



31 January 2022

Quarterly Report for the period ending 31 December 2021

West Cobar Metals Limited (ASX: WC1) (“West Cobar”, “the Company”) is pleased to present its Activities Report for the three months ended December 31, 2021. After listing on the ASX on 1 October 2021, West Cobar completed a first phase of diamond drilling at the Bulla Park Copper-Silver Project.

Highlights

- **Drilling at Bulla Park targeted a major copper-silver stratabound mineralised system.**
- **Phase one drilling consisted of 2057m of diamond drilling with mud rotary pre-collars.**
- **Stratabound model confirmed with significant thick zones of copper, silver, lead and zinc mineralisation intersected for over 1km and open to the south defined by historical and current drilling by West Cobar, that includes:**
 - **33m of 0.45% Cu¹ in 19CA002 from 232m**
 - **17m of 0.25% Cu¹ in 19CA003 from 120m**
 - **15m of 0.29% Cu¹ in 19CA005 from 62m**
 - **22m of 1.0% Pb and 20g/t Ag² in BPD04 from 253m**
- **Drilling at the Mount Jack copper-gold prospect, 120km to the north-west, commenced early January**

Bulla Park

During the reporting period, West Cobar completed 295m of mud rotary drilling and 1762m of diamond drilling (total 2057m) at the Bulla Park Copper-Silver Project, approximately 110km west of Cobar.

¹ Refer to Prospectus dated 6 August 2021

² As announced to ASX on 17 December 2021

Table 1: Bulla Park program - assay results

Hole ID	From (m)	To (m)	Interval (m)	Cu %	Pb %	Ag g/t	Comments
BPD01 ³	289	305	16	0.13	<0.1	7	
<i>and</i>	305	311	6	<0.1	0.56	25	
BPD02 ⁴	155	163	8	0.13	<0.1	5	
<i>and</i>	194	204	10	0.14	<0.1	3	
BPD03 ²	146	148	2	0.11	<0.1	4	
BPD04 ²	164	166	2	0.35	<0.1	10	
<i>and</i>	226	284	58	<0.1	0.61	15	Includes interval with 11m @ 0.15%Zn
<i>including</i>	253	275	22	<0.1	1.0	20	“ “
BPD05 ²	30	36.8	6.8	<0.1	0.42	10	
BPD06							No significant mineralisation
BPD07							No significant mineralisation

Results reported using 0.1%Cu or 0.1% Pb cut-off

Results for BPD01, BPD02 and BPD03 showed low grade copper intersections confirming the stratabound model but indicating the system weakens to the north and west.

BPD04, drilled to test the southern extension of the best copper mineralised zone, returned an intercept of 22m of 1.0% Pb and 20 g/t Ag from 253m.² Mineralisation in this hole consisted of disseminated galena, minor chalcopyrite and sphalerite (includes an interval of 4m @ 0.29% Zn from 270m).² This zone lies in the same stratigraphic position as the copper mineralisation. It indicates a major extension to the mineralised system and potential for significant sediment hosted lead, zinc and silver mineralisation, as well as for further copper-rich zones.

Drill hole BPD05 returned 6.8m of 0.42%Pb and 10 g/t Ag from 30m,² again confirming the widespread mineralised zone.

Holes BPD06 and BPD07, drilled at the Mountain Prospect, intersected thick Winduck Formation arkosic sediments showing no indications of significant mineralisation.

Bulla Park has been confirmed as a large stratabound mineralised system but could be locally upgraded with a structural control. There remains a viable target for significant copper mineralisation and drill targets will be established to test and extend the higher-grade copper-silver zone intersected in drill hole 19CA002 (33m of 0.45% Cu¹ from 232m).

³ As announced to ASX on 11 November 2021

⁴ As announced to ASX on 29 November 2021

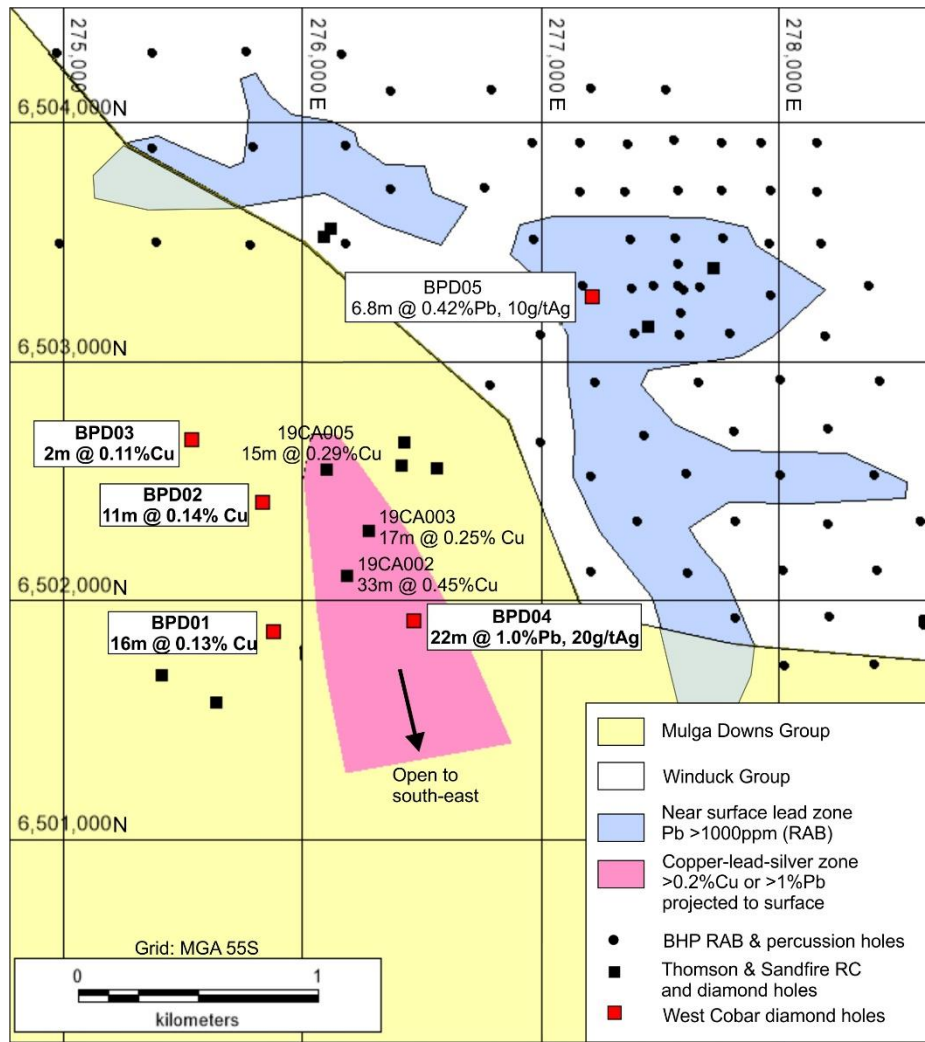


Figure 1: Diamond drilling by West Cobar at Bulla Park. Stratabound copper-silver-lead mineralisation extensive and open to the south-east

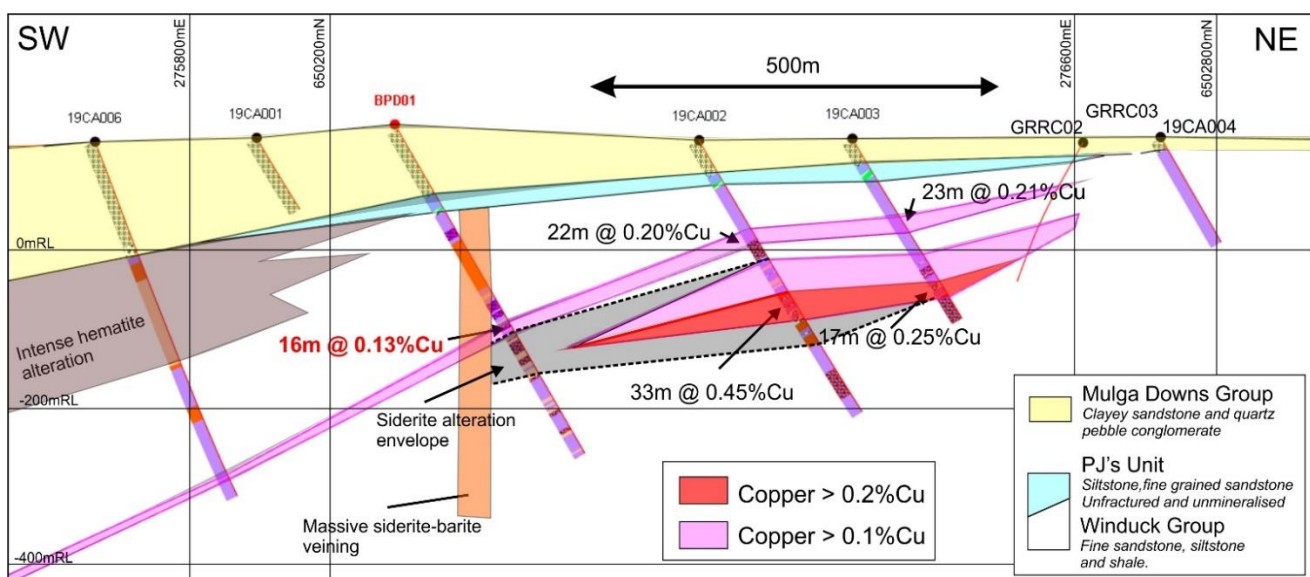


Figure 2: Diamond drilling by West Cobar at Bulla Park (BPD01). Oblique projected section looking 315°. Stratabound copper mineralisation.

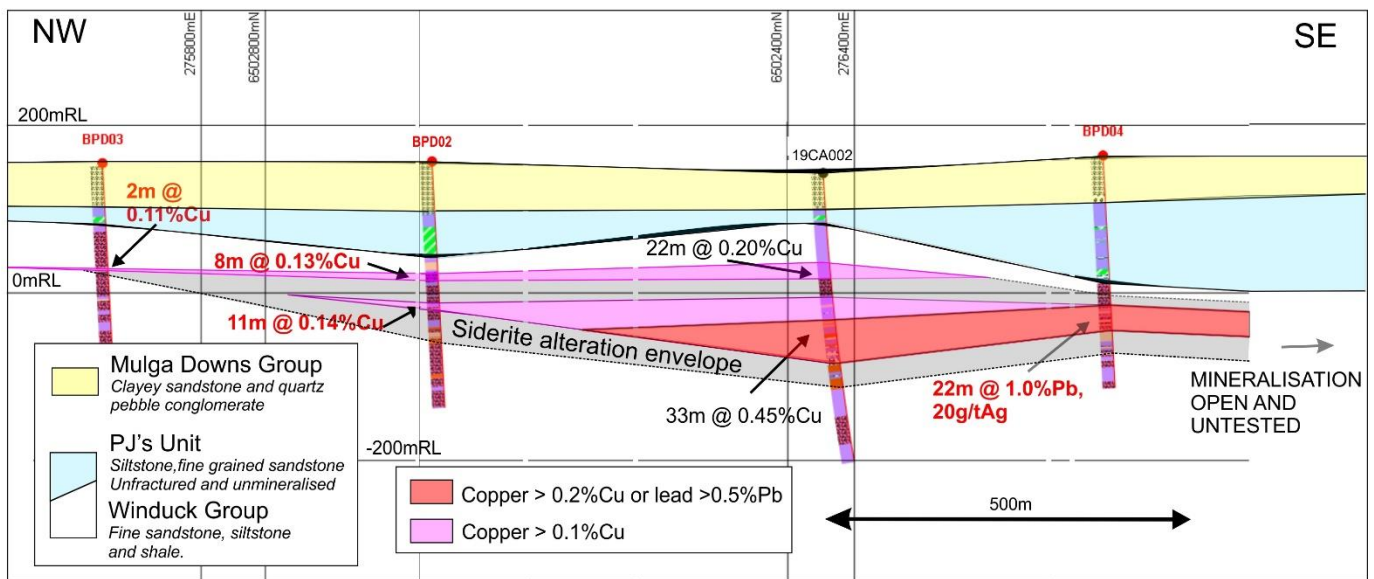


Figure 3: Diamond drilling by West Cobar at Bulla Park (BPD02, BPD03, BPD04). Oblique projected section looking 045°. Stratabound copper and lead-silver mineralisation extensive, thick and open to the south

Other Projects

Mount Jack

The Mount Jack Project lies 120km north-west of Bulla Park. In January, a diamond hole commenced tested an aeromagnetic “bullseye” target, where modelling indicated a classic Cobar-style copper-gold target.¹ Assay results for this drillhole will be available in February.

Cawkers Well

The tenement area includes several potentially gold mineralised magnetic ridges defined by aeromagnetics, surface gold occurrences and previous drilling (extremely sparse drilling includes an intersection of 8m at 0.84g/t Au in historical RC hole CW003¹). Exploration activities are planned to focus directly on the mineralised magnetic structures.

Nantilla

Exploration planning is considering a target under sedimentary cover of a gravity high which lies west of an interpreted intrusive, and at the magnetic rim of the intrusive, where skarn mineralisation associated with copper and gold may be developed.



Figure 4: Location of West Cobar's Projects

Corporate

IPO and ASX Listing

On 1 October 2021, West Cobar commenced trading on the ASX following completion of a strongly supported \$5.5 million initial public offering. The Company issued 27.5 million shares at 20 cents per share to fund exploration for base metals and gold located at its projects in and around the West Cobar district in New South Wales.

Following exploration activities, West Cobar had a strong cash position of approximately \$4.1 million at the end of the quarter.

Financial & Related Party Payments

ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the Quarter totalled \$37k. The Company advises that this relates to non-executive directors' fees and statutory superannuation.

Use of funds

In line with obligations under ASX Listing Rule 5.3.4, the Company provides the following information with respect to its Use of Funds Statement set out in its Prospectus dated 6 August 2021 and its actual expenditure since ASX admission on 1 October 2021.

Expenditure	Funds allocated under Prospectus	Actual 1 Oct 2021 to 31 Dec 2021	Variance	Note
Exploration ¹	\$3,211,000	\$737,374	-\$2,473,626	1
Corporate Administration	\$1,327,900	\$206,346	-\$1,121,554	1
Working Capital	\$371,381	-	-\$371,381	1
Costs of offer	\$589,719	\$462,840	-\$126,879	2
Total	\$5,500,000	\$1,406,560	-\$4,093,440	

¹ For the purposes of the Use of Funds the Company has grouped Exploration

Notes:

- 1 First quarter of operations as an ASX-listed entity, with a focus on drilling at its Bulla Park Project. Exploration and Administration spend for the quarter was materially as expected.
- 2 Expenses of the Offer paid prior to 1 October 2021 were \$153k giving a total of \$616k. Actual expenses of the Offer are materially consistent with the use of funds budget.

-ENDS-

This ASX announcement has been approved by the Board of West Cobar Metals Limited.

Further information:

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Statement regarding Reporting of Exploration Results

The Company refers to the public reports regarding exploration results contained in:

- its Prospectus dated 6 August 2021 which included the Competent Persons Statement and Table 1 of Appendix 5A (JORC Code). The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus.
- Announcements to the ASX of which included the Competent Persons Statement and Table 1 (JORC Code). The Company confirms that it is not aware of any new information or data that materially affects the information included in these Announcements.

Forward looking statement

Certain information in this document refers to the intentions of West Cobar, but these are not intended to be forecasts, forward looking statements or statements about the future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of the events in the future are subject to risk, uncertainties and other actions that may cause West Cobar's actual results, performance or achievements to differ from those referred to in this document. Accordingly, West Cobar and its affiliates and their directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of these events referred to in the document will actually occur as contemplated.

Statements contained in this document, including but not limited to those regarding the possible or assumed future costs, performance, dividends, returns, revenue, exchange rates, potential growth of West Cobar, industry growth or other projections and any estimated company earnings are or may be forward looking statements. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. These statements relate to future events and expectations and as such involve known and unknown risks and significant uncertainties, many of which are outside the control of West Cobar. Actual results, performance, actions and developments of West Cobar may differ materially from those expressed or implied by the forward-looking statements in this document.

Such forward-looking statements speak only as of the date of this document. There can be no assurance that actual outcomes will not differ materially from these statements. To the maximum extent permitted by law, West Cobar and any of its affiliates and their directors, officers, employees, agents, associates and advisers:

- disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.
- do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the information in this document, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement; and
- disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

Appendix 1 – Tenement Information

Project (Location)	Tenement	Tenure type	Change in Interest	WC1 Current Interest
Bulla Park (NSW)	EL 8642	Exploration Licence	-	100%
	EL 9195	Exploration Licence	-	100%
	EL 9260	Exploration Licence	-	100%
	EL 9281	Exploration Licence	-	100%
Mount Jack (NSW)	EL 8896	Exploration Licence	-	100%
Cawkers Well (NSW)	EL 9197	Exploration Licence	-	100%
	EL 9278	Exploration Licence	-	100%
Nantilla (NSW)	EL 9179	Exploration Licence	-	100%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

West Cobar Metals Limited

ABN

26 649 994 669

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(345)	(392)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(345)	(392)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(158)	(158)
(d) exploration & evaluation	(530)	(554)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)		
	- Payments for security deposits	(49)	(67)
2.6	Net cash from / (used in) investing activities	(737)	(779)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(324)	(477)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(70)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(324)	4,953

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,541	353
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(345)	(392)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(737)	(779)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(324)	4,953
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,135	4,135

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,135	5,541
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,135	5,541

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	37
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(345)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(530)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(875)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,135
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,135
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.7
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/a	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/a	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/a

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.