



COBRE

## **Cobre Limited**

**ABN 75 626 241 067**

### **Interim Report - 31 December 2019**

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Cobre Limited A.C.N. 626 241 067

Level 7/151 Macquarie Street

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**Cobre Limited**  
**Directors' report**  
**31 December 2019**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Cobre Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

**Directors**

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

Martin Christopher Holland - Executive Chairman and Managing Director  
Andrew Sissian - Finance Director  
Michael Addison - Non-Executive Director appointed 25 November 2019  
Michael McNeilly - Non-Executive Director appointed 6 November 2019  
Robert Crossman – Non-Executive Director until 21 November 2019

**Principal activities**

The principal activity of the consolidated entity during the financial half-year was the exploration and evaluation of the assets owned by Toucan Gold Pty Ltd (**Toucan**), in which Cobre owns an 80% shareholding, primarily at the Perrinvale Project, which covers 381km<sup>2</sup> of the Panhandle and Illaara Greenstone Belts in Western Australia.

During the half year period, the company also entered into the Sandiman Farmin Agreement on 13 November 2019 pursuant to which the company acquired an option to earn interests in an additional tenement, being the Mt Sandiman Tenement. The Sandiman Tenement is located in the Gascoyne Province, approximately 85km north of the town of Gascoyne Junction in Western Australia and spans across 202km<sup>2</sup> on the eastern edge of the Carnarvon Basin.

The company's main focus during the period was working towards its planned Initial Public Offering (**IPO**) and subsequent listing on the Australian Securities Exchange (**ASX**), lodging its prospectus with the Australian Securities and Investments Commission (**ASIC**) on 6 December 2019 and the commencement of trading of the company's shares on the ASX post the end of the period on 31 January 2020. As part of the IPO and to facilitate a listing on the ASX, Cobre's shareholders approved the conversion of the Company's status from a private company limited by shares (Pty Ltd) to a public company limited by shares (Ltd) which came into effect on 22 November 2019.

**Review of operations**

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$1,179,441 (31 December 2018: \$75,000).

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year other than the conversion from a private to a public company and preparation for listing on the ASX which occurred after the balance date.

**Matters subsequent to the end of the financial half-year**

On 17 January 2020 the Company issued 2,000,000 'advisor options' with a subscription price of \$0.00001 per advisor option in connection with the IPO.

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. The company's IPO raised \$10,000,000, before costs, through the issue of 50,000,000 fully paid ordinary shares at an issue price of \$0.20 per share.

On 20 November 2019 the Company issued 750,000 fully paid ordinary shares to Metal Tiger PLC ("Metal Tiger") conditional upon Metal Tiger investing at least \$2m in the IPO or IPO not taking place prior to 2 September 2020 (or such later date as agreed between the parties in writing). The share issue became unconditional on completion of the IPO on 29 January 2020.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

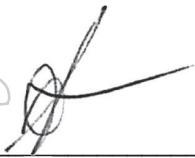
**Auditor's independence declaration**

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

**Cobre Limited**  
**Directors' report**  
**31 December 2019**

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

On behalf of the directors



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Andrew Sissian  
Director

10 March 2020

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**Building a better  
working world**

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## Auditor's Independence Declaration to the Directors of Cobre Limited

As lead auditor for the review of the half-year financial report of Cobre Limited for the half-year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

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

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

Ernst & Young

Ryan Fisk  
Partner  
10 March 2020

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**Cobre Limited**  
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**31 December 2019**

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**General information**

The financial statements cover Cobre Limited as a consolidated entity consisting of Cobre Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Cobre Limited's functional and presentation currency.

Cobre Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 7, 151 Macquarie Street  
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 10 March 2020.

**Cobre Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2019**

	Note	Consolidated Dec 19 \$	Dec 18 \$
<b>Revenue</b>			
Other income	3	42,949	-
<b>Expenses</b>			
Corporate expenses		(315,861)	(75,000)
Tenement expenses		(27,300)	-
Share based payment expense	15	(631,824)	-
IPO expenses		(222,938)	-
Other expenses		(37,249)	-
<b>Loss before income tax expense</b>		(1,192,223)	(75,000)
Income tax expense		-	-
<b>Loss after income tax expense for the half-year</b>		(1,192,223)	(75,000)
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		(239)	-
Other comprehensive income for the half-year, net of tax		(239)	-
<b>Total comprehensive income for the half-year</b>		<u>(1,192,462)</u>	<u>(75,000)</u>
Loss for the half-year is attributable to:			
Non-controlling interest		(12,782)	-
Owners of Cobre Limited		(1,179,441)	(75,000)
		<u>(1,192,223)</u>	<u>(75,000)</u>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		(12,782)	-
Owners of Cobre Limited		(1,179,680)	(75,000)
		<u>(1,192,462)</u>	<u>(75,000)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	14	(2.81)	(75,000.00)
Diluted earnings per share	14	(2.81)	(75,000.00)

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

**Cobre Limited**  
**Statement of financial position**  
**As at 31 December 2019**

	Note	Consolidated Dec 19 \$	Jun 19 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		332,084	178,208
Trade and other receivables		19,240	62,323
Prepayments	4	146,921	-
<b>Total current assets</b>		<u>498,245</u>	<u>240,531</u>
<b>Non-current assets</b>			
Financial assets at fair value through other comprehensive income	5	42,710	-
Exploration and evaluation	6	1,044,119	710,302
<b>Total non-current assets</b>		<u>1,086,829</u>	<u>710,302</u>
<b>Total assets</b>		<u>1,585,074</u>	<u>950,833</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		494,624	200,031
<b>Total current liabilities</b>		<u>494,624</u>	<u>200,031</u>
<b>Total liabilities</b>		<u>494,624</u>	<u>200,031</u>
<b>Net assets</b>		<u>1,090,450</u>	<u>750,802</u>
<b>Equity</b>			
Issued capital	7	1,715,883	815,597
Reserves	8	631,585	-
Accumulated losses		(1,329,651)	(150,210)
<b>Equity attributable to the owners of Cobre Limited</b>		<u>1,017,817</u>	<u>665,387</u>
Non-controlling interest		72,633	85,415
<b>Total equity</b>		<u>1,090,450</u>	<u>750,802</u>

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

**Cobre Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2019**

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Accumulated losses</b> \$	<b>Non-controlling interest</b> \$	<b>Total deficiency in equity</b> \$
Balance at 1 July 2018	-	-	-	-
Loss after income tax expense for the half-year	-	(75,000)	-	(75,000)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	(75,000)	-	(75,000)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	100	-	-	100
Balance at 31 December 2018	<u>100</u>	<u>(75,000)</u>	<u>-</u>	<u>(74,900)</u>

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Reserves</b> \$	<b>Accumulated losses</b> \$	<b>Non-controlling interest</b> \$	<b>Total equity</b> \$
Balance at 1 July 2019	815,597	-	(150,210)	85,415	750,802
Loss after income tax expense for the half-year	-	-	(1,179,441)	(12,782)	(1,192,223)
Other comprehensive income for the half-year, net of tax	-	(239)	-	-	(239)
Total comprehensive income for the half-year	-	(239)	(1,179,441)	(12,782)	(1,192,462)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 7)	900,286	-	-	-	900,286
Share-based payments (note 15)	-	631,824	-	-	631,824
Balance at 31 December 2019	<u>1,715,883</u>	<u>631,585</u>	<u>(1,329,651)</u>	<u>72,633</u>	<u>1,090,450</u>

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



**Cobre Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2019**

	<b>Consolidated</b>	
	<b>Dec 19</b>	<b>Dec 18</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers (inclusive of GST)	(324,054)	(1,855)
Net cash used in operating activities	(324,054)	(1,855)
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation	(308,817)	-
Net cash used in investing activities	(308,817)	-
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	875,286	2,620
Share issue transaction costs	(88,539)	-
Net cash from financing activities	786,747	2,620
Net increase in cash and cash equivalents	153,876	765
Cash and cash equivalents at the beginning of the financial half-year	178,208	-
Cash and cash equivalents at the end of the financial half-year	<u>332,084</u>	<u>765</u>

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. The company's IPO raised \$10,000,000, before costs, through the issue of 50,000,000 fully paid ordinary shares at an issue price of \$0.20 per share.

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

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the financial report for the period ended 30 June 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

**Revenue recognition**

*Other income*

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

**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 at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition. Gains and losses on these financial assets are never recycled to profit or loss.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

**AASB 16 Leases**

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The consolidated entity does not have any leases and the impact has not been material.

**Note 1. Significant accounting policies (continued)**

**Going concern**

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The consolidated entity has incurred net losses after tax of \$1,019,233 and net cash outflows from operating and investing activities of \$278,593 for the half-year ended 31 December 2019.

The directors have reviewed the cashflow forecasts and believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern due to the following factors:

- On 29 January 2020, the company was admitted to the official list of the ASX. The company's IPO raised \$10,000,000, before costs, through the issue of 50,000,000 fully paid ordinary shares at an issue price of \$0.20 per share; and
- Total expenses of \$1,235,172 include non-cash share based payments totalling \$631,824 and non-recurring costs of 222,938 relating to the company's IPO.

Accordingly, the directors believe 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 report.

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

**Note 2. Operating segments**

*Identification of reportable operating segments*

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

**Note 3. Other income**

	<b>Consolidated</b>	
	<b>Dec 19</b>	<b>Dec 18</b>
	<b>\$</b>	<b>\$</b>
Other income	42,949	-

The other income relates to shares received in Metal Tiger PLC an entity listed in the UK. The shares were received as part of an exclusivity agreement during Metal Tiger PLC's due diligence before it invested in the company.

**Note 4. Current assets - prepayments**

	<b>Consolidated</b>	
	<b>Dec 19</b>	<b>Jun 19</b>
	<b>\$</b>	<b>\$</b>
Prepaid IPO costs	146,921	-

On 29 January 2020, the company was admitted to the official list of the ASX, at which time these costs have been recognised as a cost of capital raised.

**Note 5. Non-current assets - financial assets at fair value through other comprehensive income**

	<b>Consolidated</b>	
	<b>Dec 19</b>	<b>Jun 19</b>
	<b>\$</b>	<b>\$</b>
Ordinary shares	<u>42,710</u>	<u>-</u>

Refer to note 10 for further information on fair value measurement.

**Note 6. Non-current assets - exploration and evaluation**

	<b>Consolidated</b>	
	<b>Dec 19</b>	<b>Jun 19</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation - at cost	<u>1,044,119</u>	<u>710,302</u>

**Reconciliations**

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

<b>Consolidated</b>	<b>Exploration &amp; evaluation</b>
	<b>\$</b>
Balance at 1 July 2019	710,302
Additions	<u>333,817</u>
Balance at 31 December 2019	<u>1,044,119</u>

Exploration expenditure includes a \$50,000 option fee over the Sandiman project with the remainder of the additions relating to exploration expenditure on the Perrinvale project.

**Note 7. Equity - issued capital**

	<b>Consolidated</b>			
	<b>Dec 19</b>	<b>Jun 19</b>	<b>Dec 19</b>	<b>Jun 19</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>46,060,688</u>	<u>36,810,576</u>	<u>1,715,883</u>	<u>815,597</u>

**Movements in ordinary share capital**

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2019	36,810,576		815,597
Issue of shares	12 September 2019	6,600,000	\$0.0760	500,286
Issue of shares	9 October 2019	993,378	\$0.1510	150,000
Issue of shares	16 October 2019	331,126	\$0.1510	50,000
Issue of shares	4 November 2019	1,158,941	\$0.1510	175,000
Shares issued as consideration for option over Sandiman tenement	13 November 2019	<u>166,667</u>	\$0.1500	<u>25,000</u>
Balance	31 December 2019	<u>46,060,688</u>		<u>1,715,883</u>

**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.

**Cobre Limited**  
**Notes to the financial statements**  
**31 December 2019**

**Note 7. Equity - issued capital (continued)**

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

**Note 8. Equity - reserves**

	<b>Consolidated</b>	
	<b>Dec 19</b>	<b>Jun 19</b>
	<b>\$</b>	<b>\$</b>
Financial assets at fair value through other comprehensive income reserve	(239)	-
Share-based payments reserve	631,824	-
	<u>631,585</u>	<u>-</u>

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

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

*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.

*Movements in reserves*

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

<b>Consolidated</b>	Financial assets at FV \$	Share based payments \$	Total \$
Balance at 1 July 2019	-	-	-
Revaluations	(239)	-	(239)
Share based payments	-	631,824	631,824
Balance at 31 December 2019	<u>(239)</u>	<u>631,824</u>	<u>631,585</u>

**Note 9. Equity - dividends**

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

**Cobre Limited**  
**Notes to the financial statements**  
**31 December 2019**

**Note 10. Fair value measurement**

*Fair value hierarchy*

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

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

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

Level 3: Unobservable inputs for the asset or liability

<b>Consolidated - Dec 19</b>	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Ordinary shares	42,710	-	-	42,710
Total assets	42,710	-	-	42,710

There were no transfers between levels during the financial half-year.

**Note 11. Contingent liabilities and commitments**

Under the Metal Tiger subscription letter dated 19 November, the company will fully indemnify Metal Tiger for any capital gains tax (or other tax) charge that it incurs on the disposal of the Pre-IPO Shares following the offer, up to a capped aggregate amount of \$30,000.

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

**Note 12. Related party transactions**

*Receivable from and payable to related parties*

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

	<b>Consolidated</b>	
	<b>Dec 19</b>	<b>Jun 19</b>
	\$	\$
<i>Current payables:</i>		
Fees payable to directors and related entities	220,000	150,000

*Loans to/from related parties*

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

*Terms and conditions*

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

**Cobre Limited**  
**Notes to the financial statements**  
**31 December 2019**

**Note 13. Events after the reporting period**

On 17 January 2020 the Company issued 2,000,000 'advisor options' with a subscription price of \$0.00001 per advisor option in connection with the IPO.

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. The company's IPO raised \$10,000,000, before costs, through the issue of 50,000,000 fully paid ordinary shares at an issue price of \$0.20 per share.

On 20 November 2019 the Company issued 750,000 fully paid ordinary shares to Metal Tiger PLC ("Metal Tiger") conditional upon Metal Tiger investing at least \$2m in the IPO or IPO not taking place prior to 2 September 2020 (or such later date as agreed between the parties in writing). The share issue became unconditional on completion of the IPO on 29 January 2020.

No other matter or circumstance has arisen since 31 December 2019 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 14. Earnings per share**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>Dec 19</b>	<b>Dec 18</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(1,192,223)	(75,000)
Non-controlling interest	12,782	-
Loss after income tax attributable to the owners of Cobre Limited	<u>(1,179,441)</u>	<u>(75,000)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	41,965,064	100
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>41,965,064</u>	<u>100</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(2.81)	(75,000.00)
Diluted earnings per share	(2.81)	(75,000.00)

**Note 15. Share-based payments**

The company issued unlisted options to the directors (or their nominee entities) and the company secretary. Set out below are summaries of options granted:

	Number of options Dec 19	Weighted average exercise price Dec 19	Number of options Dec 18	Weighted average exercise price Dec 18
Outstanding at the beginning of the financial half-year	-	\$0.0000	-	\$0.0000
Granted	<u>13,249,000</u>	\$0.2000	-	\$0.0000
Outstanding at the end of the financial half-year	<u>13,249,000</u>	\$0.2000	-	\$0.0000
Exercisable at the end of the financial half-year	<u>13,249,000</u>	\$0.2000	-	\$0.0000

**Cobre Limited**  
**Notes to the financial statements**  
**31 December 2019**

**Note 15. Share-based payments (continued)**

Dec 19

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
24/09/2019	23/09/2024	\$0.2000	-	12,749,000	-	-	12,749,000
29/11/2019	23/09/2024	\$0.2000	-	500,000	-	-	500,000
			-	13,249,000	-	-	13,249,000

For the options granted during the current financial half-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	23/09/2024	\$0.0758	\$0.2000	100.0000%	-	0.7500%	\$0.045
29/11/2019	23/09/2019	\$0.1500	\$0.2000	100.0000%	-	0.7400%	\$0.104

At the time of issuing the above options the company was not yet listed on the ASX. The share price used in the valuations was determined with reference to most recent capital raise and a volatility of 100% was used.

A total share based payment expense of \$631,824 has been recognised during the current financial half year.



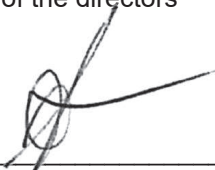
**Cobre Limited**  
**Directors' declaration**  
**31 December 2019**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Andrew Sissian  
Director

10 March 2020



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

### **Report on the Half-Year Financial Report**

#### **Conclusion**

We have reviewed the accompanying half-year financial report of Cobre Limited ("the Company") and its subsidiaries (collectively "the Group"), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### **Directors' Responsibility for the Half-Year Financial Report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2019 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with



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

### **Independence**

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

Ernst & Young

Ryan Fisk  
Partner  
Sydney  
10 March 2020

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