COBRE

ACN 626 241 067

Annual Report 2021

Corporate Directory

Directors

Mr Martin C Holland
Executive Chairman and Managing Director

Mr Andrew Sissian
Finance Director

Mr Michael Addison
Non-Executive Director

Mr Michael McNeilly
Non-Executive Director

Company secretary

Mr Justin Clyne

Registered office

Level 7, 151 Macquarie Street
Sydney NSW 2000

Tel: (02) 9048 8856
Email: info@cobre.com.au

Principal place of business

Level 7, 151 Macquarie Street
Sydney NSW 2000

Tel: (02) 9048 8856
Email: info@cobre.com.au

Share registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Tel: +61 2 9290 9600
www.boardroomlimited.com.au

Auditor

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

Solicitors

Henry William Lawyers
Level 29, 420 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

Contents

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 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 27 September 2021. The directors have the power to amend and reissue the financial statements.

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 2021 Financial Year (**FY21**). FY21 was a year of strategic acquisition growth for the Company and represented a significant shift in Cobre's strategy to become a global copper explorer.

In particular, Cobre achieved a number of significant milestones to execute on its revised global copper strategy including, finalising the acquisition of 49.99% ownership of Kalahari Metals Limited which owns highly prospective tenements spanning across ~8,100km^2 in the Kalahari Copper Belt (**KCB**) in Botswana, as well as securing a district scale nickel and copper exploration opportunity in Gabon in central West Africa, through its active investment into Armada Metals Limited which is planning a listing on the Australian Securities Exchange (**ASX**) later this year. In addition, the Company continued field exploration activities at its 100%-owned Perrinvale Project in Western Australia to define new VHMS targets explore.

The Company also undertook a two tranche capital raise of A$6.7 million in April 2021 via a first tranche of A$5.3M which is complete, with the second tranche of A$1.4M to be invested by the Company's largest shareholder, ASX and London AIM listed, Metal Tiger plc (MTR), subject to the approval of Cobre shareholders at the Company's AGM later this year.

Cobre also commenced its maiden JV drilling program in Botswana which is currently ongoing, and has agreed to invest A$1.0M into MTR to show commercial alignment of interest as we jointly pursue exploration opportunities in Africa. Cobre's investment was subject to the approval of MTR shareholders at a meeting of MTR shareholders that is now approved.

Cobre's vision is to explore and discover new copper deposits to fuel the decarbonisation revolution the world is currently encountering. Without significant capital and new greenfield discoveries, the world would not be able to keep up with the raw metals required to drive this significant and necessary paradigm shift.

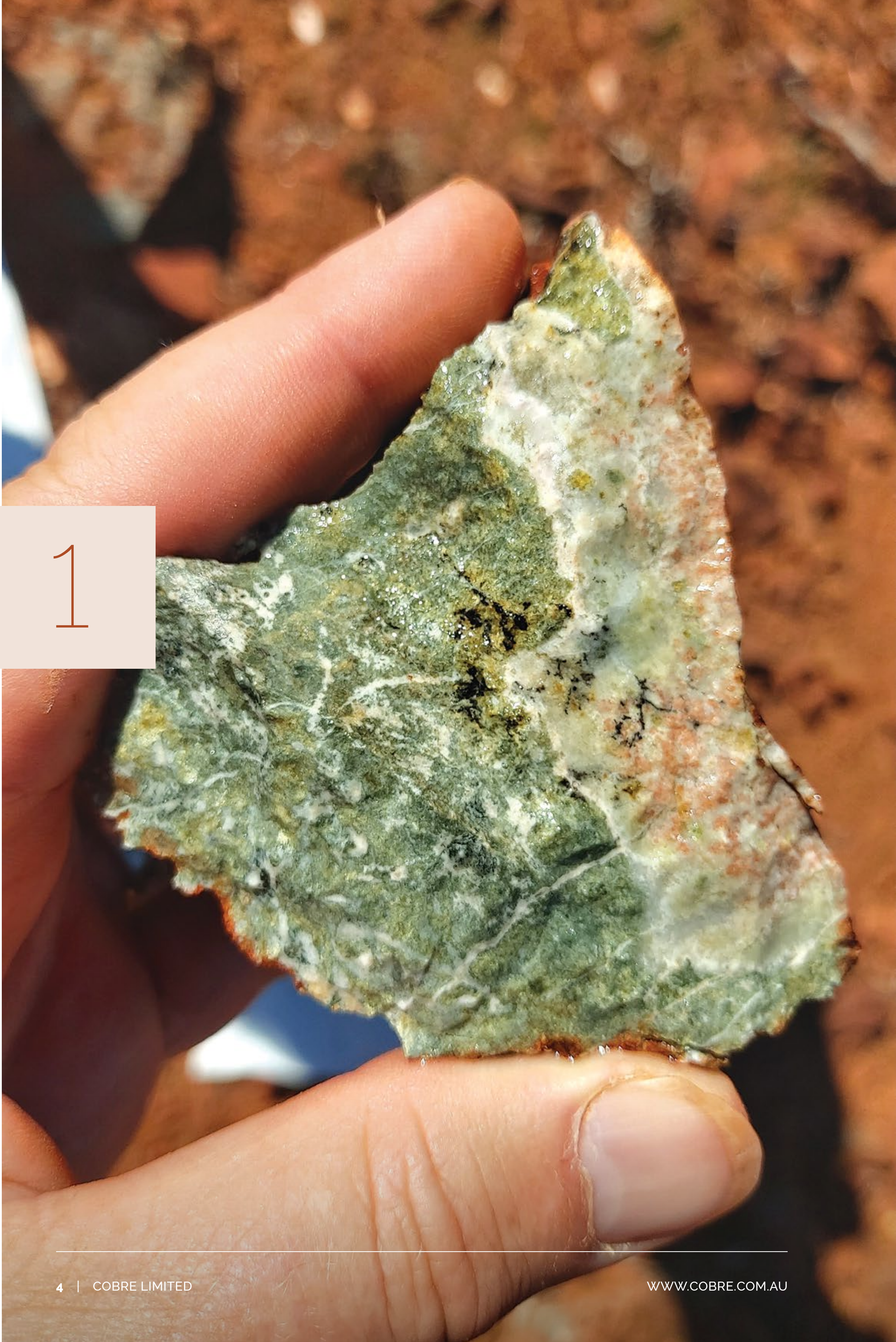
The Company has a clear pathway to discovering critical new age metal deposits through its copper and base metals assets and will continue to make additional acquisitions where the Board believes that such acquisitions are in alignment with the Company's strategic direction and represent the best opportunities for the Company's shareholders. Together with our ongoing exploration works at Perrinvale in Western Australia, by adding a stake in the prospective and underexplored KCB in Botswana, and securing an active investment in Armada Metals, we have significantly broadened our project portfolio and increased our global exposure to copper – a metal in strong global demand. As Cobre continues to advance exploration in Botswana, we believe the Company has the potential to unlock a major discovery that will create a stronger Company poised for international growth.

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 the Company on its path towards delivering success and significant potential shareholder returns. I would also like to thank my fellow directors for their significant efforts during what has been a challenging yet rewarding year. It is a testament to the Board and our experienced and professional exploration team and the protocols the Company has in place, that enabled Cobre to continue its exploration program largely unaffected by the COVID-19 pandemic.

Lastly, I would like to extend a warm welcome to all new shareholders who have chosen to join us on this exciting exploration journey.

Yours faithfully,

Martin Holland
Co-Founder, Executive Chairman, Managing Director



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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 2021.

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 and Managing Director

Andrew Sissian – Finance Director

Michael Addison – Non-Executive Director

Michael McNeilly – Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity during the financial year was the exploration and evaluation of:

- the assets owned by Toucan Gold Pty Ltd (Toucan), in which Cobre owns a 100% shareholding, primarily at the Perrinvale Project, which covers 381km^2 of the Panhandle and Illaara Greenstone Belts in Western Australia; and
- the tenement owned by GTTS Generations Pty Ltd and, in which the company acquired an option to earn an interest pursuant to the Sandiman Farmin Agreement dated 19 November 2019. 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^2 on the eastern edge of the Carnarvon Basin.

In addition to the exploration and evaluation of the above tenement portfolio, the company also acquired a strategic stake in Kalahari Metals Limited (**KML**), a UK private entity which controls approximately 8,100 km^2 of tenements within the Kalahari Copper Belt (**KCB**) in Botswana (with 6,650 km^2 owned 100%, and 1,450 km^2 through Joint Venture arrangements). Cobre currently holds 49.99% of KML. During the year Cobre also acquired an 18.5% interest in Armada Exploration Limited (Armada), a Mauritian holding company, that owns 100% of Armada Exploration (Gabon) SARL, which is the owner of two exploration licences prospective for magmatic Ni-Cu sulphide situated in Gabon. Covering a total area of nearly 3,000km^2.

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 $2,747,597 (30 June 2020: $1,972,245).

The 2021 Financial Year 2021 (**FY21**), was a transformative year for Cobre, a year in which the Company's strategy and geographical diversification expanded significantly from exploration in Western Australia to investments in Botswana and Gabon in Africa.

FY21 built on a successful foundation year in FY20 when Cobre undertook a successful listing on the ASX and an extensive drilling program on the Company's tenement portfolio at Perrinvale in Western Australia.

Exploration continued at Perrinvale across FY21 with the Company reporting the achievement of some significant progress.

In addition to the exploration work at Perrinvale which remains ongoing, the Board has sought to diversify the Company's focus into several highly prospective regions in Africa through investments in Botswana and Gabon outlined below.

It has been an extremely busy and productive year for Cobre and one in which Cobre's Board and small team of consultants have worked hard aiming to grow the Company through ongoing exploration, strategic acquisitions and corporate developments including raising new capital to further the Company's strategic objectives. Just some of the key achievements are outlined in a selection of Cobre's more significant ASX announcements across FY21 as detailed below.

Date	Key Announcement
Botswana	
24 August 2020	Strategic Botswana Copper Acquisition
20 November 2020	Completion of Due Diligence for Botswana Acquisition
16 December 2020	Signing of Share Purchase Agreement for Botswana Acquisition
16 December 2020	Significant Botswana Copper Targets Identified
5 March 2021	New Priority Copper-Silver Target Area in Botswana
6 April 2021	Results of Meeting (Shareholder Approval for Botswana Acquisition)
19 April 2021	Drilling to Commence in Botswana
11 May 2021	Drilling Commenced in Botswana
Gabon	
22 March 2021	District Scale Cu/Ni Investment
17 June 2021	Active Investment Update – Armada Metals
Western Australia	
20 July 2020	New High Grade Volcanogenic Massive Sulphides
20 August 2020	Further High Grade Volcanogenic Massive Sulphides Results
17 September 2020	Positive VHMS Metallurgical testing Results
29 April 2021	Commencement of Field Exploration at Perrinvale

Full details of each of these announcements and all exploration activities and results referred, including relevant JORC information, can be accessed via the Company's ASX releases which are available on both the ASX and also on the Company's website.

Botswana

In August 2020, Cobre announced that it had entered into an agreement to acquire up to 51% of Kalahari Metals Limited (**KML**), a private UK company which controls approximately 8,100 km^2 of tenements within the Kalahari Copper Belt (**KCB**) in Botswana (with 6,650 km^2 owned 100%, and 1,450 km^2 through Joint Venture arrangements).

The KCB is regarded as one of the most prospective areas globally for copper exploration by the US Geological Survey (**USGS**), with a number of copper-silver deposits currently under development by ASX listed Sandfire Resources Limited (ASX: **SFR, Sandfire**) and also Cupric Canyon Capital (**Cupric Canyon**). There are already a number of copper-silver deposits under development adjacent to KML's holdings.

On 6 April 2021, the Company received approval from shareholders to complete the acquisition of the 51% interest in KML. Cobre currently holds a 49.99% ownership in KML and will move to 51% ownership once it receives change of control approval from the Ministry of Mines of Botswana which is expected shortly.


Exploration in Botswana

Gabon

In March this year, Cobre announced the signing of an Investment Agreement (**Agreement**) with Armada Exploration Limited (**Armada**), a Mauritian holding company, that owns 100% of Armada Exploration (**Gabon**) SARL, which is the owner of two exploration licences prospective for magmatic Ni-Cu sulphide situated in Gabon. Covering a total area of nearly 3,000km^2, the licence holding presents a frontier district-scale exploration opportunity.

Cobre holds 5,000,000 shares in Armada which it subscribed for a total consideration of US$750,000, via a promissory note, with US$350,000 invested up-front and the balance of US$400,000 to be paid in monthly instalments of US$80,000. Cobre also received 3,333,333 options exercisable at US$0.225 with a 3 year expiry term. Cobre owns 18.5% of the issued ordinary share capital of Armada and has the right to appoint a director to the Board of Armada.

Armada is well-funded with ~US$2.25 million in pre-IPO capital, and is well advanced, and on track for a planned ASX listing.

The Cobre Board see this early investment into Armada as a great opportunity to expand the Company's reach in the copper exploration space beyond Western Australian and Botswana and believe, given Armada's experienced leadership team, who have a successful track record of involvement in major discoveries like the world-class Kamoa deposit by Ivanhoe Mines, and proven operational experience in Central and Southern Africa, is confident we have the right partners for success in this project.


Collecting samples in Botswana

Armada was established to define new belt-scale discovery opportunities for key commodities (principally nickel and copper) in under-explored regions of Africa. With >US$10m spent targeting an area of >16,000km^2, Armada is preparing to drill a multi-target project opportunity for magmatic Ni-Cu sulphides in the Nyanga area, southern Gabon. Armada is supported by a Board and Africa-based technical team both with a track record of successful African projects. Key members of the Armada targeting team were awarded the 2015 PDAC Thayer Lindsley Award for an International Mineral Discovery (as members of the Kamoa/DRC discovery team with Ivanhoe Mines).

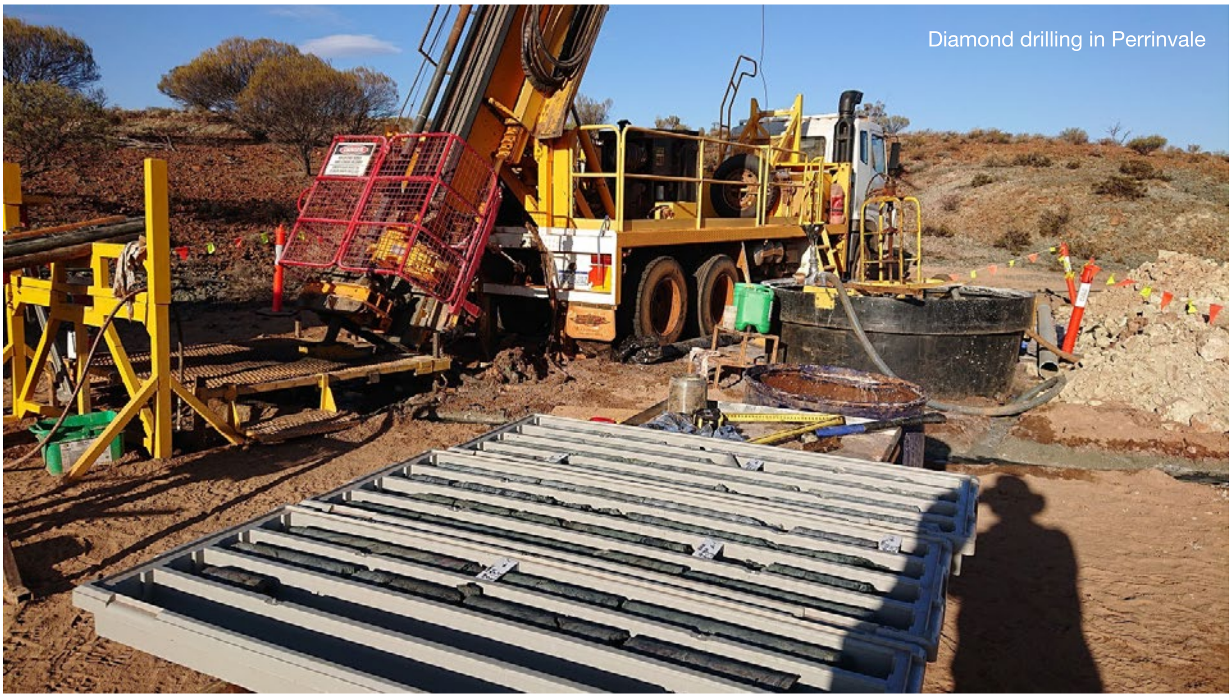
Western Australia

The Perrinvale Project is based on a large conterminous group of ten exploration licenses held by Toucan Gold Pty Ltd, a wholly owned subsidiary of Cobre. As at 30 June 2021, the Perrinvale tenements total 408km^2 in size.

Table 1: *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.*

Tenement/ Application	Holder/ Applicant	Shares	Grant Date	Expiry Date	Area[1]
E29/1017	Toucan Gold Pty Ltd	100/100	4 Jan 2018	3 Jan 2023	18BL
E29/929-I	Toucan Gold Pty Ltd	100/100	25 Aug 2015	24 Aug 2024	32BL
E29/938-I	Toucan Gold Pty Ltd	100/100	8 Jul 2015	7 Jul 2025	21BL
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 2022	20BL
E29/987	Toucan Gold Pty Ltd	100/100	19 Sep 2017	18 Sep 2022	7BL
E29/988	Toucan Gold Pty Ltd	100/100	19 Sep 2017	18 Sep 2022	1BL
E29/989	Toucan Gold Pty Ltd	100/100	19 Sep 2017	18 Sep 2022	3BL
E29/990	Toucan Gold Pty Ltd	100/100	19 Sep 2017	18 Sep 2022	9BL
E29/1106	Toucan Gold Pty Ltd	100/100	14 May 2021	13 May 2026	20BL

1 BL = Blocks


Diamond drilling in Perrinvale

Sandiman Project

The Sandiman Project is based on a single tenement (**E09/2316**) totalling 202km^2 in size. Cobre does not hold a direct 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). During the quarter, Cobre met its obligations to move to 51% ownership of the project under the farm-in agreement; the parties are in the process of transferring shares in the tenement.

Table 2: *Sandiman Project tenement schedule*

Tenement/ Application	Holder/ Applicant	Shares	Grant Date	Expiry Date	Area[1]
EO9/2316	GTTS Generations Pty Ltd	100/100	9 Aug 2019	8 Aug 2024	65BL

1 BL = Blocks

Following the completion of field activities at Perrinvale in late 2020, Cobre has continued to work concurrently on the Perrinvale Project with the completion of an Optimisation Study at the Schwabe Prospect and planning for its next phase of field activities,

The Optimisation Study, which has been prepared for internal purposes to assist the management team to develop a strategy at Schwabe, which will deliver the best returns for shareholders, indicates positive potential, with a key assumption being the treatment of ore from Schwabe by a third-party.

With this assumption in mind, there is clear value in aiming to expand the resource potential within the prospect area. A programme of review and planning related to the broader exploration potential of the Perrinvale Project has also been undertaken. This includes the:

- detailed review of geophysics (airborne electromagnetic, magnetic & gravity data);
- study of known VHMS deposit areas within the Yilgran in particular and globally in general;
- consideration of observations and results achieved through 2019 and 2020;
- sourcing historic hyperspectral survey outputs; and
- preliminary definition of priority areas of interest for field investigation.

In addition to the base metal potential, rock chip samples collected late in 2020 have returned some very high-grade gold assays, suggesting value in the exploration programme remaining open to the potentil for gold.

In relation to the Sandiman project, the Company has received the final data and report for the Airborne Radiometric and Magnetic survey completed over the entire project area by contractor Magspec Airborne Surveys. This data has been incorporated into a detailed interpretive study aimed at defining potential sediment hosted base metal targets by bringing together the available geophysical data sets and existing geological mapping and 2020 field observations. The study results have been received with multiple potential target areas identified.

While Perrinvale remains the focus, work on the Sandiman Project is expected to be limited to review of the recent study results and planning of future work.

Examining drill cores in Perrinvale

CORPORATE

On the corporate front, prior to the end of FY21, Cobre raised A$6.7 million (before costs) at an issue price of $0.17 per share via a two-tranche placement to sophisticated and institutional investors, with the funds raised being used primarily to meet the capital requirements for exploration under the Company's joint venture Botswana investment, with Metal Tiger through KML. Under the second tranche of the Placement, Cobre proposes to issue a further 8,311,765 new ordinary shares to Metal Tiger, also at a price of $0.17, subject to shareholder approval which Cobre will seek to obtain at the Company's Annual General Meeting later this year.

Subsequent to the end of FY21, Cobre agreed to invest A$1.0m into the capital raising announced by Metal Tiger, who are undertaking a two tranche conditional capital raising of A$5.0m (before costs), at a placement price of A$0.37 per CHESS Depositary Interest, which is subject to Metal Tiger shareholder approval.

The Cobre Board believes this investment shows commercial alignment and gives Cobre shareholders additional interest to the Kalahari project and royalties Metal Tige owns over the district. Cobre has a high level of confidence in the Metal Tiger Board and management team and believes this investment is one which will prove to be one of significant value for Cobre's shareholders.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 12 April 2021, the company issued 20,999,214 fully paid ordinary shares valued at $4,094,847 to acquire a 49.99% holding in Kalahari Metals Limited (KML). KML holds a number of tenements in Botswana.

On 29 April 2021, the company acquired 5,000,000 shares in Armada for a total consideration of US$750,000, via a promissory note, with US$350,000 invested up-front and the balance of US$400,000 to be paid. Cobre also received 3,333,333 options exercisable at US$0.225 with a 3 year expiry term. Cobre owns 18.5% of the issued ordinary share capital of Armada.

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

On 27 July 2021, the company announced that it had agreed to invest $1,000,000 in the capital raising announced by the company's largest shareholder, ASX and AIM listed, Metal Tiger plc (MTR). MTR was undertaking a two tranche conditional capital raising of $5,000,000 before costs at a placement price of $0.37 per share. On 24 September 2021 the company paid for this investment.

No other matter or circumstance has arisen since 30 June 2021 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 Perrinvale and Sandiman projects as well as on its investments in KML and Armada.

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 ended 30 June 2021.

INFORMATION ON DIRECTORS

Name:	**Martin Holland**
Title:	*Executive Chairman and Managing Director*
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:	OzAurum Resources Limited (ASX: OZM) appointed 5 August 2020.
Former directorships (last 3 years):	Nil
Interests in shares:	11,024,384 fully paid ordinary shares
Interests in options:	13,175,000 options over ordinary shares

Name:	**Andrew Sissian**
Title:	*Finance Director*
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, focussing 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:	4,849,052 fully paid ordinary shares
Interests in options:	6,437,000 options over ordinary shares

Name:	**Michael Addison**
Title:	*Non-Executive Director*
Qualifications:	Mr Addison is a former Rhodes Scholar and has an Oxford University postgraduate degree in Management Studies.
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:	Genex Power Limited (ASX: GNX)
Former directorships (last 3 years):	Nil
Interests in shares:	1,062,500 fully paid ordinary shares
Interests in options:	1,000,000 options over ordinary shares

Name:	**Michael McNeilly**
Title:	*Non-Executive Director*
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 Metal Tiger plc (AIM:MTR) and a nominee Director of Cobre appointed by Metal Tiger. 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 Metal Tiger 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 MTR'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:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	Nil
Interests in options:	1,500,000 options over ordinary shares

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

COMPANY SECRETARY

Justin Clyne is a qualified Chartered Company Secretary and a 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 2021, 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	8	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 has 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 director's 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 current and 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.

Voting and comments made at the company's 26 November 2020 Annual General Meeting ('AGM')

At the 26 November 2020 AGM, 99.19% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. 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	
2021	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Michael Addison	72,000	–	–	–	–	60,598	132,598
Michael McNeilly	72,000	–	–	–	–	121,197	193,197
Executive Directors:							
Martin Holland	288,000	–	–	27,360	–	805,959	1,121,319
Andrew Sissian	156,999	–	–	–	–	375,710	532,709
	588,999	–	–	27,360	–	1,363,464	1,979,823
2020							
Non-Executive Directors:							
Michael Addison	35,000	–	–	–	–	52,002	87,002
Michael McNeilly	40,000	–	–	–	–	22,750	62,750
Robert Crossman*	45,000	–	–	–	–	97,825	142,825
Executive Directors:							
Martin Holland	170,000	–	–	9,500	–	296,888	476,388
Andrew Sissian	128,333	–	–	–	–	151,834	280,167
	418,333	–	–	9,500	–	621,299	1,049,132

* *Robert Crossman was a director until 21 November 2019 until his passing.*

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

	Fixed remuneration		At risk – STI		At risk – LTI	
Name	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Non-Executive Directors:						
Michael Addison	54%	40%	–	–	46%	60%
Michael McNeilly	37%	64%	–	–	63%	36%
Robert Crossman	–	32%	–	–	–	68%
Executive Directors:						
Martin Holland	28%	38%	–	–	72%	62%
Andrew Sissian	29%	46%	–	–	71%	54%

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:	**Martin Holland**
Title:	*Executive Chairman and Managing Director*
Agreement commenced:	21 November 2019
Term of agreement:	Mr Holland's annual remuneration package under the Executive Services Agreement is $288,000 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:	**Andrew Sissian**
Title:	*Finance Director*
Agreement commenced:	21 November 2019
Term of agreement:	Under the Consultancy Agreement, a monthly fee of $12,000 (excluding GST) is payable for the first 40 hours of work provided each month. Additional fees are payable at $300 per hour (excluding GST) capped $22,000 per month.

Name:	**Michael Addison**
Title:	*Non-Executive Director*
Agreement commenced:	25 November 2019
Term of agreement:	The Non-Executive Director will be paid an annual director's fee of $72,000 (plus GST if applicable) under the agreement. No additional retirement or termination payment will be made on termination of the agreement.

Name:	**Michael McNeilly**
Title:	*Non-Executive Director*
Agreement commenced:	6 November 2019
Term of agreement:	The Non-Executive Director will be paid an annual Director's fee of $72,000 (plus GST if applicable) under the agreement. No additional retirement or termination payment will be made on termination of the agreement.

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

Prior to the service arrangements being in place key management personnel 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 2021.

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 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
6 April 2021	6 April 2021	6 April 2026	$0.3350	$0.121

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Martin Holland	6,650,000	6 April 2021	6 April 2021	6 April 2026	$0.3350	$0.121
Andrew Sissian	3,100,000	6 April 2021	6 April 2021	6 April 2026	$0.3350	$0.121
Michael McNeilly	1,000,000	6 April 2021	6 April 2021	6 April 2026	$0.3350	$0.121
Michael Addison	500,000	6 April 2021	6 April 2021	6 April 2026	$0.3350	$0.121

Options granted carry no dividend or voting rights.

Additional information

The earnings of the consolidated entity for the three years to 30 June 2021 are summarised below:

	2021 $	2020 $	18 May 2018 to 30 June 2019 $
Loss after income tax	(2,747,597)	(1,988,417)	(150,210)

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

	2021 $	2020 $	18 May 2018 to 30 June 2019 $
Share price at financial year end ($)*	0.16	0.18	–
Basic earnings per share (cents per share)	(2.40)	(2.93)	(1.79)
Diluted earnings per share (cents per share)	(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
Ordinary shares					
Martin Holland	11,024,334	–	–	–	11,024,334
Andrew Sissian	4,849,052	–	–	–	4,849,052
Michael Addison	1,062,500	–	–	–	1,062,500
	16,935,886	–	–	–	16,935,886

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
Options over ordinary shares					
Martin Holland	6,525,000	6,650,000	–	–	13,175,000
Andrew Sissian	3,337,000	3,100,000	–	–	6,437,000
Michael Addison	500,000	500,000	–	–	1,000,000
Michael McNeilly	500,000	1,000,000	–	–	1,500,000
	10,862,000	11,250,000	–	–	22,112,000

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	23 September 2024	$0.2000	12,749,000
29 November 2019	23 September 2024	$0.2000	500,000
17 January 2020	16 January 2023	$0.3000	2,000,000
6 April 2021	6 April 2026	$0.3350	11,500,000
			26,749,000

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 2021 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.

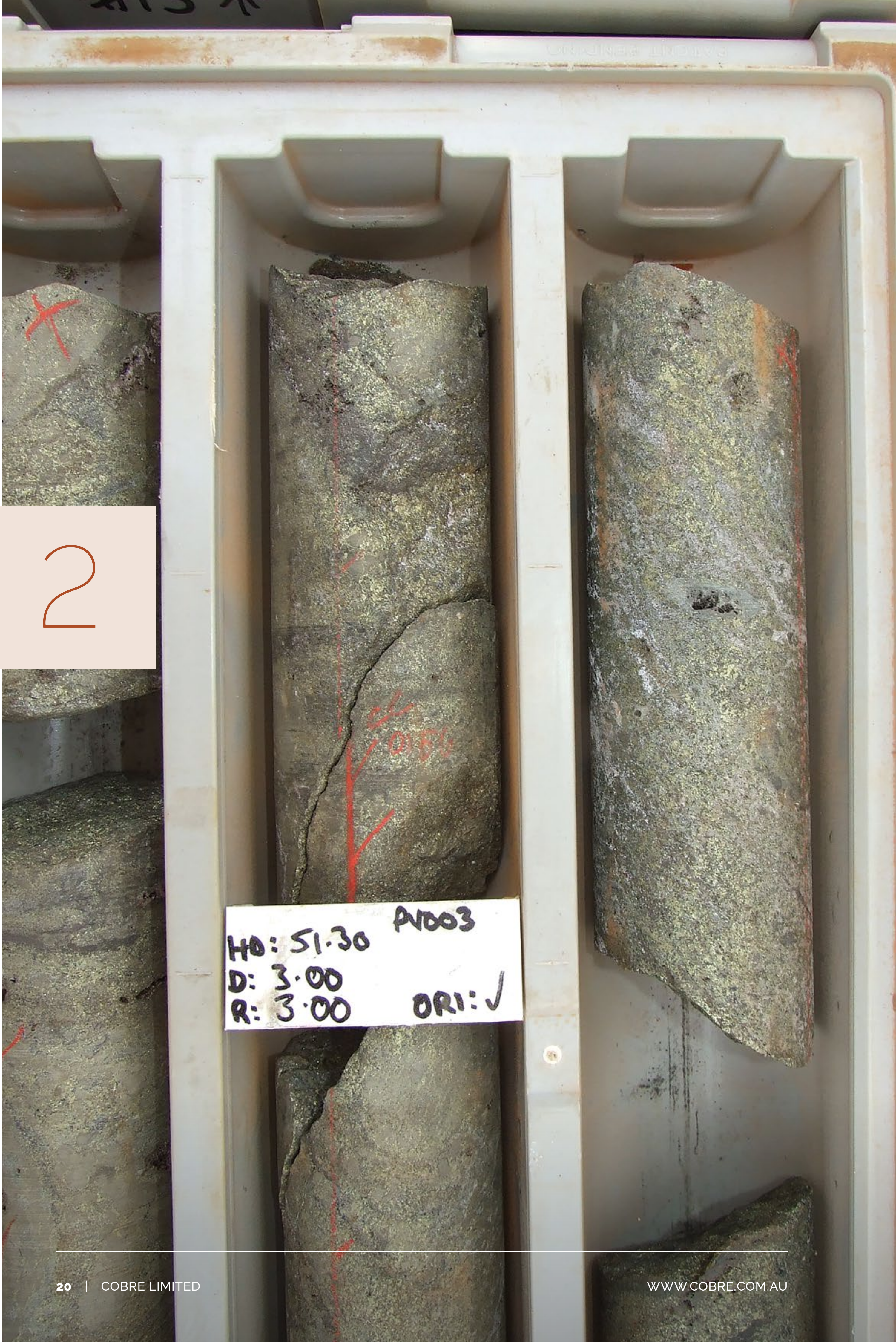
AUDITOR

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, Managing Director
27 September 2021



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Auditor's Independence Declaration

Building a better working world

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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 year ended 30 June 2021, 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; and

b) no contraventions of 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
27 September 2021

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Statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Revenue			
Other income		25,702	42,949
Interest revenue calculated using the effective interest method		5,030	19,160
Expenses			
Corporate and administration expenses	5	(978,711)	(946,325)
Tenement expenses		(238)	(37,952)
Employee benefits expense		(315,360)	(109,500)
Share based payment expense	30	(1,393,764)	(631,824)
Depreciation and amortisation expense	5	(1,525)	(172)
IPO expenses		–	(324,753)
Fair value loss on derivative financial asset	16	(10,437)	–
Share of equity accounted for losses	8	(64,668)	–
Other expenses		(25,031)	–
Loss before income tax benefit		**(2,759,002)**	**(1,988,417)**
Income tax benefit	6	11,405	–
Loss after income tax benefit for the year		**(2,747,597)**	**(1,988,417)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain on the revaluation of financial assets at fair value through other comprehensive income, net of tax		–	31,287
Loss on the revaluation of financial assets at fair value through other comprehensive income, net of tax		(4,676)	–
Other comprehensive income for the year, net of tax		(4,676)	31,287
Total comprehensive income for the year		**(2,752,273)**	**(1,957,130)**
Loss for the year is attributable to:			
Non-controlling interest		–	(16,172)
Owners of Cobre Limited		(2,747,597)	(1,972,245)
		(2,747,597)	(1,988,417)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		–	(16,172)
Owners of Cobre Limited		(2,752,273)	(1,940,958)
		(2,752,273)	(1,957,130)
		Cents	Cents
Basic earnings per share	29	(2.40)	(2.93)
Diluted earnings per share	29	(2.40)	(2.93)

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 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Assets			
Current assets			
Cash and cash equivalents	7	8,146,524	7,171,872
Trade and other receivables		77,364	162,577
Other		27,850	–
Total current assets		8,251,738	7,334,449
Non-current assets			
Receivables and deposits		81,042	20,000
Investments accounted for using the equity method	8	5,387,852	–
Financial assets at fair value through other comprehensive income		80,965	74,236
Derivative financial instruments	9	223,598	–
Property, plant and equipment		5,309	4,152
Exploration and evaluation	10	4,229,648	2,505,440
Total non-current assets		10,008,414	2,603,828
Total assets		**18,260,152**	**9,938,277**
Liabilities			
Current liabilities			
Trade and other payables	11	1,205,966	830,853
Total current liabilities		1,205,966	830,853
Total liabilities		1,205,966	830,853
Net assets		**17,054,186**	**9,107,424**
Equity			
Issued capital	12	21,237,996	11,932,725
Reserves	13	686,242	(702,846)
Accumulated losses		(4,870,052)	(2,122,455)
Total equity		**17,054,186**	**9,107,424**

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

Statement of changes in equity

For the year ended 30 June 2021

Consolidated	Issued capital (Note 12) $	Reserves (Note 13) $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2019	815,597	–	(150,210)	85,415	750,802
Loss after income tax expense for the year	–	–	(1,972,245)	(16,172)	(1,988,417)
Other comprehensive income for the year, net of tax	–	31,287	–	–	31,287
Total comprehensive income for the year	–	31,287	(1,972,245)	(16,172)	(1,957,130)
Consideration to gain 100% ownership of Toucan Gold Pty Ltd	–	(1,575,200)	–	–	(1,575,200)
Transfer on gain of 100% ownership of Toucan Gold Pty Ltd	–	69,243	–	(69,243)	–
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 12)	11,117,128	–	–	–	11,117,128
Share based payments	–	771,824	–	–	771,824
Balance at 30 June 2020	11,932,725	(702,846)	(2,122,455)	–	9,107,424

Consolidated	Issued capital (Note 12) $	Reserves (Note 13) $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2020	11,932,725	(702,846)	(2,122,455)	–	9,107,424
Loss after income tax benefit for the year	–	–	(2,747,597)	–	(2,747,597)
Other comprehensive income for the year, net of tax	–	(4,676)	–	–	(4,676)
Total comprehensive income for the year	–	(4,676)	(2,747,597)	–	(2,752,273)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 12)	9,305,271	–	–	–	9,305,271
Share based payments	–	1,393,764	–	–	1,393,764
Balance at 30 June 2021	21,237,996	686,242	(4,870,052)	–	17,054,186

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 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Cash flows from operating activities			
Interest received		5,030	19,160
Payments to suppliers and employees (inclusive of GST)		(1,172,630)	(1,476,897)
Payments for security deposits		–	(20,000)
Net cash used in operating activities	27	(1,167,600)	(1,477,737)
Cash flows from investing activities			
Payments for property, plant and equipment		(2,682)	(4,324)
Payments for exploration and evaluation		(2,295,970)	(1,181,203)
R&D tax offset received relating to exploration activities		132,511	–
Payment to acquire remaining 20% of Toucan Gold Pty Ltd		–	(528,000)
Payment for investment in Amada Exploration Limited		(437,237)	–
Transaction costs paid in relation to investment in Kalahari Metals Limited		(622,415)	–
Contribution paid to joint venture		(61,042)	–
Cash received on behalf of joint venture		218,663	–
Net cash used in investing activities		(3,068,172)	(1,713,527)
Cash flows from financing activities			
Proceeds from issue of shares		5,602,096	10,875,286
Share issue transaction costs		(391,672)	(690,358)
Net cash from financing activities		5,210,424	10,184,928
Net increase in cash and cash equivalents		974,652	6,993,664
Cash and cash equivalents at the beginning of the financial year		7,171,872	178,208
Cash and cash equivalents at the end of the financial year	7	8,146,524	7,171,872

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


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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.

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 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 22.

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 2021 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.

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.

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.

Revenue recognition

The consolidated entity recognises revenue as follows:

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 include 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

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

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.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures 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 joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

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, it's 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 current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered 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 carrying value 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.

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 is 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 is 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.

Fair value measurement

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. Management have reviewed the accounting standards that are yet mandatory and do not believe that they apply to the consolidated entity and therefore they are expected to have a material impact on the financial statements.

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.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 30 for details of valuation inputs used.

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. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities. The directors have reviewed the carrying value of each area of interest and have concluded that there are no indicators of impairment at 30 June 2021. Key judgements are also applied in considering whether indicators of impairment exist at each reporting period.

Investment in Kalahari Metals Limited (KML)

On 12 April 2021, the company issued 20,999,214 fully paid ordinary shares valued at $4,094,847 to acquire a 49.99% holding in Kalahari Metals Limited (KML). The ownership interest will move to 51% ownership once it receives change of control approval from the Ministry of Mines of Botswana which is expected shortly. Management have reviewed the arrangement and have determined that the company has joint control of KML with its joint venture partner, and the investment has been accounted for using the equity method, refer to note 8.

KML's assets are predominantly made up of exploration and evaluation assets. KML has not received any results from its exploration program since the investment was made that would indicate that an impairment is needed.

Investment in Armada Exploration Limited (Armada)

On 29 April 2021 the company acquired 5,000,000 shares in Armada for a total consideration of US$750,000, via a promissory note, with US$350,000 invested up-front and the balance of US$400,000 to be paid in monthly instalments of US$80,000, which the company can chose to defer. Cobre also received 3,333,333 options exercisable at US$0.225 with a 3 year expiry term. There is significant estimation involved in determining the fair value of the options received, which have been recognised as a derivative financial instrument. Refer to note 9.

Cobre owns 18.5% of the issued ordinary share capital of Armada. There is is significant judgement involved in determining whether Cobre has significant influence over Armada. Cobre has one director sitting on the Armada board and as a result it has been determined that Cobre exercises significant influence over Armada and investment has been accounted for using the equity method, refer to note 8. The options received have been recognised as a derivative financial instrument, refer to note 9.

Other third parties invested in Armada on the same terms as the company during the financial year. Armada has not had results from its exploration program since the investment was made that would indicate that an impairment is needed.

NOTE 3. IMPACT OF COVID 19 PANDEMIC

During the current financial year, the global economy has continued to be affected by the COVID-19 pandemic. All states including Western Australia have required entities to limit or suspend business operations, and have also implemented travel restrictions and quarantine measures. The impact which COVID 19 has had on the consolidated entity is set out below.

All employees, consultants and contractors have been able to continue with the planned exploration activities given its remote location and small crew on site. Local contractors have been utilised and all staff and contractors observed the necessary protocols. The situation is however dynamic, and management will continue to monitor developments. The consolidated entity has not been entitled to receive any of the government stimulus.

NOTE 4. 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.

NOTE 5. EXPENSES

Loss before income tax includes the following specific expenses:

	Consolidated	
	2021 $	2020 $
Corporate and administration expenses		
Directors fees	291,000	318,333
Consultants and advisors	355,319	445,346
Other administration expenses	332,392	182,646
	978,711	946,325

NOTE 6. INCOME TAX BENEFIT

	Consolidated	
	2021 $	2020 $
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(2,759,002)	(1,988,417)
Tax at the statutory tax rate of 26% (2020: 30%)	(717,341)	(596,525)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share based payments	362,379	189,547
Other non-deductible items	15,730	7,647
Deductible exploration expenditure	(425,046)	(515,232)
Other temporary difference	29,750	(6,078)
Tax on revaluations financial assets at fair value through other comprehensive income	11,405	–
	(723,123)	(920,641)
Current year tax losses not recognised	711,718	920,641
Income tax benefit	(11,405)	–
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	5,619,425	3,199,484
Potential tax benefit @ 26% (2020 : @30%)	1,461,051	959,845

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.

NOTE 7. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	Consolidated	
	2021 $	2020 $
Cash on hand	100	100
Cash at bank	8,146,424	7,171,772
	8,146,524	7,171,872

The above cash balance includes $218,663 of funds held on behalf of Kalahari Metals Limited, a joint venture in which the company has invested. This cash is restricted for use by the consolidated entity. Refer to note 11.

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

	Consolidated	
	2021 $	2020 $
Investment in associate – Armada Exploration Limited	698,773	–
Investment in joint venture – Kalahari Metals Limited	4,689,079	–
	5,387,852	–
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	–	–
Additions	5,452,520	–
Share of equity accounted for losses	(64,668)	–
Closing carrying amount	5,387,852	–

Refer to note 24 for further information on interests in associates.

Refer to note 25 for further information on interests in joint ventures.

Refer to note 2 for information on the key judgements made in relation to the accounting treatment of above investments.

NOTE 9. NON-CURRENT ASSETS – DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated	
	2021 $	2020 $
Options over unlisted equity securities	223,598	–

Refer to note 16 for further information on fair value measurement.

As part of its investment in Armada Exploration Limited the company received 3,333,333 options exercisable at US$0.225 per share with a 3 year expiry term.

NOTE 10. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION

	Consolidated	
	2021 $	2020 $
Exploration and evaluation – at cost	4,229,648	2,505,440

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 2019	710,302
Additions	1,795,138
Balance at 30 June 2020	2,505,440
Additions	1,856,719
R&D tax incentive	(132,511)
Balance at 30 June 2021	4,229,648

NOTE 11. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	Consolidated	
	2021 $	2020 $
Trade payables	176,268	683,109
Directors' fee accrual	113,000	100,000
Promissory note – Armada Exploration Limited	532,056	–
Funds held on behalf of joint venture – Kalahari Metals Limited	218,663	–
Other payables	165,979	47,744
	1,205,966	830,853

Refer to note 15 for further information on financial instruments.

NOTE 12. EQUITY – ISSUED CAPITAL

	Consolidated			
	2021 Shares	2020 Shares	2021 $	2020 $
Ordinary shares – fully paid	156,649,877	102,970,688	21,237,996	11,932,725

Details	Date	Shares	Issue price	$
Balance	1 July 2019	36,810,576		815,597
Issue of shares	12 September 2019	6,600,000	$0.0760	500,285
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	166,667	$0.1500	25,000
Issue of shares*	31 January 2020	750,000	$0.0000	1
Issue of IPO shares	31 January 2020	50,000,000	$0.2000	10,000,000
Shares issued to acquire remaining 20% of Toucan Gold Pty Ltd	12 May 2020	6,160,000	$0.1700	1,047,200
Cost of capital raised		–	$0.0000	(830,358)
Balance	30 June 2020	102,970,688		11,932,725
Issue of shares	18 December 2020	1,550,000	$0.2000	310,000
Issue of shares – KML acquisition**	12 April 2021	20,999,214	$0.1950	4,094,847
Issue of shares	23 April 2021	31,129,975	$0.1700	5,292,096
Cost of capital raised		–	$0.0000	(391,672)
Balance	30 June 2021	156,649,877		21,237,996

* *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 company's 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."*

** *The above shares were valued based on the market value of the company's shares on the date of issue because it was not possible to reasonably estimate KML's fair value at time that the investment was made.*

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 explore, integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2020 Annual Report.

NOTE 13. EQUITY – RESERVES

	Consolidated	
	2021 $	2020 $
Financial assets at fair value through other comprehensive income reserve	26,611	31,287
Share-based payments reserve	2,165,588	771,824
Acquisition reserve	(1,505,957)	(1,505,957)
	686,242	(702,846)

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, 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	Acquisition reserve $	Financial assets $	Share based payments $	Total $
Balance at 1 July 2019	–	–	–	–
Revaluation – net of tax	–	31,287	–	31,287
Share based payments	–	–	771,824	771,824
Consideration to gain 100% ownership of Toucan Gold Pty Ltd	(1,575,200)	–	–	(1,575,200)
Transfer on gain of 100% ownership of Toucan Gold Pty Ltd	69,243	–	–	69,243
Balance at 30 June 2020	(1,505,957)	31,287	771,824	(702,846)
Revaluation – net of tax	–	(4,676)	–	(4,676)
Share based payments	–	–	1,393,764	1,393,764
Balance at 30 June 2021	(1,505,957)	26,611	2,165,588	686,242

NOTE 14. EQUITY - DIVIDENDS

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

NOTE 15. 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 consolidated entity is not exposed to any significant 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	
Consolidated	2021 $	2020 $	2021 $	2020 $
US dollars	2,827,226	–	532,056	–

Price risk

The consolidated entity is not exposed to any significant price risk.

	Average price increase			Average price decrease		
Consolidated – 2021	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
US dollars	10%	(229,517)	(229,517)	10%	229,517	229,517

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, joint venture contributions, security deposits and a management fee charged to a joint venture partner. 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 and available borrowing facilities 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 – 2021	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-interest bearing						
Trade payables	–	176,268	–	–	–	176,268
Other payables	–	1,029,698	–	–	–	1,029,698
Total non-derivatives		1,205,966	–	–	–	1,205,966
Consolidated – 2020						
Non-interest bearing						
Trade payables	–	683,109	–	–	–	683,109
Other payables	–	147,744	–	–	–	147,744
Total non-derivatives		830,853	–	–	–	830,853

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 16. 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

	Level 1 $	Level 2 $	Level 3 $	Total $
Consolidated – 2021				
Assets				
Ordinary shares	80,965	–	–	80,965
Options over unlisted equity securities	–	–	223,598	223,598
Total assets	80,965	–	223,598	304,563
Consolidated – 2020				
Assets				
Ordinary shares	74,236	–	–	74,236
Total assets	74,236	–	–	74,236

There were no transfers between levels during the financial year.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The options over unlisted equity securities were valued using the Black Scholes method. The fair value of the equity security used in the valuation model has been estimated with reference to value of investments made in the investee company at the same time that the related options were issued.

The company holds 3,333,333 options over ordinary shares in Armada Exploration Limited. The below inputs have inputs have been used in the Black Scholes valuation performed:

- Volatility – 100%
- Duration – 2.83 years
- Risk free rate – 0.58%
- Spot price – $0.147
- Exercise price – $0.299

Level 3 assets

Movements in level 3 assets during the current and previous financial year are set out below:

Consolidated	Options over unlisted securities $
Balance at 1 July 2019	–
Balance at 30 June 2020	–
Additions	234,035
Fair value movement recognised in profit or loss	(10,437)
Balance at 30 June 2021	223,598

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	
	2021 $	2020 $
Short-term employee benefits	588,999	418,333
Post-employment benefits	27,360	9,500
Share-based payments	1,363,464	621,299
	1,979,823	1,049,132

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	
	2021 $	2020 $
Audit services – Ernst & Young		
Audit or review of the financial statements	75,000	65,000
Other assurance services – Ernst & Young		
Independent accountant's report	–	48,000
	75,000	113,000
Other services – Ernst & Young		
Due diligence	44,000	–
Tax consulting	24,497	–
	68,497	–

NOTE 19. CONTINGENT LIABILITIES

Under the Metal Tiger subscription letter dated 19 November 2019, the company will fully indemnify Metal Tiger for any capital gains tax (or other tax) charge that it incurs on the disposal of its Pre-IPO Shares in the company, up to a capped aggregate amount of $30,000.

On 4 March 2021 the Company was informed that Western Australian Government, via RevenueWA, is conducting a routine review of the Company's acquisition of 100% of the shares in Toucan Gold Pty Ltd in order to determine whether the transactions are liable for landholder duty in Western Australia. The Company engaged valuation experts in performing the assessment and does not believe that this matter will result in any material adverse outcome based on information currently available and no provision has been made for any potential adverse outcome.

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

NOTE 20. COMMITMENTS

	Consolidated	
	2021 $	2020 $
Joint venture funding Committed at the reporting date but not recognised as liabilities, payable:		
Funding of joint venture	1,723,957	–

Under the KML joint venture agreement the company has agreed to fund the above amount over the first 24 months of the investment.

NOTE 21. RELATED PARTY TRANSACTIONS

Parent entity

Cobre Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 23.

Associates

Interests in associates are set out in note 24.

Joint ventures

Interests in joint ventures are set out in note 25.

Key management personnel

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

	Consolidated	
	2021 $	2020 $
Other income: Management fee charged to joint venture – KML	25,702	–
Payment for goods and services: Payment for services from those related to key management personnel	22,200	19,800

Receivable from and payable to related parties

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

	Consolidated	
	2021 $	2020 $
Current receivables:		
Trade receivables from joint venture – KML	25,702	–
Current payables:		
Trade payables to related to key management personnel	2,200	–
Fees payable to key management personnel	27,999	5,000
Funds held on behalf of joint venture – Kalahari Metals Limited	218,663	–

Loans to/from related parties

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

	Consolidated	
	2021 $	2020 $
Non-current receivables:		
Contribution to joint venture – Kalahari Metals Limited	61,043	–

Terms and conditions

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

NOTE 22. PARENT ENTITY INFORMATION

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

Statement of profit or loss and other comprehensive income

	Parent	
	2021 $	2020 $
Loss after income tax	(4,719,591)	(3,478,202)
Total comprehensive income	(4,719,591)	(3,478,202)

Statement of financial position

	Parent	
	2021 $	2020 $
Total current assets	7,991,913	7,153,680
Total assets	17,482,081	9,326,791
Total current liabilities	821,984	219,367
Total liabilities	821,984	219,367
Equity		
Issued capital	21,237,996	11,932,725
Financial assets at fair value through other comprehensive income reserve	26,611	31,287
Share-based payments reserve	2,165,588	771,824
Accumulated losses	(6,770,098)	(3,628,412)
Total equity	16,660,097	9,107,424

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

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 23. 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:

		Ownership interest	
Name	Principal place of business/ Country of incorporation	2021 %	2020 %
Toucan Gold Pty Ltd	Australia	100.00%	100.00%
Cobre Kalahari Pty Ltd	Australia	100.00%	–

NOTE 24. 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:

	Principal place of business/ Country of incorporation	Ownership interest 2021	Ownership interest 2020
Armada Exploration Limited	Mauritius	18.50%	–

Summarised financial information

	2021 $
Summarised statement of financial position	
Current assets	2,158,361
Non-current assets	5,814,577
Total assets	7,972,938
Current liabilities	3,255,198
Total liabilities	3,255,198
Net assets	4,717,740
Summarised statement of profit or loss and other comprehensive income	
Expenses	(197,217)
Loss before income tax	(197,217)
Other comprehensive income	–
Total comprehensive income	(197,217)

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 25. INTERESTS IN JOINT VENTURES

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

		Ownership interest	
Name	Principal place of business/ Country of incorporation	2021 %	2020 %
Kalahari Metals Ltd	UK	49.99%	–

Summarised financial information

	2021 $
Summarised statement of financial position	
Non-current assets	2,989,202
Total assets	2,989,202
Other current liabilities	571,893
Non-current liabilities	417,235
Total liabilities	989,128
Net assets	2,000,074
Summarised statement of profit or loss and other comprehensive income	
Other expenses	(57,516)
Loss before income tax	(57,516)
Other comprehensive income	–
Total comprehensive income	(57,516)

NOTE 26. EVENTS AFTER THE REPORTING PERIOD

On 27 July 2021, the company announced that it had agreed to invest $1,000,000 in the capital raising announced by the company's largest shareholder, ASX and AIM listed, Metal Tiger plc (MTR). MTR was undertaking a two tranche conditional capital raising of $5,000,000 before costs at a placement price of $0.37 per share. On 24 September 2021 the company paid for this investment.

No other matter or circumstance has arisen since 30 June 2021 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 27. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	Consolidated	
	2021 $	2020 $
Loss after income tax benefit for the year	(2,747,597)	(1,988,417)
Adjustments for:		
Depreciation and amortisation	1,525	172
Share of loss – associates	36,485	–
Share of loss – joint ventures	28,183	–
Share-based payments	1,393,764	631,824
Non cash income	–	(42,949)
Income tax benefit on investments	(11,405)	–
Net fair value loss on derivative financial assets	10,437	–
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	85,213	(77,703)
Increase in other operating assets	(27,850)	(20,000)
Increase in trade and other payables	63,645	19,336
Net cash used in operating activities	(1,167,600)	(1,477,737)

NOTE 28. NON-CASH INVESTING AND FINANCING ACTIVITIES

	Consolidated	
	2021 $	2020 $
Share issued to gain 100% ownership of Toucan Gold Pty Ltd	–	1,047,200
Options issued to lead broker during IPO	–	140,000
Shares issued for investment in Kalahari Metals Limited	4,094,847	–
	4,094,847	1,187,200

On 12 April 2021, the company issued 20,999,214 fully paid ordinary shares to acquire a 49.99% holding in Kalahari Metals Limited. The shares were valued at $0.195 cents a share totalling $4,094,847.

On 12 May 2020, the company acquired the remaining 20% of the issued capital of Toucan Gold Pty Ltd, to increase its interest to 100% of Toucan. The consideration was a cash payment of $528,000 plus 6,160,000 fully paid ordinary shares valued at $0.17 cents a share totalling $1,047,200.

On 17 January 2020, the lead broker to the company's capital raising was issued 2,000,000 options over ordinary shares. The options expire on 16 January 2023 and have an exercise price of 30 cents.

NOTE 29. EARNINGS PER SHARE

	Consolidated	
	2021 $	2020 $
Loss after income tax	(2,747,597)	(1,988,417)
Non-controlling interest	–	16,172
Loss after income tax attributable to the owners of Cobre Limited	(2,747,597)	(1,972,245)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	114,286,182	67,210,702
Weighted average number of ordinary shares used in calculating diluted earnings per share	114,286,182	67,210,702
	Cents	Cents
Basic earnings per share	(2.40)	(2.93)
Diluted earnings per share	(2.40)	(2.93)

At 30 June 2021 the company has 26,749,000 (2020: 15,249,000) options over ordinary shares on issue that were excluded in the calculations of diluted earnings per share because there were anti-dilutive.

NOTE 30. SHARE-BASED PAYMENTS

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

Consolidated	Number of options 2021	Weighted average exercise price 2021	Number of options 2020	Weighted average exercise price 2020
Outstanding at the beginning of the financial year	15,249,000	$0.2259	–	$0.0000
Granted	11,500,000	$0.3350	15,249,000	$0.2259
Outstanding at the end of the financial year	26,749,000	$0.2655	15,249,000	$0.2259
Exercisable at the end of the financial year	24,749,000	$0.2655	13,249,000	$0.2259

2021 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the 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
17/01/2020	16/01/2023	$0.3000	2,000,000	–	–	–	2,000,000
06/04/2021	06/04/2026	$0.3350	–	11,500,000	–	–	11,500,000
			15,249,000	11,500,000	–	–	26,749,000
Weighted average exercise price			$0.2259	$0.3350	$0.0000	$0.0000	$0.2655

2020 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the 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
17/01/2020	16/01/2023	$0.3000	–	2,000,000	–	–	2,000,000
			–	15,249,000	–	–	15,249,000
Weighted average exercise price			$0.0000	$0.2259	$0.0000	$0.0000	$0.2259

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.76 years (2020: 4.08 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	23/09/2024	$0.0758	$0.2000	100.00%	–	0.75%	$0.045
29/11/2019	23/09/2024	$0.1500	$0.2000	100.00%	–	0.74%	$0.104
17/01/2020	16/01/2023	$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

A total share based payment expense of $1,393,764 (2020: $631,824) has been recognised during the current financial year. In addition options valued at $140,000 have been included as a cost of capital raised in the prior year.

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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 2021 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, Managing Director
27 September 2021

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Independent auditor's report

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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 Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial report, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is 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 30 June 2021 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 Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards 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.

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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. For each 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 those in relation to this matter. 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 matter below, provide the basis for our audit opinion on the accompanying financial report.

Carrying Value of Exploration and Evaluation Assets

Why significant

The Group's exploration assets of $4.2m as at 30 June 2021 represent 23% of the total assets of the Group (see Note 10).

Exploration assets are initially recognised at cost and any additional expenditure is capitalised to the exploration asset in accordance with the Group's accounting policy as outlined in Note 1.

At each reporting date the Directors' assess the Group's exploration assets for indicators of impairment. The decision as to whether there are indicators that require the Group's exploration assets to be assessed for impairment in accordance with Australian Accounting Standards involved judgment, including whether, the rights to tenure for the areas of interest are current, the Group's ability and intention to continue to evaluate and develop the area of interest and whether the results of the Group'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.

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.

How our audit addressed the key audit matter

Our procedures to address the Group's assessment of impairment indicators for exploration assets included:

- Understanding the current exploration program and any associated risks.
- Considering the Group's right to explore in the relevant exploration area, which included obtaining and assessing supporting documentation such as license agreements.
- Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant areas of interest, which included an assessment of the Group's cash-flow forecast models, discussions with senior management and Directors as to the intentions and strategy of the Group.
- Agreeing a sample of costs capitalised for the period to supporting documentation and considering whether these costs meet the requirements of Australian Accounting Standards and the Group's accounting policy.
- Assessing whether the methodology used by the Group to identify indicators of impairment met the requirements of Australian Accounting Standards.
- Evaluating the adequacy of the related disclosures in the financial report.

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Information other than the Financial Statements and Auditor's Report

The Directors are responsible for the other information. The other information comprises the information included in the Company's 2021 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 we do not and will 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or 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 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 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.

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- 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 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 and conditions that may cast significant doubt on the Group'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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 18 of the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Cobre Limited for the year ended 30 June 2021, 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

Ernst & Young

Ryan Fisk
Partner
Sydney
27 September 2021

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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 7 September, 2021.

INFORMATION PURSUANT TO LISTING RULE 4.10.19

Over the whole of the reporting period between 1 July 2020 and 30 June 2021 and to the date of this Annual Report, the Company used its cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

INFORMATION PURSUANT TO LISTING RULE 5.20

Perrinvale Project

The Perrinvale Project is based on a large conterminous group of ten exploration licenses held by Toucan Gold Pty Ltd, a wholly owned subsidiary of Cobre. The Perrinvale tenements total 408km^2 in size.

Tenement/ Application	Holder/ Applicant	Shares	Grant Date	Expiry Date	Area[1]
E29/1017	Toucan Gold Pty Ltd	100/100	4 Jan2018	3 Jan 2023	18BL
E29/929-I	Toucan Gold Pty Ltd	100/100	25 Aug 2015	24 Aug 2024	32BL
E29/938-I	Toucan Gold Pty Ltd	100/100	8 Jul 2015	7 Jul 2025	21BL
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 2022	20BL
E29/987	Toucan Gold Pty Ltd	100/100	19 Sep 2017	18 Sep 2022	7BL
E29/988	Toucan Gold Pty Ltd	100/100	19 Sep 2017	18 Sep 2022	1BL
E29/989	Toucan Gold Pty Ltd	100/100	19 Sep 2017	18 Sep 2022	3BL
E29/990	Toucan Gold Pty Ltd	100/100	19 Sep 2017	18 Sep 2022	9BL
E29/1106	Toucan Gold Pty Ltd	100/100	14 May 2021	13 May 2026	20BL

1 *BL = Blocks*

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^2 in size. Cobre does not hold a direct 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[1]
E09/2316	GTTS Generations Pty Ltd	100/100	9 Aug 2019	8 Aug 2024	65BL

1 BL = Blocks

CORPORATE GOVERNANCE

The Company's Corporate Governance Statement for the financial year ended 30 June 2021 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
Metal Tiger PLC	28 April 2021	20,900,000	16.602%
Holland International Pty Ltd <Holland Family A/C>	28 April 2021	11,024,384	6.718%
Resource Assets Pty Ltd	12 April 2021	8,113,269	6.46%

NUMBER OF HOLDERS OF EACH CLASS OF EQUITY SECURITIES

Category	Number of Holders
Fully Paid Ordinary Shares	565
Options exercisable at $0.20 expiring 24 September 2024 (not quoted on ASX)	6
Options exercisable at $0.30 expiring 31 January 2023 (not quoted on ASX)	4
Options exercisable at $0.335 expiring 6 April 2026 (not quoted on ASX)	5

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	155	145,279,974	92.740
10,001 to 100,000	233	10,305,462	6.580
5,001 to 10,000	93	815,380	0.520
1,001 to 5,000	68	246,609	0.160
1 to 1,000	16	2,452	0.000
Total	**565**	**156,649,877**	**100.000**

UNMARKETABLE PARCELS

There are 48 shareholders with an unmarketable parcel of shares being a holding of less than 3,572 shares each for a combined total of 86,153 shares. This is based on a closing price of $0.15 per share as at 6 September, 2021 and represents 0.055% of the shares on issue on that day.

TOP 20 SHAREHOLDERS

Category	Number of Shares	% of Shares
METAL TIGER PLC	26,006,963	16.602%
HOLLAND INTERNATIONAL PTY LTD <HOLLAND FAMILY A/C>	11,024,384	7.037%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,267,676	5.916%
RESOURCE ASSETS PTY LTD	8,113,269	5.179%
MONTCAP PTY LTD	6,871,459	4.387%
MR BERNARD AYLWARD <THE GALBRAITH FAMILY A/C>	5,408,846	3.453%
SISSIAN INTERNATIONAL PTY LTD <SISSIAN FAMILY A/C>	4,799,052	3.064%
LUKE ROBERT BRYAN	4,763,128	3.041%
ADAM MICHAEL WOOLDRIDGE	4,763,128	3.041%
RED PROJECTS LIMITED	3,771,043	2.407%
PS SUPER NOMINEE PTY LTD <SHADBOLT FUTURE FUND A/C>	2,806,736	1.792%
MR YULIANG FAN	2,600,000	1.660%
BROJO INVESTMENTS PTY LTD <B & J LYONS FAMILY A/C>	2,375,250	1.516%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,005,596	1.280%
MR GRANT WILLIAM PETER REYNOLDS	2,000,000	1.277%
MR PHILIP JOHN CAWOOD	1,800,000	1.149%
KYRIACO BARBER PTY LTD	1,800,000	1.149%
ZERO NOMINEES PTY LTD	1,617,005	1.032%
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	1,607,439	1.026%
ANNA CARINA PTY LTD <ANNA CARINA FAMILY A/C>	1,493,523	0.953%
Total Top 20	**104,894,497**	**66.961%**
Total Balance of Holders	**51,755,380**	**33.039%**
Total Shares	**156,649,877**	**100.00%**

ESCROWED SECURITIES

Category	Number	ASX or Voluntary	End of Escrow Period
Shares	36,711,947	ASX	31 January 2022
Shares	22,052,251	Voluntary	31 January 2022
Shares	5,106,963	Voluntary	11 April 2022
Unlisted Options exercisable at $0.20 expiring 24 September 2024	13,012,000	ASX	31 January 2022
Unlisted Options exercisable at $0.30 expiring 31 January 2023	2,000,000	ASX	31 January 2022

UNQUOTED SECURITIES

Category	Number of Units	Number of Holders
Options exercisable at $0.20 expiring 24 September 2024	13,249,000	6
Options exercisable at $0.30 expiring 31 January 2023	2,000,000	4
Options exercisable at $0.335 expiring 6 April 2026	11,500,000	5

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

Holding Ranges	Holders	Total Units	Percentage
100,001 and Over	6	13,249,000	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	**6**	**13,249,000**	**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	49.25%
Sissian International Pty Ltd <Sissian Family A/C>	3,337,000	25.18%

Distribution of Optionholders – exercisable at $0.30 expiring 31 January 2023:

Holding Ranges	Holders	Total Units	Percentage
100,001 and Over	4	2,000,000	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	**4**	**2,000,000**	**100.00%**

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

Name	Number	Percentage
Sternship Advisers Pty Ltd	1,000,000	50.00%
Mr Robert Anthony Hamilton <R Hamilton Family A/C>	525,000	26.25%

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%
Total	**5**	**11,500,000**	**100.00%**

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%

BUY-BACK

There is no current on-market buy back.

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

COBRE

Cobre Limited

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