



ABN 73 149 230 811

# INTERIM FINANCIAL REPORT

For the 6 months ended  
31 December 2019

For personal use only

## KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2019

### CORPORATE DIRECTORY

#### Directors

Peter Meagher	<i>Non-executive Chairman</i>
Simon Jackson	<i>Managing Director</i>
Grant Ferguson	<i>Non-executive Director</i>
Shannon Coates	<i>Non-executive Director</i>

#### Company Secretaries

Sarah Wilson  
Shannon Coates

#### Head Office and Registered Office

Suite 5, 62 Ord Street  
WEST PERTH WA 6005  
Telephone: +61 (0)8 9322 1587  
Facsimile: +61 (0)8 9322 5230  
Website: <https://www.koporemotals.com>

#### Securities Exchange Listing

Australian Securities Exchange  
Level 40, Central Park, 152-158 St Georges Terrace  
PERTH WA 6000  
Telephone: 131 ASX (131 279) (within Australia)  
Telephone: +61 (0)2 9338 0000  
Facsimile: +61 (0)2 9227 0885  
ASX Code: KMT










#### Share Registry

Automic Group Pty Ltd  
Level 2, 267 St Georges Terrace  
PERTH WA 6000  
Telephone: 1300 288 664  
Email: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)  
Website: <https://www.automicgroup.com.au>

#### Auditor

RSM Australia Partners  
Level 32, Exchange Tower, 2 The Esplanade  
PERTH WA 6000

## CONTENTS

 Directors' Report .....	3
 Auditor's Independence Declaration .....	7
 Consolidated Statement of Profit or Loss and Other Comprehensive Income .....	8
 Consolidated Statement of Financial Position .....	9
 Consolidated Statement of Changes in Equity .....	10
 Consolidated Statement of Cash Flows .....	11
 Notes to the Consolidated Financial Statements .....	12
 Directors' Declaration .....	25
 Independent Auditor's Review Report .....	26

## KOPORE METALS LIMITED

ABN 73 149 230 811





INTERIM FINANCIAL REPORT 31 DECEMBER 2019

### DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Group, being the Company and its controlled entities, for the half-year ended 31 December 2019.

#### 1. DIRECTORS



The names of Directors in office at any time during or since the end of the half-year are:

-  **PETER MEAGHER** Non-Executive Chairman
-  **SIMON JACKSON** Managing Director
-  **GRANT FERGUSON** Non-Executive Director
-  **SHANNON COATES** Non-Executive Director

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

#### 2. COMPANY SECRETARY

The following persons held the position of Company Secretary at any time during or since the end of the half-year are:

-  **SARAH WILSON** (Appointed 1 November 2018)
-  **SHANNON COATES** (Appointed Joint Company Secretary 28 August 2019)

## DIRECTORS' REPORT

### 3. OPERATIONS AND FINANCIAL REVIEW

#### 3.1. Operations review

The following is a review of the activities of Kopore Metals Limited (**Kopore** or **KMT**) during the period of 1 July 2019 to 31 December 2019. It is recommended that this half year report be read in conjunction with the 30 June 2019 Annual Report and any public announcements made by the Company, during the period.

In accordance with the continuous disclosure requirements, readers are referred to the announcements lodged with the Australian Securities Exchange regarding the activities of the Company.

##### a. Exploration Overview

During the period, Kopore and its subsidiary companies continued to progress its significant land holding position of 14,813km<sup>2</sup> of the Kalahari Copper Belt, straddling the border between Botswana and Namibia. The Company's focus during the period remained on exploring its fourteen 100% owned copper-silver prospecting licenses in Botswana and nine copper-silver prospecting licences in Namibia through exploration drilling and ground NSAMT geophysical survey.

**Namibia:** During the period the Company continued its aggressive exploration program at its nine copper-silver prospecting licences.

**Otjari Domal Prospect:** The Company undertook a drilling program at the Otjari Domal Prospect with the intent to test the D'Kar/Ngwako Pan Formations, which are known to host copper mineralisation across the Kalahari Copper Belt. The initial two drill holes interpreted contact made with the lower D'Kar Formation with trace amounts of visible copper mineralisation, including chalcocite and bornite.

**Qembo Dome Prospect:** During the second half of 2019, the Company commenced a drilling program at the high priority target, Qembo Domal Prospect located in the Otjari/Qembo corridor. The Qembo Domal Prospect geological model had been interpreted as comparable domes to those located in the north-west of the Kalahari Copper Belt, including Cupric Canyon's currently in construction Zone 5 copper mine. The Company successfully encountered the D'Kar/Ngwako Pan Formation with diamond drill hole QBDB001, and the Ngwako Pan Formation from QBDD002.

Understanding of the Otjari/Qembo corridor is early stage for the Company, and following the logging and analysis of the maiden drilling program, the Company intends to conduct follow up exploration on this high priority target through airborne electromagnetic survey and further drilling.

**Botswana:** During the period, the Company primarily focused its exploration programs on its Namibian licences, following the identification of a number of high-priority targets. However, the Company undertook a ground magnetic survey to further its knowledge and understanding of its Virgo Project licences, and the underlying soil anomalies. In addition, the Company has been utilising the knowledge obtained from the recent Namibian exploration programs to further refine targeting of its high priority Botswana prospects.

#### HEBRON ACTION

On the 21 November 2018, the Company advised that it became aware of an application to set aside the grant of four of the Company's eight Namibian exclusive prospecting licences, namely EPL7050, EPL7052, EPL7051 and EPL7056 (Competing EPLs).

The Application was made to the High Court of Namibia by Namibian incorporated Hebron Prospecting Pty Ltd (Hebron or the Applicant) against a decision made by the Namibian Department of Mines. The Applicant claims that in August 2017, prior to Kopore's own applications for the Competing EPLs being submitted, assessed and granted, Hebron submitted applications to the Namibian Ministry of Mines and Energy for the Competing EPLs and that the Competing EPLs which were subsequently granted to Kopore, should have been granted to Hebron.

A formal legal review by Kopore's Namibian legal counsel was completed and the Company filed a submission to oppose the Application, instigated by Hebron against the Namibian Department of Mines. Formal advice received from the Company's legal counsel is that, in their opinion, the record discovered in the pending Namibian Court proceedings does not support Hebron's contention that the Namibian Minister of Mines and Energy (the Minister) erred in granting the EPLs to Kopore. Hebron subsequently filed a notice with the High Court of Namibia calling upon the Minister to discover additional documentation. At the date of this report the High Court of Namibia has not ruled as to the completeness of discovery.

The Company will continue its opposition to the Application. However, a majority of the Company's high-priority subsurface interpreted 'intact' domal prospects are on prospecting licenses 100% owned by Kopore and not the subject of the Application. The Company will continue to explore these highly prospective domal prospects.

## KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2019

### DIRECTORS' REPORT

#### 3.2. Financial Review

##### a. Operating results

For the half-year ended 31 December 2019 the Group delivered a loss before tax of \$1,398,661 (31 December 2018: \$1,642,554 loss), representing a decrease from the previous comparable period.

##### b. Financial position

The net assets of the Group have decreased from 30 June 2019 by \$1,278,635 to \$343,598 at 31 December 2019 (30 June 2019: \$1,622,233).

As at 31 December 2019, the Group's cash and cash equivalents decreased from 30 June 2019 by \$1,590,151 to \$307,999 at 31 December 2019 (30 June 2019: \$1,898,150) and had working capital of \$254,275 (30 June 2019: \$1,492,024).

The Directors believe the Group is in a satisfactorily stable financial position to continue its current operations.

#### 3.3. EVENTS SUBSEQUENT TO REPORTING DATE

There were no subsequent events which occurred subsequent to the reporting date that are not covered in this Directors' Report or within the financial statements at Note 8.

#### 3.4. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Company cannot provide forward looking statements and outcomes, however the Company has included its immediate business strategy within the Operations Report.

## DIRECTORS' REPORT

### 4. AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under s.307C of the *Corporations Act 2001* (Cth) is set out on page 7.

Signed in accordance with a resolution of Directors made pursuant to s306(3) of the Corporations Act 2001 (Cth).



**Simon Jackson**

Managing director

Dated Thursday, 12 March 2020

**RSM Australia Partners**

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +618 9261 9100  
F +618 9261 9111  
[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Kopore Metals Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM  
RSM AUSTRALIA PARTNERS

  
ALASDAIR WHYTE  
Partner

Perth, WA  
Dated: 12 March 2020

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	31 December 2019 \$	31 December 2018 \$
Other income	1	7,119	21,917
Administration expense		(75,509)	(40,125)
Compliance and regulatory		(98,841)	(116,531)
Consulting and legal		(61,759)	(111,780)
Depreciation and amortisation		(2,862)	(261)
Employee benefit expense	2	(301,469)	(177,500)
Exploration expense		(646,922)	(914,549)
Travel and accommodation		(74,730)	(45,692)
Share based payments	11	(39,497)	(104,853)
Other expenses		(66,439)	(153,180)
Write off of exploration asset		(38,371)	
Unrealised gain on foreign exchange		619	-
<b>Loss before income tax</b>		<b>(1,398,661)</b>	<b>(1,642,554)</b>
Income tax expense		-	-
<b>Loss for the half-year</b>		<b>(1,398,661)</b>	<b>(1,642,554)</b>
<i>Other comprehensive income for the year:</i>			
<ul style="list-style-type: none"> <li>Items that may be reclassified subsequently to profit or loss: <ul style="list-style-type: none"> <li>Exchange differences on translation of foreign operations</li> </ul> </li> </ul>			
		2,529	(32,666)
<b>Other comprehensive income for the half-year, net of tax</b>		<b>2,529</b>	<b>(32,666)</b>
<b>Total comprehensive loss for the half-year</b>		<b>(1,396,132)</b>	<b>(1,675,220)</b>
<i>Total Comprehensive Loss is attributable to:</i>			
<ul style="list-style-type: none"> <li>Equity holders of the Company</li> </ul>		(1,396,132)	(1,675,220)
		(1,396,132)	(1,675,220)
<i>Earnings per share:</i>			
Basic loss per share	10	¢ (0.22)	¢ (0.31)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

# KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2019

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	31 December 2019 \$	30 June 2019 \$
<b>Current assets</b>			
Cash and cash equivalents	3.1	307,999	1,898,150
Other receivables	3.2	1,625	26,212
Other current assets	3.3	50,062	24,010
<b>Total current assets</b>		<b>359,686</b>	<b>1,948,372</b>
<b>Non-current assets</b>			
Plant and equipment	4.1	18,209	21,071
Mineral exploration and evaluation assets	4.2	71,114	109,138
<b>Total non-current assets</b>		<b>89,323</b>	<b>130,209</b>
<b>Total assets</b>		<b>449,009</b>	<b>2,078,581</b>
<b>Current liabilities</b>			
Trade and other payables	3.4	105,411	456,348
<b>Total current liabilities</b>		<b>105,411</b>	<b>456,348</b>
<b>Total liabilities</b>		<b>105,411</b>	<b>456,348</b>
<b>Net assets</b>		<b>343,598</b>	<b>1,622,233</b>
<b>Equity</b>			
Contributed equity	5.1.1	9,054,274	8,976,274
Reserves	5.3	939,649	998,144
Accumulated losses		(9,650,325)	(8,352,185)
<b>Total equity</b>		<b>343,598</b>	<b>1,622,233</b>

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Contributed equity	Reserve	Accumulated Losses	Sub-total	Non Controlling Interest	Total Equity
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	5,755,416	823,134	(5,125,938)	1,452,612	26,925	1,479,537
Loss for the half-year	-	-	(1,642,554)	(1,642,554)	-	(1,642,554)
Other comprehensive loss for the half-year	-	(32,666)	-	(32,666)	-	(32,666)
Total comprehensive loss for the half-year	-	(32,666)	(1,642,554)	(1,675,220)	-	(1,675,220)
<i>Transactions with owners in their capacity as owners:</i>						
Transfer for non-controlling interest of disposal of subsidiaries			26,925	26,925	(26,925)	-
Contributions of equity, net of transaction costs	2,370,710	-	-	2,370,710		2,370,710
Share-based payments – Directors' and advisors' options	-	205,374	-	205,374	-	205,374
<b>Balance at 31 December 2018</b>	8,126,126	995,842	(6,741,567)	2,380,401	-	2,380,401
<b>Balance at 1 July 2019</b>	8,976,274	998,144	(8,352,185)	1,622,233	-	1,622,233
Loss for the half-year	-	-	(1,398,661)	(1,398,661)	-	(1,398,661)
Other comprehensive loss for the half-year	-	2,529	-	2,529	-	2,529
Total comprehensive loss for the half-year	-	2,529	(1,398,661)	(1,396,132)	-	(1,396,132)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs 5.1.1	78,000	-	-	78,000	-	78,000
Share-based payments – Directors' options 11	-	39,497	-	39,497	-	39,497
Options expired during the half-year 5.2.1	-	(100,521)	100,521	-	-	-
<b>Balance at 31 December 2019</b>	9,054,274	939,649	(9,650,325)	343,598	-	343,598

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

# KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2019

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

Note	31 December 2019 \$	31 December 2018 \$
Cash flow from operating activities		
Payments to suppliers & employees	(655,218)	(587,993)
Other income	-	333
Interest received	7,119	18,588
Payments for exploration expenditure	(954,581)	(861,563)
<b>Net cash outflow from operating activities</b>	<b>(1,602,680)</b>	<b>(1,430,635)</b>
Cash flow from investing activities:		
<b>Net cash inflow from investing activities</b>	<b>-</b>	<b>-</b>
Cash flow from financing activities:		
Proceeds from issue of shares	10,000	2,670,000
Cost of capital raising	-	(198,769)
<b>Net cash inflow from financing activities</b>	<b>10,000</b>	<b>2,471,231</b>
<b>Net (decrease)/increase in cash held</b>	<b>(1,592,680)</b>	<b>1,040,596</b>
Effect of foreign exchange movement on cash	2,529	-
Cash and cash equivalents at the beginning of the half-year	1,898,150	1,508,169
<b>Cash and cash equivalents at the end of half-year</b>	<b>307,999</b>	<b>2,548,765</b>

3.1

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

In preparing the 31 December 2019 interim financial statements, Kopore Metals Limited has grouped notes into sections under same key categories as used in the 30 June 2019 Annual Report:

 Section A: How the numbers are calculated.....	13
 Section B: Unrecognised items .....	18
 Section C: Other Information.....	19

The presentation of the notes to the financial statements has changed from the prior year and is supported by the IASB's Disclosure Initiative. As part of this project, the AASB made amendments to AASB 101 Presentation of Financial Statements which have provided preparers with more flexibility in presenting the information in their financial reports.

The interim financial report is presented in Australian dollars, except where otherwise stated.

#### The registered office and principle of business of the Company is:

Address: Suite 5, 62 Ord Street  
WEST PERTH WA 6005

Telephone: +61 (0)8 9322 1587

Facsimile: +61 (0)8 9322 5230

# KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2019

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

### SECTION A. HOW THE NUMBERS ARE CALCULATED




This section provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the entity, including:

- (a) accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction.
- (b) analysis and sub-totals, including segment information.
- (c) information about estimates and judgements made in relation to particular items.

NOTE 1	REVENUE AND OTHER INCOME	6 months to	6 months to
		31 December 2019	31 December 2018
		\$	\$
1.1	<b>From continuing operations:</b>		
	Interest – unrelated parties	7,119	18,588
	Other income	-	3,329
	<b>Total revenue and other income</b>	<b>7,119</b>	<b>21,917</b>

NOTE 2	LOSS BEFORE INCOME TAX	6 months to	6 months to
		31 December 2019	31 December 2018
		\$	\$

The following significant revenue and expense items are relevant in explaining the financial performance:

2.1	<b>Employment costs:</b>		
	 Directors fees (including Managing Director)	180,000	151,867
	 Superannuation expenses	15,675	4,633
	 Other employment related costs	105,794	21,000
		<b>301,469</b>	<b>177,500</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

#### NOTE 3 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

<b>3.1</b>	<b>Cash and cash equivalents</b>	<b>31 December 2019</b>	<b>30 June 2019</b>
		\$	\$
	Cash at bank and on hand	287,999	1,378,150
	Bank term deposits	20,000	520,000
		307,999	1,898,150
<b>3.2</b>	<b>Other receivables</b>	<b>31 December 2019</b>	<b>30 June 2019</b>
		\$	\$
<b>3.2.1</b>	<i>Current</i>		
	GST refundable	1,625	26,212
		1,625	26,212
<b>3.2.2</b>	The Group's financial instruments consist mainly of deposits with banks, accounts receivables and payables and loans to subsidiaries.		
	Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value.		
<b>3.2.3</b>	The Group did not recognise any losses in profit or loss in respect of the expected credit losses for the half-year ended 31 December 2019.		
<b>3.3</b>	<b>Other Assets</b>	<b>31 December 2019</b>	<b>30 June 2019</b>
		\$	\$
<b>3.3.1</b>	<i>Current:</i>		
	Prepayments	46,471	24,010
	Other	3,591	-
		50,062	24,010
<b>3.4</b>	<b>Trade and other payables</b>	<b>31 December 2019</b>	<b>30 June 2019</b>
		\$	\$
<b>3.4.1</b>	<i>Current:</i>		
	<b>Unsecured</b>		
	Trade payables	38,123	192,577
	Other payables and accruals	67,288	195,771
	Share application monies received in advance	-	68,000
	Total unsecured liabilities	105,411	456,348

# KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2019

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

### NOTE 4 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES

#### 4.1 Plant and equipment

	31 December 2019	30 June 2019
	\$	\$
4.1.1 Non-current:		
Furniture, fittings and equipment at cost	594	594
Less accumulated depreciation	(369)	(309)
	225	285
Motor vehicles at cost	27,775	27,775
Less accumulated depreciation	(9,791)	(6,989)
	17,984	20,786
	18,209	21,071

#### 4.2 Mineral Exploration and Evaluation Assets

	31 December 2019	30 June 2019
	\$	\$
4.2.1 Non-current:		
Balance at the beginning of the period/year	109,138	105,943
Written off during the period/year	(38,371)	-
Foreign exchange movements	347	3,195
Balance at the end of the period/year	71,114	109,138

4.2.2 Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of the areas of interest.

#### 4.2.3 Key Estimate – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets and in particular exploration assets. Where an impairment trigger exists, the recoverable amount of the asset is determined and is dependent upon the ability of the Group to successfully continue exploration of all areas of interest and satisfy the requirements under AASB 6.

Specifically, the Company has reviewed its exploration tenements with regard to AASB 6 and have determined that:

- the period for which the Group has the right to explore in the exploration tenements has not expired during the period or will not expire in the near future, and is expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the exploration tenements is planned;
- exploration will be ongoing for some time and as such it is far too early to state that a discovery of commercially viable quantities of mineral resources has not occurred; and
- as the exploration is still ongoing, there is no sufficient data to conclude that the carrying amount of the exploration and evaluation asset is unlikely to be recovered.

#### 4.2.4 Key Judgments – Exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated below. The carrying value of capitalised expenditure at reporting date is \$71,114 (30 June 2019: \$109,138).

During the financial period, the Group undertook assessment of its tenement assets. As a result of this assessment, the Group decided that \$38,371 write off of its exploration assets was necessary due to the relinquishment of the tenements PL163/2017 and PL164/2017.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

#### NOTE 5 EQUITY

5.1 Issued capital	Note	6 months to 31 December 2019 No.	12 months to 30 June 2019 No.	6 months to 31 December 2019 \$	12 months to 30 June 2019 \$
Fully paid ordinary shares at no par value	5.1.1	642,576,400	634,776,400	9,054,274	8,976,274
5.1.1 <i>Ordinary shares</i>					
At the beginning of the period/year		634,776,400	435,776,400	8,976,274	5,755,416
Shares issued during the period/year:					
Placement @ \$0.025 per share		-	106,800,000	-	2,670,000
Placement @ \$0.01 per share		7,800,000	92,200,000	78,000	922,000
Transaction costs relating to share issues:					
Share-based payments (Options)		-	-	-	(100,521)
Share issue costs – Cash-based		-	-	-	(270,621)
At end of the period/year		642,576,400	634,776,400	9,054,274	8,976,274

#### 5.2 Options

For information relating to the share-based payment plan, including details of options issued and/or lapsed during the financial year, and the options outstanding at balance date, refer to Note 11 Share-based Payments. The total number of options on issue are as follows:

5.2.1 Unlisted options	Note	6 months to 31 December 2019 No.	12 months to 30 June 2019 No.	6 months to 31 December 2019 \$	12 months to 30 June 2019 \$
At the beginning of the period/year		110,000,000	55,029,250	1,059,525	825,000
Options issued during the period/year:					
Issued to Broker – Ex. Date: 19.11.19 Ex. Price: \$0.0363		-	30,000,000	-	100,522
Issued to Directors – Ex. Date: 7.12.23 Ex. Price: \$0.045		-	14,000,000	-	98,862
Issued to Consultants – Ex. Date: 19.11.23 Ex. Price: 0.045		-	3,000,000	-	32,650
Issued to Directors – Ex. Date: 29.05.24 Ex. Price: \$0.036		-	8,000,000	-	2,491
Expired unexercised – Ex. Date: 16.07.18 Ex. Price: \$2.92		-	(21,750)	-	-
Expired unexercised – Ex. Date: 9.03.19 Ex. Price: \$7.60		-	(7,500)	-	-
Expired unexercised – Ex. Date: 19.11.19 Ex. Price: \$0.0363		(30,000,000)	-	(100,521)	-
Amortisation of options issued to directors – Note 11		-	-	39,497	-
At end of the period/year		80,000,000	110,000,000	998,501	1,059,525

# KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2019

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

### NOTE 5 EQUITY (CONT.)

#### 5.3 Reserves

Note	31 December 2019	30 June 2019
	\$	\$
5.3.1	(58,852)	(61,381)
5.3.2	998,501	1,059,525
	939,649	998,144

#### 5.3.1 Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

	31 December 2019	30 June 2019
	\$	\$
Balance at beginning of the year	(61,381)	(1,866)
Change in reserve	2,529	(59,515)
Balance at end of the year	(58,852)	(61,381)

#### 5.3.2 Share-based payment reserve

The share-based payment reserve records the value of options issued to Directors, employees or consultants.

	31 December 2019	30 June 2019
	\$	\$
Balance at beginning of the period/year	1,059,525	825,000
Options issued	-	234,525
Amortisation of options issued to directors in 30 June 2019 financial year	39,497	-
Options expired	(100,521)	-
Balance at end of the period/year	998,501	1,059,525

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

## SECTION B. UNRECOGNISED ITEMS

*This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.*

NOTE 6	COMMITMENTS	31 December 2019	30 June 2019
		\$	\$
6.1	<b>Operating expenditure commitments payable:</b>		
	Within one year	508,851	742,112
	After one year but not more than five years	1,520,177	459,000
	After five years	-	-
	Total Exploration tenement minimum expenditure requirements	2,029,028	1,201,112

The commitments of the Group above are the same as those for Kopore Metals Limited.

## NOTE 7 CONTINGENT ASSETS AND LIABILITIES

## 7.1 Virgo Licence Acquisition

In accordance with the agreement between Kopore Metals Limited, Alvis Crest (Proprietary) Limited and Virgo Business Solutions CO (Virgo).

Upon year 2 of the acquisition the Company will issue fully paid shares in the Company to Virgo to a value of A\$6,250 multiplied by the number of Tenements held by Kopore as at that date.

To issue fully paid shares in the Company to Virgo with a deemed value of A\$650,000 (with the deemed issue price being the higher of \$0.04 or the 30-day VWAP of the shares at the date of the Announcement, as defined below upon satisfaction of the following performance-based milestones:

- (i) First announcement by the Company of a JORC Code 2012 Compliant Measured or Indicated Mineral Resource, on any of the licences, of greater than 1 million tonnes of contained copper at a grade of greater than 1.2%.

## 7.2 Contingent liabilities

The Directors are not aware of any other contingent liabilities that may have arisen from the Groups operations as at 31 December 2019.

## NOTE 8 EVENTS SUBSEQUENT TO REPORTING DATE

There were no other significant events after the end of the reporting period.

# KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2019

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

### SECTION C. OTHER INFORMATION

*This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.*

NOTE	9	RELATED PARTY TRANSACTIONS	31 December 2019	31 December 2018
			\$	\$

#### 9.1 KMP and related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

 Evolution Corporate Services Pty Ltd

Evolution Corporate Services Pty Ltd, a company associated with Ms. Shannon Coates, provides company secretarial services in accordance with a service agreement.

27,000

11,930

NOTE	10	LOSS PER SHARE	6 months to 31 December 2019	6 months to 31 December 2018
			\$	\$

#### 10.1 Reconciliation of loss to profit or loss

Loss for the half-year

(1,398,661)

(1,642,554)

Loss used in the calculation of basic and diluted loss per share

(1,398,661)

(1,642,554)

#### 10.2 Weighted average number of ordinary shares outstanding during the period used in calculation of basic loss per share

6 months to 31 December 2019	6 months to 31 December 2018
No.	No.

642,576,400

529,153,449

#### 10.3 Loss per share

6 months to 31 December 2019	6 months to 31 December 2018
¢	¢

Basic loss per share (cents per share)

(0.22)

(0.31)

#### 10.4 The Group does not report diluted earnings per share where options would not result in the issue of ordinary shares for less than the average market price during the period (out of the money). In addition, the Group does not report diluted earnings per share on annual losses generated by the Group. At the end of the half-year, the Group had no unissued shares under options that were out of the money which are anti-dilutive.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 11 SHARE-BASED PAYMENTS	6 months to	6 months to
	31 December 2019	31 December 2018
	\$	\$
The following share-based payment arrangements were entered into during the period:		
Unlisted options issued to consultants in lieu of services	-	32,650
Unlisted options issued to Directors	-	72,203
Amortisation of options issued to Directors in 30 June 2019 financial year	39,497	-
Total shares-based payments included in statement of profit or loss and other comprehensive income.	39,497	104,853
Unlisted options issued to advisers in lieu of services	-	100,521
Total share-based payments included in statement of financial position as capital raising costs.	-	100,521

# KOPORE METALS LIMITED

ABN 73 149 230 811

INTERIM FINANCIAL REPORT 31 DECEMBER 2019

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

### NOTE 12 SEGMENT REPORTING

#### 12.1 Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of business category and geographical areas. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics. The Group considers that it has only operated in one segment, being the exploration business.

#### 12.2 Basis of accounting for purposes of reporting by operating segments

##### 12.2.1 Accounting policies adopted

The accounting policies used by the Group in reporting segments are in accordance with the measurement principles of Australian Accounting Standards.

##### 12.2.2 Inter-segment transactions

All such transactions are eliminated on consolidation of the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

##### 12.2.3 Segment assets

During the period ended 31 December 2019 and the year ended 30 June 2019, all assets were in the same business segment, which is the Group's exploration business.

##### 12.2.4 Segment liabilities

During the period ended 31 December 2019 and the year ended 30 June 2019, all liabilities were in the same business segment, which is the Group's exploration business.

#### 12.3 Revenue by geographical region

There is no revenue attributable to external customers for the half-year ended 31 December 2019 and 31 December 2018.

#### 12.4 Assets by geographical region

During the period ended 31 December 2019 and the year ended 30 June 2019, all reportable segment assets are located in Africa, with the Group's financial assets located in Africa and Australia.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

#### NOTE 13 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### 13.1 Basis of preparation

###### 13.1.1 Reporting Entity

Kopore Metals Limited is a listed public company limited by shares, domiciled and incorporated in Australia. The Company's registered office is at Suite 5, 62 Ord Street, West Perth, Western Australia. These are the consolidated financial statements and notes of Kopore Metals Limited (the Company) and controlled entities (collectively the Group). The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The Group is a for-profit entity and is primarily involved in the exploration, development and mining of minerals.

The separate financial statements of Kopore Metals Limited, as the parent entity, have not been presented with this financial report as permitted by the Corporations Act 2001 (Cth).

###### 13.1.2 Basis of accounting

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The financial statements were authorised for issue on 12 March 2020 by the Directors of the Company.

###### 13.1.3 Going Concern

The financial statements have been prepared on the going concern basis that contemplates the continuity of normal business activities and the realization of assets and extinguishment of liabilities in the ordinary course of business.

As disclosed in the financial statements, the Group incurred a loss for the half-year of \$1,398,661 and a net cash outflows from operating activities of \$1,602,680 for the half-year ended 31 December 2019. As at that date, the Group had net current assets of \$254,275.

The Directors have prepared a cash flow forecast, which indicates that the ability of the Group to continue as a going concern is primarily dependent on securing additional funding through capital raisings.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

1. The Company expects to raise additional capital to fund working capital requirements. The Company has been successful in raising capital whenever it has approached the markets in the past and the directors are confident in the ability to continue to raise additional funds on a timely basis, as and when required; and
2. The Group has the ability to defer or scale back certain parts of their activities so as to conserve cash.

Accordingly, the Directors believe that the Group 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 amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Note 13 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

13.1 Basis of preparation (continued)

13.1.4 Comparative Figures

Where required by AASBs comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

13.2 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 Group'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 Group'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.

Deferred tax assets and liabilities are always classified as non-current.

13.3 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in 13.3.1.

13.3.1 Critical Accounting Estimates and Judgements

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes assumptions concerning the future. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. The resulting accounting estimates will, by definition, 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 and assets and liabilities within the next financial year are discussed further at Note 4.2.3.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

**Note 13 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)****13.4 Accounting Standards that are mandatorily effective for the current reporting period**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

New and revised Standards and amendments thereof and Interpretations effective for the current period that are relevant to the Group include:

a. *AASB 16: Leases*

AASB 16 removes the classification of leases as either operating leases or finance leases for the lessee effectively treating all leases as finance leases. Short term leases (less than 12 months) and leases of a low value are exempt from the lease accounting requirements. Lessor accounting remains similar to current practice.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. During the half-year ended 31 December 2019, the Group has adopted the practical expedient for short-term leases. As such, there was no impact to the half-year consolidated financial report.

**13.5 Changes in accounting policies, accounting standards and interpretations**

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2019. All applicable new standards and interpretations issued since 1 July 2019 have been adopted. There was no significant impact on the Group.

## **DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. The financial statements and notes, are in accordance with the *Corporations Act 2001* (Cth) and:
  - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting; and
  - (b) give a true and fair view of the financial position as at 31 December 2019 and of the performance for the half-year ended on that date of the Company.
2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



**Simon Jackson**

Managing director

Dated this Thursday, 12 March 2020

#### RSM Australia Partners

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +618 9261 9100

F +618 9261 9111

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

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF KOPORE METALS LIMITED

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Kopore Metals Limited 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 of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

#### *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, we have become aware of any matter that makes us 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 consolidated entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Kopore Metals Limited, 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 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.

### THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

For personal use only

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Kopore Metals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Kopore Metals Limited is not in accordance with the *Corporations Act 2001* including:

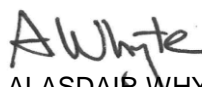
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 13.1.3 in the financial report, which indicates that the consolidated entity incurred a loss of \$1,398,661 and had net cash outflows from operating activities of \$1,602,680 for the half-year ended 31 December 2019. As stated in Note 13.1.3, these events or conditions, along with other matters as set forth in Note 13.1.3, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

RSM

RSM AUSTRALIA PARTNERS

A handwritten signature in dark ink, appearing to read "A Whyte".

ALASDAIR WHYTE  
Partner

Perth, WA  
Dated: 12 March 2020