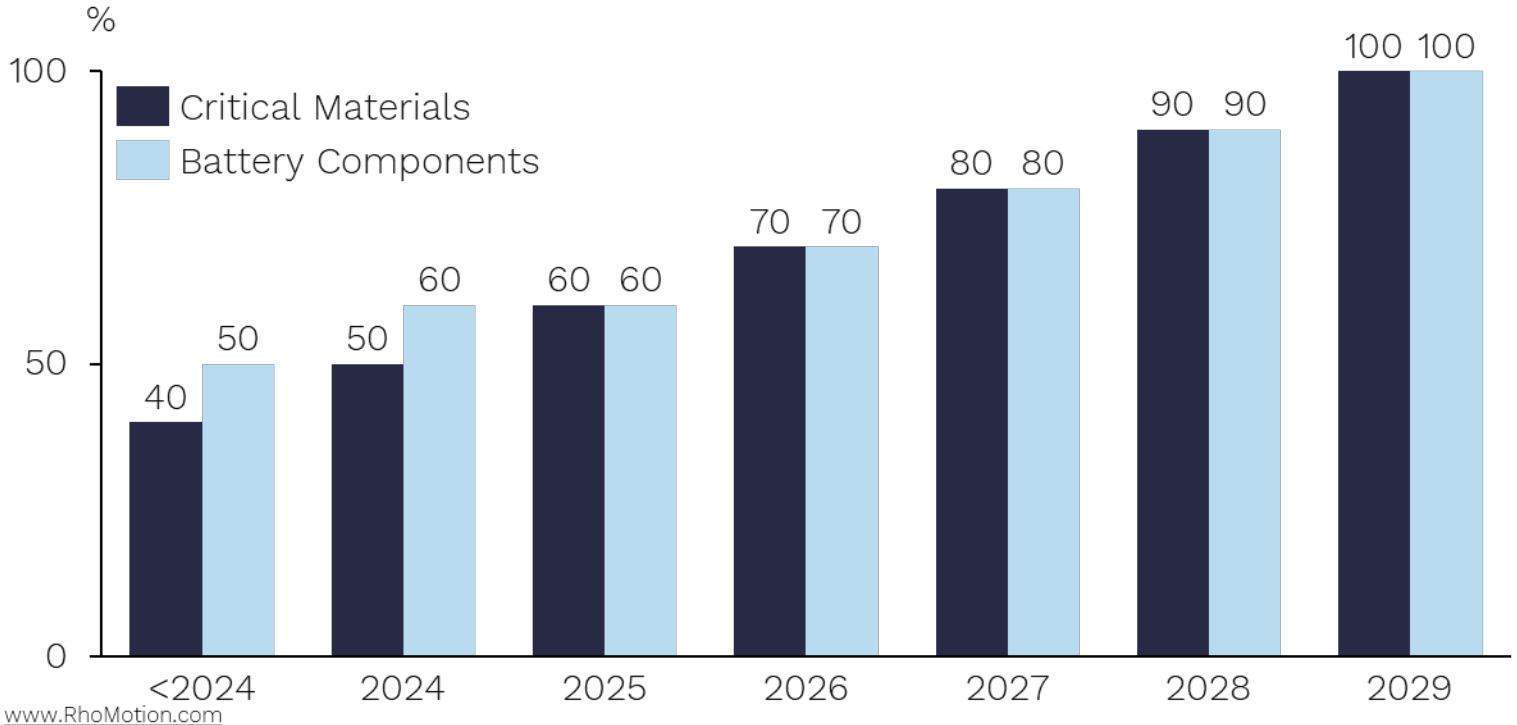
Inflation Reduction Act – Rules of Origin

New Rules of Origin Stipulations (Section 45X):

- The **car** must be manufactured in North America
- A specified % of the value of **Critical Materials** must be extracted, processed, or recycled in the US (or any country that the US has a free trade agreement with) to access 50% of the credit
- A specified % of the value of **Battery Components** must be manufactured or assembled in North America to access 50% of the credit.



Countries which the US has free trade agreements in force with:

- Australia
- Bahrain
- Canada
- Chile
- Colombia
- Costa Rica
- Dominican R.
- El Salvador
- Guatemala
- Honduras
- Israel
- Jordan
- S. Korea
- Mexico
- Morocco
- Nicaragua
- Oman
- Panama
- Peru
- Singapore

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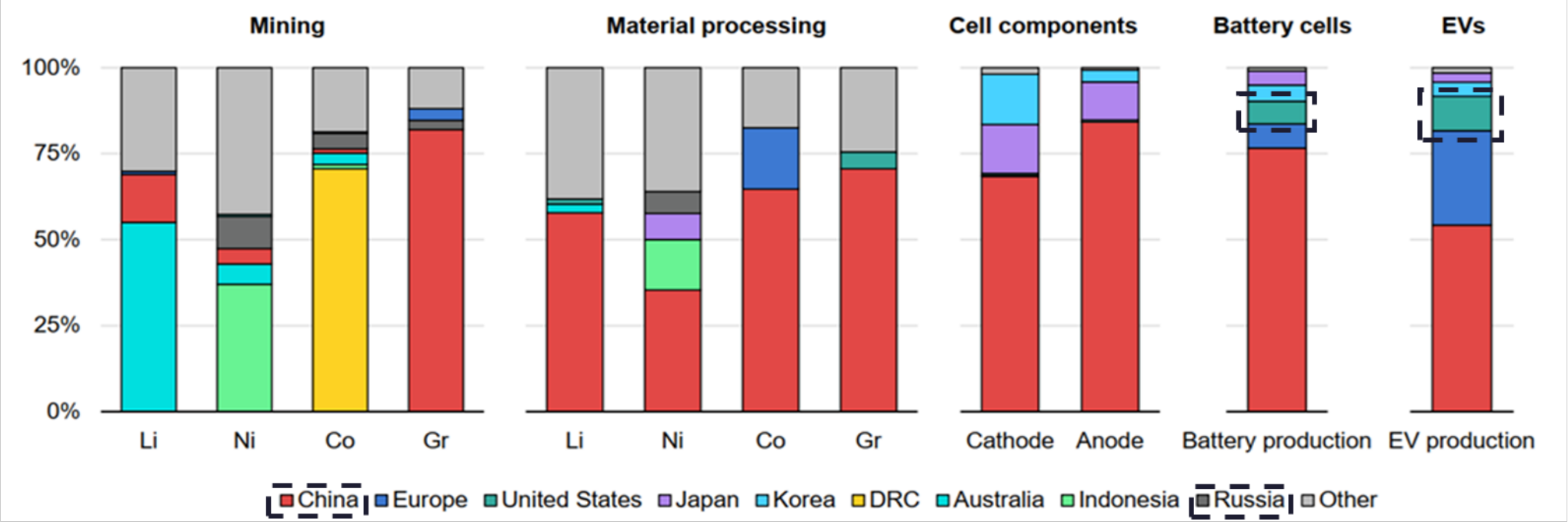
Inflation Reduction Act – Foreign Entities of Concern

A further provision in the bill **excludes cars from being eligible** if:

- From 2024 battery components are manufactured or assembled in a foreign entity of concern
- From 2025 critical minerals in the battery are extracted, processed or recycled by a foreign entity of concern

The four foreign entities of concern are: **China, Russia, North Korea and Iran.**



Most preferential treatment:

US/FTA → US/FTA → US → N. America

Source: IEA (2022), Global EV Outlook 2022, IEA, Paris https://www.iea.org/reports/global-ev-outlook-2022

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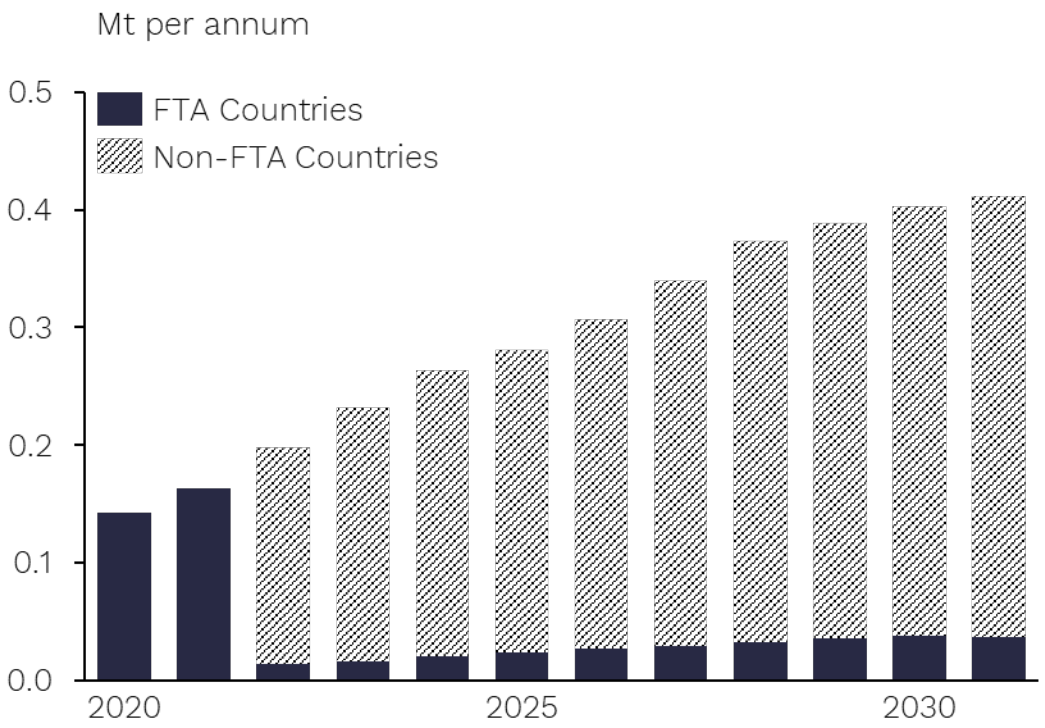
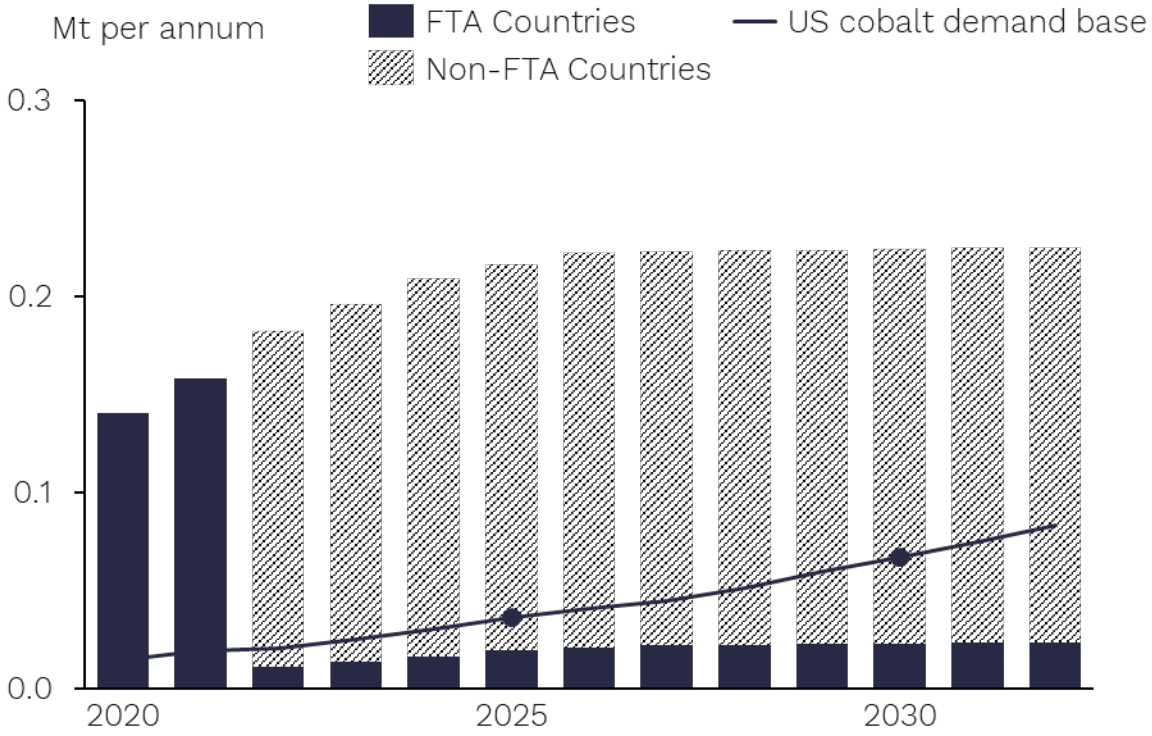
To be eligible to receive vehicle credits the FTA sourced supply of Cobalt will be sought after

Here, we present the base case supply of cobalt for US FTA versus non-FTA partners assuming the IRA 2022 is enacted. As illustrated, non-FTA overwhelmingly dominates both cobalt mining and midstream cobalt refining

Supply gap to US – Mined Cobalt



Supply gap to US – Refined Cobalt*



*Total global supply gap assumes the US would be competing with RoW markets for cobalt supply, thus not guaranteed

Source: Benchmark Mineral Intelligence, Rho Motion Analysis

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Proposed new standards in the EU would effectively ban ICE vehicles by 2035

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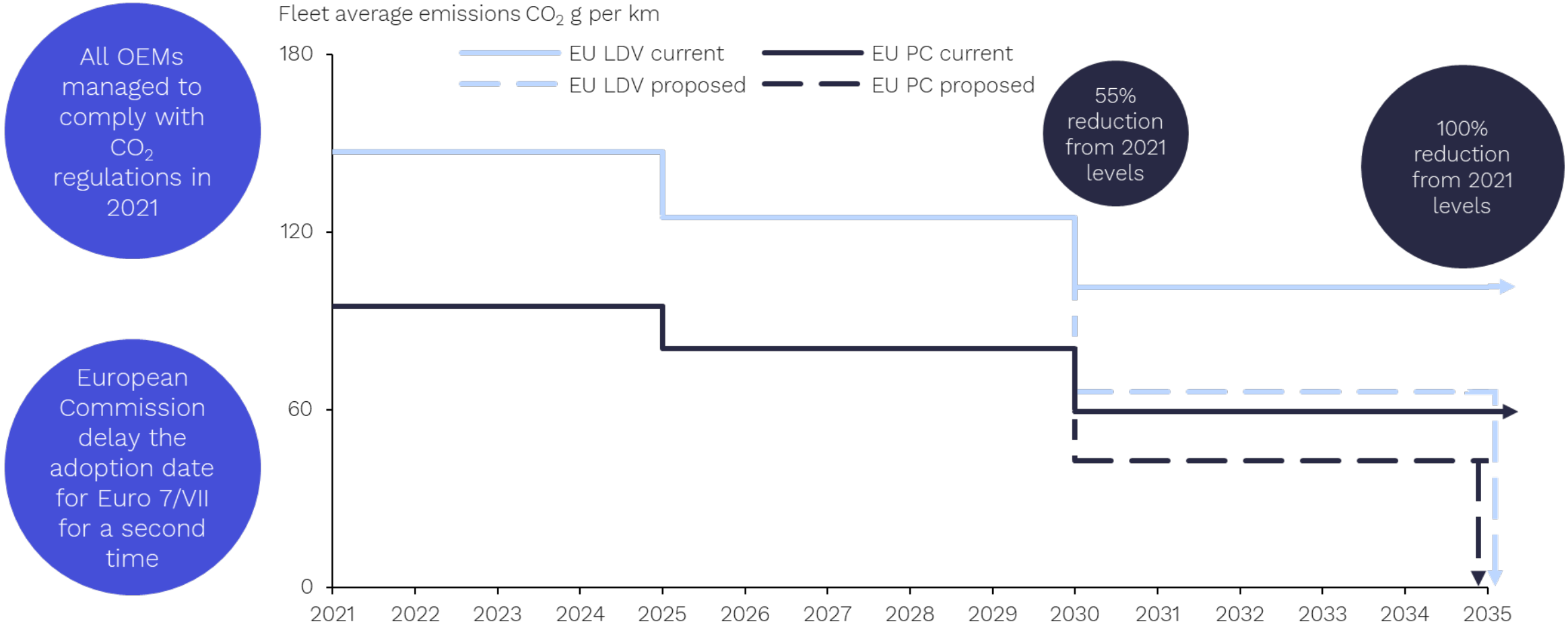
Current and proposed EU fleet average CO_2 emission standards



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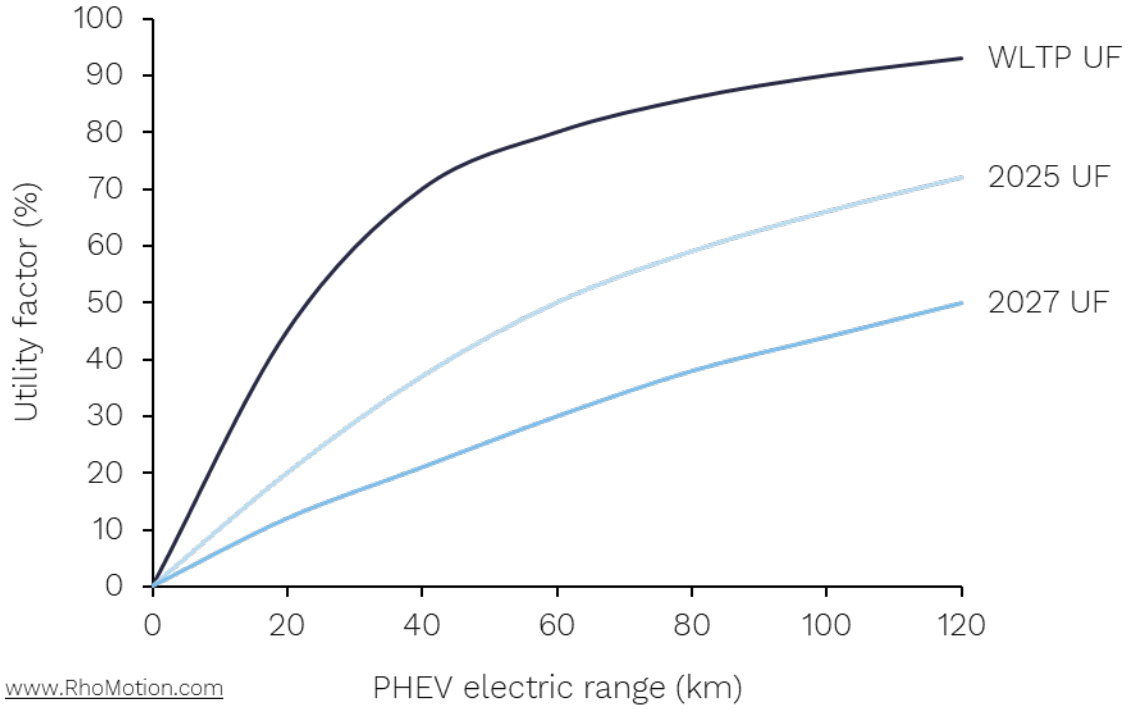
EU PHEV emission rating could be up for a drastic change, limiting its future

- PHEV emission ratings are calculated using a utility factor (UF) - the assumed share of electric driving done.
- Current utility factor results in 44g/km CO_2 for PHEVs, compared to 130g/km for an average ICE vehicle.
- In July 2022, the EU agreed it will assess the emissions of PHEVs based on real world driving. PHEV UF will be decreased, firstly in 2025, and then further in 2027 to be fully aligned with real world driving.

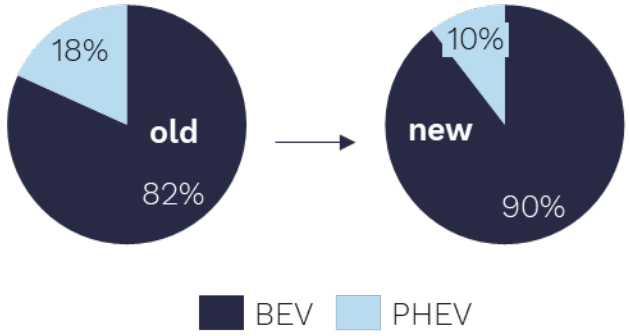
Current WLTP and EU Commission proposed 2025 and 2027 utility factor



***Double whammy* for PHEVs**

PHEV average CO_2 emissions (NEDC)	
2022	44 g/km
2025	86 g/km
2027	125 g/km

2030 BEV/PHEV split



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