



Cobre Limited

ABN 75 626 241 067

Interim Report – For the Six Months 31 December 2020

Cobre Limited A.C.N. 626 241 067

Level 7/151 Macquarie Street

SYDNEY NSW 2000

Tel: + 61 2 9048 8856

www.cobre.com.au

Cobre Limited
Directors' report
31 December 2020

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 2020.

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 and Managing Director
Andrew Sissian - Finance Director
Michael Addison - Non-Executive Director
Michael McNeilly - Non-Executive Director

Principal activities

The principal activities of the Consolidated Entity during the financial half-year was the exploration and evaluation of the assets held by Cobre's 100 per cent owned subsidiary Toucan Gold Pty Ltd (**Toucan**), primarily at the Perrinvale Project, which covers 408km² of the Panhandle and Illaara Greenstone Belts in Western Australia.

The Company also continued to incur exploration expenditure under the Sandiman Farmin Agreement. The Sandiman Tenement is located in the Gascoyne Province, approximately 85km north of the town of Gascoyne Junction in Western Australia and spans across 202km² on the eastern edge of the Carnarvon Basin.

In addition to its exploration focus, during the financial half-year the Company signed a Share Purchase Agreement (**SPA**) for the scrip based acquisition of up to 51% of the UK based, Kalahari Metals Limited (**KML**). KML is a copper exploration JV company in the highly prospective Kalahari Copper Belt (**KCB**) in Botswana. The consideration for the acquisition will be the issue of 21,444,582 Cobre shares and is subject to Cobre shareholder approval at an Extraordinary General Meeting (**EGM**) scheduled for Tuesday 6 April 2021.

Review of operations

The loss for the Consolidated Entity after providing for income tax and non-controlling interest amounted to \$595,375 (31 December 2019: \$1,179,441).

During the financial half-year, the Company undertook a dual focus of continuing to concentrate on its exploration activities at the Perrinvale Volcanic-Hosted Massive Sulphide (**VHMS**) Project located in Western Australia and also through the geographic and strategic diversification into Botswana through the proposed acquisition of a controlling interest in KML as stated above.

Exploration activities:

During the period, the Company provided the following updates in relation to its exploration activities in Western Australia:

On 20 July 2020, the Company announced the receipt of initial assay results from the third drilling program at the Schwabe Prospect at Perrinvale. The first Diamond Core (**DC**) hole at Schwabe, 20PVDD007, intersected 7m of sulphide mineralisation as two sulphide zones separated by 3 metres of internal basalt, generating the following assay intervals:

- Sulphide zone: 3.5m@ 3.4% Cu, 0.8% Zn, 0.10% Co, 368 ppm Pb, 1.1 g/t Au, & 16.5 g/t Ag from 48.0m.
- Internal Basalt: 3.0m@ 0.03% Cu, 0.02% Zn, 0.00% Co, 7 ppm Pb, 0.01 g/t Au, & 0.1 g/t Ag from 51.5m.
- Sulphide zone: 3.5m@ 2.0% Cu, 1.4% Zn, 0.07% Co, 344 ppm Pb, 0.3 g/t Au, & 7.4 g/t Ag from 54.5m.

The third DC hole at Schwabe, 20PVDD014, encountered a semi massive to massive mineralised horizon. As noted in the announcement of 20 July 2020, a deeper DC hole at Schwabe was in the process of testing the down dip potential of the mineralisation (via a tail on previous drill hole 20PVRC025) with the aim of the drilling to target the mineralised horizon approximately 200m down dip of the previous DC holes at an expected depth of ~350m.

Reverse Circulation (**RC**) holes were also completed on 'step-out sections' located 80m north and 80m south of previous drilling at Schwabe. These RC holes confirmed strike continuity of the mineralised horizon to the north and south, as defined by interflow sediments and variable amounts of sulphides between the basalt flows. Other RC drilling at Schwabe tested Moving Loop Electromagnetic (**MLEM**) conductors north, west and south-west of main prospect area.

On 20 August 2020, the Company provided a further update to the market in relation to its exploration program at Perrinvale announcing that the three objectives of the most recent drilling at Schwabe had been achieved. These included:

- (1) generation of mineralised core samples for sighter metallurgical testing;
- (2) expanding upon previously drilled massive sulphide mineralisation; and
- (3) step out drilling to test for mineralisation at depth and along strike.

Three RC holes at Schwabe returned shallow high grade VHMS assays as follows:

- 20PVRC021: Sulphide zone: 10m@ 0.9% Cu, 0.4 % Zn, 0.02% Co, 205 ppm Pb, 0.2g/t Au, 2.3 g/t Ag from 23m (including: 4m@ 2.1% Cu, 0.6% Zn, 0.04% Co, 297 ppm Pb, 0.4 g/t Au, 5.2 g/t Ag from 23m).
- 20PVRC022: Sulphide zone: 7m@ 2.0% Cu, 0.8% Zn, 0.04% Co, 80 ppm Pb, 0.4 g/t Au, 4.9 g/t Ag from 27m (including: 1m@ 7.8% Cu, 4.2% Zn, 0.04% Co, 433 ppm Pb, 1.5 g/t Au, 23.1 g/t Ag from 28m)
- 20PVRC023: Sulphide zone: 12m@ 2.9% Cu, 1.0% Zn, 0.05% Co, 192 ppm Pb, 0.7 g/t Au, 10.2 g/t Ag from 45m (including: 4m@ 8.3% Cu, 2.9% Zn, 0.12% Co, 555 ppm Pb, 2.0 g/t Au, 29.8 g/t Ag from 45m).

Step out drilling at Schwabe has demonstrated that VHMS mineralisation extends along strike for 500m, which includes the previous drill area. The variable copper and zinc mineralisation is associated with narrow interflow sediments between the mafic pile.

On 17 September 2020, the Company announced that Western Australian group, Independent Metallurgical Operations Pty Ltd (IMO), have been engaged by the Company to co-ordinate and complete the ongoing metallurgical test program for Cobre.

Core from three holes, within the Schwabe Prospect, was selected to create a bulk composite sample of ~90kg to be utilised for a series of sighter tests aimed at understanding processing options, as a first step in understanding potential commercialisation routes. The core came from holes, 20PVDD007, 20PVDD008, and 20PVDD014.

As a first step the sample was composited at the laboratory, sub-sampled, assayed and analysed via X-Ray Diffraction (**XRD**) to determine mineralogy. Optical mineralogy assessments were also completed. These first results indicate high grade gold bearing copper and zinc sulphide dominant ore. The XRD results and Optical Mineralogy report confirm these relatively shallow samples are sulphides with copper in chalcopyrite and covellite, and zinc in sphalerite.

Optical mineralogy found the sulphide mineralisation is composed predominantly of pyrite, chalcopyrite, marcasite with subordinate sphalerite, and traces of galena. Chalcopyrite and sphalerite are dominantly relatively coarse and accessible to liberation, with only minor very fine amounts within amphibole and pyrite.

The gangue can be summarized as: quartz siderite +/- amphibole +/- magnetite and altered dolerite (amphibole plagioclase > carbonate). The quartz siderite is the main gangue associated with the copper zinc ores.

For full details relating to results mentioned above, together with the relevant JORC Code information, refer to the Company's ASX announcements of 20 July 2020, 20 August 2020 and 17 September 2020 which are available on the Company's and ASX's website.

Strategic Acquisition

On 24 August 2020, the Company announced the signing of a binding Heads of Agreement (**HOA**) for the proposed scrip-based acquisition of 51% of the equity of KML. KML is a private UK company which controls approximately 8,100 km² of tenements within the KCB in Botswana (with 6,650 km² owned 100%, and 1,450 km² in JVs). The KCB is regarded as one of the most prospective areas globally for copper exploration by the US Geological Survey (**USGS**), with a number of copper-silver deposits currently under development by both Sandfire Resources (ASX: **SFR, Sandfire**) and Cupric Canyon Capital (**Cupric Canyon**).

Subsequent to the announcement of 24 August 2020, the Company announced on 20 November 2020, the successful completion of due diligence under the HOA, on 16 December 2020 the signing of the SPA and also on 16 December 2020, the identification of Copper Targets at Botswana.

The latter announcement on 16 December 2020, stated that a stratigraphic drilling programme consisting of 5 diamond drill holes (KITE01-05) totalling 1,709m was completed during the period along with additional phases of soil sampling. The field programmes were designed to target geological settings analogous to neighbouring Sandfire Resources' T3 and A4 deposits along the northern margin on the KIT-E project (North Target).

Cobre Limited
Directors' report
31 December 2020

These results have been tied in with recently identified historical core which has been relogged. Airborne electromagnetic (AEM) data covering the target has been reprocessed to extract further structural information. Results from the reported phase of field work were used to identify several compelling areas for follow-up drill testing.

Highlights from the exploration programmes reported on 16 December 2020 included:

- Stratigraphic drilling programmes confirmed the presence of D'Kar Formation stratigraphy including dark carbonaceous siltstones often used as markers in the lower part of the D'Kar stratigraphy which correlate with conductors in the AEM data;
- Trace Cu, Pb and Zn mineralisation was identified on thrust/shear planes and in underlying extensional zones associated with dilational quartz-carbonate veins (KITE-02 and KITE-05);
- Sericite, albite and haematite alteration often associated with the distal portions of mineral deposits in the KCB was been identified in proximity to several thrust zones (KITE-02 and KITE-05);
- Soil sampling programmes identified significant Cu and Zn anomalies demonstrating a distinct correlation with thrusts interpreted from high-resolution magnetic data; and
- Remodelling of the AEM data provided significant additional information on fold geometry which was correlated with stratigraphic drill results to prioritise 'dome' targets for follow-up drilling.

Full details of the results including relevant JORC Code information can be obtained by reading the full announcement dated and released to the ASX on 16 December 2020 which is available on the Company's and ASX's website.

Post the end of the period, on 5 March 2021, the Company announced a new priority copper-silver target at Botswana, the South Fold Target which is located approximately 25km southeast of Sandfire's T3 and A4 deposits. Along with the North Target (*refer Cobre announcement 16 December 2020*), this represents another compelling exploration target with significant potential for Cu-Ag mineralisation hosted in trap-sites above the traditional redox contact. Regional soil sampling undertaken in late 2019 identified a Cu-Zn anomaly in the centre of the target upgrading the target potential.

The Extraordinary General meeting of shareholders to approve the KML acquisition transaction is scheduled for Tuesday 6 April 2021.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2020 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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Martin Holland
Executive Chairman and Managing Director

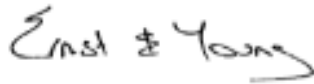
15 March 2021

Auditor's Independence Declaration to the Directors of Cobre Limited

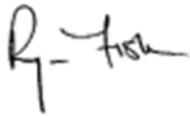
As lead auditor for the review of the half-year financial report of Cobre Limited for the half-year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of 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.



Ernst & Young



Ryan Fisk
Partner
15 March 2021

Cobre Limited
Contents
31 December 2020

Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	14
Independent auditor's review report to the members of Cobre Limited	15

General information

The financial statements cover Cobre Limited 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 2021.

Cobre Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

	Note	Consolidated Dec 2020 \$	Dec 2019 \$
Revenue			
Other income	4	37	42,949
Interest revenue calculated using the effective interest method		3,687	-
Expenses			
Corporate expenses		(381,890)	(315,861)
Tenement expenses		(195)	(27,300)
Employee benefits expense		(157,680)	-
Share based payment expense		-	(631,824)
Depreciation and amortisation expense		(830)	-
IPO expenses		-	(222,938)
Other expenses		(66,159)	(37,249)
Loss before income tax benefit		(603,030)	(1,192,223)
Income tax benefit		7,655	-
Loss after income tax benefit for the half-year		(595,375)	(1,192,223)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		(13,425)	(239)
Other comprehensive income for the half-year, net of tax		(13,425)	(239)
Total comprehensive income for the half-year		<u>(608,800)</u>	<u>(1,192,462)</u>
Loss for the half-year is attributable to:			
Non-controlling interest		-	(12,782)
Owners of Cobre Limited		(595,375)	(1,179,441)
		<u>(595,375)</u>	<u>(1,192,223)</u>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		-	(12,782)
Owners of Cobre Limited		(608,800)	(1,179,680)
		<u>(608,800)</u>	<u>(1,192,462)</u>
		Cents	Cents
Basic earnings per share	12	(0.58)	(2.81)
Diluted earnings per share	12	(0.58)	(2.81)

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

Cobre Limited
Statement of financial position
As at 31 December 2020

	Note	Consolidated Dec 2020 \$	Jun 2020 \$
Assets			
Current assets			
Cash and cash equivalents		4,793,508	7,171,872
Trade and other receivables		132,725	162,577
Total current assets		<u>4,926,233</u>	<u>7,334,449</u>
Non-current assets			
Financial assets at fair value through other comprehensive income		68,466	74,236
Property, plant and equipment		6,004	4,152
Exploration and evaluation	5	3,958,072	2,505,440
Other	6	573,150	20,000
Total non-current assets		<u>4,605,692</u>	<u>2,603,828</u>
Total assets		<u>9,531,925</u>	<u>9,938,277</u>
Liabilities			
Current liabilities			
Trade and other payables		726,376	830,853
Total current liabilities		<u>726,376</u>	<u>830,853</u>
Total liabilities		<u>726,376</u>	<u>830,853</u>
Net assets		<u>8,805,549</u>	<u>9,107,424</u>
Equity			
Issued capital	7	12,239,650	11,932,725
Reserves		(716,271)	(702,846)
Accumulated losses		<u>(2,717,830)</u>	<u>(2,122,455)</u>
Total equity		<u>8,805,549</u>	<u>9,107,424</u>

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

Cobre Limited
Statement of changes in equity
For the half-year ended 31 December 2020

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2019	815,597	-	(150,210)	85,415	750,802
Loss after income tax expense for the half-year	-	-	(1,179,441)	(12,782)	(1,192,223)
Other comprehensive income for the half-year, net of tax	-	(239)	-	-	(239)
Total comprehensive income for the half-year	-	(239)	(1,179,441)	(12,782)	(1,192,462)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	900,286	-	-	-	900,286
Share-based payments	-	631,824	-	-	631,824
Balance at 31 December 2019	<u>1,715,883</u>	<u>631,585</u>	<u>(1,329,651)</u>	<u>72,633</u>	<u>1,090,450</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2020	11,932,725	(702,846)	(2,122,455)	-	9,107,424
Loss after income tax benefit for the half-year	-	-	(595,375)	-	(595,375)
Other comprehensive income for the half-year, net of tax	-	(13,425)	-	-	(13,425)
Total comprehensive income for the half-year	-	(13,425)	(595,375)	-	(608,800)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 7)	306,925	-	-	-	306,925
Balance at 31 December 2020	<u>12,239,650</u>	<u>(716,271)</u>	<u>(2,717,830)</u>	<u>-</u>	<u>8,805,549</u>

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

Cobre Limited
Statement of cash flows
For the half-year ended 31 December 2020

	Note	Consolidated Dec 2020 \$	Dec 2019 \$
Cash flows from operating activities			
Interest received		3,687	-
Payments to suppliers (inclusive of GST)		(548,634)	(324,054)
Net cash used in operating activities		(544,947)	(324,054)
Cash flows from investing activities			
Payments for property, plant and equipment		(2,682)	-
Payments for exploration and evaluation		(1,995,896)	(308,817)
Transactions costs paid for acquisition of Kalahari Metals Limited		(144,839)	-
Net cash used in investing activities		(2,143,417)	(308,817)
Cash flows from financing activities			
Proceeds from issue of shares	7	310,000	875,286
Share issue transaction costs		-	(88,539)
Net cash from financing activities		310,000	786,747
Net increase/(decrease) in cash and cash equivalents		(2,378,364)	153,876
Cash and cash equivalents at the beginning of the financial half-year		7,171,872	178,208
Cash and cash equivalents at the end of the financial half-year		<u>4,793,508</u>	<u>332,084</u>

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for 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. Impact of COVID 19 pandemic

During the current financial half-year the global economy has continued to be affected by the COVID-10 pandemic. All states including Western Australia have required entities to limit or suspend business operations, and have also implemented travel restrictions and quarantine measures. The impact which COVID 19 has had on the consolidated entity is set out below.

All employees, consultants and contractors have been able to continue with the planned exploration activities given its remote location and small crew on site. Local contractors have been utilised and all staff and contractors observed the necessary protocols. The situation is however dynamic, and management will continue to monitor developments. The consolidated entity has not been entitled to receive any of the government stimulus.

Note 3. 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 4. Other income

	Consolidated	
	Dec 2020	Dec 2019
	\$	\$
Net foreign exchange gain	37	-
Other income	-	42,949
Other income	<u>37</u>	<u>42,949</u>

The other income recognised in the comparative period relates to shares received in Metal Tiger PLC, an entity listed in the UK. The shares were received as part of an exclusivity agreement during Metal Tiger PLC's due diligence before it invested in the company prior to Cobre's listing on the ASX.

Note 5. Non-current assets - exploration and evaluation

	Consolidated	
	Dec 2020	Jun 2020
	\$	\$
Exploration and evaluation - at cost	<u>3,958,072</u>	<u>2,505,440</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Exploration & evaluation
	\$
Balance at 1 July 2020	2,505,440
Additions	<u>1,452,632</u>
Balance at 31 December 2020	<u>3,958,072</u>

Exploration expenditure includes \$159,113 incurred under the farm in agreement for the Sandiman project with the remainder of the additions relating to exploration expenditure on the Perrinvale project.

Note 6. Non-current assets - other

	Consolidated	
	Dec 2020	Jun 2020
	\$	\$
Security deposits	20,000	20,000
Capitalised transaction expenses	<u>553,150</u>	<u>-</u>
	<u>573,150</u>	<u>20,000</u>

During the financial half-year, the Consolidated Entity incurred \$553,150 of transactions costs in relation to the Company's proposed acquisition of a 51% stake in Kalahari Metals Limited. The acquisition is expected to be completed before 30 June 2021 following the receipt of approval from Cobre shareholders and fulfilment of any other conditions precedent outstanding.

Note 7. Equity - issued capital

	Dec 2020	Jun 2020	Consolidated	Dec 2020	Jun 2020
	Shares	Shares	\$	\$	\$
Ordinary shares - fully paid	<u>104,520,688</u>	<u>102,970,688</u>	<u>12,239,650</u>	<u>11,932,725</u>	

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2020	102,970,688		11,932,725
Issue of shares	18 December 2020	1,550,000	\$0.2000	310,000
Cost of capital raised		-	\$0.0000	(3,075)
Balance	31 December 2020	<u>104,520,688</u>		<u>12,239,650</u>

Note 7. Equity - issued capital (continued)

The shares issued during the half year were issued to major shareholder Metal Tiger PLC following shareholder approval at the Company's Annual General Meeting on 26 November 2020.

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 8. Equity - dividends

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

Note 9. Contingent liabilities and commitments

Under the Metal Tiger subscription letter dated 19 November, the company will fully indemnify Metal Tiger 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.

On 4 March 2021 the Company was informed that Western Australian Government, via RevenueWA, is conducting a routine review of the Company's acquisition of 100% of the shares in Toucan Gold Pty Ltd in order to determine whether the transactions are liable for landholder duty in Western Australia. The Company engaged valuation experts in performing the assessment and does not believe that this matter will result in any material adverse outcome based on information currently available and no provision has been made for any potential adverse outcome.

There are no additional commitments or contingent liabilities held by the consolidated entity.

Note 10. Related party transactions

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	Dec 2020	Dec 2019
	\$	\$
Payment for goods and services:		
Payment for services from key management personnel	10,200	-

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 2020	Jun 2020
	\$	\$
Current payables:		
Fees payable to directors and related entities	18,000	220,000

Cobre Limited
Notes to the financial statements
31 December 2020

Note 10. Related party transactions (continued)

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 11. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 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.

Note 12. Earnings per share

	Consolidated	
	Dec 2020	Dec 2019
	\$	\$
Loss after income tax	(595,375)	(1,192,223)
Non-controlling interest	<u>-</u>	<u>12,782</u>
Loss after income tax attributable to the owners of Cobre Limited	<u>(595,375)</u>	<u>(1,179,441)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>103,088,623</u>	<u>41,965,064</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>103,088,623</u>	<u>41,965,064</u>
	Cents	Cents
Basic earnings per share	(0.58)	(2.81)
Diluted earnings per share	(0.58)	(2.81)

Cobre Limited
Directors' declaration
31 December 2020

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 2020 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 and Managing Director

15 March 2021

Independent Auditor's Review Report to the Members of Cobre Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Cobre Limited ("the Company") and its subsidiaries (collectively "the Group"), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance 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 2020 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*.

Directors' Responsibility 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

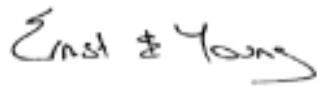
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to 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 consolidated financial position as at 31 December 2020 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

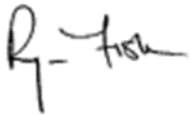
Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Ernst & Young



Ryan Fisk
Partner
Sydney
15 March 2021