

Cobre Limited

ABN 75 626 241 067

Interim Report - 31 December 2024

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Cobre Limited
Directors' report
31 December 2024

The Directors present their report together with the financial statements, on the consolidated entity (referred to hereafter at 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 2024.

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
Andrew Sissian - Non-Executive Director
Michael Addison - Non-Executive Director
Michael McNeilly - Non-Executive Director
Dr Ross McGowan – Non-Executive Director

Principal activities

The principal activities of the Consolidated Entity during the financial 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 5,393km², prospective for sedimentary hosted copper-silver mineralisation. During the half-year Period (**HY** or **HY Period**), on 23 September 2024, the Company announced that it had executed a Letter of Intent (**LOI**) to negotiate exclusively with a wholly owned subsidiary of BHP Group Ltd (**BHP**) for a material earn-in joint venture over Cobre's Kiltanya East and West Copper projects (**Kitlanya Projects**). It was stated at the time of the announcement that an agreement with BHP was subject to approval and execution of formal binding documents and the completion of BHP's due diligence. Subsequent to the end of the HY Period, the Company announced that it, through its wholly owned subsidiaries, had executed an Earn-In Agreement (**Transaction**) with a wholly owned subsidiary of BHP. Further details are provided in the Review of Operations herein.

During the HY, Cobre also continued to advance exploration on its wholly owned Ngami and Okavango projects also located in the KCB in Botswana, which are 100% owned by Cobre and not part of the Transaction with BHP.

During the HY 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 285km² of the Panhandle and Illaara Greenstone Belts in Western Australia. On 7 October, 2024 the Company released a maiden exploration. This was the result of mapping work undertaken on the are in late 2023 which identified saccharoidal quartzite within the Mt Alfred area. Further details are provided in the Review of Operations herein.

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. With the original 5 year grant period expiring during the HY, an application for Extension of Term / Renewal was lodged by Cobre. The Company does not consider the Sandiman tenement to be a material asset

Cobre also holds a 2.41% investment interest in ASX-listed Rapid Lithium Limited (**Rapid Lithium** or **RLL**) (ASX: RLL) (formerly Armada Metals Limited) which completed the acquisition of certain lithium assets in the USA and also announced that it had entered into a binding agreement to acquire from Broadstone, certain mineral claims that comprise the Prophet River Ga-Ge Project located in British Columbia, Canada, targeting the exploration and development of zinc, germanium and gallium.

Given the focus on the US lithium assets and the assets to be acquired under the Broadstone Agreement, Rapid Lithium has stated that the plan for Gabon is to undertake an orderly wind own of the Company's operations. RLL has also earned a 50% interest in the Bend Nickel Project in Zimbabwe.

Review of operations

The loss for the Consolidated Entity after providing for income tax amounted to \$794,054 (31 December 2023: \$1,974,827).

Refer to the separate Review of Operations which directly follows this Directors' Report.

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.

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Matters subsequent to the end of the financial half-year

On 10 March 2025, the Company announced the signing of a Transaction with BHP. Pursuant to the terms of the Transaction, BHP will incur exploration expenditure of up to US\$25,000,000 in relation to the Consolidated Entity's Kitlanya East and West projects for a right to earn up to a 75% interest in those projects.

No other matter or circumstance has arisen since 31 December 2024 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

13 March 2025

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Cobre Limited
Review of operations
31 December 2024

Botswana:

Cobre has four projects located in the KCB in Botswana.

Further to the LOI signed during the HY Period on 23 September, 2024 referred to above, subsequent to the end of the HY Period, Cobre announced on 10 March 2025, that pursuant to the Transaction, BHP will provide up to US\$25 million (~A\$40m) for exploration expenditure for Cobre's Kitlanya Projects and be granted the right to earn a 75% interest in the Kitlanya Projects, located on the northern and southern basin margins respectively of the KCB. The Transaction is a result of Cobre's successful participation in the 2024 BHP Xplor program which also provided funding for the recently completed seismic survey on the Kitlanya West Project.

Highlights of the Transaction include:

- Key Funding Terms:
 - A minimum of US\$5 million of committed funding to be paid to Cobre within 2 years of the commencement date with a planned budget of US\$7m (A\$11m) for exploration expenditure for the Kitlanya Projects; and
 - BHP can earn a 75% interest in the Kitlanya Projects by funding US\$25 million (inclusive of the initial US\$5 million) for exploration expenditure for the Kitlanya Projects within 8 years of the commencement date.
- Cobre Botswana will be appointed operator during the earn-in phase and will be entitled to charge a management fee of no less than US\$250,000 per annum.
- Upon commencement of the 75:25 joint venture, BHP may provide a loan to Cobre to fund Cobre's portion of joint venture expenditure up until the final investment decision.
- If the Transaction is terminated during the Earn-In Phase and BHP has funded at least US\$20 million for exploration expenditure, BHP will be entitled to a 2.0% net smelter royalty in respect of the Kitlanya Projects. Cobre may, in certain circumstances, buy back 50% of this royalty for an amount equal to the aggregate of exploration expenditure funded by BHP at the time of electing to exercise the buy-back.
- An additional payment of up to US\$10 million, calculated at \$5/tonne contained copper, is payable to Cobre upon the declaration of a maiden JORC Compliant Mineral Resource (JORC) at the Kitlanya Projects, as BHP's portion of the discovery bonus payable to Indlovu Capital.

A summary of the key terms of the Transaction are contained within the Company's announcement to the ASX dated 13 March 2025..

A partnership with BHP provides the exploration funding, scale and expertise to maximise Cobre's chances of making significant new discoveries on the Company's basin margin exploration ground. The planned work programme for the initial US\$7m includes several deep diamond holes combined with active 2D seismic survey designed to assess key components of the Mineral System required for Tier 1 copper deposit formation. Mobilisation for the first phase of drilling, which will test targets identified in the 2024 seismic programme at Kitlanya West, is scheduled for April 2025.

In addition to announcing the BHP Transaction, during the HY on 22 August 2024, Cobre was also pleased to announce the completion of field acquisition of 62km of active 2D reflection seismic survey and overlapping 100km² of passive seismic survey (Ambient Noise Tomography), on the Kitlanya West Project. This pioneering programme was designed to:

- Image potential large-scale fold trap-sites where Tier 1 copper deposits may be hosted;
- Identify structures which may provide pathways for copper mineralisation;
- Complement and help resolve the basin architecture interpreted from recently completed airborne gravity gradient surveys; and
- Provide diamond drill targets for the compelling Tlou target defined in the 2023 soil and reverse circulation drill campaign (see ASX announcement 29 November 2023).

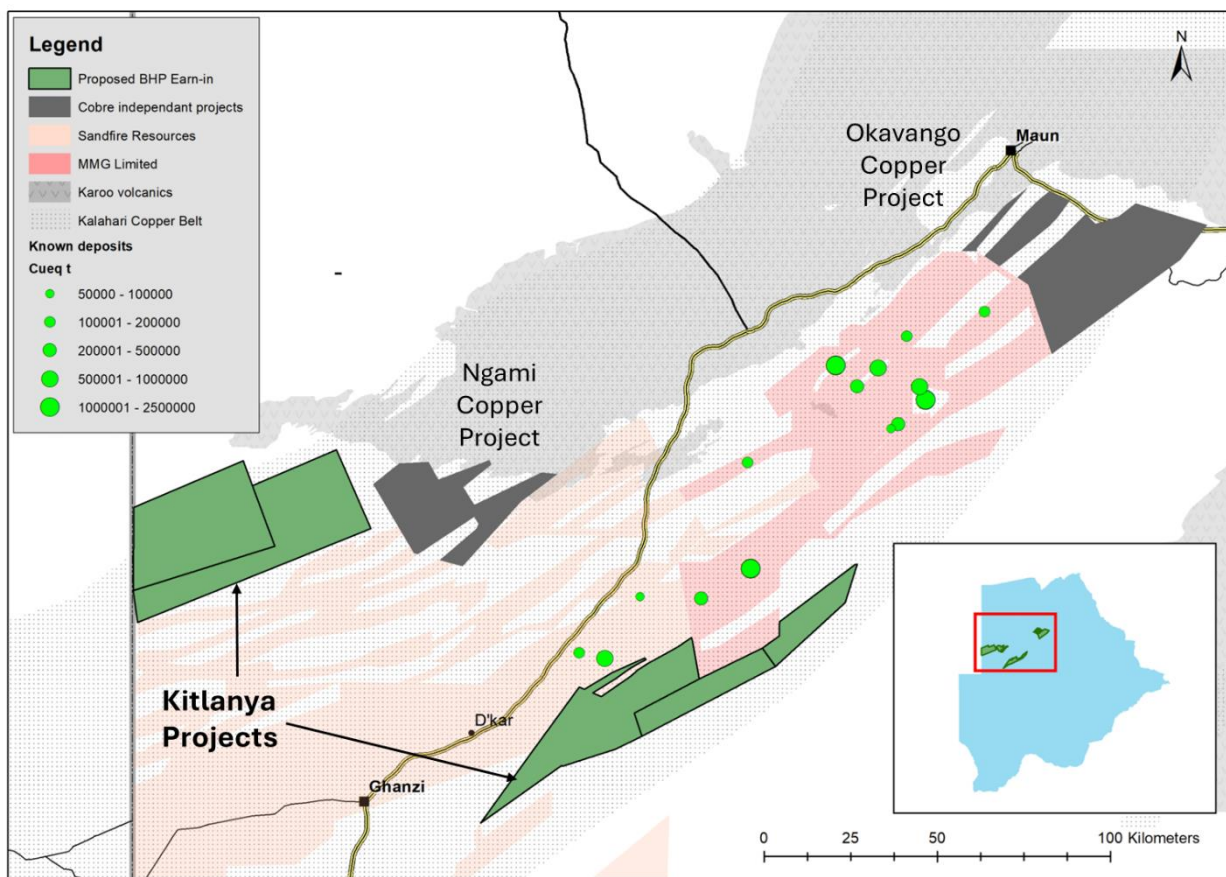


Figure 1. Locality map illustrating the position of Cobre's project areas. Green licenses are relevant to the Transaction, dark grey licenses will be run, and are owned, independently by Cobre

As stated above, the Transaction does not cover Cobre's flagship Ngami and Okavango Copper Projects which Cobre will continue to operate and advance independently. With respect to these two wholly owned projects, the Company provide a number of significant updates to the ASX during the HY Period including:

Ngami:

Date	Key Highlights of Announcement
8 July 2024	<p>Assay results from pump test wells drilled to intersect fracture hosted mineralisation at the Comet Target are consistently higher than previously quoted pXRF copper results (see ASX announcement 4 June 2024 and 26 February 2024) with notable associated silver credits:</p> <ul style="list-style-type: none"> • Production well PW01, 78m @ 0.75% Cu & 10 g/t Ag from 186 to 265m (downdip) including: <ul style="list-style-type: none"> ○ 5m @ 1.2% Cu & 11 g/t Ag from 196 to 201m ○ 11m @ 1.1% Cu & 15 g/t Ag from 213 to 224m ○ 8m @ 1.1% Cu & 14 g/t Ag from 228 to 236m • Monitoring well MW012, 40m @ 0.63% Cu & 10 g/t Ag from 171 to 211m (downdip) including: <ul style="list-style-type: none"> ○ 6m @ 1.6% Cu & 21 g/t Ag from 178 to 184m ○ 3m @ 1.1% Cu & 16 g/t Ag from 187 to 190m • Monitoring well MW001, 25m @ 0.63% Cu & 10 g/t Ag from 97 to 122m (downdip) including: <ul style="list-style-type: none"> ○ 1m @ 1.4% Cu & 14 g/t Ag from 97 to 98m ○ 1m @ 1.3% Cu & 18 g/t Ag from 106 to 107m ○ 1m @ 1.1% Cu & 16 g/t Ag from 111 to 112m <p>Both PW01 and MW012 remain open-ended at depth providing significant encouragement for continuity of copper-silver mineralisation at depth</p>
8 August 2024	Results from the recently completed Trade Off Study demonstrate:

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	<ul style="list-style-type: none"> • ISCR is the preferential extraction method based on the analysis and current understanding of the geology, mineralisation of the ore body, metallurgy, mining, processing options and costs; • Using a conservative copper recovery and price, ISCR returns robust economics justifying the next stage of engineering and design work to complete the financial CAPEX and OPEX models; and • Subject to results of an infill drill programme, to bring the target into a JORC compliant category, there is potential for hybrid underground and surface in-situ developments to target high- and low-grade portions of the resource respectively.
4 September 2024	<p>Completion of an additional injection and pumping well designed to add further hydrogeological understanding of fluid flow along the primary mineralised target zone. By combining this well with completed injection and monitoring wells, it has been possible to establish a reciprocal injection-pumping circuit which has demonstrated:</p> <ul style="list-style-type: none"> • Hydraulic connectivity between injection and pumping wells along the main mineralisation; and • Sufficient permeability in less fractured, deeper, moderate grade portions of the mineralised contact to support natural injection for an ISCR process.
21 November 2024	<p>Commencement of Diamond Drilling designed to:</p> <ul style="list-style-type: none"> • Test for extensions to mineralisation to the northeast of the Comet Target with a view to including several kilometres of prospective untested strike into the Exploration Target currently estimated at between 103 and 166Mt @ 0.38 to 0.46% Cu1 (see ASX Announcement 30 August 2023); and • Provide detailed infill drilling in order to convert approximately 10 – 20% of the Exploration Target into Indicated and Inferred Category following completion of a Mineral Resource Estimate. <p>The programme includes approximately 4,800m of Diamond drilling</p>
4 December 2024	<p>Cobre announced the details of the first completed exploration hole for the 2024 programme. Drill hole NCP55, located approximately 7.5km along strike from the Comet Target, intersected a thick, 21m package of chalcocite dominant mineralisation including:</p> <ul style="list-style-type: none"> • Widespread disseminated fracture and cleavage hosted chalcocite mineralisation from 152 to 165m downhole which increases from an estimated 0.3% chalcocite to upward of 3% at the contact with the footwall; with additional; and • quartz-carbonate vein hosted chalcocite mineralisation from 161.65 to 165.33m downhole which increases from an estimated 2% chalcocite to approximately 5% at the contact with the footwall.
9 December 2024	<p>Cobre announced the details of the second completed exploration hole for the 2024 programme. Drill hole NCP56 is located 2km along strike from NCP55 (see ASX announcement 4 December 2024), both of which were designed to test a new portion of contact located approximately 7.5km along strike from the Comet Target.</p> <ul style="list-style-type: none"> • NCP56 has intersected widespread disseminated fracture and cleavage hosted chalcocite mineralisation from 159 to 192m downhole varying from an estimated 0.1% chalcocite to 4% chalcocite across the section; and • The values indicate that the anomalous copper mineralisation intersected in NCP42 (15m @ 0.5% Cu & 13g/t Ag from 142.5 to 157.5m downhole, see ASX announcement 16 May 2023) may extend for more than 4km through NCP55 and NCP56 indicating there may be potential for a sizeable new target (Cosmos).

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Okavango:

Date	Key Highlights of Announcement
12 August 2024	<p>Cobre announced the results from a recently completed 1,920m diamond drilling programme:</p> <ul style="list-style-type: none"> • 3 out of 6 diamond drill holes have intersected anomalous copper-silver mineralisation along strike from neighbour MMG's Zone 5 group (166Mt @ 2.0% Cu & 26 g/t Ag) and Boseto group (126Mt @ 1.3% Cu & 17 g/t Ag) of deposits¹ demonstrating the potential for further high-grade discoveries within the OCP tenement area: • Mineralisation includes vein hosted bornite, chalcopyrite and chalcocite as well as typical styles of contact related copper mineralisation providing further support for proximity to higher grade zones and an opportunity to vector towards economic mineralisation. • Concurrently collected ground gravity data over OCP provides context for anomalous copper intersections with compelling evidence for an analogous setting to the Zone 5 Area in the central portion of OCP.

Australia:

On 7 October 2024, Cobre announced a High Purity Quartz (HPQ) Exploration Target at the Company's wholly owned Perrinvale Project (Perrinvale or Project) in Western Australia. Highlights included:

Highlights:

- Multiple Quartz Units identified and sampled across the Perrinvale Project supporting a significant estimated Exploration Target of 5.1 Mt to 28.3 Mt at a pre-beneficiation SiO₂ grade of 99.1% to 99.6%¹;
- Quartz units display pegmatitic textures and lacking any secondary minerals in outcrop are considered to be the product of metamorphism of the basal quartzites in the regional stratigraphy;
- All SiO₂ assays fall within the feedstock grades for silicon smelting, with 94% of assays between 99.15% and 99.66% SiO₂; and
- Further test work focused on contaminant deportment and beneficiation set to commence to determine amenability to upgrading to very high value ultra high purity end products.

In late 2023 mapping work on the Project identified saccharoidal quartzite within the Mt Alfred area on the east side of the Project. Lacking any visible accessory minerals or lithic particles, the potential for the Project to host HPQ was considered. Since then, the Company has completed desktop work and two programmes of fieldwork with analytical testing; identifying extensive, often pegmatitic, quartz units across the southern Panhandle area on the west side of the Project, culminating in this maiden exploration target (*Table 1*).

Southern Panhandle HPQ Exploration Target						
	Surface Area Estimate (m ²)	Depth extent (m)	Quartz surface area factor	Insitu Bulk Density (g/cm ³)	Million Tonnes	SiO ₂ %
Lower Case	271,650	15	0.5	2.52	5.1	99.1
Upper Case	271,650	40	1	2.6	28.3	99.6

Grades are based on rock chip samples analysed via XRF and prior to beneficiation

Table 1: Southern Panhandle HPQ Exploration Target on the Perrinvale Project in Western Australia.

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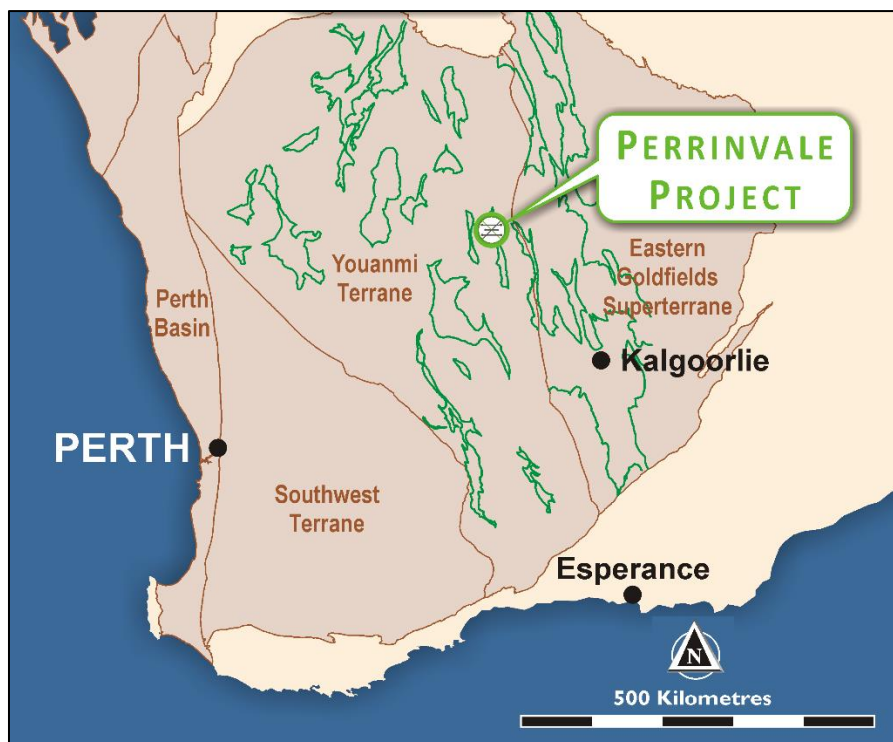


Figure 2: Perrinvale Project Location in Western Australia's Yilgarn Craton.

For full details of the explorations results reported in these Interim Financial Statements, including relevant JORC table information and cautionary statements relating to visual estimates and the conceptual nature of Exploration Targets, refer to the Company's announcements released to the ASX since 1 July 2024 up to the date of this Report.

Investments:

As noted in the Principal Activities above, Cobre holds a 2.41% investment interest in ASX-listed Rapid Lithium Limited (Rapid Lithium or RLL) (ASX: RLL) (formerly Armada Metals Limited) which completed the acquisition of certain lithium assets in the USA and also announced that it had entered into a binding agreement to acquire from Broadstone, certain mineral claims that comprise the Prophet River Ga-Ge Project located in British Columbia, Canada, targeting the exploration and development of zinc, germanium and gallium.

Corporate:

During the HY, the Company undertook a \$4.6m two stage capital raising at a price of \$0.065 per share (**Placement**). The Placement comprises two tranches:

- Tranche 1 raised approximately A\$3.8 million via the issue of approximately 59.1 million New Shares utilising the Company's existing placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A; and
- Tranche 2 to raise approximately A\$0.8 million via the issue of approximately 12.3 million New Shares subject to shareholder approval to be sought at an Extraordinary General Meeting (EGM) of the Company to be held on 24 March 2025.

The Placement was conducted at a price of A\$0.065 per New Share, which represented a:

- 18.8% discount to the last close price of A\$0.0800 on 29 October 2024; and
- 19.8% discount to the 5-day Volume Weighted Average Price of A\$0.0811.

Participants in the Placement will also be entitled to apply for one (1) free attaching option for every two (2) New Shares allocated under the Placement, which will be exercisable at A\$0.098 each and have an expiry date that is 18 months after the issue date (Attaching Options). The Attaching Options will be unlisted and subject to shareholder approval to be sought at the EGM.



**Shape the future
with confidence**

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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 2024, 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.

Ernst & Young

Ernst & Young

James Johnson
Partner
13 March 2025

Cobre Limited
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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 10, Kyle House, 27-31 Macquarie Place
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 13 March 2025.

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Cobre Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	Consolidated Dec 2024 \$	Consolidated Dec 2023 \$
Revenue and income			
Other income	3	121,426	(215,276)
Interest revenue calculated using the effective interest method		62	29,965
Expenses			
Corporate expenses		(631,913)	(707,570)
Employee benefits expense		(264,467)	(245,200)
Share based payment expense	6	-	(418,000)
Depreciation and amortisation expense		(6,974)	(704)
Share of equity accounted losses and other comprehensive income		-	(405,321)
Other expenses		(12,188)	(12,721)
Loss before income tax expense		(794,054)	(1,974,827)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Cobre Limited		(794,054)	(1,974,827)
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		(86,057)	(43,029)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		1,099,659	(720,632)
Other comprehensive income/(loss) for the half-year, net of tax		1,013,602	(763,661)
Total comprehensive income/(loss) for the half-year attributable to the owners of Cobre Limited		<u>219,548</u>	<u>(2,738,488)</u>
		Cents	Cents
Basic loss per share	12	(0.21)	(0.69)
Diluted loss per share	12	(0.21)	(0.69)

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 2024

	Note	Consolidated Dec 2024 \$	Jun 2024 \$
Assets			
Current assets			
Cash and cash equivalents		2,721,136	980,630
Trade and other receivables		319,514	117,112
Prepayments		84,171	67,583
Total current assets		<u>3,124,821</u>	<u>1,165,325</u>
Non-current assets			
Receivables and deposits		20,858	20,860
Financial assets at fair value through other comprehensive income		458,972	545,029
Property, plant and equipment		65,161	63,792
Exploration and evaluation	4	33,265,276	29,710,584
Total non-current assets		<u>33,810,267</u>	<u>30,340,265</u>
Total assets		<u>36,935,088</u>	<u>31,505,590</u>
Liabilities			
Current liabilities			
Trade and other payables		714,179	928,238
Total current liabilities		<u>714,179</u>	<u>928,238</u>
Total liabilities		<u>714,179</u>	<u>928,238</u>
Net assets		<u>36,220,909</u>	<u>30,577,352</u>
Equity			
Issued capital	5	48,291,898	43,039,399
Reserves	6	3,108,220	1,923,108
Accumulated losses		<u>(15,179,209)</u>	<u>(14,385,155)</u>
Total equity		<u>36,220,909</u>	<u>30,577,352</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 2024

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	40,903,253	1,866,833	(11,996,067)	30,774,019
Loss after income tax expense for the half-year	-	-	(1,974,827)	(1,974,827)
Other comprehensive loss for the half-year, net of tax	-	(763,661)	-	(763,661)
Total comprehensive loss for the half-year	-	(763,661)	(1,974,827)	(2,738,488)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	418,000	-	418,000
Balance at 31 December 2023	<u>40,903,253</u>	<u>1,521,172</u>	<u>(13,970,894)</u>	<u>28,453,531</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	43,039,399	1,923,108	(14,385,155)	30,577,352
Loss after income tax expense for the half-year	-	-	(794,054)	(794,054)
Other comprehensive income for the half-year, net of tax	-	1,013,602	-	1,013,602
Total comprehensive income/(loss) for the half-year	-	1,013,602	(794,054)	219,548
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 5)	5,252,499	-	-	5,252,499
Share-based payments	-	171,510	-	171,510
Balance at 31 December 2024	<u>48,291,898</u>	<u>3,108,220</u>	<u>(15,179,209)</u>	<u>36,220,909</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 2024

	Consolidated	
	Dec 2024	Dec 2023
	\$	\$
Cash flows from operating activities		
Interest received	62	29,965
Other income	138,711	-
Payments to suppliers (inclusive of GST)	<u>(1,059,234)</u>	<u>(1,503,729)</u>
Net cash used in operating activities	<u>(920,461)</u>	<u>(1,473,764)</u>
Cash flows from investing activities		
Payments for investments in listed entities	-	(300,000)
Payments for property, plant and equipment	(8,343)	-
Payments for exploration and evaluation	<u>(2,465,931)</u>	<u>(2,056,873)</u>
Net cash used in investing activities	<u>(2,474,274)</u>	<u>(2,356,873)</u>
Cash flows from financing activities		
Proceeds from issue of shares	5,471,216	-
Share issue transaction costs	<u>(347,912)</u>	<u>-</u>
Net cash from financing activities	<u>5,123,304</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	1,728,569	(3,830,637)
Cash and cash equivalents at the beginning of the financial half-year	980,630	5,764,076
Effects of exchange rate changes on cash and cash equivalents	<u>11,937</u>	<u>(3,660)</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>2,721,136</u></u>	<u><u>1,929,779</u></u>

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

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 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'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The 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.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Consolidated Entity incurred a loss from ordinary activities after tax of \$794,054 for the half-year ended 31 December 2024 (2023: \$1,974,827), and had cash out flows from operating activities of \$920,461 (2023: \$1,473,764). At 31 December 2024, the Consolidated Entity had net current assets of \$2,410,642 (June 2024: 2,410,642) and total net assets of \$36,220,909 (June 2024: 30,577,352).

The Directors have reviewed the cashflow forecasts prepared by management and are satisfied that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern due to the following factors:

- On 24 March 2025, the Company will hold an Extraordinary General Meeting (**EGM**). At this meeting approval will be sought to issue an additional circa 12.3m fully paid ordinary shares raising \$800,000 before costs;
- On 10 March 2025, the Company announced the signing of a Transaction with BHP. Pursuant to the terms of the Transaction, BHP will incur exploration expenditure of up to US\$25,000,000 in relation to the consolidated entity's Kitlanya East and West projects for a right to earn up to a 75% interest in those projects. Under the agreement the Company will also receive \$US250,000 per annum contribution towards corporate and administration expenses; and
- As an ASX listed entity, the Company has the ability to raise equity, subject to prevailing market conditions, and has a proven track record of being able to raise capital when required.

Accordingly, the Directors believe at the date of signing these half-year financial statements, that the Consolidated Entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements. In the event that the Consolidated Entity is unsuccessful in implementing the above-stated initiatives, a material uncertainty would exist, that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern and its ability to realise its assets and discharge its liabilities in the normal course of business and at the amounts shown in the financial statements.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the company not continue as a going concern.

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into two operating segments: Australian exploration and Botswanan exploration. These operating segments are 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.

Cobre Limited
Notes to the financial statements
31 December 2024

Note 2. Operating segments (continued)

Operating segment information

	Australia	Botswana	Total
	\$	\$	\$
Consolidated - Dec 2024			
Revenue			
Intersegment sales	-	-	-
Interest revenue	62	-	62
Other revenue	-	138,711	138,711
Total revenue	<u>62</u>	<u>138,711</u>	<u>138,773</u>
Total Expenses	<u>(912,820)</u>	<u>(20,007)</u>	<u>(932,827)</u>
Loss before income tax expense	<u>(912,758)</u>	<u>118,704</u>	<u>(794,054)</u>
Income tax expense			-
Loss after income tax expense			<u>(794,054)</u>
Assets			
Segment assets	9,131,034	27,804,054	36,935,088
Total assets			<u>36,935,088</u>
Liabilities			
Segment liabilities	365,603	348,576	714,179
Total liabilities			<u>714,179</u>
Consolidated - Dec 2023			
Revenue			
Interest revenue	29,965	-	29,965
Total revenue	<u>29,965</u>	<u>-</u>	<u>29,965</u>
Total Expenses	<u>(1,775,672)</u>	<u>(229,120)</u>	<u>(2,004,792)</u>
Loss before income tax expense	<u>(1,745,707)</u>	<u>(229,120)</u>	<u>(1,974,827)</u>
Income tax expense			-
Loss after income tax expense			<u>(1,974,827)</u>
Consolidated - Jun 2024			
Assets			
Segment assets	7,212,006	24,293,584	31,505,590
Total assets			<u>31,505,590</u>
Liabilities			
Segment liabilities	477,151	451,087	928,238
Total liabilities			<u>928,238</u>

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Cobre Limited
Notes to the financial statements
31 December 2024

Note 3. Other income

	Consolidated	Consolidated
	Dec 2024	Dec 2023
	\$	\$
Net foreign exchange gain or (loss)	(17,285)	(215,276)
Other income	138,711	-
	<u>121,426</u>	<u>(215,276)</u>

Note 4. Non-current assets - exploration and evaluation

	Consolidated	Consolidated
	Dec 2024	Jun 2024
	\$	\$
Exploration and evaluation - at cost	<u>33,265,276</u>	<u>29,710,584</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 2024	29,710,584
Additions *	2,666,636
Exchange differences	917,475
R&D tax rebate	(29,419)
Balance at 31 December 2024	<u>33,265,276</u>

During the current financial half year, the Consolidated Entity has capitalised \$228,453 of expenditure relating to its Australian exploration assets and \$2,438,183 relating to projects in Botswana.

Note 5. Equity - issued capital

	Dec 2024	Jun 2024	Consolidated	Dec 2024	Jun 2024
	Shares	Shares	\$	\$	\$
Ordinary shares - fully paid	<u>427,332,259</u>	<u>331,132,779</u>	<u>48,291,898</u>	<u>48,291,898</u>	<u>43,039,399</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2024	331,132,779		43,039,399
Issue of shares	13 August 2024	33,211,542	\$0.0520	1,727,000
Issue of shares to settle Botswanan exploration creditors *	15 August 2024	3,846,154	\$0.0522	200,705
Issue of shares	8 November 2024	59,141,784	\$0.0650	3,844,216
Cost of capital raised		-	\$0.0000	(519,422)
Balance	31 December 2024	<u>427,332,259</u>		<u>48,291,898</u>

During the half-year, the company also issued 38,461,547 free attaching options.

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Cobre Limited
Notes to the financial statements
31 December 2024

Note 5. Equity - issued capital (continued)

* These shares were issued as consideration for \$200,705 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 6. Equity - reserves

	Consolidated	
	Dec 2024	Jun 2024
	\$	\$
Financial assets at fair value through other comprehensive income reserve	(515,005)	(428,948)
Foreign currency reserve	1,646,883	547,224
Share-based payments reserve	3,177,211	3,005,701
Acquisition reserve	(1,200,869)	(1,200,869)
	<u>3,108,220</u>	<u>1,923,108</u>

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 and contractors 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 reserves

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

	Acquisition	Foreign currency	Financial assets at FV	Share based payments	Total
Consolidated	\$	\$	\$	\$	\$
Balance at 1 July 2024	(1,200,869)	547,224	(428,948)	3,005,701	1,923,108
Revaluation - net of tax	-	-	(86,057)	-	(86,057)
Foreign currency translation	-	1,099,659	-	-	1,099,659
Share based payments	-	-	-	171,510	171,510
	<u>(1,200,869)</u>	<u>1,646,883</u>	<u>(515,005)</u>	<u>3,177,211</u>	<u>3,108,220</u>

Cobre Limited
Notes to the financial statements
31 December 2024

Note 7. Equity - dividends

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

Note 8. Fair value measurement

Fair value hierarchy

The following tables detail the Consolidated Entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - Dec 2024

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Ordinary shares	-	-	485,972	485,972
Total assets	-	-	485,972	485,972

Consolidated - Jun 2024

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Ordinary shares	545,029	-	-	545,029
Total assets	545,029	-	-	545,029

During the year, Strata Investment Holdings PLC was suspended from trading on the Australian Securities Exchange. The investment was valued based on the share price on the day that the suspension occurred. For this reason, the investment has been transferred from Level 1 to Level 3.

Note 9. Contingent liabilities and commitments

Under the Strata Investments subscription letter dated 19 November 2019, the company will fully indemnify Strata Investment Holdings 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 are subject to a 2% Net Smelter Royalty held by Strata Investment Holdings PLC.

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

Cobre Limited
Notes to the financial statements
31 December 2024

Note 10. Related party transactions

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	Dec 2024	Dec 2023
	\$	\$
Payment for goods and services:		
Payment for services from those related to key management personnel	-	37,642
Other transactions:		
Fair value of options issued to Adam Woolridge the Company's Chief Executive Officer	-	104,500
Fair value of options issued to directors and their related entities	-	292,600

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 2024	Jun 2024
	\$	\$
Current payables:		
Fees payable to directors and related entities	18,666	12,498

Loans to/from related parties

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

Note 11. Events after the reporting period

On 10 March 2025, the Company announced the signing of a Transaction with BHP. Pursuant to the terms of the Transaction, BHP will incur exploration expenditure of up to US\$25,000,000 in relation to the Consolidated Entity's Kitlanya East and West projects for a right to earn up to a 75% interest in those projects.

No other matter or circumstance has arisen since 31 December 2024 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 2024	Dec 2023
	\$	\$
Loss after income tax attributable to the owners of Cobre Limited	<u>(794,054)</u>	<u>(1,974,827)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>376,845,274</u>	<u>286,910,995</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>376,845,274</u>	<u>286,910,995</u>
	Cents	Cents
Basic loss per share	(0.21)	(0.69)
Diluted loss per share	(0.21)	(0.69)

Cobre Limited
Directors' declaration
31 December 2024

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 2024 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

13 March 2025

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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 2024, 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 summary 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 2024 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*; and

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.

Material uncertainty related to going concern

We draw attention to Note 1 of the half year financial report which describes the principal conditions that raise doubts about the Consolidated Entity's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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



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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 2024 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.

Ernst & Young

Ernst & Young

A handwritten signature in black ink, appearing to read 'James Johnson', with a stylized flourish at the end.

James Johnson
Partner
13 March 2025

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