

COBRE 

ACN 75 626 241 067

Annual Report

**JUNE 30 2023**

# Corporate Directory

## Directors

**Mr Martin C Holland**  
*Executive Chairman*

**Mr Andrew Sissian**  
*Non-Executive Director*

**Mr Michael Addison**  
*Non-Executive Director*

**Mr Michael McNeilly**  
*Non-Executive Director*

**Dr Ross McGowan**  
*Non-Executive Director*

## Company secretary

**Mr Justin Clyne**

## Registered office

Level 10, Kyle House,  
27 Macquarie Place,  
Sydney NSW 2000

**Tel:** (+61) 407 123 143  
**Email:** [info@cobre.com.au](mailto:info@cobre.com.au)

## Principal place of business

Level 10, Kyle House,  
27 Macquarie Place,  
Sydney NSW 2000

**Tel:** (+61) 407 123 143  
**Email:** [info@cobre.com.au](mailto:info@cobre.com.au)

## Share registry

**Automic Group**  
Level 5, 126 Phillip Street  
Sydney NSW 2000

**Tel:** +61 2 8072 1400  
[www.automicgroup.com.au](http://www.automicgroup.com.au)

## Auditor

**Ernst & Young**  
The EY Centre  
Level 34, 200 George Street  
Sydney NSW 2000

## Solicitors

**HWL Ebsworth**  
Level 14, Australia Square  
264–278 George Street  
Sydney NSW 2000

## Stock exchange listing

Cobre Limited shares are listed on  
the Australian Securities Exchange  
(**ASX code: CBE**)

## Website

[www.cobre.com.au](http://www.cobre.com.au)

## Corporate Governance Statement

The Company's Corporate Governance statement for the year ended 30 June 2023 is available on the Company's website at [www.cobre.com.au](http://www.cobre.com.au) and a copy has also been lodged with the ASX in conjunction with this Annual Report to shareholders.

## General information

The financial statements cover Cobre Limited as a consolidated entity consisting of Cobre Limited and the entities it controlled at the end of, or during, the 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 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 28 September 2023. The directors have the power to amend and reissue the financial statements.

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# Chairman's letter



Dear Shareholder,

On behalf of the Board of Directors of Cobre Limited (Cobre or Company) it is with great pleasure that I present to you Cobre's Annual Report for the 2023 Financial Year (FY23). FY23 was a transformational year for the Company with exploration success in Botswana providing a clear pathway to unlocking a new copper district in the highly regarded, underexplored, Kalahari Copper Belt (KCB).

Cobre's Botswana Projects remains a key focus and the Company has achieved important milestones over the last financial year to advance its strategy in the KCB. Our exploration efforts have been focused on advancing targets along the Ngami Copper Project (NCP) and the neighbouring Kitlanya West Project (KITW) in the KCB. We are proud to report that our drill programmes and soil sampling activities have yielded significant results.

At NCP, our 2023 drill program successfully tested new targets with consistent copper-silver mineralisation intersected over extensive strike lengths along with several high-grade intersections. Modelling results estimate the project has a scale of between 103 and 166Mt @ 0.38 to 0.46% Cu<sup>1</sup> with significant additional untested blue-sky potential along with approximately 32Moz of associated silver credits. Importantly the mineralisation and hydrogeological setting make this project a prime candidate for an in-situ copper recovery process (ISCR), which, if proven successful, would provide an effective mining method at the bottom of the global cost curve with a low environmental footprint.

At KITW soil sampling programmes have identified a number of multielement geochemical anomalies which have been successfully tested with a substantial air core and shallow reverse circulation programme which has recently been completed. Results demonstrate the potential for new copper-silver discoveries on this extensive project.



<sup>1</sup> At this stage the results are in an exploration target category. The estimates of tonnage and grade are conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Our ongoing airborne gravity gradient survey, conducted in collaboration with Sandfire Resources Limited, is nearing completion with results expected to assist with target generation on both NCP and KITW along with our Kitlanya East (KITE) project which is located adjacent to Sandfire's Motheo Production Hub.

Upcoming work programmes, focussed on proving the viability of ISCR, include active pump testing scheduled to start in Q4 of 2023. In addition, collation and interpretation of results at KITW is in progress with results expected to generate a number of priority targets for diamond drill testing in Q1 2024.

On the corporate front, we have achieved several milestones. We successfully raised funds through placements and a Share Purchase Plan, exceeding our targeted amount, totalling \$12 million, to support advanced exploration in the KCB. Notably, we acquired the remaining 49% interest of Kalahari Metals Limited (KML), giving us 100% ownership and enabling us to fully exploit the exploration potential of our license package in Botswana.

Cobre's vision is to explore and discover new copper deposits to fuel the decarbonisation revolution the world is currently encountering. Without new greenfield discoveries, the world would not be able to keep up with the raw metals required to drive this necessary paradigm shift. The Company has a clear pathway to discovering new copper assets, both through our active exploration programmes, and ISCR process which provides a unique potential development opportunity.

I would like to take this opportunity to thank the Company's loyal shareholders and key stakeholders for their ongoing support, and who have all contributed to establishing and supporting Cobre on its path towards delivering success, with the ultimate aim of making a major copper discovery.

I would also like to thank my fellow directors, technical and operations teams on the ground for their tremendous efforts during what has been Cobre's most rewarding year to date. We look forward to another year of continued exploration success.

Yours faithfully,



**Martin Holland**  
Co-Founder, Executive Chairman



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## 1.

# Directors' report

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity') consisting of Cobre Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

## DIRECTORS

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

Martin Christopher Holland – Executive Chairman  
Dr Ross McGowan – Non-Executive Director  
Michael McNeilly - Non-Executive Director  
Andrew Sissian – Non-Executive Director  
Michael Addison – 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 5,393km<sup>2</sup>, prospective for sedimentary hosted copper-silver mineralisation.

During the year 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 327km<sup>2</sup> of the Panhandle and Illaara Greenstone Belts in Western Australia. The Company also continued to incur exploration expenditure under the Sandiman Farm-in Agreement with GTTS Generations Pty Ltd. The Sandiman Tenement is located in the Gascoyne Province, in Western Australia and spans across 202km<sup>2</sup> on the eastern edge of the Carnarvon Basin.

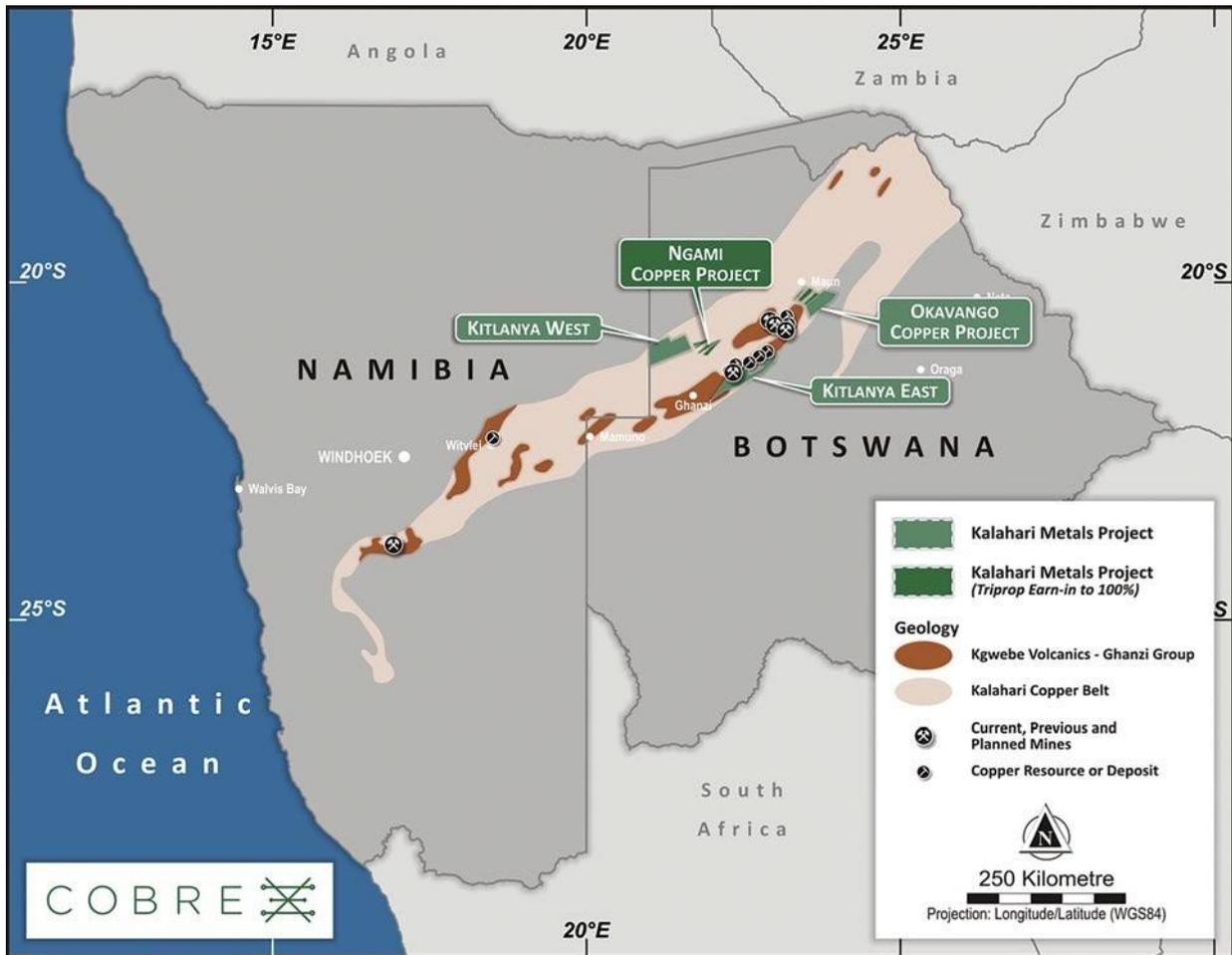
Cobre also holds a 14.43% investment interest in ASX-listed Armada Metals Limited (ASX: **AMM, Armada Metals**) which continued to perform exploration activities over the reporting period. Armada holds two exploration licences prospective for magmatic Ni-Cu sulphides in Gabon covering a total area of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

## DIVIDENDS

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

## REVIEW OF OPERATIONS

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$1,740,209 (30 June 2022: \$5,385,806).



## Botswana

The Company's drill programs, and soil sampling activities yielded significant results. At NCP, the February 2023 drill program successfully tested new targets and potential high-grade zones within drill-proven areas. The planned 5,000m program was completed ahead of schedule and within budget, with consistent copper-silver mineralization intersected over extensive strike lengths. Structurally controlled high-grade intersections from the 2022 drill programme include; **9.3m @ 3.4% Cu and 30g/t Ag and 10.7m @ 1.3% Cu and 18 g/t Ag.**

Soil sample interpretation at Kitlanya West (KITW) Project identified multi-element geochemical anomalies associated with copper-silver mineralisation, further highlighting the project's potential. Follow-up soil sampling is underway at KITW to test the lateral extent of soil anomalies was completed in August 2023. A 12,000m AC and RC drill programme at KITW commenced during Q2 2023, designed to test a variety of contact and fold targets for Cu-Ag mineralisation, has recently been completed with several compelling copper anomalies identified.

In addition, an 8,778 km Airborne Gravity Gradient (AGG) survey, being undertaken collaboratively with ASX-listed Sandfire Resources Limited (ASX: SFR, Sandfire), commenced during the Q2 2023 reporting period, with results expected to assist with both regional and local target generation over a large portion of the KCB.



## Western Australia

During the year, the Company announced the maiden Mineral Resource Estimate (MRE) for the Schwabe Prospect on the Company's wholly owned Perrinvale Volcanic Hosted Massive Sulphide (VHMS) Project in Western Australia;

- Maiden JORC-2012 Indicated and Inferred Mineral Resource Estimate for Schwabe estimated at: **272 Kt at 1.6 % Cu, 1.2 % Zn, 0.04 % Co, 0.04 % Pb, 6.3 g/t Ag & 0.4 g/t Au**; and
- Contained metal: **4,240 t Cu, 3,360 t Zn, 90 t Co, 103 t Pb, 54,890 oz Ag & 3,670 oz Au3**.



## Active Investment

Cobre holds a ~14% equity stake in Armada Metals Limited (ASX: **AMM**). Armada holds 100%-ownership of two exploration licences prospective for magmatic Ni-Cu sulphides situated in Gabon. Covering a total area of 2,725km<sup>2</sup>, the licence holding presents a frontier district-scale exploration opportunity. In addition, subsequent to the end of the reporting period, Armada announced the signing of a binding term sheet to acquire an 80% controlling interest in the Bend Nickel Project in Zimbabwe, with drilling expected to commence in Q3 2023.

## CORPORATE

Cobre achieved significant milestones on the corporate front during the year. Cobre successfully completed a A\$7 million placement in August 2022 and a further A\$5 million Placement in December 2022, including a subsequent receipt of ~A\$2.9M via an oversubscribed Share Purchase Plan (**SPP**) completed in January 2023, to accelerate advanced exploration in the KCB, Botswana.

Additionally, Cobre secured its position as the second largest landholder in the KCB by acquiring the remaining 49% interest of Kalahari Metals Limited (**KML**) and Triprop Holdings Ltd, giving it 100% ownership of its Botswana projects. Cobre is now able to fully exploit the exploration potential of the extensive 5,393km<sup>2</sup> license package in Botswana (refer announcements on 30 November 2022 and 27 February 2023).

Resolutions proposed during the Extraordinary General Meeting, held on 24 March 2023, were approved by shareholders, including the second tranche of the capital raising announced in December 2022.

Cobre's CEO and Executive Chairman attended a number of conferences throughout the year further showcasing the company's potential.

Cobre's exploration efforts throughout the year have yielded promising results, with significant copper-silver targets identified. The company's focus on unlocking the district-scale potential of the KCB has been supported by successful fundraising activities and strategic collaborations.

Some of the key achievements are outlined in a selection of Cobre's more significant ASX announcements across FY23 as detailed below.

Date	Key Announcement
14 Jun 2023	Positive Assays Reveal Large Scale Copper Potential at Ngami
16 May 2023	Assays Significantly Extend Cu-Ag Mineralisation in Botswana
5 Apr 2023	Perrinvale VHMS Project - Maiden Mineral Resource
27 Feb 2023	Cobre Completes 100% Acquisition of Triprop Holdings
1 Feb 2023	Assay Results Confirm Regional Multi-Target Copper District
19 Jan 2023	Share Purchase Plan Closes Oversubscribed
19 Dec 2022	\$5M Placement to Accelerate Exploration in Botswana
14 Dec 2022	Cobre and Sandfire Resources Sign Collaboration Agreement
8 Dec 2022	Cobre Appoints New Chief Executive Officer
5 Dec 2022	Thick High-Grade Copper Assay Results at Ngami
30 Nov 2022	Cobre Completes Acquisition of 100% of Kalahari Metals
28 Oct 2022	Discovery of High-Grade Copper Zone at Comet Target, Ngami
24 Oct 2022	New Copper Zone Intersected at the Ngami Copper Project
21 Sep 2022	Assay Results Confirm Significant Cu Mineralisation at Ngami
9 Sep 2022	Significant Further Copper Mineralisation Intersected
30 Aug 2022	Vertical Continuity of Cu Mineralisation Confirmed at Ngami
18 Aug 2022	Botswana Renewal Approved
16 Aug 2022	Additional Significant Copper Intersection at Ngami Project
9 Aug 2022	Stage 1 Infill Drilling Commences at Ngami Copper Project
4 Aug 2022	\$7m Placement to Capitalise on Early Exploration in Botswana
3 Aug 2022	Third Drill Hole Intersects Further Copper Mineralisation
1 Aug 2022	Significant New Copper Intersection at Ngami Copper Project
27 Jul 2022	Significant New Copper Discovery at the Ngami Copper Project
6 Jul 2022	Advanced Exploration Drilling Commenced in Botswana

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 30 November 2022, the Company completed acquisition of the remaining 49% of KML. The consideration for the acquisition was GBP \$750,000 (AU\$ 1,343,698) and 4,632,155 fully paid ordinary shares valued at \$1,065,395, plus transaction costs of \$278,303.

On 30 November 2022, subsequent to the purchase of the above increase in ownership in KML, the Company increased its stake in Triprop Holdings (Pty.) Ltd from 51% to 80% through the exercise of a call option held by KML. The consideration for this was 447,900 fully paid ordinary shares in Cobre Limited valued at \$103,017.

On 27 February 2023, the Company increased its stake in Triprop Holdings (Pty) Ltd from 80% to 100% through the exercise of a call option which the strike price is at fair value. The consideration for this was 3,001,300 fully paid ordinary shares valued at \$360,156, plus transaction costs of \$17,649.

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

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 30 June 2023 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.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Consolidated Entity will continue to focus on exploration, evaluation and development activities at the tenement package held by wholly owned subsidiaries Kitlanya Ltd and Triprop Holdings Ltd in Botswana, with a large scale soil sampling programme recently completed on the KITW project along with a 12,000m shallow RC scout programme. Results from these two programmes will be combined with airborne gravity gradient data to prioritise a set of drill targets.

Importantly the Company recently released results from a modelling exercise over NCP which provided an Exploration Category Target estimate of between 103 and 166Mt @ 0.38 to 0.46% Cu along the southern anticlinal structure demonstrating the significant scale of this project for an in-situ copper recovery process. The potential for in-situ copper recovery is supported by a high-level hydrogeological study, fracture study and metallurgical test work. Ongoing work will include an active pump test to demonstrate the viability of an in-situ copper recovery process along with further metallurgical test work designed to optimise copper recoveries.

Cobre will also continue exploration at Perrinvale in Western Australia, with a planned mapping and sampling programme planned for the last quarter of 2023.

Finally, the Company will continue ongoing support of its investment in Armada Metals which is advancing its exploration programs at the Nyanga Magmatic Ni-Cu Project in Gabon and Bend Ni-Cu project in Zimbabwe. Subsequent to the end of the year, Cobre participated in the non-renounceable pro rata entitlement offer announced by Armada Metals announced on 21 September 2023 by maintaining its pro rata position with an investment of \$300,000.

## BUSINESS RISKS

The consolidated entity's significant business risks are summarised below:

- Geological risk related to our exploration activities which are inherently high risk. The risk factor here is higher for the early stage exploration targets such as the targets on Kitlanya West which have a higher risk-reward profile vs the more advanced target on the Ngami Copper Project where the risk profile is more related to engineering and hydrogeological variables.
- Risk related to general market conditions which add pressure on future project value and access to capital.
- Jurisdictional risk is considered low given the positive mining investment environment in Botswana.

## ENVIRONMENTAL REGULATION

The Consolidated Entity holds interests in a number of exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the tenement conditions and no such breaches have been notified by any government agency during the year 30 June 2023. Relevant renewals to environmental management plans have been submitted to the necessary government departments.



Executive Chairman, Martin Holland, pictured with CEO, Adam Wooldridge, and the RES exploration team.

## INFORMATION ON DIRECTORS

Name:	<b>Martin Holland</b>
Title:	<i>Executive Chairman</i>
Experience and expertise:	Mr Holland is a co-founder of Cobre. Mr Holland has over 12 years of M&A and corporate finance experience focused on the mining sector. Mr Holland was the founder and CEO of Lithium Power International (LPI:ASX) from 2015 to 2018. Mr Holland is the Chairman of Sydney based investment company, Holland International Pty Ltd, which has strong working relationships with leading institutions and banks across the globe.
Other current directorships:	Armada Metals Limited (ASX: AMM)
Former directorships (last 3 years):	OzAurum Resources Limited (ASX: OZM) (resigned January 2023)
Interests in shares:	12,916,931 fully paid ordinary shares
Interests in options:	13,175,000 options over ordinary shares

Name:	<b>Andrew Sissian</b>
Title:	<i>Non-Executive Director since 1 July 2022 (prior to that held role as Finance Director)</i>
Qualifications:	Mr Sissian is a CPA and holds a Masters of Accounting and a Bachelor of Commerce.
Experience and expertise:	Mr Sissian is a co-founder of Cobre. Mr Sissian has extensive experience in corporate finance as a technology and finance executive, advisor and investor. Mr Sissian has worked with Wilsons and the National Australia Bank, in both Australia and Shanghai, focused on institutional banking and acquisition finance. Mr Sissian is the CEO of 'Internet of Things' company, Procon Telematics Pty Ltd.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	5,015,719 fully paid ordinary shares
Interests in options:	6,437,000 options over ordinary shares

Name:	<b>Michael Addison</b>
Title:	<i>Non-Executive Director</i>
Qualifications:	He is a former Rhodes Scholar, has an Oxford University postgraduate degree in Management Studies and is a Fellow of the Australian Institute of Management.
Experience and expertise:	Mr Addison has a long history of involvement in the Australian and international mining industry, having been instrumental in the founding of two former ASX-listed Australian mining exploration and development companies: Endocoal Limited (formerly as Atlas Coal Limited) and Carabella Resources Limited. Mr Addison has also held previous positions on the Boards of three other ASX-listed resource companies (Stratum Metals Limited, Intra Energy Limited and Frontier Diamonds Limited) and two unlisted public resource companies (Scott Creek Coal Limited and Northam Iron Limited). He was most recently a founding director of ASX-listed Genex Power Limited, a company focused on the origination and development of innovative clean energy generation and electricity storage solutions across Australia. Mr Addison has deep expertise in the management and running of listed companies and an intimate working knowledge of the regulatory, legal and governance environments in which listed companies operate.
Other current directorships:	Nil
Former directorships (last 3 years):	Genex Power Limited (ASX: GNX) (resigned October 2021)
Interests in shares:	1,062,500 fully paid ordinary shares
Interests in options:	1,000,000 options over ordinary shares

Name:	<b>Michael McNeilly</b>
Title:	<i>Non-Executive Director</i>
Qualifications:	Mr McNeilly studied Biology at Imperial College London and has a BA in Economics from the American University of Paris.
Experience and expertise:	Michael is the Chief Executive Officer of Strata Investments Holdings PLC (ASX:SRT) and a nominee Director of Cobre appointed by Strata Investments. As a nominee non-executive director of MOD Resources Limited (previously ASX:MOD), he was actively involved in the Sandfire Resources NL (ASX:SFR) recommended scheme offer for MOD Resources which saw Strata Investments receive circa 6.3 million shares in SFR. Mr McNeilly resigned from the Board of MOD as part of the scheme of arrangement. Mr McNeilly has formerly been a non-executive director of Greatland Gold plc (AIM:GGP) and a non-executive director at Arkle Resources plc (AIM:ARK). Mr McNeilly serves as a director on numerous of SRT's investment and subsidiary entities. Mr McNeilly previously worked as a corporate financier with both Allenby Capital and Arden Partners Limited (AIM:ARDN) as well as a corporate executive at Coinsilium (NEX:COIN) where he worked with early stage blockchain focussed start-ups.
Other current directorships:	Armada Metals Limited (ASX: AMM) and Strata Investments Holdings PLC (ASX: SRT)
Former directorships (last 3 years):	Nil
Interests in shares:	Nil
Interests in options:	1,500,000 options over ordinary shares

Name:	<b>Dr Ross McGowan</b>
Title:	<i>Non-Executive Director (appointed 22 June 2022)</i>
Qualifications:	Dr McGowan is a Fellow of the Geological Society of London and a Fellow of the Society of Economic Geologists.
Experience and expertise:	Dr McGowan founded the Resource Exploration & Development Group and has over 20 years of academic, technical and corporate experience in mining exploration in Africa. Ross was a co-recipient of the 2015 PDAC Thayer Lindsley Award for an international Mineral Discovery for Kamao.
Other current directorships:	Armada Metals Limited (ASX: AMM)
Former directorships (last 3 years):	Nil
Interests in shares:	4,000,000 fully paid ordinary shares
Interests in options:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

## COMPANY SECRETARY

Justin Clyne is a qualified Chartered Company Secretary and Member of the Australian Institute of Company Directors. Justin Clyne was admitted as a Solicitor of the Supreme Court of New South Wales and High Court of Australia in 1996 before gaining admission as a Barrister in 1998. He had 15 years of experience in the legal profession acting for a number of the country's largest corporations, initially in the areas of corporate and commercial law before dedicating himself full-time to the provision of corporate advisory and company secretarial services. Justin has been a director and/or secretary of a number of public listed and unlisted companies. He has significant experience and knowledge in international law, the Corporations Act, the ASX Listing Rules and corporate regulatory requirements generally.

## MEETINGS OF DIRECTORS

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Martin Holland	8	8
Andrew Sissian	8	8
Michael Addison	8	8
Michael McNeilly	7	8
Ross McGowan	7	8

*Held: represents the number of meetings held during the time the director held office.*

## REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

### Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- alignment of executive compensation
- transparency

The board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

### Non-executive directors remuneration

Non-executive directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations Act at the time of the directors retirement or termination.

ASX listing rules requires that the aggregate non-executive directors' remuneration shall be determined periodically by a general meeting. The shareholders have approved an aggregate remuneration of \$400,000.

### Executive remuneration

In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

- base pay and non-monetary benefits
- share-based payments

The combination of these comprises the executive's total remuneration.

### Use of remuneration consultants

The company has not made use of remuneration consultants during the current or prior year.

### Share based remuneration

During the prior year key management personnel have received options as part of their remuneration. The options issued during the current and prior year were approved by shareholders at a general meeting of the company. The company does not have a formalised employee share option plan in place. The issuance of share based remuneration is at the full discretion of the board and 1,000,000 options were issued to Adam Wooldridge during the year.

### Voting and comments made at the company's 30 November 2022 Annual General Meeting ('AGM')

At the 22 November 2022 AGM, 99.68% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

## Details of remuneration

### Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
<b>2023</b>	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Michael Addison	50,000	–	–	–	–	–	50,000
Michael McNeilly	50,000	–	–	–	–	–	50,000
Ross McGowan	50,000	–	–	–	–	–	50,000
Andrew Sissian	50,000	–	–	–	–	–	50,000
<i>Executive Directors:</i>							
Martin Holland	240,000	–	–	25,200	–	–	265,200
<i>Other Key Management Personnel</i>							
Adam Woolridge *	130,667	–	–	–	–	97,113	227,780
	570,667	–	–	25,200	–	97,113	692,980

\* Appointed Chief Executive Officer on 8 December 2022.

### 2022

<i>Non-Executive Directors:</i>							
Michael Addison	72,000	–	–	–	–	–	72,000
Michael McNeilly	72,000	–	–	–	–	–	72,000
Ross McGowan	1,250	–	–	–	–	–	1,250
<i>Executive Directors:</i>							
Martin Holland	288,000	–	–	28,800	–	–	316,800
Andrew Sissian	177,999	–	–	–	–	–	177,999
	611,249	–	–	28,800	–	–	640,049

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk – STI		At risk – LTI	
	2023	2022	2023	2022	2023	2022
<i>Non-Executive Directors:</i>						
Michael Addison	100%	100%	–	–	–	–
Michael McNeilly	100%	100%	–	–	–	–
Ross McGowan	100%	100%	–	–	–	–
Andrew Sissian	100%	–	–	–	–	–
<i>Executive Directors:</i>						
Martin Holland	–	100%	–	–	–	–
Andrew Sissian	–	100%	–	–	–	–
<i>Other Key Management Personnel:</i>						
Adam Woolridge	57%	–	–	–	43%	–

## Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	<b>Martin Holland</b>
Title:	<i>Executive Chairman</i>
Agreement commenced:	21 November 2019
Term of agreement:	Mr Holland's annual remuneration package under the Executive Services Agreement is \$240,000 plus statutory superannuation. Unless terminated by either party at an earlier date, the Executive Services Agreement will automatically terminate on the date that is three years after the date of Admission.

Name:	<b>Andrew Sissian</b>
Title:	<i>Non-Executive Director</i>
Agreement commenced:	21 November 2019
Term of agreement:	The Non-Executive Director will be paid an annual director's fee of \$50,000 (plus GST if applicable) under the agreement. No additional retirement or termination payment will be made on termination of the agreement.

Name:	<b>Michael Addison</b>
Title:	<i>Non-Executive Director</i>
Agreement commenced:	25 November 2019
Term of agreement:	The Non-Executive Director will be paid an annual director's fee of \$50,000 (plus GST if applicable) under the agreement. No additional retirement or termination payment will be made on termination of the agreement.

Name:	<b>Michael McNeilly</b>
Title:	<i>Non-Executive Director</i>
Agreement commenced:	6 November 2019
Term of agreement:	The Non-Executive Director will be paid an annual director's fee of \$50,000 (plus GST if applicable) under the agreement. No additional retirement or termination payment will be made on termination of the agreement.

Name:	<b>Dr Ross McGowan</b>
Title:	<i>Non-Executive Director</i>
Agreement commenced:	22 June 2022
Term of agreement:	The Non-Executive Director will be paid an annual director's fee of \$50,000 (plus GST if applicable) under the agreement. No additional retirement or termination payment will be made on termination of the agreement.
Name:	<b>Adam Woolridge</b>
Title:	<i>Chief Executive Officer</i>
Term of agreement:	The Chief Executive Officer will be paid an annual salary of \$224,000 under the agreement. He may also be paid a bonus or issued equity securities at the discretion of the board.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Prior to the service arrangements being in place KMPs were paid consultant fees during the prior year in respect of services provided for the IPO and other services to the company.

## Share-based compensation

### Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

### Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year, prior financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
8 December 2022	8 December 2022	8 December 2025	\$0.3300	\$0.097

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Adam Woolridge	1,000,000	8 December 2022	8 December 2022	8 December 2025	\$0.3300	\$0.097

Options granted carry no dividend or voting rights.

## Additional information

The earnings of the consolidated entity for the four years to 30 June 2023 are summarised below:

	2023	2022	2021	2020	18 May 2018 to 30 June 2019
	\$	\$	\$	\$	\$
Loss after income tax	(1,745,845)	(5,385,806)	(2,747,597)	(1,988,417)	(150,210)

The factors that are considered to indicate management performance are summarised below:

	2023	2022	2021	2020	18 May 2018 to 30 June 2019
	\$	\$	\$	\$	
Share price at financial year end (\$)*	0.10	0.03	0.16	0.18	-
Basic earnings per share (cents per share)	(0.72)	(3.26)	(2.40)	(2.93)	(1.79)
Diluted earnings per share (cents per share)	(0.72)	(3.26)	(2.40)	(2.93)	(1.79)

\* On 29 January 2020, the company was admitted to the official list of the ASX with the trading of the Company's shares commencing on 31 January 2020.

## Additional disclosures relating to key management personnel

### Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Held at appointment	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Martin Holland	11,616,931	-	1,300,000	-	12,916,931
Andrew Sissian	4,849,052	-	166,667	-	5,015,719
Michael Addison	1,062,500	-	-	-	1,062,500
Ross McGowan	4,000,000	-	-	-	4,000,000
Adam Wooldridge	-	4,763,128	200,000	-	4,963,128
	21,528,483	4,763,128	1,666,667	-	27,958,278

## Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted as remuneration	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Martin Holland	13,175,000	–	–	–	13,175,000
Andrew Sissian	6,437,000	–	–	–	6,437,000
Michael Addison	1,000,000	–	–	–	1,000,000
Michael McNeilly	1,500,000	–	–	–	1,500,000
Adam Wooldridge	–	1,000,000	–	–	1,000,000
	22,112,000	1,000,000	–	–	23,112,000

## Loans to key management personnel and their related parties

There are no loans to key management personnel and their related parties.

**This concludes the remuneration report, which has been audited.**

## SHARES UNDER OPTION

Unissued ordinary shares of Cobre Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
24 September 2019	24 September 2024	\$0.2000	12,113,500
29 November 2019	24 September 2024	\$0.2000	500,000
6 April 2021	6 April 2026	\$0.3350	11,500,000
14 December 2021	30 November 2024	\$0.3350	2,500,000
8 December 2022	8 December 2025	\$0.3300	1,000,000
			27,613,500

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

## Shares issued on the exercise of options

There were no ordinary shares of Cobre Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

## INDEMNITY AND INSURANCE OF OFFICERS

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## INDEMNITY AND INSURANCE OF AUDITOR

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

## NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 18 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 18 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

## OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF ERNST & YOUNG

There are no officers of the company who are former partners of Ernst & Young.

## 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.

## AUDITOR

Ernst & Young continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



**Martin Holland**  
*Executive Chairman*

28 September 2023



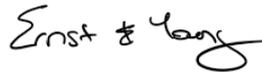
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## Auditor's independence declaration to the directors of Cobre Limited

As lead auditor for the audit of the financial report of Cobre Limited for the financial year ended 30 June 2023, 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 audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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



Ernst & Young



Ryan Fisk  
Partner  
28 September 2023

# 3



## 3.

# Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	Consolidated	
		2023 \$	2022 \$
Other income	4	581,581	249,886
Interest revenue		45,063	783
<b>Expenses</b>			
Corporate and administration expenses	5	(1,479,258)	(1,208,781)
Employee benefits expense		(358,533)	(316,801)
Share based payment expense	27	(97,113)	–
Depreciation and amortisation expense		(1,402)	(1,401)
Fair value loss on derivative financial asset		(24,298)	(199,300)
Share of equity accounted for losses	8	(420,885)	(1,978,433)
Impairment loss on investment in joint venture	8	–	(1,851,382)
<b>Loss before income tax expense</b>		<b>(1,754,845)</b>	<b>(5,305,429)</b>
Income tax	6	–	(80,377)
<b>Loss after income tax expense for the year</b>		<b>(1,754,845)</b>	<b>(5,385,806)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on the revaluation of financial assets at fair value through other comprehensive income, net of tax	9	(243,116)	(241,129)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		921,436	31,763
Other comprehensive income for the year, net of tax		678,320	(209,366)
<b>Total comprehensive income for the year</b>		<b>(1,076,525)</b>	<b>(5,595,172)</b>
Loss for the year is attribute to:			
Non-controlling interest		(14,636)	–
Owners of Cobre Limited		(1,740,209)	(5,385,806)
		(1,754,845)	(5,385,806)
Total comprehensive income of the year is attributable to:			
Non-controlling interest		(14,636)	15,564
Owners of Cobre Limited		(1,061,889)	(5,610,736)
		(1,076,525)	(5,595,172)
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	26	(0.72)	(3.34)
Diluted earnings per share	26	(0.72)	(3.34)

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

# Statement of financial position

As at 30 June 2023

	Note	Consolidated	
		2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	5,764,076	2,730,000
Trade and other receivables		149,886	27,067
Other		52,453	39,374
<b>Total current assets</b>		<b>5,966,415</b>	<b>2,796,441</b>
<b>Non-current assets</b>			
Receivables and deposits		20,000	20,000
Investments accounted for using the equity method	8	501,943	808,515
Financial assets at fair value through other comprehensive income	9	516,343	759,459
Derivative financial instruments		-	24,298
Property, plant and equipment		2,506	3,908
Exploration and evaluation	10	24,493,406	14,264,558
<b>Total non-current assets</b>		<b>25,534,198</b>	<b>15,880,738</b>
<b>Total assets</b>		<b>31,500,613</b>	<b>18,677,179</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	726,594	405,926
<b>Total current liabilities</b>		<b>726,594</b>	<b>405,926</b>
<b>Non-current liabilities</b>			
Borrowings	12	-	1,877,887
<b>Total non-current liabilities</b>		<b>-</b>	<b>1,877,887</b>
<b>Total liabilities</b>		<b>726,594</b>	<b>2,283,813</b>
<b>Net assets</b>		<b>30,774,019</b>	<b>16,393,366</b>
<b>Equity</b>			
Issued capital	13	40,903,253	22,354,279
Reserves	14	1,866,833	786,312
Accumulated losses		(11,996,067)	(10,255,858)
<b>Equity attributable to the owners of Cobre Limited</b>		<b>30,774,019</b>	<b>12,884,733</b>
Non-controlling interest		-	3,508,633
<b>Total equity</b>		<b>30,774,019</b>	<b>16,393,366</b>

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

# Statement of changes in equity

For the year ended 30 June 2023

	Issued capital	Reserves	Accumulated losses	Non-controlling interest	Total equity
Consolidated	\$	\$	\$	\$	\$
Balance at 1 July 2021	21,237,996	686,242	(4,870,052)	–	17,054,186
Loss after income tax benefit for the year	–	–	(5,385,806)	–	(5,385,806)
Other comprehensive income for the year, net of tax	–	(224,930)	–	15,564	(209,366)
Total comprehensive income for the year	–	(224,930)	(5,385,806)	15,564	(5,595,172)
Non-controlling interest recognised on Acquisition of Kalahari Metals Limited	–	–	–	3,493,069	3,493,069
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 13)	1,441,283	–	–	–	1,441,283
Share based payments (note 27)	(325,000)	325,000	–	–	1,393,764
Balance at 30 June 2022	22,354,279	786,312	(10,255,858)	3,508,633	16,393,366
Consolidated	Issued capital	Reserves	Accumulated losses	Non-controlling interest	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2022	22,354,279	786,312	(10,255,858)	3,508,633	16,393,366
Loss after income tax expense for the year	–	–	(1,740,209)	(14,636)	(1,754,845)
Other comprehensive income for the year, net of tax	–	678,320	–	–	678,320
Total comprehensive income for the year	–	678,320	(1,740,209)	(14,636)	(1,076,525)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 13)	18,548,974	–	–	–	18,548,974
Share based payments	–	97,113	–	–	97,113
Consideration to increase ownership in subsidiaries (note 14)	–	(3,188,909)	–	–	(3,188,909)
Derecognition of NCI on increase in ownership interests	–	3,493,997	–	(3,493,997)	–
Balance at 30 June 2023	40,903,253	1,866,833	(11,996,067)	–	30,774,019

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

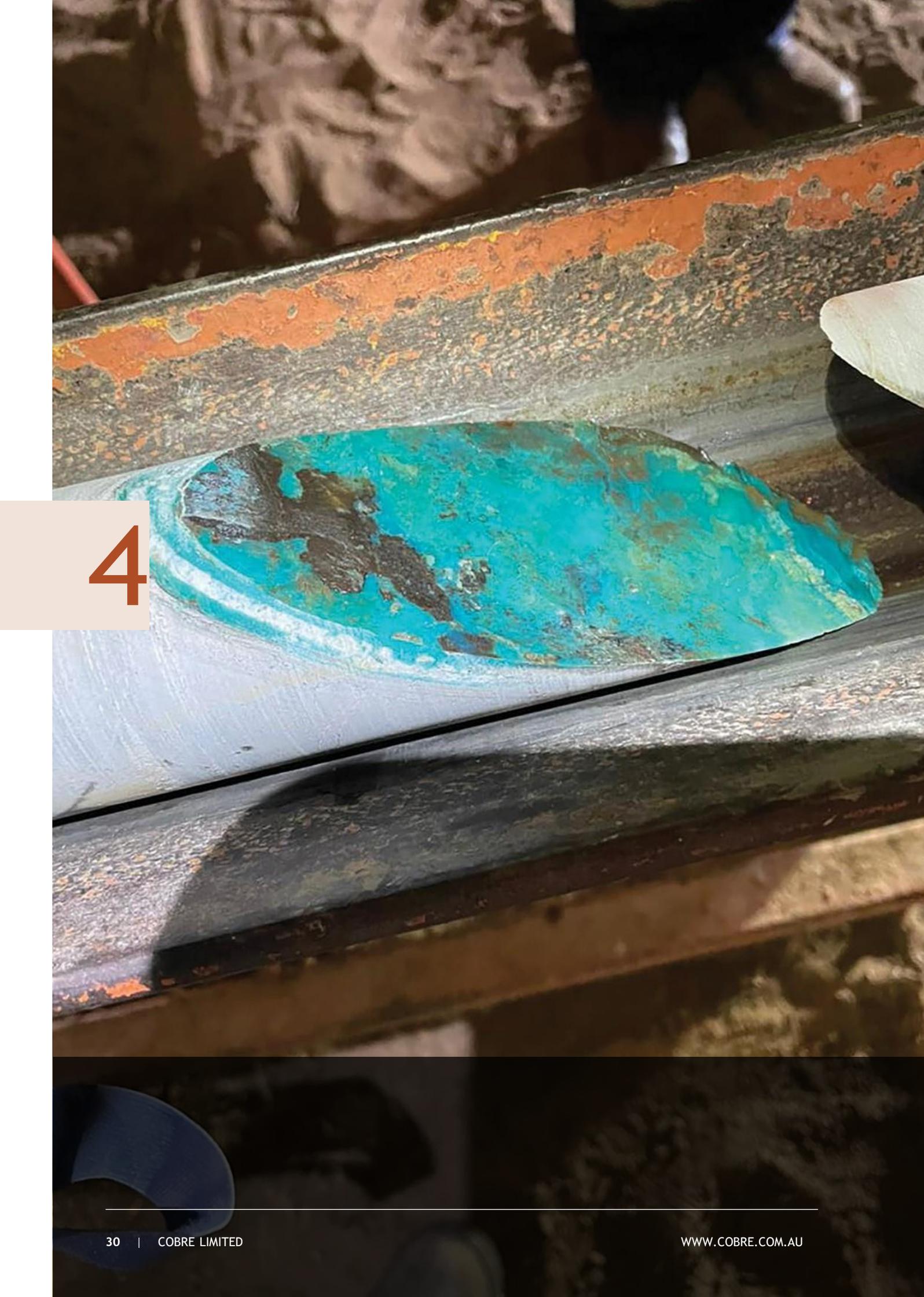
# Statement of cash flows

For the year ended 30 June 2023

	Note	Consolidated	
		2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Interest received		45,063	783
Other revenue		56,101	87,843
Payments to suppliers and employees (inclusive of GST)		(2,164,888)	(1,286,864)
Net cash used in operating activities	24	(2,063,724)	(1,198,238)
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation		(7,915,821)	(1,157,181)
R&D tax offset received relating to exploration activities		–	73,410
Payments for investments in joint venture and associates		–	(1,532,057)
Contribution paid to joint venture		–	(2,009,003)
Payments for investments in listed entity - Strata Investments Holdings PLC		–	(1,000,000)
Payments to increase stake in subsidiaries including transactions costs		(1,660,342)	–
Net cash used in investing activities		(9,576,163)	(5,624,831)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares (note 13)		15,381,051	1,413,000
Share issue transaction costs		(707,088)	(6,455)
Net cash from financing activities		14,673,963	1,406,545
Net increase/(decrease) in cash and cash equivalents		3,034,076	(5,416,524)
Cash and cash equivalents at the beginning of the financial year		2,730,000	8,146,524
Cash and cash equivalents at the end of the financial year	7	5,764,076	2,730,000

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



A close-up photograph of a metal beam, likely part of a bridge or industrial structure. The beam is heavily rusted and has a large, irregularly shaped patch of bright teal or turquoise paint applied to its surface. The patch appears to be a repair or a specific coating. The background is dark and out of focus, showing more of the structure.

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# 4.

# Notes to the financial statements

## NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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. The impact of their adoption has not been material.

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 \$1,754,845 (2022: \$5,385,806) for the year ended 30 June 2023, and had cash out flows from operating activities of \$2,063,724 (2022: \$1,198,238).

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

- As an ASX listed entity, the Consolidated Entity has the ability to raise equity and has a proven track record of being able to raise capital when required;
- Results from the Kalahari Copper Belt exploration support the ability of the Consolidated Entity to raise funds; and
- The Consolidated Entity has the ability to defer discretionary operating and capital expenditures.

Accordingly, the Directors believe at the date of signing 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 exists, 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 statements do 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.

## Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

## Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments.

## Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

## Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 21.

## Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cobre Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Cobre Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the subsidiary are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

## Asset acquisition accounting

The acquisition of Kalahari Metals Limited has been accounted for an asset acquisition because it was not deemed to have been carrying on a business as the time that control was gained. The key principles applied in asset acquisition accounting are:

- the carrying value of the equity accounted for investment was deemed to be the cost of previously held interest in investment in joint venture at the time that control was gained, and was allocated to the assets and liabilities acquired;

- The non-controlling interest is calculated based on the proportionate share of the consolidated book values of the net assets of the subsidiary.

## Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

## Foreign currency translation

The financial statements are presented in Australian dollars, which is Cobre Limited's functional and presentation currency.

## Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

## Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

## Revenue recognition

The consolidated entity recognises revenue as follows:

### Interest

Interest revenue is recognised as interest accrues using the effective interest method.

### Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

## Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

## Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

## Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## Derivative financial instruments

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value through the profit and loss at each reporting date.

Derivatives are classified as current or non-current depending on the expected period of realisation.

## Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

## Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

### Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

### Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

## Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	5 years
---------------------	---------

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

## Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are currentis carried forward as an asset in the statement of financial position where it is expected that the expenditure will berecovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Research and development grants received in relation exploration and evaluation assets are offset against the carryingvalue of the asset.

## Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

## Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

## Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

## Employee benefits

### Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

## Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## Earnings per share

### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Cobre Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets have not been recognised because their realisation is not considered probable.

### Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

At each reporting date management review exploration assets for indicators of impairment in line with AASB 6 Exploration for and Evaluation of Mineral Resources. Management have concluded that there were no indicators of impairment.

### Investment in Kalahari Metals Limited (KML)

On 14 December 2021, the company issued 445,368 fully paid ordinary share to increase its ownership interest from 49.99% to 51%. Management reviewed the arrangement and determined that the company still had joint control of KML with its joint venture partner, and the investment had been accounted for using the equity method, refer to note 8.

On 16 June 2022, the company announced that it had entered into an agreement to acquire the remaining 49% of KML, at 30 June 2022 however, the company's stake in KML remained at 51% at 30 June 2022.

However, in connection with the transaction, the parties agreed to temporarily amend the terms of the existing Shareholders' Deed in respect of KML, for a period of 12 months following completion of the initial acquisition providing, among other things, consolidated entity with sole control over KML's business plan and budget and allowing it to be solely responsible for any capital and funding requirements during that time giving Cobre the practical ability to exercise its power over KML.

In addition, Strata Investments Investment Holdings PLC (formerly Metal Tiger PLC) agreed to waive its right to appoint directors to the Board of KML (with limited rights to certain KML board matters) until expiry of the call option.

For the above reason the consolidated entity was deemed to have taken control of KML with effect from 16 June 2022, and it was consolidated with effect from that date.

The 49% was acquired, in current year, in two equal tranches of £750,000 cash for the initial acquisition of 24.5% and £750,000 in cash or shares of the company at the company's election for the remaining 24.5% to be exercised within 12 months of the initial acquisition.

## NOTE 3. OPERATING SEGMENTS

### Identification of reportable operating segments

The consolidated entity is organised into one operating segment: exploration for precious metals. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. Botswanan exploration only became a separate reportable segment during the current year.

Consolidated – 2023	Australia \$	Botswana \$	Total \$
<b>Revenue</b>			
Sales to external customers	–	–	–
Interest revenue	45,063	–	45,063
<b>Total Revenue</b>	<b>45,063</b>	<b>–</b>	<b>45,063</b>
<b>EBITDA</b>	<b>(1,696,878)</b>	<b>(56,566)</b>	<b>(1,753,444)</b>
Depreciation and amortisation	(1,401)	–	(1,401)
<b>Loss before income tax expense</b>	<b>(1,698,279)</b>	<b>(56,566)</b>	<b>(1,754,845)</b>
Income tax expense	–	–	–
<b>Loss after income tax expense</b>	<b>–</b>	<b>–</b>	<b>(1,754,845)</b>
<b>Assets</b>			
Segment assets	12,680,766	18,819,847	31,500,613
<b>Total assets</b>	<b>12,680,766</b>	<b>18,819,847</b>	<b>31,500,613</b>
<b>Liabilities</b>			
Segment liabilities	294,442	432,152	726,594
<b>Total liabilities</b>	<b>294,442</b>	<b>432,152</b>	<b>726,594</b>

## NOTE 4. OTHER INCOME

	Consolidated	
	2023 \$	2022 \$
Net foreign exchange gain/(loss)	(2,915)	187,745
Other income	56,102	–
Management fee	–	62,141
Gain on loan from joint venture partner (note 12)	414,081	–
Share of total comprehensive income in associate (note 8)	114,313	–
<b>Other income</b>	<b>581,581</b>	<b>249,886</b>

**NOTE 5. EXPENSES**

Loss before income tax includes the following specific expenses:

	Consolidated	
	2023	2022
	\$	\$
<i>Corporate and administration expenses</i>		
Directors' fees	200,000	289,250
Consultants and advisors	630,502	603,714
Other administration expenses	648,756	315,817
	1,479,258	1,208,781

**NOTE 6. INCOME TAX EXPENSE**

	Consolidated	
	2023	2022
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(1,754,845)	(5,305,429)
Tax at the statutory tax rate of 25%	(438,711)	(1,326,357)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Equity accounted losses	76,643	494,608
Impairment loss on investment in joint venture	-	462,846
Gain on joint venture loan	(103,520)	-
Other non-deductible/non-assessable items (including share based payment expense)	13,179	86,093
Current year temporary differences and tax losses not recognised	452,409	363,187
Income tax expense	-	80,377

	Consolidated	
	2023	2022
	\$	\$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	11,464,658	8,990,301
Potential tax benefit @ 25%	2,866,165	2,247,575

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The company's UK subsidiary Kalahari Metal Limited also has £5,119,304 (\$9,765,226) of unused losses. The corporate tax rate in the UK is 19%, resulting in unrecognised tax losses of £972,667 (\$1,855,391).

**NOTE 7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS**

	Consolidated	
	2023 \$	2022 \$
Cash on hand	100	100
Cash at bank	1,721,976	2,729,900
Cash on deposit	4,042,000	-
	5,764,076	2,730,000

**NOTE 8. NON-CURRENT ASSETS - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

	Consolidated	
	2023 \$	2022 \$
Investment in associate – Armada Metals Limited	501,943	808,515

**Reconciliation**

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

Opening carrying amount	808,515	5,387,852
Additions	-	2,886,121
Impairment of investment in KML joint venture	-	(1,851,382)
Derecognised upon gaining control of KML (note 2) and (note 10)	-	(3,635,643)
Share of equity accounted for losses	(420,885)	(1,978,433)
Share of total comprehensive loss in associate	114,313	-
Closing carrying amount	501,943	808,515

During the year, the loan from Strata Investment Holding PLC was settled in full upon the issue of 6,602,183 fully paid ordinary shares valued at \$1,518,502 (note 13). The loan had a fair value of \$1,932,583 and gain of \$414,081 has been recognised in the statement of financial performance.

Prior to taking control on 15 June 2022, the consolidated entity contributed cash to the KML joint venture. This loan was required to be recognised at fair value on initial recognition. Any difference between the cash contributed and the fair value of the loan at initial recognition is recognised as investment in joint venture. This addition to the investment in joint venture was impaired in the prior year with an expense of \$1,851,382 recognised, refer to note 2, for further details.

## Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
Armada Metal Limited *	Australia	14.42%	14.42%

\* The company has a nominated board member on the Armada Metals Limited board, and therefore has significant influence over the investment.

## Summarised financial information

	2023 \$	2022 \$
Summarised statement of financial position		
Current assets	1,719,052	6,395,183
Non-current assets	261,100	493,319
Non-current assets	11,857,189	9,500,716
Total assets	13,837,341	16,389,218
Current liabilities	7,968,806	7,789,109
Non-current liabilities	5,588	5,171
Total liabilities	7,974,394	7,794,280
Net assets	5,862,947	8,594,938
Summarised statement of profit or loss and other comprehensive income		
Revenue and other income	7,400	94
Expenses	(1,523,121)	(3,211,650)
Loss before income tax	(1,515,721)	(3,211,556)
Other comprehensive income	-	-
Total comprehensive income	(1,515,721)	(3,211,556)

## Commitments

Under the share purchase agreement the consolidated entity assumed a liability in relation to a discovery bonus. Upon initial recognition this was deemed to have a nominal value and will be reviewed at each reporting period.

## NOTE 9. NON-CURRENT ASSETS - FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Consolidated	
	2023	2022
	\$	\$
Shares in listed entity – Strata Investment Holdings Plc	516,343	759,459

### Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2023	2022
	\$	\$
Opening fair value	759,459	80,965
Additions	-	1,000,000
Revaluations	(243,116)	(321,506)
Closing fair value	516,343	759,459

## NOTE 10. NON-CURRENT ASSETS – exploration and evaluation

	Consolidated	
	2023	2022
	\$	\$
Exploration and evaluation – at cost	24,493,406	14,264,558

### Reconciliations

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

Consolidated	Exploration & Evaluation \$
Balance at 1 July 2021	4,229,648
Additions	976,640
KML acquisition (note 2)	9,000,529
R&D tax incentive	(73,410)
Exchange differences	131,151
Balance at 30 June 2022	14,264,558
Additions	9,104,550
Exchange differences	1,124,298
Balance at 30 June 2022	24,493,406

As disclosed in note 2, during the prior year the company obtained control of Kalahari Metals.

Below is a reconciliation of the exploration and evaluation asset recognised at the time that control was gained:

Value of equity accounted for asset when control gained	3,635,643
Fair value of Strata Investments loan	1,859,443
Foreign exchange gain recycled through profit and loss upon gain control	21,355
Non-controlling interest recognised	3,493,069
Other assets and liabilities acquired	(8,981)
	9,000,529

## NOTE 11. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	2023	2022
	\$	\$
Trade payables	481,592	141,078
Directors' fee accrual	103,332	108,250
Other payables	141,670	156,598
	726,594	405,926

Refer to note 16 for further information on financial instruments.

## NOTE 12. NON-CURRENT LIABILITIES - BORROWINGS

	Consolidated	
	2023	2022
	\$	\$
Payable to Strata Investments Holdings PLC	-	1,877,887

Refer to note 16 for further information on financial instruments.

During the year, the loan from Strata Investment Holdings Plc was settled in full upon the issue of 6,602,183 fully paid ordinary shares valued at \$1,518,502. The loan had a fair value of \$1,932,583 and gain of \$414,081 has been recognised in the statement of financial performance.

**NOTE 13. EQUITY - ISSUED CAPITAL**

	Consolidated			
	2023 Shares	2022 Shares	2023 \$	2022 \$
Ordinary shares – fully paid	286,910,995	165,407,010	40,903,253	22,354,279

**Movements in ordinary share capital**

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	156,649,877		21,237,996
Shared issue to increase stake in KML to 51%	14 December 2021	445,368	\$0.0780	34,738
Issue of shares	17 December 2021	8,311,765	\$0.1700	1,413,000
Option issued as share issuance costs (note 27)		-	\$0.0000	(325,000)
Cost of capital raised		-	\$0.0000	(6,455)
Balance	30 June 2022	165,407,101		22,354,279
Issue of shares	12 August 2022	36,691,925	\$0.1500	5,503,789
Issue of shares – exercise of options	31 August 2022	975,000	\$0.3000	292,500
Issue of shares – exercise of options	31 August 2022	635,500	\$0.2000	127,100
Issue of shares to increase stake in KML to 100%	30 November 2022	4,632,155	\$0.2300	1,065,395
Issue of shares to settle JV loan with Strata Investments	30 November 2022	6,602,183	\$0.2300	1,518,502
Issue of shares to settle trade creditors	30 November 2022	2,956,800	\$0.1510	447,895
Issue of shares to increase stake in Triprop from 51% 80%	30 November 2022	447,900	\$0.2300	103,017
Issue of shares	30 November 2022	36,641,411	\$0.1500	5,496,212
Issue of shares	20 January 2023	19,742,938	\$0.1500	2,961,450
Shares issued to increase Triprop stake to 100%	24 February 2023	3,001,300	\$0.1200	360,156
Issue of shares	5 April 2023	6,666,667	\$0.1500	1,000,000
Share issued to Botswana suppliers	23 June 2023	2,510,206	\$0.1510	380,046
Cost of capital raised		-	\$0.0000	(707,088)
Balance	30 June 2023	286,910,995		40,903,253

## 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.

## Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

## NOTE 14. EQUITY - RESERVES

	Consolidated	
	2023	2022
	\$	\$
Financial assets at fair value through other comprehensive income reserve	(457,634)	(214,518)
Foreign currency reserve	937,635	16,199
Share-based payments reserve	2,587,701	2,490,588
Acquisition reserve	(1,200,869)	(1,505,957)
	1,866,833	786,312

### Financial assets at fair value through other comprehensive income reserve

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

### Foreign currency reserve

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

### Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

## 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 and previous financial year are set out below:

Consolidated	Foreign currency \$	Acquisition reserve \$	Financial assets \$	Share based payments \$	Total \$
Balance at 1 July 2021	–	(1,505,957)	26,611	2,165,588	686,242
Revaluation – net of tax	–	–	(241,129)	–	(241,129)
Foreign currency translation	16,199	–	–	–	16,199
Shared based payments	–	–	–	325,000	325,000
Balance at 30 June 2022	16,199	(1,505,957)	(214,518)	2,490,588	786,312
Revaluation – net of tax	–	–	(243,116)	–	(243,116)
Foreign currency translation	921,436	–	–	–	921,436
Share based payments	–	–	–	97,113	97,113
Derecognition of NCI on increase in ownership	–	3,493,997	–	–	3,493,997
Consideration to increase ownership in KML from 51% to 100% including transactions costs *	–	(2,708,087)	–	–	(2,708,087)
Consideration to increase ownership in Triprop from 51% to 80% **	–	(103,017)	–	–	(103,017)
Consideration to increase ownership in Triprop from 80% to 100% ***	–	(377,805)	–	–	(377,805)
Balance at 30 June 2023	937,635	(1,200,869)	(457,634)	2,587,701	1,866,833

\* On 30 November 2022, the Company completed acquisition of the remaining 49% of KML. The consideration for the acquisition was GBP \$750,000 (AU\$ 1,343,698) and 4,632,155 fully paid ordinary shares valued at \$1,065,395, plus transaction costs of \$278,303.

\*\* On 30 November 2022, subsequent to the purchase of the above increase in ownership in KML, the Company increased its stake in Triprop Holdings (Pty.) Ltd from 51% to 80% through the exercise of a call option held by KML. The consideration for this was 447,900 fully paid ordinary shares in Cobre Limited valued at \$103,017.

\*\*\* On 27 February 2023, the Company increased its stake in Triprop Holdings (Pty) Ltd from 80% to 100% through the exercise of a call option which the strike price is at fair value. The consideration for this was 3,001,300 fully paid ordinary shares valued at \$360,156, plus transaction costs of \$17,649.

## NOTE 15. EQUITY – DIVIDENDS

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

## NOTE 16. FINANCIAL INSTRUMENTS

### Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Risk management is carried out by the board.

### Market risk

#### Foreign currency risk

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2023 \$	2022 \$	2023 \$	2022 \$
Consolidated				
US dollars	101,110	1,317,997	414,375	1,877,887
Pound Sterling	12,922	759,459	–	–
	114,032	2,077,456	414,375	1,877,887

	AUD strengthened			AUD weakened		
	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
Consolidated – 2023						
US Dollars	10%	31,326	31,326	10%	(31,326)	(3,126)
Pound Sterling	10%	(1,299)	(1,299)	10%	1,299	1,299
		30,027	30,027		(30,027)	(1,827)

	AUD strengthened			AUD weakened		
	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
Consolidated – 2022						
US Dollars	10%	55,989	55,989	10%	(55,989)	(55,989)
Pound Sterling	10%	(75,946)	(75,946)	10%	75,946	75,946
		(19,957)	(19,957)		19,957	19,957

## Price risk

The consolidated entity is exposed to price risk in relation to the investment that it holds in a listed entity.

Average price increase				Average price decrease		
Consolidated – 2023	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
Shares in listed entity	20%	–	103,269	20%	–	(103,269)

Average price increase				Average price decrease		
Consolidated – 2022	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
Shares in listed entity	20%	–	151,891	20%	–	(151,891)

## Interest rate risk

The consolidated entity is not exposed to significant interest rate risk.

## Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity's receivable balances relate to GST receivable and security deposits. The overall credit risk in relation to these is not material. The consolidated entity's cash and cash equivalents are held with highly creditworthy financial institutions and represent a low credit risk.

## Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

## Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated – 2023	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	\$	\$	\$	\$	\$
<i>Non-interest bearing</i>						
Trade payables	–	481,592	–	–	–	481,592
Other payables	–	245,002	–	–	–	245,002
Total non-derivatives		726,594	–	–	–	726,594

Consolidated – 2022	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<i>Non-interest bearing</i>						
Trade payables	–	141,078	–	–	–	141,078
Other payables	–	264,848	–	–	–	264,848
<i>Interest-bearing-fixed rate</i>						
Payable to Strata Investments	7.00%	–	–	2,633,833	–	2,633,833
Total non-derivatives		405,926	–	2,633,833	–	3,039,759

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

## Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## NOTE 17. KEY MANAGEMENT PERSONNEL DISCLOSURES

### Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2023 \$	2022 \$
Short-term employee benefits	570,667	611,249
Post-employment benefits	25,200	28,800
Share-based payments	97,113	-
	692,980	640,049

## NOTE 18. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the company, and its network firms:

	Consolidated	
	2023 \$	2022 \$
<i>Audit services – Ernst &amp; Young</i>		
Audit or review of the financial statements	129,885	90,000
<i>Other assurance services – Ernst &amp; Young</i>		
Review of exploration tenement expenditure	-	8,000
	129,885	98,000
<i>Other services – Ernst and Young</i>		
Tax related services	18,054	53,293

## NOTE 19. CONTINGENT LIABILITIES

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.

## NOTE 20. RELATED PARTY TRANSACTIONS

### Parent entity

Cobre Limited is the parent entity.

### Subsidiaries

Interests in subsidiaries are set out in note 22.

### Associates

Interests in associates are set out in note 8.

### Key management personnel

Disclosures relating to key management personnel are set out in note 17 and the remuneration report included in the directors' report.

## Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2023 \$	2022 \$
Other income:		
Management fee charged to joint venture – Kalahari Metals Limited	-	62,141
Payment for goods and services:		
Payment for investor relations services provided by Maroela Holdings Pty Ltd Tau Media Pty Ltd (entities related to Martin Holland)	53,340	24,000
Other transactions:		
Impairment of investment in joint venture*	-	1,851,382

Refer to note 8 for further details

## Receivable from and payable to related parties

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

	Consolidated	
	2023 \$	2022 \$
Current receivables:		
Trade payables to related to key management personnel	-	2,000
Fees payable to key management personnel	12,498	13,250

## Loans to/from related parties

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

	Consolidated	
	2023 \$	2022 \$
Non-current borrowings:		
Payable to Strata Holdings Investment PLC (note 12)	-	1,877,887

\* Refer to note 8, for further details.

## NOTE 21. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

### Statement of profit or loss and other comprehensive income

	Parent	
	2023 \$	2022 \$
Loss after income tax	(1,705,440)	(5,388,109)
Total comprehensive income	(1,705,440)	(5,388,109)

### Statement of financial position

	Parent	
	2023 \$	2022 \$
Total current assets	5,688,293	2,697,550
Total assets	29,420,611	12,763,201
Total current liabilities	250,939	291,060
Total liabilities	250,939	291,060
Equity		
Issued capital	40,903,253	22,354,279
Financial assets at fair value through other comprehensive income reserve	(457,634)	(214,518)
Share-based payments reserve	2,587,701	2,490,588
Accumulated losses	(13,863,648)	(12,158,208)
Total equity	29,169,672	12,472,141

### Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

Cobre Limited has provided a guarantee in relation to the loan with Strata Investment Holding PLC, held by the company's subsidiary Kalahari Metals Limited. Refer to note 12.

### Contingent liabilities

The parent entity had no contingent liabilities other than that disclosed in note 19.

### Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

### Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

## NOTE 22. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business/Country of incorporation	Ownership interest	
		2022 %	2021 %
Toucan Gold Pty Ltd	Australia	100.00%	100.00%
Cobre Kalahari Pty Ltd	Australia	100.00%	100.00%
Kalahari Metals Limited *	United Kingdom	100.00%	51.00%
Kitlanya (Pty) Ltd *	Botswana	100.00%	51.00%
Triprop Holdings Pty Ltd *	Botswana	100.00%	51.00%

\* During the year, the company increased its ownership stake in these subsidiaries to 100%, refer to note 14 .

## NOTE 23. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2023 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 24. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	Consolidated	
	2023 \$	2022 \$
Loss after income tax (expense)/benefit for the year	(1,754,845)	(5,385,806)
Adjustments for:		
Depreciation and amortisation	1,402	1,401
Share-based payments	97,113	-
Foreign exchange differences	-	620
Income tax benefit /(loss) on investments	-	80,377
Net fair value loss on derivative financial assets	24,298	199,300
Share of losses – associates and joint ventures	420,885	1,978,433
Impairment of investment in joint venture	-	1,851,382
Gain on loan from joint venture partner	(414,081)	-
Share of total comprehensive income in associate	(114,313)	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	(122,819)	50,297
Increase in other operating assets	(13,079)	(11,524)
Increase in trade and other payables	(188,285)	37,282
Net cash used in operating activities	(2,063,724)	(1,198,238)

## NOTE 25. NON-CASH INVESTING AND FINANCING ACTIVITIES

In the current year the company issued 8,081,335 fully paid ordinary shares valued at \$1,528,568 to increase its stake to 100% in a number of subsidiaries, refer to note 14, for further details.

The company also issued 4,632,155 fully paid ordinary shares valued at \$1,065,395 to settle its loan with Strata Investments, refer to note 12.

In the prior year, the company issued 445,368 fully paid ordinary shares to acquire an additional 1.01% of Kalahari Metals Limited. The shares were valued at \$0.078 a share totalling \$34,738.

**NOTE 26. EARNINGS PER SHARE**

	Consolidated	
	2023 \$	2022 \$
Loss after income tax attributable to the owners of Cobre Limited	(1,754,845)	(5,385,806)
Non-controlling interest	14,636	-
Loss after income tax attributable to the owners of Cobre Limited	(1,740,209)	(5,385,806)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	240,594,468	161,356,008
Weighted average number of ordinary shares used in calculating diluted earnings per share	240,594,468	161,356,008
	Cents	Cents
Basic earnings per share	(0.72)	(3.34)
Diluted earnings per share	(0.72)	(3.34)

At 30 June 2023, the company has 27,613,500 (2022: 29,249,000) options over ordinary shares on issue that there were excluded in the calculations of diluted earnings per share because there were anti-dilutive.

**NOTE 27. SHARE-BASED PAYMENTS**

The company has issued unlisted options to the directors (or their nominee entities), the company secretary and lead manager during the current and prior years. Set out below are summaries of options granted:

Consolidated	Number of options 2023	Weighted average exercise price 2023	Number of options 2022	Weighted average exercise price 2022
Outstanding at the beginning of the financial year	27,638,500	\$0.2655	26,749,000	\$0.2655
Granted	1,000,000	\$0.3300	2,500,000	\$0.3350
Forfeited	-	\$0.0000	(1,610,500)	\$0.2606
Expired	(1,025,000)	\$0.3000	-	\$0.0000
Outstanding at the end of the financial year	27,613,500	\$0.2730	27,638,500	\$0.2721
Exercisable at the end of the financial year	27,613,500	\$0.2732	27,638,500	\$0.2721

2023		Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Grant date	Expiry date						
24/09/2019	23/09/2024	\$0.2000	12,113,500	-	-	-	12,113,500
29/11/2019	23/09/2024	\$0.2000	500,000	-	-	-	500,000
17/01/2020	16/01/2023	\$0.3000	1,025,000	-	-	(1,025,000)	-
06/04/2021	06/04/2026	\$0.3350	11,500,000	-	-	-	11,500,000
14/12/2021	30/11/2024	\$0.3350	2,500,000	-	-	-	2,500,000
08/12/2022	08/12/2025	\$0.3300	-	1,000,000	-	-	1,000,000
			27,638,500	1,000,000	-	(1,025,000)	27,613,500

2022		Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Grant date	Expiry date						
24/09/2019	23/09/2024	\$0.2000	12,749,000	–	–	(635,000)	12,114,000
29/11/2019	23/09/2024	\$0.2000	500,000	–	–	–	500,000
17/01/2020	16/01/2023	\$0.3000	2,000,000	–	–	(975,000)	1,025,000
06/04/2021	06/04/2026	\$0.3350	11,500,000	–	–	–	11,500,000
14/12/2021	30/11/2024	\$0.3350	–	2,500,000	–	–	2,500,000
			26,749,000	2,500,000	–	(1,610,000)	27,639,000
Weighted average exercise price			\$0.2655	\$0.3000	\$0.0000	\$0.2606	\$0.2715

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.74 years (2022: 2.74 years)

For the options granted during the current and prior financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

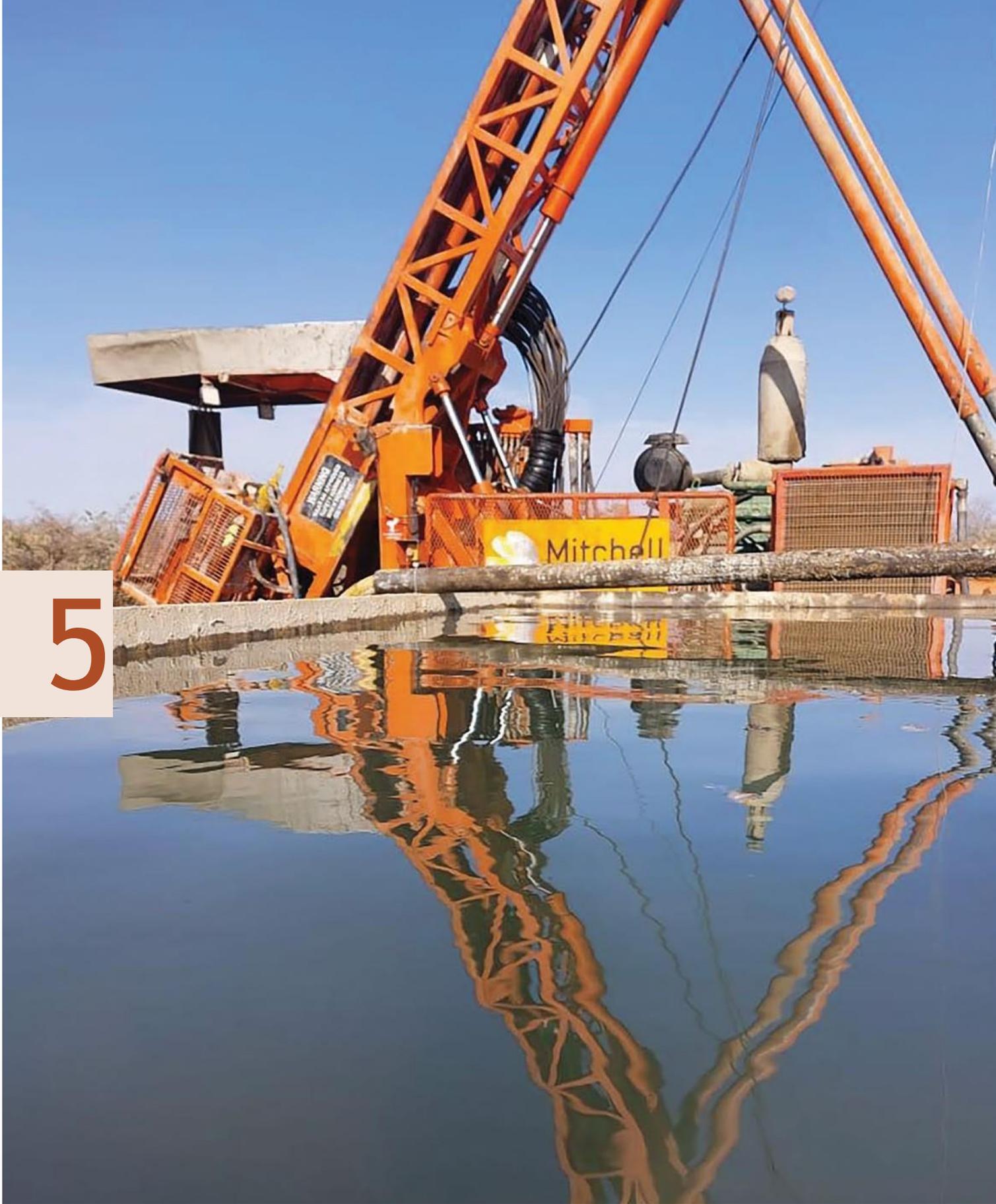
Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
24/09/2019	24/09/2024	\$0.0758	\$0.2000	100.00%	–	0.75%	\$0.045
29/11/2019	24/09/2024	\$0.1500	\$0.2000	100.00%	–	0.74%	\$0.104
17/01/2020	31/01/2023	\$0.1500	\$0.3000	100.00%	–	1.10%	\$0.070
06/04/2021	06/04/2026	\$0.2350	\$0.3350	95.00%	–	0.67%	\$0.121
14/12/2021	30/11/2024	\$0.2200	\$0.3350	115.00%	–	0.10%	\$0.130
08/12/2022	08/12/2025	\$0.1950	\$0.3300	95.00%	–	3.07%	\$0.097

A total share based payment expense of \$97,113 has been recognised during the financial year. In addition options valued at \$325,000 were included as a cost of capital raised.

#### Shares issued to suppliers

On 30 November 2022, the company issued 2,956,800 fully paid ordinary shares valued at 15.1 cents per shares to trade creditors. The total value of shares issued was \$447,895.

On 23 June 2023, the company issued 2,510,206 fully paid ordinary shares valued at 15.1 cents per shares to trade creditors. The total value of shares issued was \$380,046.



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# 5.

## Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial 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.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



**Martin Holland**

*Executive Chairman*

28 September 2023

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

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Cobre Limited (the "Company") and its subsidiaries (collectively the "Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Consolidated Entity as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Consolidated Entity 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 1 in the 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 Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

### Carrying Value of Exploration and Evaluation Assets

Why significant	How our audit addressed the key audit matter
<p>As at 30 June 2023, the Consolidated Entity's exploration assets of \$24.5m represent 78% of the total assets of the Consolidated Entity as disclosed in Note 12.</p> <p>Exploration assets are initially recognised at cost and any additional expenditure is capitalised to the exploration asset in accordance with the Consolidated Entity's accounting policy as disclosed in Note 1.</p> <p>At each reporting date the Directors assess the Consolidated Entity's exploration assets for indicators of impairment. The decision as to whether there are indicators that require the Consolidated Entity's exploration assets to be assessed for impairment in accordance with the requirements of Australian Accounting Standards involved judgment, including whether, the rights to tenure for the areas of interest are current, the Consolidated Entity's ability and intention to continue to evaluate and develop the area of interest and whether the results of the Consolidated Entity's exploration and evaluation work to date are sufficiently progressed for a decision to be made as to the commercial viability or otherwise of the area of interest.</p> <p>We considered this to be a key audit matter due to the value of the exploration assets relative to total assets and the significant judgments involved in the assessment of indicators of impairment.</p>	<p>Our audit procedures to address the Consolidated Entity's assessment of impairment indicators for exploration assets included:</p> <ul style="list-style-type: none"> <li>▶ Understanding of the current exploration program and any associated risks.</li> <li>▶ Inquiry of management regarding the Consolidated Entity's right to explore in the relevant exploration area, which included obtaining and assessing supporting documentation such as license agreements.</li> <li>▶ Evaluated the Consolidated Entity's intention to carry out significant exploration and evaluation activity in the relevant areas of interest, which included an assessment of the Consolidated Entity's cash-flow forecast models, discussions with senior management and Directors as to the intentions and strategy of the Consolidated Entity.</li> <li>▶ Agreed a sample of costs capitalised for the financial period to supporting documentation and assessing whether these costs meet the requirements of Australian Accounting Standards and the Consolidated Entity's accounting policy.</li> <li>▶ Assessed whether the methodology used by the Consolidated Entity to identify indicators of impairment met the requirements of Australian Accounting Standards.</li> <li>▶ Assessed the adequacy of the related disclosures in the Notes to the financial report.</li> </ul>

### Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 annual report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the audit of the Remuneration Report

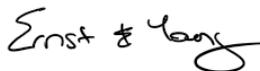
### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 13 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Cobre Limited for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

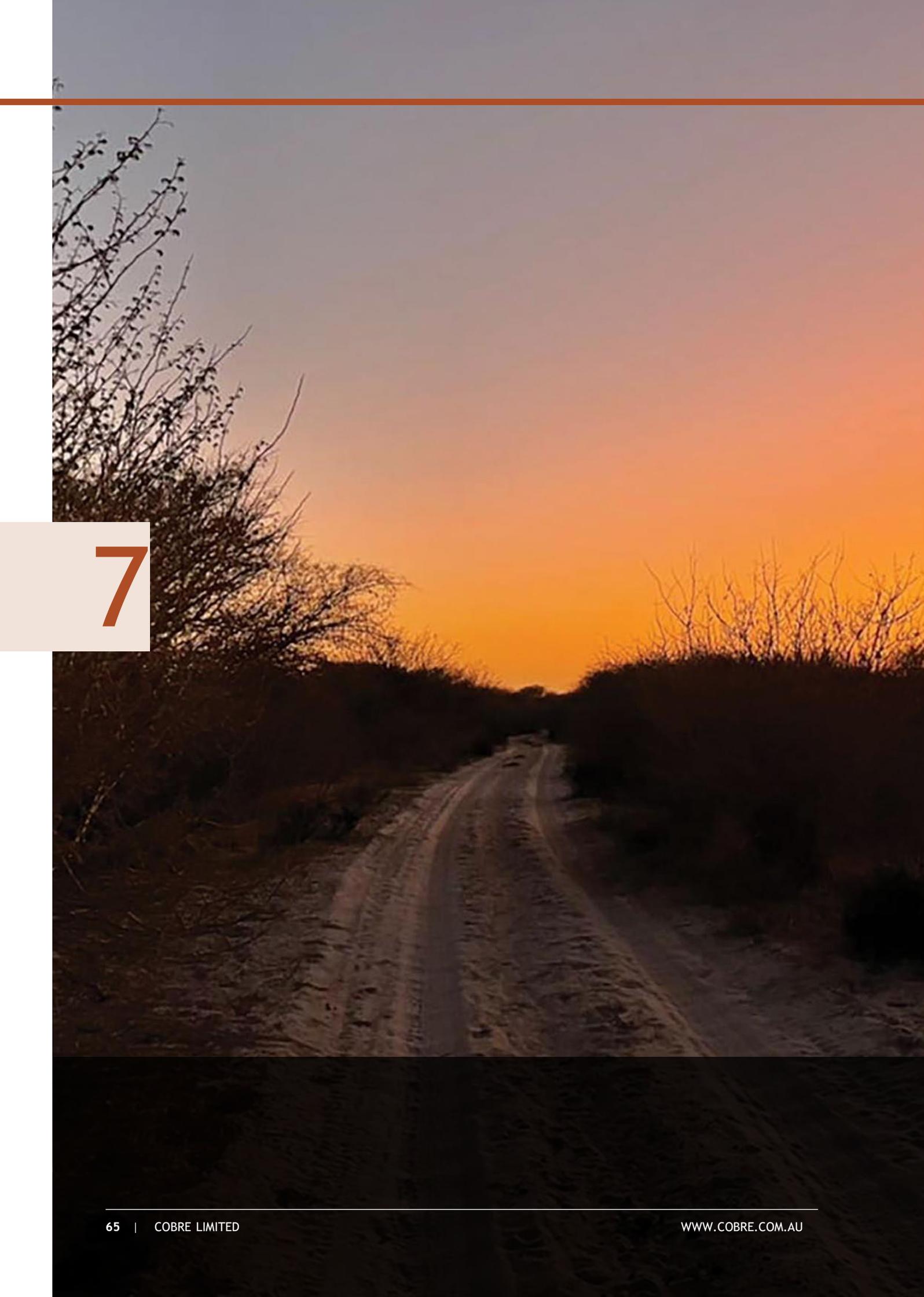
The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Ernst & Young



Ryan Fisk  
Partner  
Sydney  
28 September 2023



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# 7.

## ASX Additional Information

Additional information required pursuant to ASX Listing Rule 4.10 and not disclosed elsewhere in this report is set out below. The information is effective as at 3 October, 2023.

### INFORMATION PURSUANT TO LISTING RULE 5.20

#### Perrinvale Project

The Perrinvale Project is based on a large conterminous group of nine exploration licenses (and one miscellaneous license) held by Toucan Gold Pty Ltd, a wholly owned subsidiary of Cobre. The Perrinvale tenements total 327km<sup>2</sup> in size.

Tenement/ Application	Holder/ Applicant	Shares	Grant Date	Expiry Date	Area <sup>1</sup>
E29/929-I	Toucan Gold Pty Ltd	100/100	25 Aug 2015	24 Aug 2025	19BL
E29/938-I	Toucan Gold Pty Ltd	100/100	8 Jul 2015	7 Jul 2025	13BL
E29/946-I	Toucan Gold Pty Ltd	100/100	18 Aug 2015	17 Aug 2025	5BL
E29/986	Toucan Gold Pty Ltd	100/100	11 Oct 2017	10 Oct 2027	20BL
E29/987	Toucan Gold Pty Ltd	100/100	19 Sep 2017	18 Sep 2027	4BL
E29/989	Toucan Gold Pty Ltd	100/100	19 Sep 2017	18 Sep 2027	3BL
E29/990	Toucan Gold Pty Ltd	100/100	19 Sep 2017	18 Sep 2027	7BL
E29/1017	Toucan Gold Pty Ltd	100/100	4 Jan 2018	3 Jan 2028	18BL
E29/1106	Toucan Gold Pty Ltd	100/100	14 May 2021	13 May 2026	20BL
L29/0155	Toucan Gold Pty Ltd	100/100	18 Jan 2022	17 Jan 2043	59HA

<sup>1</sup> BL = Blocks. HA = Hectares.

The above table is the tenement schedule for Toucan Gold Pty Ltd. All Perrinvale tenements are 100% owned by Toucan Gold, however FMG Resources Pty Ltd retains a 2% net smelter royalty on any future metal production from 3 tenements E29/929, 938 and 946.

## Mt Sandiman Project

The Mt Sandiman Project is based on a single tenement (E09/2316) totalling 202km<sup>2</sup> in size. Cobre has earned a 51% interest in the tenement which is subject to a farm-in agreement with GTTS Generations Pty Ltd dated 13 November 2019 (refer farm-in agreement summary in section 10.8 of the Company's Prospectus dated 6 December 2019).

Tenement/ Application	Holder/ Applicant	Shares	Grant Date	Expiry Date	Area <sup>1</sup>
E09/2316	Cobre Ltd	51/100	9 Aug 2019	8 Aug 2024	65BL
E09/2316	GTTS Generations Pty Ltd	49/100	9 Aug 2019	8 Aug 2024	65BL

<sup>1</sup> BL = Blocks

## Kalahari Copper Project

Kalahari Metals Limited's (KML) Kalahari Copper Project (KCP) license holding comprises 15 prospecting licenses, of which 10 are held by KML (including through KML's 100% owned subsidiary Kitlanya (Pty) Ltd). 6 of these licenses are subject to a 2% Net Smelter Royalty held by Strata Investment Holdings plc (formerly Metal Tiger plc) and 5 held by Triprop Holdings (Pty) Ltd (Triprop), which is also a 100% subsidiary of Cobre. The table below provides a summary of the license holdings that comprise the individual projects.

Company	License	Expiry	Size (km <sup>2</sup> )	Royalty
Kitlanya Ltd	PL342/2016	31-Mar-24	950	Yes
Kitlanya Ltd	PL343/2016	31-Mar-24	995	Yes
Kitlanya Ltd	PL070/2017	30-Jun-24	826.4	Yes
Kitlanya Ltd	PL071/2017	30-Jun-24	295	Yes
Kitlanya Ltd	PL072/2017	30-Jun-24	238	Yes
Kitlanya Ltd	PL252/2022	30-Sep-25	162.28	No
Kitlanya Ltd	PL253/2022	30-Sep-25	14.2	No
Kitlanya Ltd	PL254/2022	30-Sep-25	148.42	No
Kitlanya Ltd	PL255/2022	30-Sep-25	41.61	No
Kalahari Metals Ltd	PL149/2017	30-Sep-24	999.5	Yes
Triprop Holdings (Pty) Ltd	PL035/2012	30-Sep-24	309	No
Triprop Holdings (Pty) Ltd	PL036/2012	30-Sep-24	51	No
Triprop Holdings (Pty) Ltd	PL041/2012	30-Sep-24	9	No
Triprop Holdings (Pty) Ltd	PL042/2012	30-Sep-24	272	No
Triprop Holdings (Pty) Ltd	PL043/2012	30-Sep-24	82	No
Total			5393.41	

## CORPORATE GOVERNANCE:

The Company's Corporate Governance Statement for the financial year ended 30 June 2023 can be found at: <https://www.cobre.com.au/corporate-governance/>

## SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders in Cobre Ltd and the number of equity securities to which each substantial shareholder and their associates have a relevant interest, as disclosed in substantial shareholder notices given to Cobre Ltd, are set out below.

Name of Substantial Holder within the meaning of section 671B of the Corporations Act	Date	Number of Shares in which the substantial holder holds a relevant interest	% of total shares on issue
Stichting Legal Owner CDFund	26 September 2023	22,219,908	7.74%
Strata Investment Holdings PLC	18 July 2023	57,380,826	19.99%

## NUMBER OF HOLDERS OF EACH CLASS OF EQUITY SECURITIES

Category	Number of Holders
Fully Paid Ordinary Shares	1,512
Options exercisable at \$0.20 expiring 24 September 2024 (not quoted on ASX)	7
Options exercisable at \$0.33 expiring 8 December 2025 (not quoted on ASX)	1
Options exercisable at \$0.335 expiring 6 April 2026 (not quoted on ASX)	5
Options exercisable at \$0.335 expiring 30 November 2024 (not quoted on ASX)	1

## VOTING RIGHTS

Shareholder voting rights are summarised within section 11.2 on page 226 of the Company's Prospectus dated 6 December 2019 and paragraph 34 of the Company's Constitution both lodged with the ASX on 29 January 2020.

## DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Range	Total Holders	Shares	% of Shares
100,001 and Over	293	257,128,362	89.62
10,001 to 100,000	664	27,121,694	9.45
5,001 to 10,000	221	1,826,147	0.64
1,001 to 5,000	263	803,736	0.28
1 to 1,000	71	31,056	0.01
Total			100.000

## UNMARKETABLE PARCELS

There are 450 shareholders with an unmarketable parcel of shares being a holding of less than 9,434 shares each for a combined total of 1,663,744 shares. This is based on a closing price of \$0.053 per share as at 2 October, 2023 and represents 0.05798% of the shares on issue on that day.

**TOP 20 SHAREHOLDERS**

Category	Number of Shares	% of Shares
STRATA INVESTMENT HOLDINGS PLC	57,380,826	19.99%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	25,244,989	8.80%
HOLLAND INTERNATIONAL PTY LTD <HOLLAND FAMILY A/C>	11,916,931	4.15%
RESOURCE ASSETS PTY LTD	9,000,000	3.14%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,863,128	1.70%
SISSIAN INTERNATIONAL PTY LTD <SISSIAN FAMILY A/C>	4,799,052	1.67%
MITCHELL FAMILY INVESTMENTS (QLD) PTY LTD <MITCHELL FAMILY INV A/C>	4,776,829	1.66%
MR PETER DALLAS CHECKLEY & MS NIOMIE ESTHER VARADY <CHECKLEY FAMILY S/F A/C>	4,481,721	1.56%
RICHMOND BRIDGE SUPERANNUATION PTY LTD <RICHMOND BRIDGE SUPER A/C>	4,033,334	1.41%
INDLOVU CAPITAL	4,000,000	1.39%
BNP PARIBAS NOMINEES PTY LTD<IB AU NOMS RETAILCLIENT DRP>	3,546,877	1.24%
BUILDING ON THE ROCK LIMITED	3,342,500	1.17%
CITICORP NOMINEES PTY LIMITED	3,182,028	1.11%
BNP PARIBAS NOMS PTY LTD <DRP>	3,165,134	1.10%
J DIAM PROPRIETARY LIMITED	2,759,360	0.96%
BROJO INVESTMENTS PTY LTD <B & J LYONS FAMILY A/C>	2,746,834	0.96%
MONTCAP PTY LTD	2,392,509	0.83%
EMT SERVICES SYDNEY PTY LTD	2,250,000	0.78%
LUKE ROBERT BRYAN	2,162,128	0.75%
FINCLEAR PTY LTD <SUPERHERO SECURITIES A/C>	2,144,687	0.75%
Total Top 20	158,188,867	55.13%
Total Shares	286,910,995	100.00%

**UNQUOTED SECURITIES**

Category	Number of Units	Number of Holders
Options exercisable at \$0.20 expiring 24 September 2024	12,613,500	7
Options exercisable at \$0.33 expiring 8 December 2025	1,000,000	1
Options exercisable at \$0.335 expiring 6 April 2026	11,500,000	5
Options exercisable at \$0.335 expiring 30 November 2024	2,500,000	1

## Distribution of Optionholders – exercisable at \$0.20 expiring 24 September 2024

Holding Ranges	Holders	Total Units	Percentage
100,001 and Over	7	12,613,500	100.00%
10,001 to 100,000	0	0	0.00%
5,001 to 10,000	0	0	0.00%
1,001 to 5,000	0	0	0.00%
1 to 1,000	0	0	0.00%
Total	7	12,613,500	100.00%

## Optionholders with more than 20% of the Class of Options:

Name	Number	Percentage
Holland International Pty Ltd <Holland Family A/C>	6,525,000	51.73%
Sissian International Pty Ltd <Sissian Family A/C>	3,337,000	26.456%

## Distribution of Optionholders – exercisable at \$0.33 expiring 8 December:

Holding Ranges	Holders	Total Units	Percentage
100,001 and Over	2	1,025,000	100.00%
10,001 to 100,000	0	0	0.00%
5,001 to 10,000	0	0	0.00%
1,001 to 5,000	0	0	0.00%
1 to 1,000	0	0	0.00%
Total	2	1,025,000	100.00%

## Optionholders with more than 20% of the Class of Options:

Name	Number	Percentage
Adam Wooldridge	1,000,000	100.00%

Distribution of Optionholders – exercisable at \$0.335 expiring 6 April 2026:

Holding Ranges	Holders	Total Units	Percentage
100,001 and Over	5	11,500,000	100.00%
10,001 to 100,000	0	0	0.00%
5,001 to 10,000	0	0	0.00%
1,001 to 5,000	0	0	0.00%
1 to 1,000	0	0	0.00%
<b>Total</b>	<b>5</b>	<b>11,500,000</b>	<b>100.00%</b>

Optionholders with more than 20% of the Class of Options:

Name	Number	Percentage
Holland International Pty Ltd <Holland Family A/C>	6,650,000	57.82%
Sissian International Pty Ltd <Sissian Family A/C>	3,100,000	26.95%

Distribution of Optionholders – exercisable at \$0.335 expiring 30 November 2024:

Holding Ranges	Holders	Total Units	Percentage
100,001 and Over	1	2,500,000	100.00%
10,001 to 100,000	0	0	0.00%
5,001 to 10,000	0	0	0.00%
1,001 to 5,000	0	0	0.00%
1 to 1,000	0	0	0.00%
<b>Total</b>	<b>1</b>	<b>2,500,000</b>	<b>100.00%</b>

Optionholders with more than 20% of the Class of Options:

Name	Number	Percentage
C G Nominees (Australia) Pty Ltd	2,500,000	100.00%

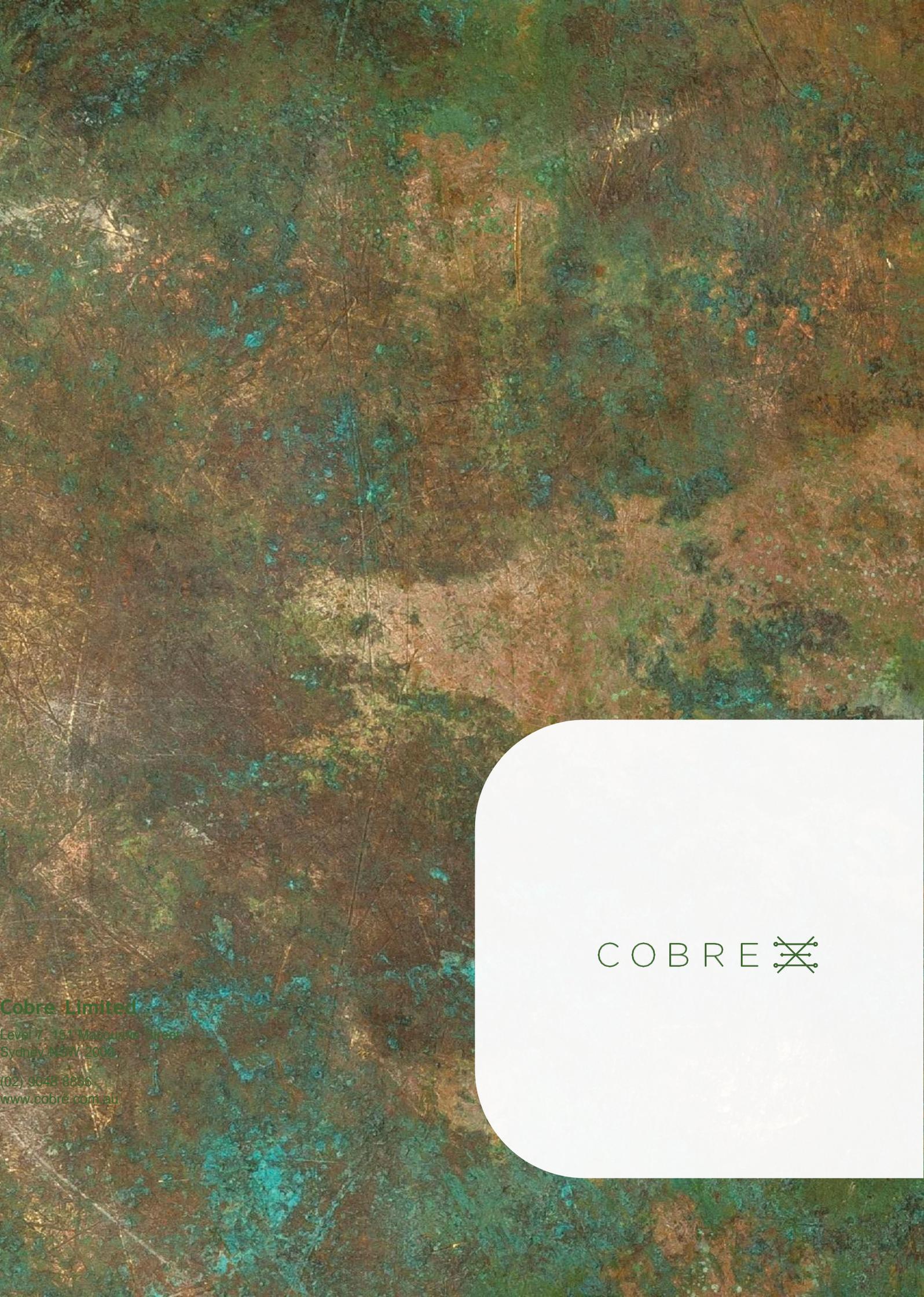
## BUY-BACK

There is no current on-market buy back. There are no securities subject to escrow.

As at 3 October 2023, there are no issues of securities approved for the purposes of Item 7 section 611 of the Corporations Act 2001 (Cth.) which have not yet been completed.

The Company is listed on the Australian Securities Exchange under the code 'CBE'.





COBRE 

**Cobre Limited**

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