

COBRE 

INTERIM REPORT

FOR THE 6 MONTH
PERIOD ENDED
31 DECEMBER 2022



Cobre Limited
(ASX: CBE)

Level 7
151 Macquarie Street
Sydney NSW 2000

+61 407 123 143
www.cobre.com.au

ACN 626 241 067

CONTENTS

Directors' Report	2
Principal activities	2
Review of operations	2
Botswana	4
Exploration Results	
Gabon – Armada Investments	
Direct Projects and Assets	12
Western Australia	
Corporate	13
Board and Management	
Capital Raising	
Conferences	
Competent Persons	
Statements	14
Financial Statements	16



ASX: CBE

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity') consisting of Cobre Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were Directors of Cobre Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Martin Holland – *Executive Chairman* from 8 December 2022 (Managing Director and Executive Chairman until 8 December 2022)

Dr Ross McGowan – *Non-Executive Director*

Michael McNeilly – *Non-Executive Director*

Michael Addison – *Non-Executive Director*

Andrew Sissian – *Non-Executive Director*

Adam Wooldridge – *Chief Executive Officer*

Greg Hammond – *Chief Financial Officer*

Justin Clyne – *Company Secretary*

Principal activities

The principal activities of the Consolidated Entity during the financial half-year included advanced exploration over Cobre's 100%-owned assets in the Kalahari Copper Belt (**KCB**), Botswana which spans across an extensive licenced area of 5,384km², prospective for sedimentary hosted copper-silver mineralisation.

During the period, Cobre also continued to evaluate the assets held by its 100%-owned subsidiary Toucan Gold Pty Ltd (**Toucan**), primarily at the Perrinvale Project, which covers 327km² of the Panhandle and Illaara Greenstone Belts in Western Australia. The Company also continued to incur exploration expenditure under the Sandiman Farm-in Agreement with GTTS Generations Pty Ltd. The Sandiman Tenement is located in the Gascoyne Province, in Western Australia and spans across 202km² on the eastern edge of the Carnarvon Basin.

Cobre also holds a 14.43% investment interest in ASX-listed Armada Metals Limited (ASX: **AMM**, **Armada Metals**) which continued to perform exploration activities over the reporting period. Armada holds two exploration licences prospective for magmatic Ni-Cu sulphides in Gabon covering a total area of 2,725km².

Review of operations

The Company reported a net loss, after providing for income tax, of A\$749,493 for the half-year ended 31 December 2022 (31 December 2021: A\$3,659,280).

Cobre had a transformational half-year, securing its position as the second largest landholder in the KCB by acquiring the remaining 49% interest of Kalahari Metals Limited (**KML**), giving it 100% ownership of KML. Cobre is now able to fully exploit the exploration potential of the extensive 5,384km² license package in Botswana (refer announcement on 30 November 2022).

During the reporting period, a total 7,750m of diamond drilling was successfully completed, and within the planned exploration budget. Of the 28 holes drilled at the Ngami Copper Project (**NCP** or **Ngami**), 27 intersected the target mineralised contact, almost all of which have returned anomalous copper mineralisation for the Kalahari Copper Belt (**KCB**), demonstrating the regional copper endowment in this emerging copper district on the relatively unexplored northern margin of the KCB.

The most significant result of the reporting period was the intersection of high-grade copper-silver mineralisation in drill hole NCP20A at the Comet target (refer ASX announcements of 28 October and 5 December 2022 respectively). The intersected high-grade zone appears to extend from drillhole NCP08 (10.7m @ 1.5% Cu_{eq}) through recently completed NCP25 to NCP20A (12.2m @ 2.68% Cu_{eq}) over a distance of more than 250m. Importantly, the expectation is for several similar structurally controlled high-grade zones to occur within the greater 4km Comet target, a typical feature in other known KCB deposits.

During the interim period, drilling of the first batch of new targets, delineated from ~6600 partial leach soil sample results, commenced with positive copper intersections reported at the first target, 'Nova' (refer ASX announcement of 24 October 2022). Results provide further evidence for Cobre's current exploration model and demonstrate the potential for NCP (and the neighbouring Kitlanya West Project (**KITW**)) to host multiple, district-scale discoveries in this relatively unexplored portion of the KCB.

In addition to successful exploration, the Company completed a number of strategic milestones on the corporate front including the appointment of Adam Wooldridge as the new Chief Executive Officer (**CEO**) of Cobre effective 8 December 2022, complementing his existing role as a founder and CEO of KML, and adding his proven track-record of exploration success in Africa to the senior management team of Cobre. On the same date, Martin Holland transitioned from Managing Director and Executive Chairman to Executive Chairman. The Company also appointed Chief Financial Officer (**CFO**), Greg Hammond, on 1 July 2022, who brings many years of corporate experience servicing ASX-listed junior exploration companies. At the same time, Andrew Sissian transitioned from Finance Director to Non-Executive Director.

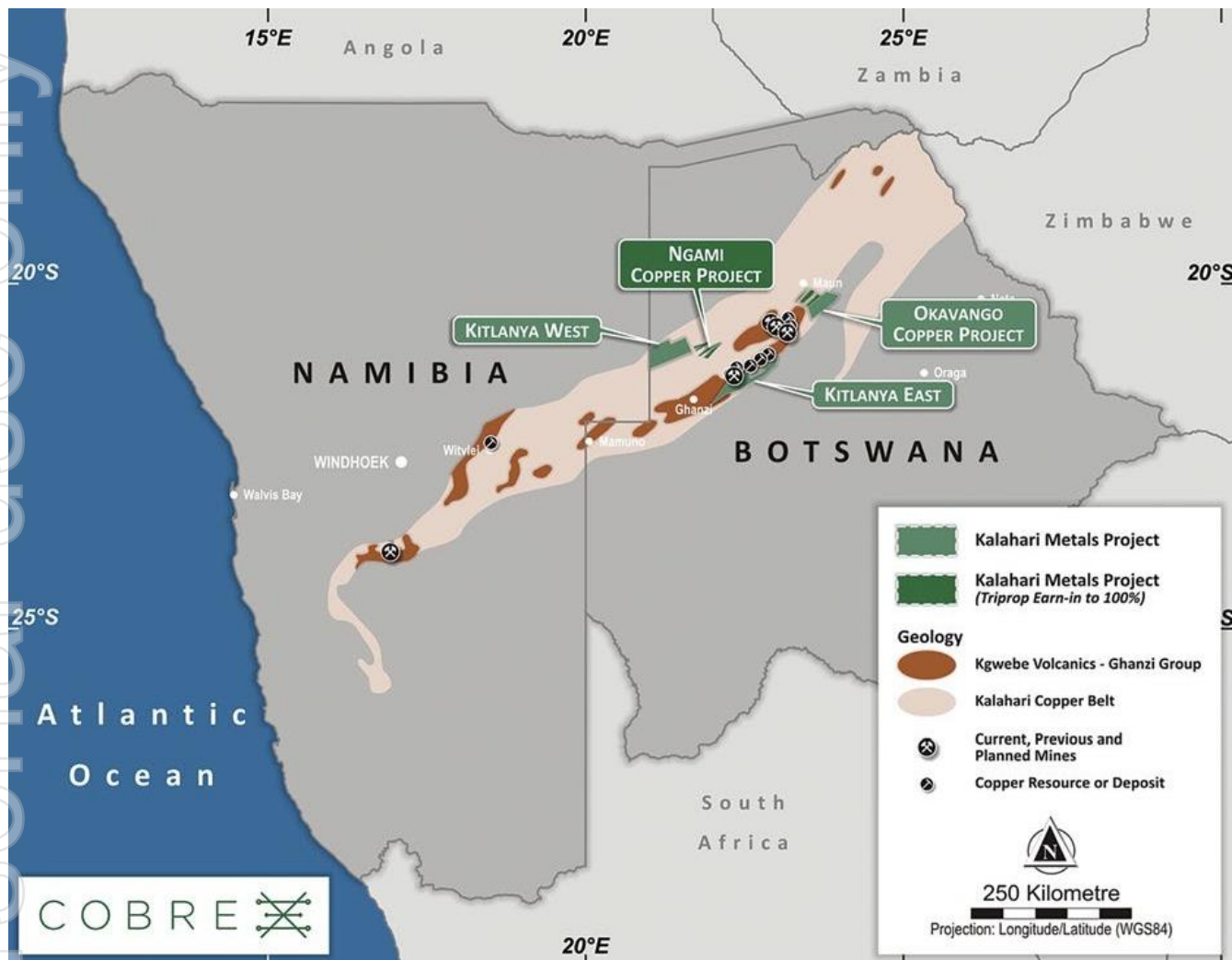
On 14 December 2022, Cobre announced a strategic collaboration agreement with ASX-listed Sandfire Resources Limited (ASX: **SFR, Sandfire**) to conduct a joint Airborne Gravity Gradient (**AGG**) survey that will provide detailed coverage over Cobre's Ngami, KITW and Kitlanya East (**KITE**) Copper Projects in Botswana. Sandfire will contribute 50% towards the total cost of the survey.

Finally, over the Half-year reporting period, Cobre successfully completed a A\$7 million placement in August 2022 and a further A\$5 million Placement in December 2022, including a subsequent receipt of ~A\$2.9M via an oversubscribed Share Purchase Plan (**SPP**) completed in January 2023, to accelerate advanced exploration in the KCB, Botswana.

The Company has had an exceptionally successful half-year, with a strong focus on advanced exploration success in Botswana and strategic acquisitions and appointments on the corporate front. Some of these key achievements are outlined in Cobre's more significant ASX Announcements released during the reporting period as detailed below:

Table 1 | Announcements released by the Company during the half-year ended 31 December 2022

Date	Key Announcement
4 July 2022	KML – Appointment of Mr Adam Wooldridge as Chief Executive Officer and new exploration team
5 July 2022	Board and fee structure
6 July 2022	Advanced exploration drilling commenced- Kalahari Copper Belt, Botswana
27 July 2022	Significant new copper intersection at the Ngami Copper Project
1 August 2022	Significant copper intersection at the Ngami Copper Project
3 August 2022	Additional copper intersection at the Ngami Copper Project
4 August 2022	Cobre completes a \$7 million placement to capitalise on early exploration success in Botswana
9 August 2022	Stage 1 infill diamond drilling
16 August 2022	Additional significant copper intersection extends mineralisation a further 1km to the northeast, Ngami Copper Project
18 August 2022	Botswana renewal approved
30 August 2022	Vertical continuity of copper mineralisation confirmed at the Ngami Copper Project
9 September 2022	Drilling intersects further significant copper mineralisation, Ngami Copper Project
21 September 2022	Assay results confirm significant copper mineralisation, Ngami Copper Project
24 October 2022	New copper zone intersected at the Ngami Copper Project
28 October 2022	Discovery of high-grade copper zone at comet target, Ngami
30 November 2022	Cobre completes acquisition of 100% of Kalahari Metals
5 December 2022	Thick high-grade copper assay results at Ngami
8 December 2022	Cobre appoints new Chief Executive Officer
14 December 2022	Cobre and Sandfire sign collaboration agreement
19 December 2022	\$5m placement to accelerate exploration in Botswana



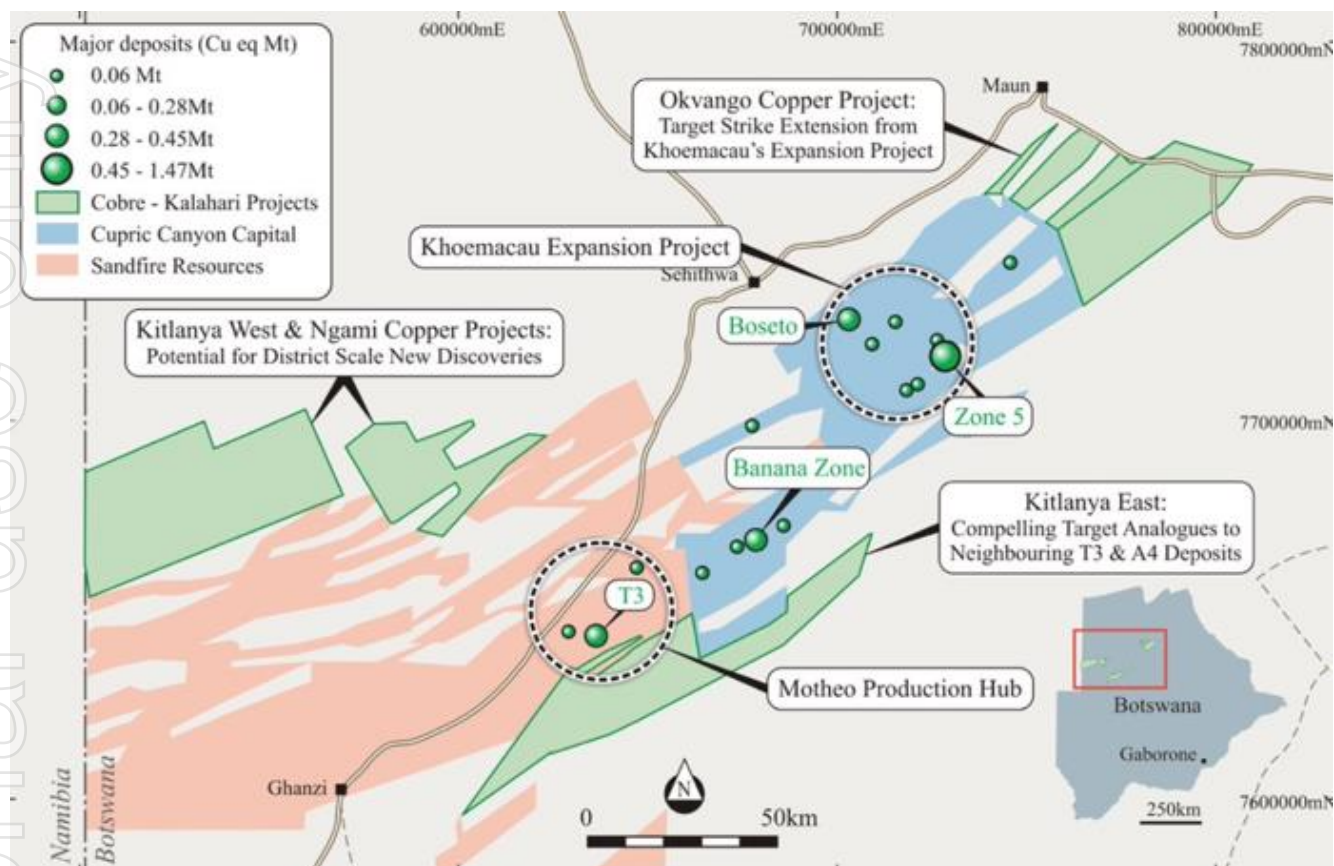
1. Botswana

Cobre owns an extensive land package of highly prospective copper and silver exploration tenements in the KCB. The KCB is regarded as one of the world's most prospective areas for yet-to-be-discovered sediment-hosted copper deposits by the US Geological Survey, and is emerging as a new copper production belt.

Cobre's landholding comprises the second largest tenement package in the KCB and is in proximity to, and along strike from, known deposits including two major development projects: Khoemacau's Expansion Project and Sandfire's Motheo Production Hub.

In November 2022, Cobre secured its position as the second largest landholder in the KCB by acquiring the remaining 49% interest of KML. Cobre is now able to fully exploit the exploration potential of the extensive 5,384km² license package in Botswana.

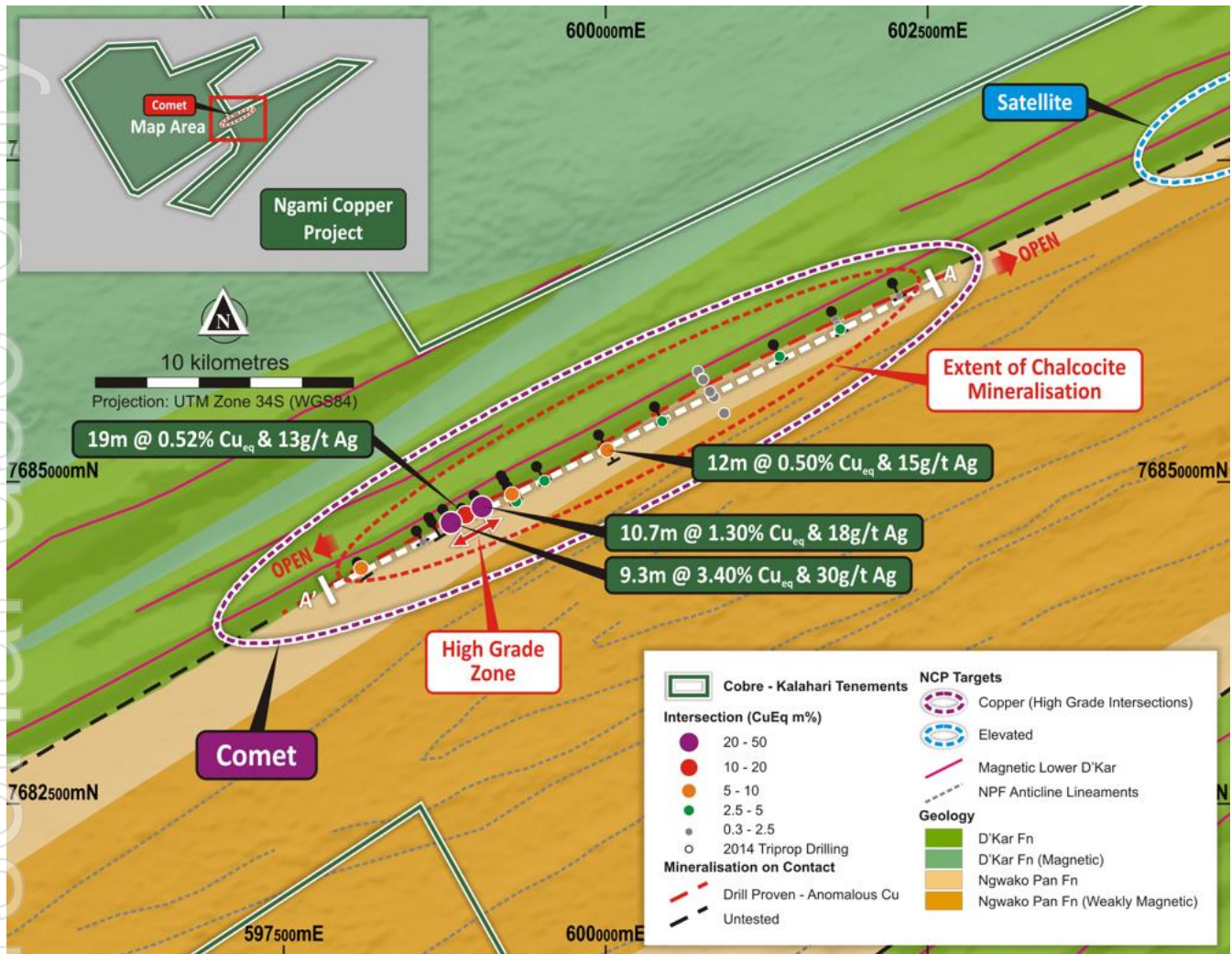
The tenure consists of four large Project areas, each with a drill-proven exploration strategy: Ngami Copper Project (727km²), Kitlanya East (1,359km²), Kitlanya West (1,900km²) and Okavango (1,362km²).



Exploration In Botswana

During the half-year, Cobre completed its maiden diamond drilling program at the NCP which intersected chalcocite mineralization at the Comet target, with assay results confirming significant copper and silver mineralization over a strike length of more than 4km in line with other deposits in the KCB.

A total 7,750m of diamond drilling was completed in the last six months of 2022 within the planned exploration budget for the year. Of the 28 holes drilled on the NCP, 27 intersected the target mineralised contact, almost all of which have returned anomalous copper mineralisation for the KCB demonstrating the regional copper endowment in this emerging copper district on the relatively unexplored northern margin of the KCB.



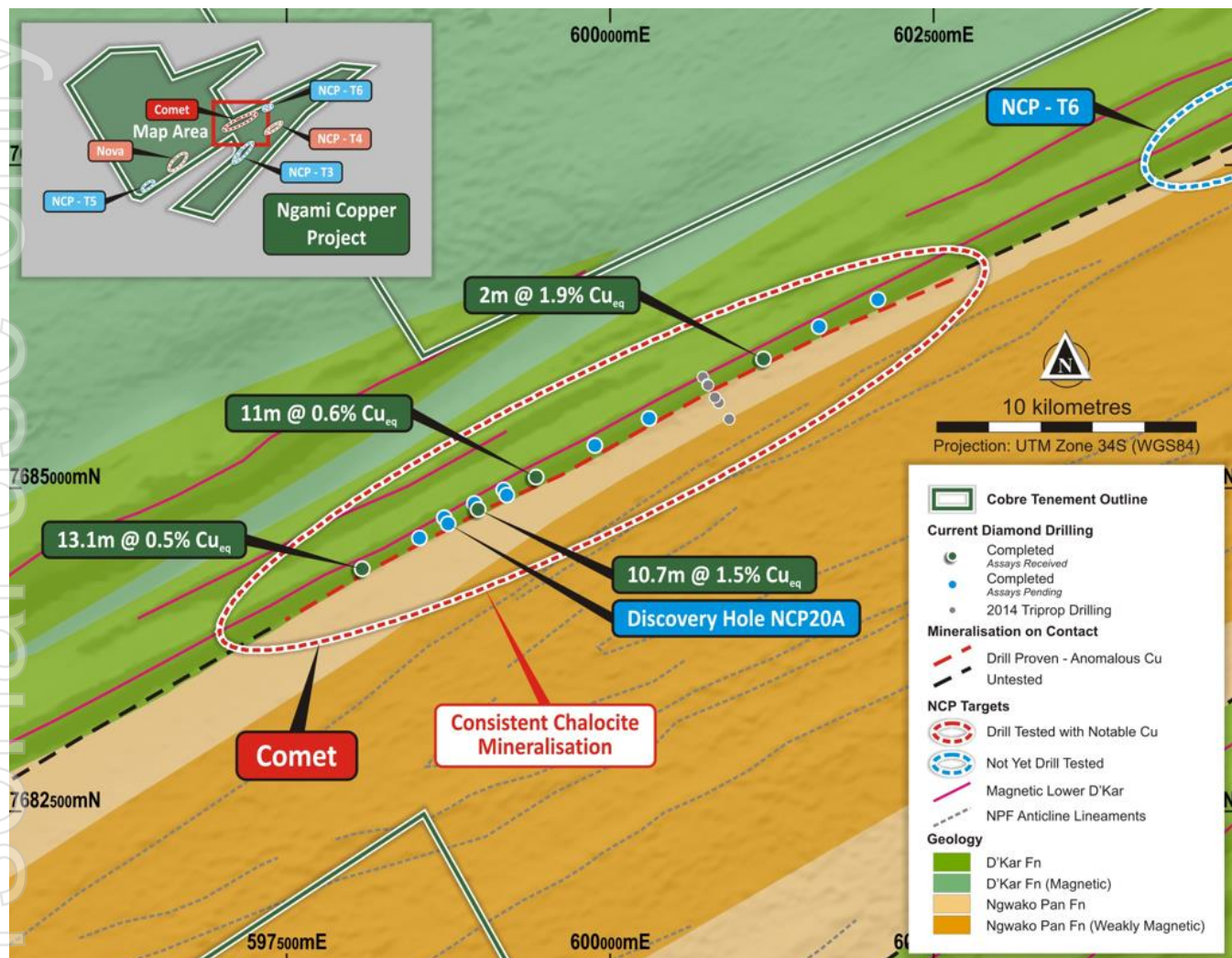
The thickness and grade of mineralisation intersected in drill hole **NCP08**, at the Comet Target, demonstrates significant economic potential of the target:

- 10.7m @ 1.3% Cu and 18 g/t Ag (1.5% Cu_{eq})
- from 136.2m to 146.9m downhole including:
 - 4.4m @ 2.0% Cu and 25 g/t Ag (2.2% Cu_{eq}); or
 - 1m @ 5.3% Cu and 39 g/t Ag (5.6% Cu_{eq})

Further, assay results from discovery hole **NCP20A** drilled into the Comet target confirmed visual copper estimates, delineating a 30m zone (downhole) of chalcocite mineralisation grading at 1.25% Cu and 17 g/t Ag which includes economic grades:

- 12.2m @ 2.5%Cu and 24g/t Ag (2.68%Cu_{eq}) or
- 5.1m @ 5.1%Cu and 32g/t Ag (5.21%Cu_{eq})

The intersection includes an exceptional 1.7m @10.9% Cu and 45 g/t Ag (11.2% Cu_{eq}) from 155.3m to 157m downhole. This places NCP20A in the upper 2% of grade-width drill hole intersections into KCB deposits. Importantly, several of the completed drill holes at Comet have intersected parasitic folds which are key trap-sites for high-grade copper-silver mineralization.



Over 5,000 historical soil samples, combined with 1,634 new samples were analysed with partial leach geochemistry which has proven successful in defining several new targets, in addition to Comet, at NCP. Drill testing of the new targets is ongoing with anomalous copper mineralisation reported over the first target, Nova. 5,359 soil samples were collected on KITW, located immediately west of NCP, and sent for ICP-MS analysis along with 3,500 historical samples.

This extensive sample dataset will be combined with geophysical data to advance new targets across this extensive unexplored 2,000km² license package which will be prioritised for aircore and Reverse Circulation (RC) drill testing in the 2023 exploration programme.



A 25km Natural Source Audio-Magnetotelluric (**NSAMT**) orientation study was also completed in the last week of December 2022, along with a 500-sample ionic leach test survey both aimed at providing new ways to vector into high grade zones within the targets at NCP.

Finally, in collaboration with ASX listed Sandfire, an 8,778km AGG survey is being commissioned to provide detailed coverage over the NCP, KITW and KITE project areas (of which Sandfire is contributing 50% towards total costs). Results from this survey will provide valuable information for regional and local target generation.

GABON - Armada Investment

Cobre holds a total of 15,000,000 shares in ASX listed Armada Metals Limited (ASX: **AMM**, **Armada**) comprising 14.43% of shares on issue, as well as an option to acquire an additional 3,330,000 shares, subject to payment of the exercise price of AUD\$0.334 per share.



Exploration

During the half year, Armada continued to advance the Nyanga Project in Gabon, with a series of NSAMT surveys along the Libonga-Matchiti Trend (**LMT**). A total of 77.25-line kilometres of survey were completed with early observations defining multiple discrete, very strong apparent conductors which are consistent with the geological setting of the Nyanga intrusions and will be targeted in future drill programs.

The interpreted apparent conductors display geometries similar to portions of known deposits within the Mid Continental Rift (**MCR**) in USA. These geometries include keel-like bodies at the base of differentiated sills, subvertical dyke-like bodies, and tubular chonoliths.

Full lithogeochemical suite assay results have been received and will be used in conjunction with ongoing geochemical characterisation (including essential sulphur analyses) and petrological studies to provide important information on source magmas, system fertility and system enrichment.



Over the half-year, Armada also announced the commencement of a Mobile Magnetotellurics (**'MobileMT'**) survey. The survey consisted of 1,453 line kilometres using the Expert Geophysics Limited's ('EGL') Mobile-MT system. The system was deployed to rapidly test potential concealed portions of the LMT and the prospective and untested Ngongo-Yoyo Trend ('NYT').

The survey was completed in the second half of December, with data and interpreted results from the survey integrated into the exploration pipeline to define targets for drill testing during 2023.

Table 2 | Armada's Exploration Permit Details

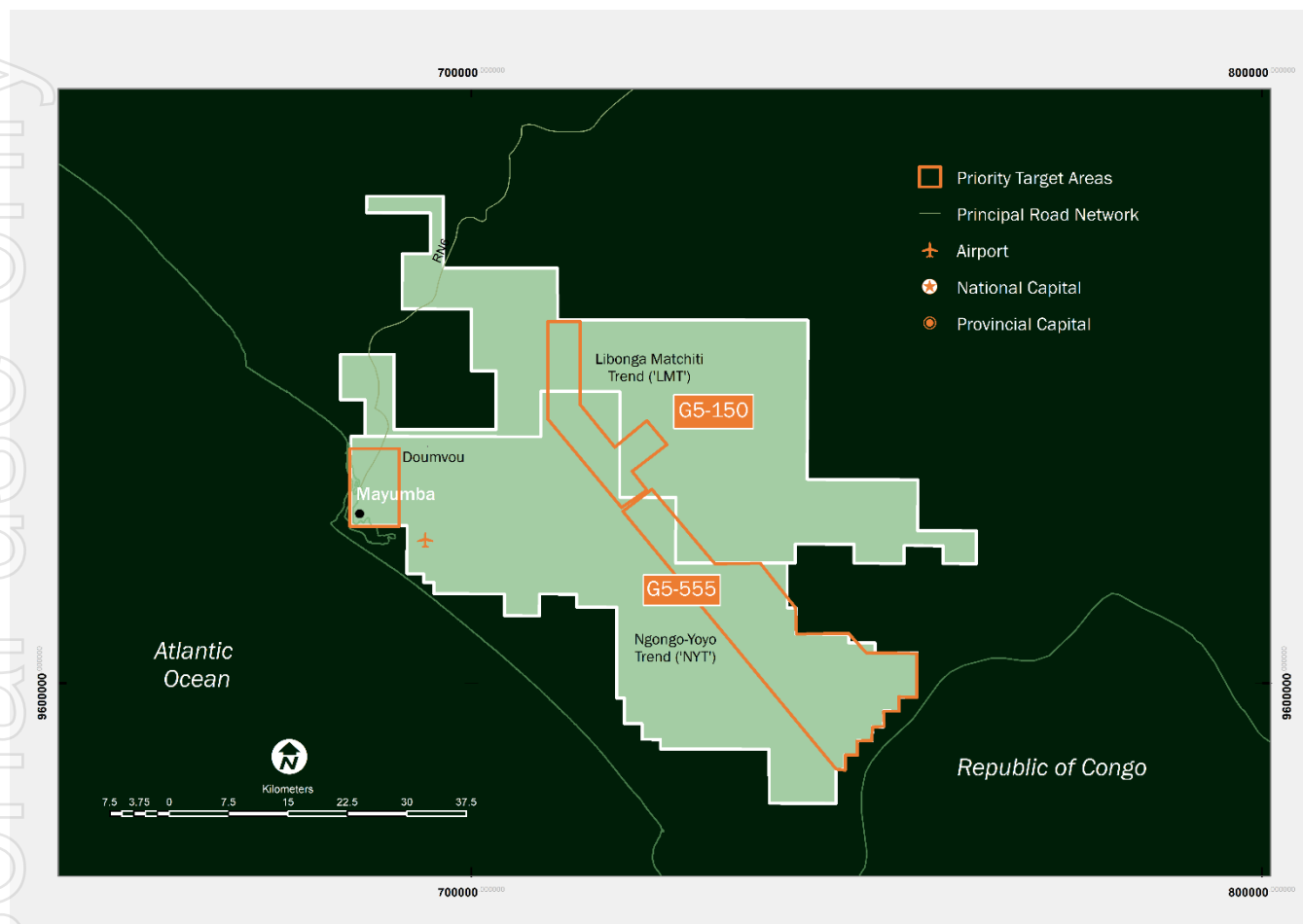
Armada held licenses for the following tenements during the December quarter. Each of the tenements listed in the table below are 100% owned by Armada's wholly owned subsidiary, Armada Exploration Gabon SARL.

Subsequent to the end of the quarter, on 9 January 2023, Armada announced that the renewal of permit G5-150 had been granted by his Excellency Elvis Ossindji, Minister of Mines in Gabon, dated 29th November and received formally by the Company on 5 January 2023. The permit has been renewed for a period of three years until the end of November 2025. In addition, the permit has been reduced from an area of 1,497km² to 1,230km², a reduction of 18%, on which Armada remains in discussions with the Ministry of Mines.

Permit ¹	Area (km ²)	Granted	Term	End date	Registered Holder	Interest
G5-150	1,230	29 November 2022	3 yrs	29 November 2025	Armada Exploration Gabon Sarl	100%
G5-555	1,495	14 February 2022	3 yrs	13 February 2025	Armada Exploration Gabon Sarl	100%

¹ Exploration permit translates from French 'Permis de Recherche Minière'

For personal use only



2. Direct Projects and Assets

Western Australia

Perrinvale Project

The Perrinvale Project is based on a large conterminous group of nine exploration licenses and one miscellaneous license held by Toucan Gold Pty Ltd, a wholly owned subsidiary of Cobre. At 31 December 2022, the Perrinvale tenements totalled 327km².

During the half-year, the Company continued with a systematic approach to progressing the project with the aim of defining a significant Volcanic Hosted Mineral Sulphides (**VHMS**) resource base on the project.

A Heritage survey was completed across five prospects, where exploration to date supports drill testing. The Costa del Islas Prospect was subject to an extension of the previous Moving Loop Electromagnetic (**MLEM**) survey, extending the data set to the north over areas of surface gossan and conductivity in the 2019 airborne electromagnetic survey dataset. Leading into the end of the year, the MLEM survey was followed by a small program of RC drilling to test conceptual potential on the Costa del Islas North area and the northern side of the Freshwater Prospect.

While the clear focus of the Company has been its interests in KML, and drilling on the KCB, the Perrinvale Project has been progressed to the point of defining multiple drill targets. With the outlook for copper strong, the Company also took the decision in December to progress the Schwabe Prospect from an internal resource estimate to a formal JORC classified Resource Estimate.

Sandiman Project

The Sandiman Project is based on a single tenement (E09/2316) totalling 202km² in size. Cobre has earned a 51% interest in the tenement via the farm-in agreement with GTTS Generations Pty Ltd dated 13 November 2019 (refer farm-in agreement summary in section 10.8 of the Company's Prospectus dated 6 December 2019). Having met the first earn-in obligations, due to a lack of copper results, Cobre decided not to proceed with the second earn-in but to operate in joint venture with GTTS Generation.

The project has demonstrated significant potential for Mississippi Valley style silver-lead-zinc and fieldwork is continuing to refine drill targets. Previous ground sampling and geophysical survey interpretation identified a significant number of areas of interest requiring field follow up on the Sandiman Project. In the last quarter of the financial year, and in conjunction with 49% project owner, GTTS Generations Pty Ltd, a field team commenced a programme of field work aimed at ground truthing and prioritising targets for drilling.

3. Corporate

Board and Management

On 8 December 2022, the Company announced the appointment of Adam Wooldridge as CEO of Cobre. Adam is a founding partner and the current CEO of KML and has played an active role in developing the Company's exploration projects over the last five years. An experienced geophysicist and geologist with over 25 years' experience in Africa, the Middle East and Europe, he has worked in exploration management and consulting positions across a variety of deposit types including base and precious metals. On the same date, Martin Holland transitioned from Managing Director and Executive Chairman to Executive Chairman.

In addition to Adam's appointment as CEO, Cobre appointed a discovery focussed team with extensive experience in Africa, including David Catterall, Thomas Rogers, Dr Ross McGowan and Thomas Krebs (*refer ASX announcement on 4 July 2022*).

During the reporting period, Andrew Sissian transitioned from Finance Director to Non-Executive Director, with Greg Hammond appointed as the Company's new CFO, (*refer ASX announcement on 5 July 2022*).

Acquisitions and M&A

Cobre completed the acquisition of the remaining 49% interest in KML, increasing its ownership in the second largest tenure in the KCB, covering a total area of approximately 5,384km².

KML completed the second earn-in milestone and took its ownership to 80% of the Triprop projects. Five exploration licenses (held by Triprop) in Botswana were renewed for an additional two years until 30 September 2024.

Capital Raisings

Cobre completed a A\$7 million placement in August 2022 and a further A\$5 million placement in December 2022, including the subsequent receipt of ~A\$2.9M via an oversubscribed SPP completed in January 2023 to accelerate advanced exploration in the KCB, Botswana.

Shareholder Meetings

Cobre held both its Annual General meeting and Extraordinary General Meeting on 22 November 2022 where shareholders approved the completion of the acquisition to own 100% of KML.

This Half-Yearly Activities Report and Financials Report were authorised on behalf of the Cobre Limited Board by: Martin C Holland, Executive Chairman.

For more information about this announcement:

Martin C Holland

Executive Chairman

holland@cobre.com.au

For all media & investment enquiries, please contact:

Tau Media Pty Ltd

info@taumedia.com.au

For full exploration results and relevant JORC table information referred to throughout this Half Year Report, please refer to the Company's ASX announcements released to the ASX during the period 1 July 2022 and 31 December 2022.

Competent Persons Statements

The information in this Half Year Report relates to mineral exploration results and exploration potential based on work compiled under the supervision of Mr Todd Axford, a Competent Person and member of the AusIMM. Mr Axford is the Principal Geologist for GEKO-Co Pty Ltd and contracted to the Company as Exploration Manager and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Axford consents to the inclusion in this report of the information in the form and context in which it appears.

The information in this Half Year Report relates to exploration results as contained in the Company's announcements released to the ASX during the period 1 July 2022 to 31 December 2022 and are based on information compiled by Mr David Catterall, a Competent Person and a member of a Recognised Professional Organisations (ROPO). David Catterall has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012). David is the principal geologist at Tulia Blueclay Limited and a consultant to Kalahari Metals Limited. David Catterall is a member of the South African Council for Natural Scientific Professions, a recognised professional organisation. David Catterall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Building a better
working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's independence declaration to the directors of Cobre Limited

As lead auditor for the review of the half-year financial report of Cobre Limited for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Cobre Limited and the entities it controlled during the financial period.

A stylized, handwritten signature of 'Ernst & Young' in black ink.

Ernst & Young

A stylized, handwritten signature of 'Ryan Fisk' in black ink.

Ryan Fisk
Partner
15 March 2023

FINANCIAL STATEMENTS

FOR THE 6 MONTH PERIOD
ENDED 31 DECEMBER 2022

General information

The financial statements cover Cobre Limited (**Cobre, Company or Consolidated Entity**) as a Consolidated Entity consisting of Cobre Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Cobre Limited's functional and presentation currency.

Cobre Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 7, 151 Macquarie Street
Sydney NSW 2000

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 15 March 2023.

CONTENTS

Directors' Report	2
Principal activities	2
Review of operations	2
Auditor's independence declaration	15
Financial Statements	16
General information	16
Statement of profit or loss and other comprehensive income	17
Statement of financial position	18
Statement of changes in equity	19
Statement of cash flows	20
Notes to the financial statements	
Note 1.	21
Note 2.	21
Note 3.	21
Note 4.	22
Note 5.	22
Note 6.	22
Note 7.	23
Note 8.	23
Note 9.	23
Note 10.	24
Note 11.	25
Note 12.	26
Note 13.	26
Note 14.	26
Note 15.	27
Note 16.	28
Directors' declaration	29
Independent auditor's review	30

Statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2022

		Consolidated	
	Note	Dec 2022 \$	Dec 2021 \$
Revenue			
Other income	3	472,414	158,298
Interest revenue calculated using the effective interest method		1,141	698
Expenses			
Corporate expenses		(784,795)	(611,640)
Tenement expenses		–	382
Employee benefits expense		(132,600)	(158,400)
Share based payment expense		(97,113)	–
Depreciation and amortisation expense		(706)	(706)
Fair value loss on derivative financial asset		(9,869)	(72,374)
Share of equity accounted losses	5	(170,656)	(1,296,776)
Fair value loss on loan with joint venture	4	–	(1,621,432)
Other expenses		(27,309)	(60,324)
Loss before income tax benefit		(749,493)	(3,662,274)
Income tax benefit		–	2,994
Loss after income tax benefit for the half-year		(749,493)	(3,659,280)
Other comprehensive income/(loss)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain/(loss) on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		(96,500)	8,981
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(8,875)	–
Other comprehensive income/(loss) for the half-year, net of tax		(105,375)	8,981
Total comprehensive loss for the half-year		(854,868)	(3,650,299)
Loss for the half-year is attributable to:			
Non-controlling interest		(14,636)	–
Owners of Cobre Limited		(734,857)	(3,659,280)
		(749,493)	(3,659,280)
Total comprehensive loss for the half-year is attributable to:			
Non-controlling interest		(14,636)	–
Owners of Cobre Limited		(840,232)	(3,650,299)
		Cents	Cents
Basic loss per share	16	(0.36)	(2.33)
Diluted loss per share	16	(0.36)	(2.33)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 31 December 2022

	Note	Consolidated	
		Dec 2022 \$	Jun 2022 \$
Assets			
Current assets			
Cash and cash equivalents		8,041,829	2,730,000
Trade and other receivables		85,990	27,067
Prepayments		92,844	39,374
Total current assets		8,220,663	2,796,441
Non-current assets			
Receivables and deposits		20,000	20,000
Investments accounted for using the equity method	5	637,859	808,515
Financial assets at fair value through other comprehensive income	6	662,959	759,459
Derivative financial instruments		14,429	24,298
Property, plant and equipment		3,201	3,908
Exploration and evaluation	7	19,424,293	14,264,558
Total non-current assets		20,762,741	15,880,738
Total assets		28,983,404	18,677,179
Liabilities			
Current liabilities			
Trade and other payables	8	2,303,100	405,926
Total current liabilities		2,303,100	405,926
Non-current liabilities			
Borrowings	9	–	1,877,887
Total non-current liabilities		–	1,877,887
Trade and other payables		2,303,100	2,283,813
Net assets		26,680,304	16,393,366
Equity			
Issued capital	10	36,210,076	22,354,279
Reserves	11	1,329,341	786,312
Accumulated losses		(10,990,715)	(10,255,858)
Equity attributable to the owners of Cobre Limited		26,548,702	12,884,733
Non-controlling interest		131,602	3,508,633
Total equity		26,680,304	16,393,366

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the half-year ended 31 December 2022

	Issued capital	Reserves	Accumulated losses	Total equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2021	21,237,996	686,242	(4,870,052)	17,054,186
Loss after income tax benefit for the half-year	–	–	(3,659,280)	(3,659,280)
Other comprehensive loss for the half-year, net of tax	–	8,981	–	8,981
Total comprehensive loss for the half-year	–	8,981	(3,659,280)	(3,650,299)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	1,116,283	–	–	1,116,283
Share-based payments	–	325,000	–	325,000
Balance at 31 December 2021	22,354,279	1,020,223	(8,529,332)	14,845,170

	Issued capital	Reserves	Accumulated losses	Non-controlling interest	Total equity
Consolidated	\$	\$	\$	\$	\$
Balance at 1 July 2022	22,354,279	786,312	(10,255,858)	3,508,633	16,393,366
Loss after income tax benefit for the half-year	–	–	(734,857)	(14,636)	(749,493)
Other comprehensive income for the half-year, net of tax	–	(105,375)	–	–	(105,375)
Total comprehensive income/(loss) for the half-year	–	(105,375)	(734,857)	(14,636)	(854,868)
Transfer from acquiring additional ownership in subsidiaries	–	3,362,395	–	(3,362,395)	–
Consideration to increase ownership in KML from 51% to 100% including transactions costs (note 11)	–	(2,708,087)	–	–	(2,708,087)
Consideration to increase ownership in Triprop from 51% to 80% (note 11)	–	(103,017)	–	–	(103,017)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 10)	13,855,797	–	–	–	13,855,797
Share-based payments	–	97,113	–	–	97,113
Balance at 31 December 2022	36,210,076	1,329,341	(10,990,715)	131,602	26,680,304

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the half-year ended 31 December 2022

	Note	Consolidated	
		Dec 2022 \$	Dec 2021 \$
Cash flows from operating activities			
Interest received		1,141	698
Other income		58,333	96,157
Payments to suppliers (inclusive of GST)		(924,112)	(943,420)
Management fees received		–	56,165
Net cash used in operating activities		(864,638)	(790,400)
Cash flows from investing activities			
Payments for investments in listed entities		–	(1,000,000)
Payments for investments in associates		–	(1,532,057)
Payments for exploration and evaluation		(3,014,939)	(699,729)
R&D tax offset received relating to exploration		–	22,754
Payments to fund activities of joint venture		–	(1,701,058)
Payments to increase stake in subsidiaries including transactions costs		(1,580,672)	–
Net cash used in investing activities		(4,595,611)	(4,910,090)
Cash flows from financing activities			
Proceeds from issue of shares	10	11,419,601	1,413,000
Share issue transaction costs		(647,523)	(6,455)
Net cash from financing activities		10, 772,078	1,406,545
Net decrease in cash and cash equivalents		5,311,829	(4,293,945)
Cash and cash equivalents at the beginning of the financial half-year		2,730,000	8,146,524
Cash and cash equivalents at the end of the financial half-year		8,041,829	3,852,579

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Operating segments

Identification of reportable operating segments

The Consolidated Entity is organised into one operating segment: exploration for precious metals within Australia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Note 3. Other Income

	Consolidated	
	Dec 2022 \$	Dec 2021 \$
Net foreign exchange gain	2,231	96,157
Other Income	56,102	62,141
Gain on loan from joint venture partner	414,081	–
Other Income	472,414	158,298

During the half year, the loan from Metal Tiger PLC was settled in full upon the issue of 6,602,183 fully paid ordinary shares valued at \$1,518,502 (note 10). The loan had a carrying value of \$1,932,583 and a gain of \$414,081 has been recognised in the statement of financial performance.

Note 4. Fair value loss on loan with joint venture

The consolidated entity was required to recognise its contributions to the KML joint venture at fair value. These were recognised at nominal value at 31 December 2021, as their realisation was dependent on positive results on KML's exploration program. An expense of \$1,621,432 was recognised during the prior financial half-year.

Note 5. Non-current assets - investments accounted for using the equity method

	Consolidated	
	Dec 2022 \$	Jun 2022 \$
Investment in associate – Armada Metals Limited	637,859	808,515

Reconciliations

Reconciliation of the carrying amounts at the beginning and end of the current financial half-year are set out below:

	Dec 2022 \$
Consolidated	
Opening balance	808,515
Share of associate losses accounted for using the equity method	(170,656)
Closing balance	637,859

Note 6. Non-current assets - financial assets at fair value through other comprehensive income

	Consolidated	
	Dec 2022 \$	Jun 2022 \$
Ordinary shares	662,959	759,459

The above investment relates to shares held in Metal Tiger PLC, a loss of \$96,500 has been recognised through other comprehensive income during the current financial half-year refer to note 11.

Note 7. Non-current assets – exploration and evaluation

	Consolidated	
	Dec 2022 \$	Jun 2022 \$
Exploration and evaluation - at cost	19,424,293	14,264,558

Reconciliations

Reconciliation of the carrying amounts at the beginning and end of the current and financial half-year are set out below:

Consolidated	Exploration & evaluation \$
Balance at 1 July 2022	14,264,558
Additions*	5,101,535
Exchange differences	58,200
Balance at 31 December 2022	19,424,293

*During the current financial half year, the Consolidated Entity has capitalised \$279,202 of expenditure relating to its Australian exploration assets and \$4,822,333 relating to projects in Botswana.

Note 8. Current liabilities - trade and other payables

	Consolidated	
	Dec 2022 \$	Jun 2022 \$
Trade Payables	2,127,777	141,078
Other Payables	175,323	264,848
	2,303,100	405,926

Note 9. Non-current liabilities - borrowings

	Consolidated	
	Dec 2022 \$	Jun 2022 \$
Payable to Metal Tiger PLC	–	1,877,887

During the financial half-year, the loan with Metal Tiger PLC was settled in full via the issue of 6,602,183 fully paid ordinary shares in the Company, refer to note 3.

Note 10. Equity - issued capital

	Consolidated			
	Dec 2022 Shares	Jun 2022 Shares	Dec 2022 \$	Jun 2022 \$
Ordinary shares – fully paid	254,989,884	165,407,010	36,210,076	22,354,279

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	165,407,010		22,354,279
Issues of shares	12 August 2022	36,691,925	\$0.1500	5,503,789
Issue of shares - exercise of options	31 August 2022	975,000	\$0.3000	292,500
Issue of shares - exercise of options	31 August 2022	635,500	\$0.2000	127,100
Share issued to increase stake in KML (note 11)	30 November 2022	4,632,155	\$0.2300	1,065,395
Issue of shares to settle JV loan with Metal Tiger (note 3)	30 November 2022	6,602,183	\$0.2300	1,518,502
Issue of shares to settle trade creditors*	30 November 2022	2,956,800	\$0.1510	447,895
Issue of shares to increase stake in Triprop	30 November 2022	447,900	\$0.2300	103,017
Issue of shares	30 November 2022	36,641,411	\$0.1500	5,496,212
Cost of capital raised		–	\$0.0000	(698,613)
Balance	31 December 2022	254,989,884		36,210,076

*These shares were issued as consideration for US\$300,000 of exploration expenditure incurred on the Consolidated Entity's projects in Botswana.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 11. Equity – reserves

	Consolidated	
	Dec 2022 \$	Jun 2022 \$
Financial assets at fair value through other comprehensive income reserve	(311,018)	(214,518)
Foreign currency reserve	7,324	16,199
Share-based payments reserve	2,587,701	2,490,588
Acquisition reserve	(954,666)	(1,505,957)
	1,329,341	786,312

Financial assets at fair value through other comprehensive income reserve:

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Foreign currency reserve:

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve:

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration.

Acquisition reserve:

Transactions involving non-controlling interests that do not result in the loss of control for the company are recorded in the acquisition reserve. The acquisition reserve records the difference between the value of the non-controlling interest and the consideration given or received.

Movements in ordinary share capital

Movements in each class of reserve during the current financial half-year are set out below:

Details	Acquisition \$	Foreign Currency \$	Financial assets at FV \$	Share based payments \$	Total \$
Balance at 1 July 2022	(1,505,957)	16,199	(214,518)	2,409,588	786,312
Revaluation - net of tax	–	–	(96,500)	–	(96,500)
Foreign currency translation	–	(8,875)	–	–	(8,875)
Share based payments	–	–	–	97,113	97,113
Transfer from acquiring additional stake in subsidiaries ***	3,362,395	–	–	–	3,362,395
Consideration to increase ownership in KML from 51% to 100% including transactions costs *	(2,708,087)	–	–	–	(2,708,087)
Consideration to increase ownership in Triprop from 51% to 80% **	(103,017)	–	–	–	(103,017)
Balance at 31 December 2022	(954,666)	7,324	(311,018)	2,587,701	1,329,341

* During the half year, the Company completed the acquisition of the remaining 49% of Kalahari Metals Limited. The consideration for the acquisition was GBP \$750,000 (AU\$ 1,343,698) and 4,632,155 fully paid ordinary shares valued at \$1,065,395. The acquisition was made from Metal Tiger PLC which is a shareholder in the company. Michael McNeilly is a director of both Metal Tiger PLC and Cobre Limited and for this reason they have been deemed to be a related party.

** During the half year, the Company increased its stake in Triprop Holdings (Pty) Limited from 51% to 80%. The consideration for this was 447,900 fully paid ordinary shares valued at \$103,017.

*** This amount has been transferred from non-controlling interest as the Company has accounted for its increased stakes in Kalahari Metals Limited and Triprop Holdings (Pty) Limited.

Note 12. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 13. Contingent liabilities and commitments

Under the Metal Tiger subscription letter dated 19 November 2019, the Company has fully indemnified Metal Tiger PLC for any capital gains tax (or other tax) charge that it incurs on the disposal of the Pre-IPO Shares following the offer, up to a capped aggregate amount of \$30,000.

FMG Resources Pty Ltd retains a 2% net smelter royalty on any future metal production from tenements E29/929, 938 and 946.

Kalahari Metals Limited's (**KML**) Kalahari Copper Project (**KCP**) licence holding comprises 11 prospecting licences, of which six are held by KML (including its 100% owned subsidiary Kitlanya (Pty) Ltd) (which are subject to a 2% Net Smelter Royalty held by Metal Tiger PLC) and five held by Triprop Holdings (Pty) Ltd (**Triprop**), with whom KML hold contractual rights to a 80% interest at 31 December 2022. Since 31 December 2022, the company has acquired the remaining 20% of Triprop Holdings (Pty) Ltd, refer to note 15.

There are no additional commitments or contingent liabilities held by the Consolidated Entity.

Note 14. Related party transactions

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	Dec 2022 \$	Dec 2021 \$
Sale of goods and services:		
Management fees from Kalahari Metals joint venture	–	62,141
Payment for goods and services:		
Payment for services from those related to key management personnel	22,500	12,000
Other transactions:		
Fair value of options issued to Adam Woolridge the Company's Chief Executive Officer	97,113	–

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	Dec 2022 \$	Jun 2022 \$
Current payables:		
Fees payable to directors and related entities	17,082	13,250
Trade payables to those related to key management personnel	5,000	2,000

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	Dec 2022 \$	Jun 2022 \$
Non-current borrowings:		
Payable to Metal Tiger PLC *	–	1,877,887

* During the half year, the Company completed the acquisition of the remaining 49% of Kalahari Metals Limited. The consideration for the acquisition was GBP \$750,000 (AU\$ 1,343,698) and 4,632,155 fully paid ordinary shares valued at \$1,065,395. The acquisition was made from Metal Tiger PLC which is a shareholder in the company. Michael McNeilly is a director of both Metal Tiger PLC and Cobre Limited and for this reason they have been deemed to be a related party.

Note 15. Events after the reporting period

On 20 January 2023, the Company issued 19,742,938 fully paid ordinary shares under its share purchase plan, valued at 15 cents per share, raising \$2,961,450 before costs.

On 24 February 2023, the Company issued 3,001,300 fully paid ordinary shares as consideration to increase its holding in Triprop Holdings (Pty) Ltd from 80% to 100%.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Consolidated

Dec 2022
\$Dec 2021
\$**Note 16. Earnings per share**

Loss after income tax attributable to the owners of Cobre Limited	(749,493)	(3,659,280)
Non-controlling interest	14,636	–
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	203,718,527	157,371,045
Weighted average number of ordinary shares used in calculating diluted earnings per share	203,718,527	157,371,045
	Cents	Cents
Basic loss per share	(0.36)	(2.33)
Diluted loss per share	(0.36)	(2.33)

DIRECTORS' DECLARATION

31 DECEMBER 2022

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*. On behalf of the Directors



Martin Holland
Executive Chairman

15 March 2023



Building a better
working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's review report to the members of Cobre Limited

Conclusion

We have reviewed the accompanying half-year financial report of Cobre Limited (the Company) and its subsidiaries (collectively the Group), which comprises of the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a description of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

Directors' responsibilities for the half-year financial report

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

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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

A handwritten signature in dark blue ink, appearing to read 'Ernst & Young', is located below the paragraph.

Ernst & Young

A handwritten signature in dark blue ink, appearing to read 'Ryan Fisk', is located below the Ernst & Young signature.

Ryan Fisk
Partner
15 March 2023