

31 January 2024

Quarterly Activities Report

For the period ending 31 December 2023

Highlights

Salazar REE and Co-Products Project (WA):

- West Cobar is advancing the Salazar REE and Co-Products Project towards development. JORC Mineral Resource Estimates at Newmont and O'Connor are:
 - **Rare earths** - JORC (2012) Total Mineral Resource **190Mt of 1172 ppm TREO¹**.
 - **Titanium dioxide²** - Inferred Mineral Resource (JORC 2012) **29 Mt of 5.0% TiO₂**. *Included both within and outside of Newmont TREO Mineral Resource*
 - **Alumina²** - Inferred Mineral Resource (JORC 2012) **4 Mt at 29.6% Al₂O₃** potential for (HPA) feedstock. *Included both within and outside of Newmont TREO Mineral Resource*
- Beneficiation testing at the O'Connor deposit has resulted in **5.08% total rare earth oxide** (TREO) via standard beneficiation methods, representing a 34:1 upgrade
- Significant REE and Ti characterisation and metallurgical test work is underway with results expected early in 2024 – underpinning the development strategy
- A major Exploration Target update was announced subsequent to the quarter end
- Aircore drilling programs to extend REE and Ti resources are planned to commence during Q2 2024

Bulla Park (NSW):

- Diamond drilling to test combined geological and aeromagnetic target during October obtained 146m of 0.16% Cu, 0.03% Sb and 3 g/t Ag from 136m in BPD08

Nevada Lithium (USA):

- Drilling of 8 RC holes to test the claystone horizons for large scale claystone hosted lithium mineralisation was completed during November/ December

¹ WC1 announcement to ASX, 9 August 2023, 'Salazar Clay-REE Resource Quadruples'.

² WC1 announcement to ASX, 27 September 2023, 'Significant Co-Product Resources add Value to Newmont REE'.

Summary

West Cobar Metals Limited (ASX:WC1) (“West Cobar” or “the Company”) is pleased to provide an update on progress made during the Quarter ended 31 December 2023 at the company’s flagship Salazar REE and co-products project in Western Australia, and its lithium and copper exploration activities in Australia and the USA.

West Cobar is advancing the Newmont REE-TiO₂-Alumina deposit by developing feasible extraction process flowsheets for the key commodities through ongoing metallurgical testwork. Plans are being made to increase the resource base with AC drilling programs planned to commence during Q2 2024.

During the Quarter the company also completed drill programs for lithium in Nevada USA and for copper in NSW.

Salazar Project

The Salazar Project (consisting of both the Newmont and O’Connor deposits) is situated in the Esperance district approximately 120km north-east of the township of Esperance and all tenements are located on non-agricultural undeveloped state land (Figure 1).

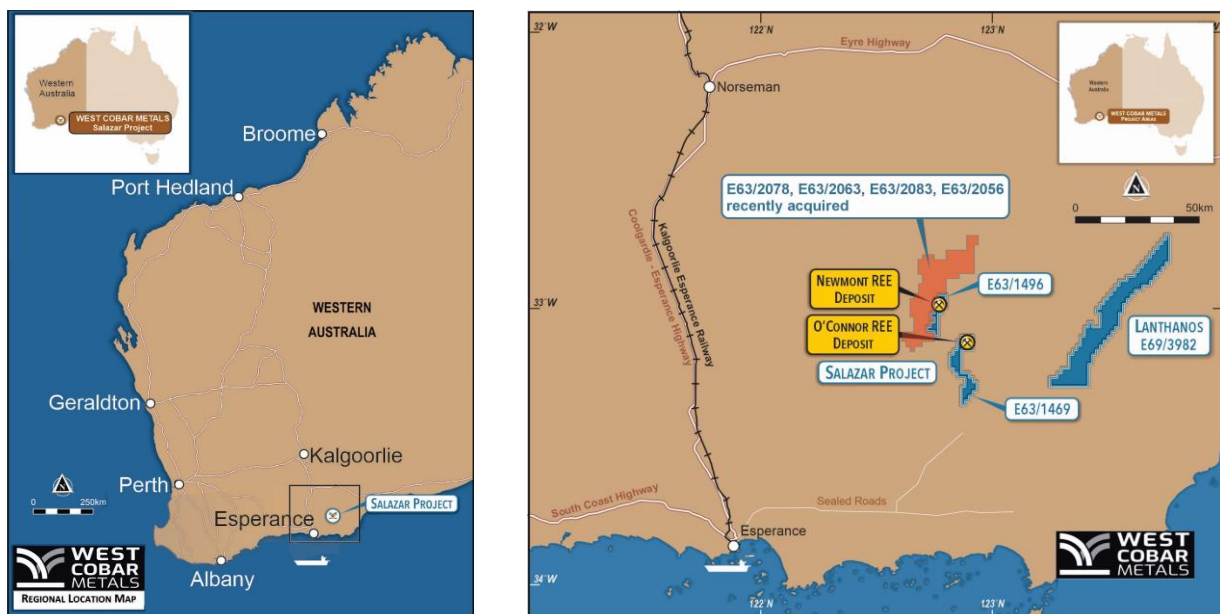


Figure 1: Location of the Salazar REE project and tenements, and ground acquired from Dundas Minerals Ltd

Newmont

West Cobar's cornerstone REE and co-product deposit at Newmont consists of saprolite clay host rock which overlies amphibolite and is a unique deposit in the region due to a number of factors:

- The Newmont REE, TiO₂ and Al₂O₃ resources are comparatively high grade
- Potential for high value co-products including, TiO₂, Al₂O₃ (4N), Scandium and Gallium
- Successful beneficiation tests have shown excellent upgrade potential
- High content of valuable heavy rare earths Dysprosium and Terbium
- Low content of radioactive minerals Uranium and Thorium, thereby improving processing options
- Shallow, thick saprolite (clay) hosted mineralisation amenable to low cost mining

Several streams of REE metallurgical testwork and beneficiation programs are nearing completion, with various results expected in Q1 2024:

- Titanium co-product evaluation:
 - o Five composite samples from Newmont were submitted to Nagrom for testing and characterisation of the Ti minerals. A standard Mineral Sands approach was undertaken to concentrate Ti and REE minerals by Heavy Liquid Separation (HLS) and magnetic separation techniques.
 - o The final concentrate and tail have been sent to Portable Spectral Services in West Perth for mineralogical analysis
 - o Results are expected imminently
- Characterisation of non-magnetic REE stream of Newmont testwork
- Finalisation of ANSTO Phase 1 Newmont leaching testwork under various acid strengths and conditions

O'Connor

The O'Connor deposit overlies granitic bedrock and has different geological characteristics to the Newmont deposit - but benefits from a large resource (107Mt at 1216ppm TREO)¹ with substantial undrilled upside.

Recent magnetic separation and flotation trials have been exceptionally successful at O'Connor with an upgrade of 34x being achieved to a 5.08% TREO³ concentrate from SAC181 with a 69% recovery through the float ⁴.

³ TREO = La₂O₃ + CeO₂ + Pr₆O₁₁ + Nd₂O₃ + Sm₂O₃ + Eu₂O₃ + Gd₂O₃ + Tb₄O₇ + Dy₂O₃ + Ho₂O₃ + Er₂O₃ + Tm₂O₃ + Yb₂O₃ + Lu₂O₃ + Y₂O₃

⁴ WC1 announcement to ASX, 6 December 2023, 'Outstanding Salazar RE Beneficiation Results – 5.08% TREO'.

Next Steps

All of these results are being integrated with further testing plans to establish viable economic extraction of the REE's, TiO₂ and HPA alumina.

The next step will be the design of a conceptual flowsheet for the project, which is key in evaluating the preferred development pathway.

Exploration Potential

The Salazar Project, which now includes seven exploration licences (Figure 1) with a total area of 1,171km², features some of the highest grade saprolitic clay-hosted REE resources discovered in Australia.

During the Quarter, West Cobar undertook a comprehensive review of the exploration upside at its Salazar Project, based on exploration drill results and the potential within the newly acquired tenements. An updated Exploration Target ⁵ was released subsequent to the end of the Quarter.

The Stage 2 air core drill program is planned to commence during Q2 2024 in order to:

- test the extensions of the REE and TiO₂ Indicated and Inferred Resource areas at the Newmont deposit to the SSW (Figure 2),
- conduct infill drilling at O'Connor to establish additional REE Inferred Resources (Figure 3), and
- drill exploration lines on the Lanthanos tenement for REEs (Figure 4)

⁵ West Cobar ASX announcement dated 22 January 2024, titled "Salazar Exploration Target Update".

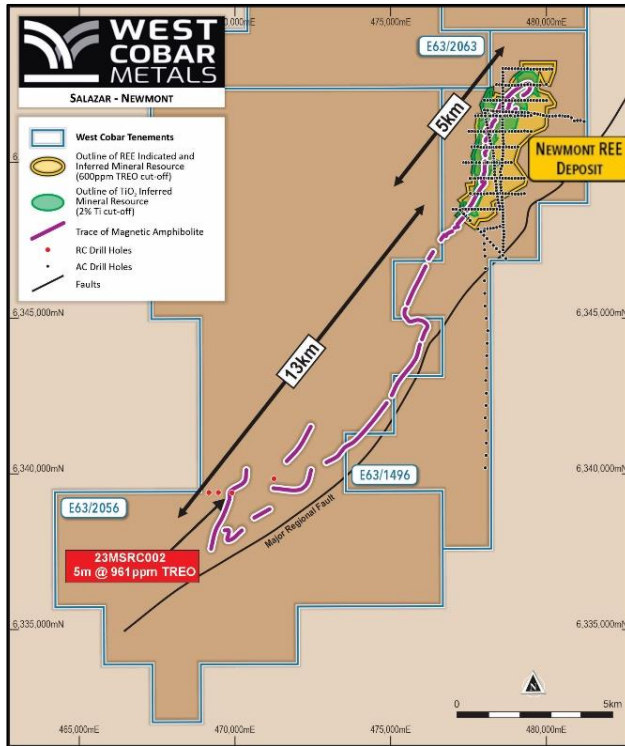


Figure 2.: Newmont – extent of REE and TiO2 Exploration Target

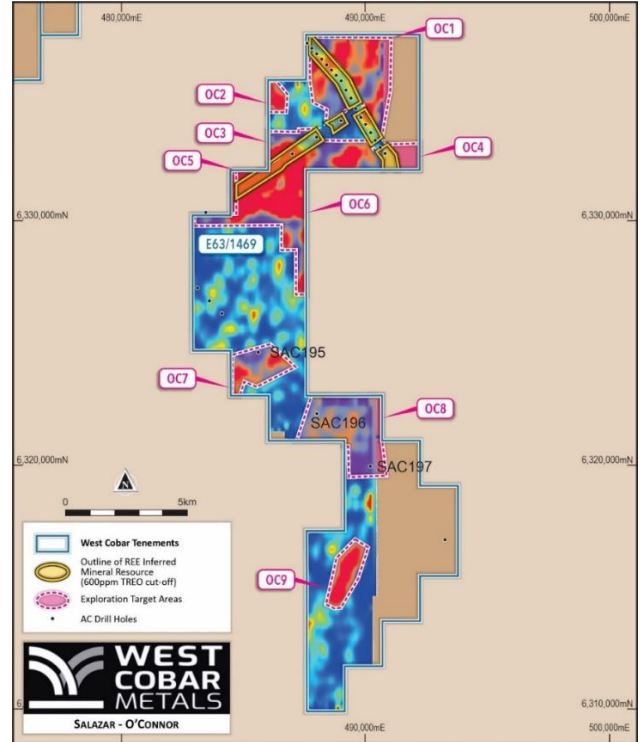
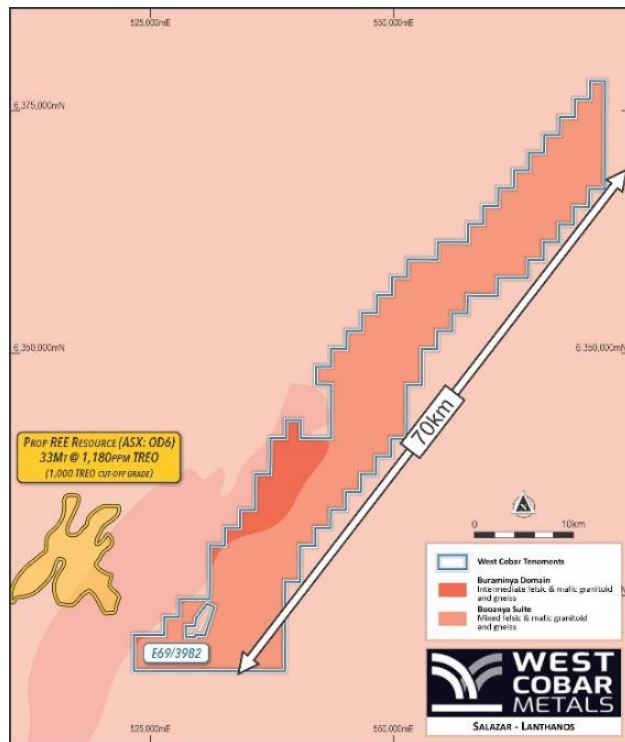


Figure 3.: O'Connor –REE Exploration Target areas, showing existing Inferred Mineral Resource areas, drill holes considered outside the Inferred Mineral Resource areas, and airborne electromagnetic image - relative conductivity.



(Left) Figure 4: Lanthanos E69/3982 – similar geology and weathering to areas with known REE deposits (Prop REE Resource from ASX announcement by OD6, 23 November 2023)

Cobar West Projects (NSW)

Bulla Park Project

Diamond drillhole BPD08 drilled to 363m depth was completed at the Company's 100%-owned project in the Cobar Basin, NSW. ⁶

Assay results from the diamond drill hole at Bulla Park were received with an intercept of 146m of 0.16% Cu, 0.03% Sb and 3g/t Ag intersected from 136m, including 14m of 0.44% Cu, 0.13% Sb and 5g/t Ag from 262m.

Hole ID	From (m)	To (m)	Interval (m)	Cu %	Sb %	Ag g/t
BPD08	136	282	146	0.16	0.03	3
Including	205	282	77	0.22	0.05	3
including	262	276	14	0.44	0.13	5
19CA002 ⁷	130	265	135	0.25	0.08	3
including	232	265	33	0.45	0.13	4
19CA003	120	137	17	0.25	0.11	3
19CA005	62	77	15	0.29	0.10	5

Table 1: Summary of assay results from BPD08, and mineralised historical results

The results show strong structural control of mineralisation that is untested to the west. Factors which support the presence of a major mineralised system with the potential for a bulk mineable copper-antimony-silver deposit are:

- Thickness of copper mineralisation
- Continuity of copper grade over wide intervals
- Extensive and intensive siderite (iron carbonate) and barite alteration and veining
- Potential to extend for at least 2km along east-west fault zone, supported by extent of siderite alteration and veining (Figure 5).

⁶ West Cobar ASX announcement dated 15 December 2023, titled "Thick zone of mineralisation intersected at Bulla Park".

⁷ Refer to Prospectus dated 6 August 2021

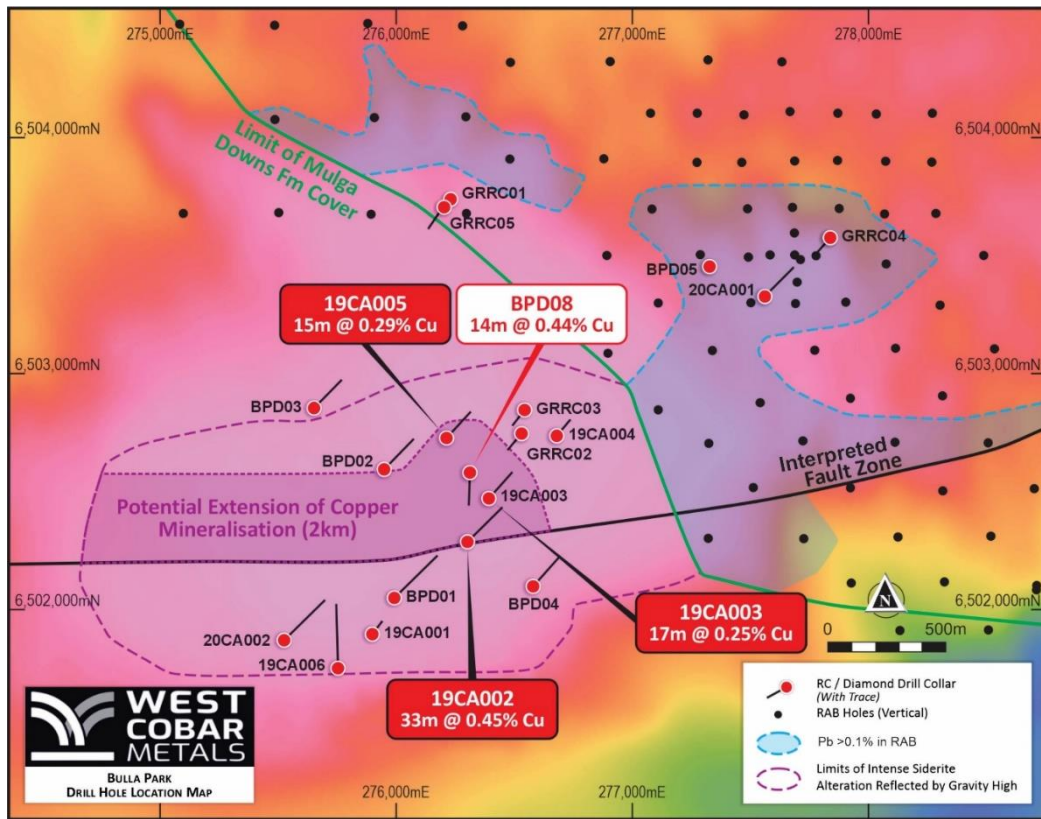


Figure 5: Bulla Park – RAB, RC and diamond drill collars over gravity image

Cawkers Well Project (ELs 9197 and 9278)

No work was completed during the Quarter. EL9278 was relinquished.

Nantilla Project (EL 9179)

No work was completed during the Quarter

Hermit Hill (NT)

The assessment of lithium prospectivity at the Hermit Hill project within EL33208 continued based on geological mapping, rock chip sampling and desktop reviews.

Nevada Lithium Project (USA)

West Cobar has 242 staked mining claims near Tonopah in Nevada, USA. Situated within the

world class Nevada lithium district, the Nevada Lithium Project tenure consists of the Montezuma Well and Big Smoky Valley claims areas which are prospective for large-scale sediment-hosted lithium claystone deposits hosted by the Siebert Formation.

8 RC holes were completed during November and December 2023.

The RC drilling programs at Montezuma Well and Big Smoky Valley intersected zones of lithium anomalous claystone dominant sequences in drill holes BSV04 and BSV05 (from 47m to 62m depth) at Big Smoky Valley⁸.

The holes at Montezuma Well were abandoned in the overlying alluvials at 67m in MWR01 and 75m in MWR05. There remains potential below the alluvials.

Porphyry North Project (WA)

Following the assessment of lithium, gold and base metal potential within the Porphyry North Project, E39/1978 was surrendered during the quarter and is awaiting formal registration of the surrender by DEMIRS.

Next steps are being considered on the other tenements (E31/942 and E31/910).

⁸ West Cobar ASX announcement dated 22 January 2024, titled "Nevada Exploration Update".

Corporate

Financial & Related Party Payments

The Company's Quarterly Cashflow Report (Appendix 5B) follows this activities report. The Company's consolidated cash at hand was \$1.9M as at 31 December 2023 with no debt.

The total amount paid to related parties of the Company and their associates, as per item 6.1 of the Appendix 5B was \$125k for director and consulting fees.

The total amount paid to related parties of the Company and their associates, as per item 6.2 of the Appendix 5B, was \$1k for consulting fees.

On 2 November the Company announced that it had received firm commitments from professional and sophisticated investors for a Placement of 12,246,667 fully paid ordinary shares at \$0.06 per share to raise \$734,800 before costs (with one free attaching option for every two placement shares, exercisable at \$0.10 per share expiring two years from issue) and also announced its intention to undertake a Share Purchase Plan (**SPP**) on the same terms as the Placement.

The results of the SPP were announced on the 5 December where the Company reserved the right to place the shortfall securities of 4,580,000 within three months of the SPP closing date. Together the Company raised \$1,030,000 (before Costs) from its Placement and SPP offer.

On 22 December 2023 the Company was pleased to advise that it had received \$701k from a R&D Tax Incentive Rebate.

-ENDS-

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

Further information:

Matt Szwedzicki
Managing Director
ms@westcobarmetals.com.au
+61 8 9481 0389

Luke Forrestal
GRA Partners
luke.forrestal@grapartners.com.au
+61 411 479 144

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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).

Competent Person Statement and JORC Information

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves.

The Information contained in this announcement is an accurate representation of the available data and studies for West Cobar's projects.

The information contained in this announcement that relates to the exploration information at

West Cobar's projects fairly reflects information compiled by Mr David Pascoe, who is Head of Exploration and Technical Services at West Cobar Metals Limited and a Member of the Australian Institute of Geoscientists. Mr Pascoe has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity which 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 Pascoe consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Ore Resources provided by the Competent Persons in the announcements to the ASX of 9 August 2023 and 27 September 2023 and that all material assumptions and technical parameters underpinning the Ore Resources, continue to apply and have not materially changed.

Appendix 1 – Tenement Information

Project	State/ Country	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%
Cawkers Well	NSW	EL 9197	Exploration Licence	-	100%
		EL 9278	Exploration Licence	-100%	-
Nantilla	NSW	EL 9179	Exploration Licence	-	100%
Newmont	WA	E63/1469	Exploration Licence	-	100%
O'Connor	WA	E63/1496	Exploration Licence	-	100%
Lanthanos	WA	E69/3982	Exploration Licence	-	100%
Newmont West	WA	E63/2056	Exploration Licence	+100%	100%
Newmont West	WA	E63/2083	Exploration Licence	+100%	100%
Newmont West	WA	E63/2078	Exploration Licence	+100%	100%
Newmont West	WA	E63/2063	Exploration Licence	+100%	100%
Porphyry North	WA	E31/910-I	Exploration Licence	-	100%
Porphyry North	WA	E31/942-I	Exploration Licence	-	100%
Porphyry North	WA	E39/1978	Exploration Licence	-100%	0%
Hermit Hill	NT	EL 33208	Exploration Licence	-	100%
Montezuma Well	Nevada, US	NV 1058 19910-19968	Registered claims	-	100%
Big Smoky Valley	Nevada, US	NV 1058 20148-20330	Registered claims	-	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 2023

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	(368)	(669)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	17
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) / refunded	-	-
1.7 Government grants and tax incentives	701	701
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	340	49

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(20)	(20)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	(720)	(1,452)
	(e) investments	-	-
	(f) other non-current assets	-	-
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)	-	-
2.6	Net cash from / (used in) investing activities	(740)	(1,472)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,030	1,030
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	(57)	(57)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	973	973

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,304	2,327
4.2	Net cash from / (used in) operating activities (item 1.9 above)	340	49
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(740)	(1,472)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	973	973
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,877	1,877

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	1,427	454
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposit – 90 days maturity)	450	850
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,877	1,304

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	(125)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	(1)
<i>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.</i>		

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. 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)	340
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(720)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(380)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,877
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,877
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.93
<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:

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:

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:

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 2024

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.